

8. INDUSTRY OVERVIEW (cont'd)

Regional demand has been described in greater depth earlier in this Report. However, we believe that South East Asia and in particular Malaysia and Indonesia will be the key drivers behind heavy lift and pipelay demand in the region as the Majors and NOCs continue to develop fields ahead of ambitious strategic plans.

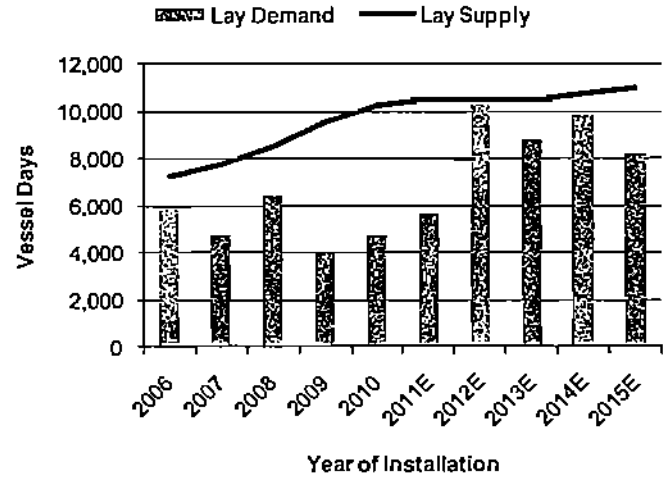
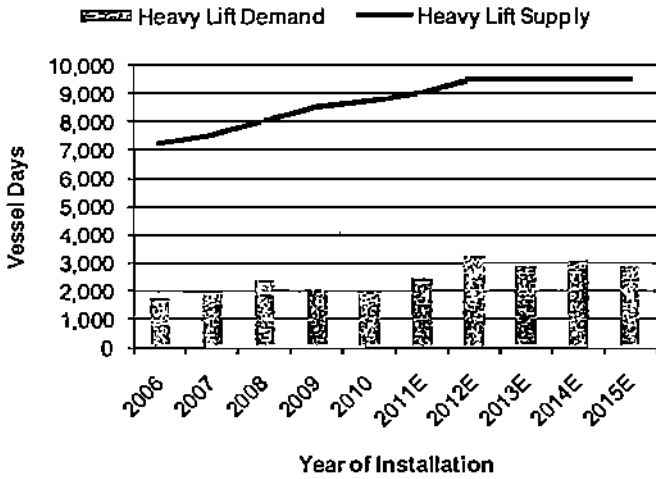


Figure 6-20: Asian heavy lift demand vs. supply (2006-2015) [Source: ISL]

Figure 6-21: Asian pipelay demand vs. supply (2006-2015) [Source: ISL]

The Asian market is deemed to be heavily dependent on client relationships. However, unlike other regions, competition (especially in the predominant shallow water areas) will likely be strong, particularly from those contractors already well established in the installation market.

Africa

The heavy lift market is expected to be oversupplied throughout the next 5 years following historic trends. Overall, there has been only an incremental increase of supply in the region where investment was made during the boom years before the recession. The positive sign for DLBs in this region is that there is a forecast increase in demand which should create opportunities for vessel owners operating in the region. Further good news in the region is that the deep and ultra-deepwater projects offshore West Africa will require sophisticated and large vessels towards the high end of the vessel spectrum in order to install platforms and subsea infrastructure. These opportunities will favour the Class A vessels working in the region, whilst also attracting some of the global vessels capable of working in these waters.

8. INDUSTRY OVERVIEW (cont'd)

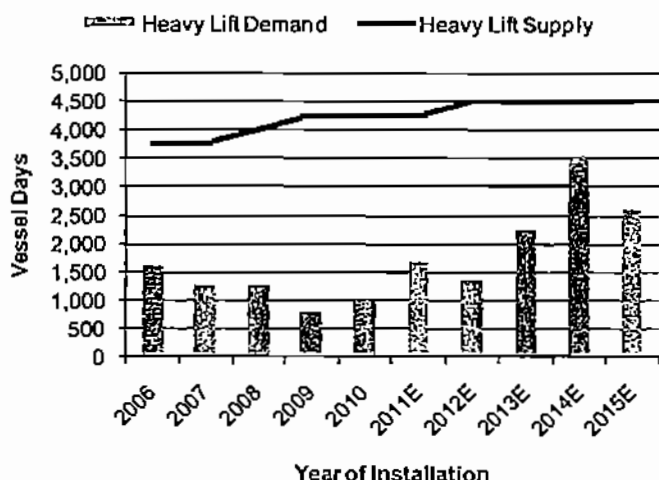


Figure 6-22: African heavy lift demand vs. supply (2006-2015) [Source: ISL]

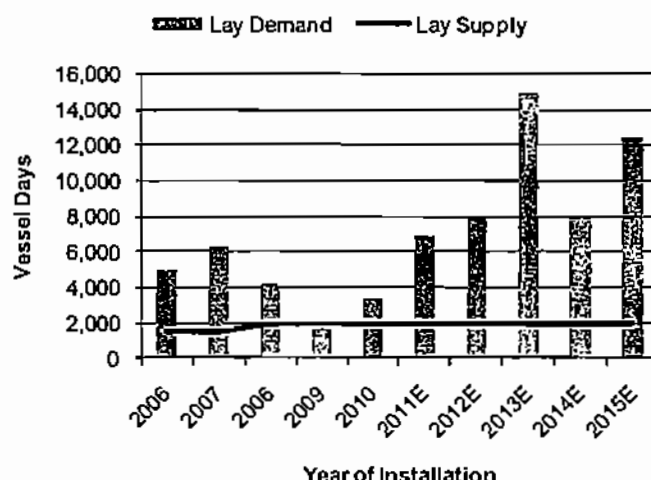


Figure 6-23: African pipelay demand vs. supply (2006-2015) [Source: ISL]

Supply within the African pipelay market is in a large state of undersupply with substantial increase in demand expected to be witnessed from 2011 onwards in the region as more pipeline infrastructure is required to bring some of these large production fields, in particular offshore West Africa, on-stream. However, we do believe that some of the high end vessels that can operate across regions within the global sphere will be attracted to the region due to the large amount of demand, especially towards 2013 to 2015, which will make the market slightly tighter than the current forecast.

Demand continues to be driven by West African nations primarily, however, there are large projects offshore North Africa for long and complex pipeline installations as well as large fixed platforms that we believe will complement West Africa’s demand and bolster conditions within Africa moving forward [Source: ISL].

Latin America

With the ambitious plans that Petrobras and Brazil have for field development over the next ten years, offshore Brazil is expected to be a key growth region for heavy lift and pipelay services. Both markets are expected to witness undersupply over the next five years, in particular in the pipelay market as flexible pipelines are likely to feature prominently at Petrobras developments.

With both markets expected to witness undersupply for offshore construction, we believe that high class vessels and owners will look to Brazil as an opportunity to strengthen either existing operations or gain a foothold in the region. There is also a high likelihood that new vessels with large flexible pipelay capabilities will be attracted to Brazil given the pipeline characteristics where Petrobras has a track record of using FPSO and subsea developments [Source: ISL].

On a more cautious note, the Brazilian government are pushing towards a large amount of local content requirement for offshore projects, especially the more lucrative pre-salt plays, and thus there could be a drive towards Brazilian built vessels being contracted for offshore construction rather than look to international vessels.

8. INDUSTRY OVERVIEW (cont'd)

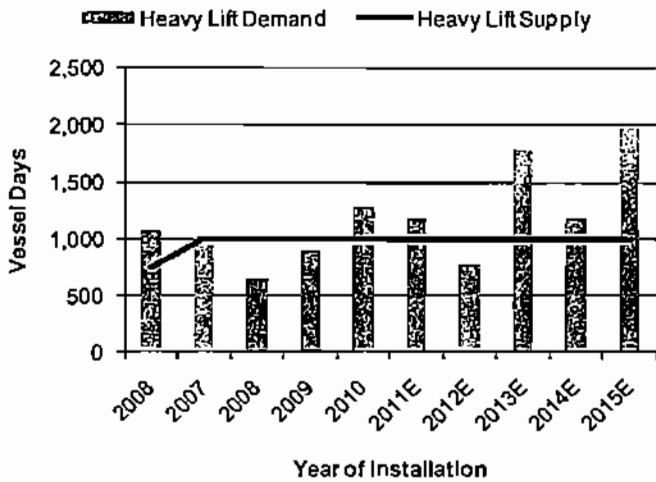


Figure 6-24: Latin American heavy lift demand vs. supply (2006-2015) [Source: ISL]

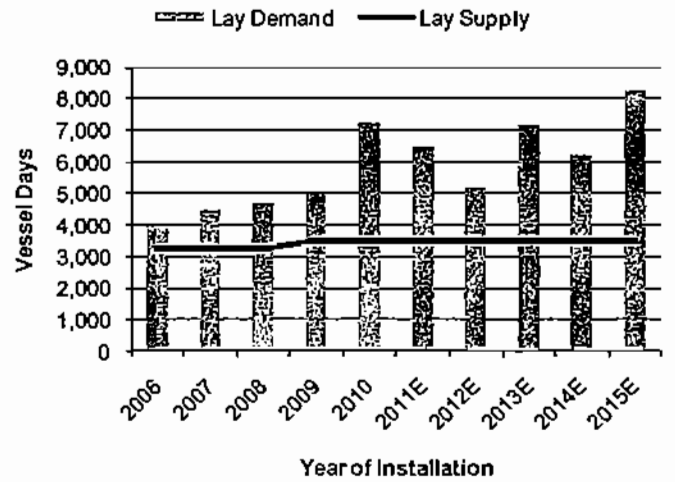


Figure 6-25: Latin American pipelay demand vs. supply (2006-2015) [Source: ISL]

Caspian Sea

The Caspian region has very different supply and demand dynamics than the three other regions analysed in this section such as Asia, Africa and Latin America, and is much more insular given its geographic location.

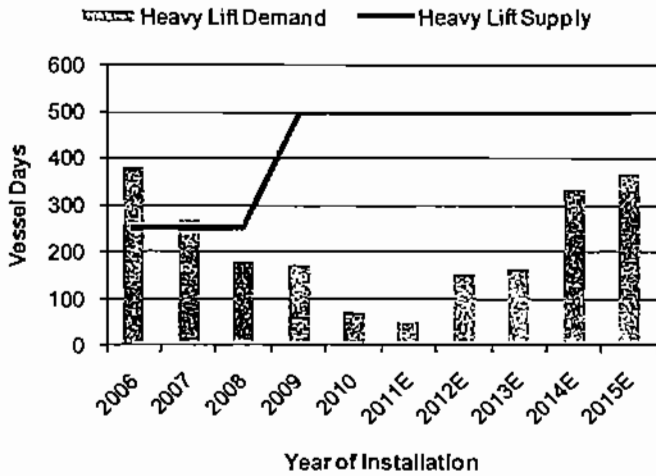


Figure 6-26: Caspian heavy lift demand vs. supply (2006-2015) [Source: ISL]

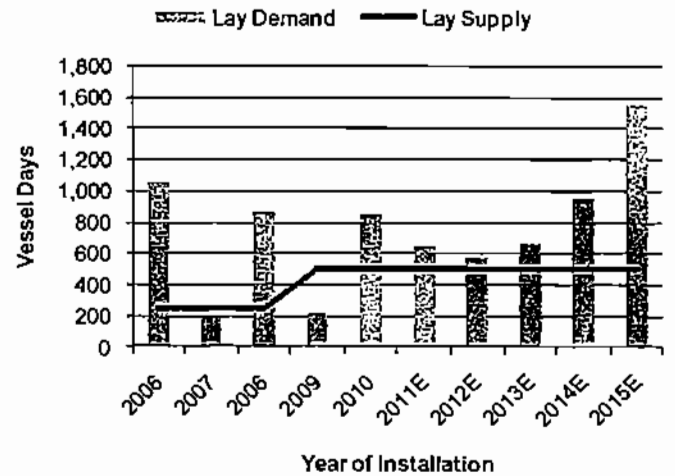


Figure 6-27: Caspian pipelay demand vs. supply (2006-2015) [Source: ISL]

The DLBs and crane vessels of the Caspian region are mostly flat bottomed shaped barges with water depth limitations but good manoeuvrability and stability to operate through the harsh weather conditions of the Caspian Sea [Source: ISL].

Longer term prospects in the region (e.g. beyond 2014) are driven by a number of large developments, including Kashagan, Kurmangazy, Akote and Kairan [Source: ISL].

8. INDUSTRY OVERVIEW (cont'd)

The current snapshot suggests only two vessels on current contracts in the region, however due to the insular nature of the region; this could change rapidly as there are vessels in the Caspian without any contracts. Furthermore, there are vessels in the Middle East with good track records which can be mobilised to the Caspian if demand increases rapidly. The vessels currently under contract in the region are operated by Saipem S.p.A. and Bumi Armada, the latter being the first Malaysian asset owner and operator in the Caspian region. Saipem S.p.A. owns and operate a large heavy lift and pipelay fleet and is considered one of the largest players in the global market, along with J Ray McDermott. In the Caspian Sea, the Armada Installer is Bumi Armada's only asset operating in this market. Nevertheless, Bumi Armada look well positioned in this region due to a long charter for the DLB with Petronas

6.2.9 Global SURF and IRM Market

Although demand for SURF heavy lift and lay installation has been included in the overall DLB market forecast above, the SURF market is an increasingly growing sector that we feel should be highlighted. IRM has also been included in this section as although the focus for the majority of these vessels are large installation contracts, there is potential upside for the DLB market from the IRM operations that can utilise idle vessels in between installation contracts.

SURF Market

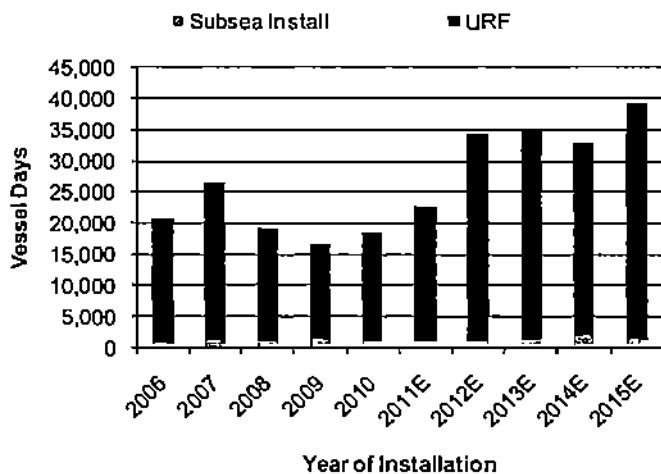


Figure 6-28: Global SURF demand by sector (2006-2015) [Source: ISL]

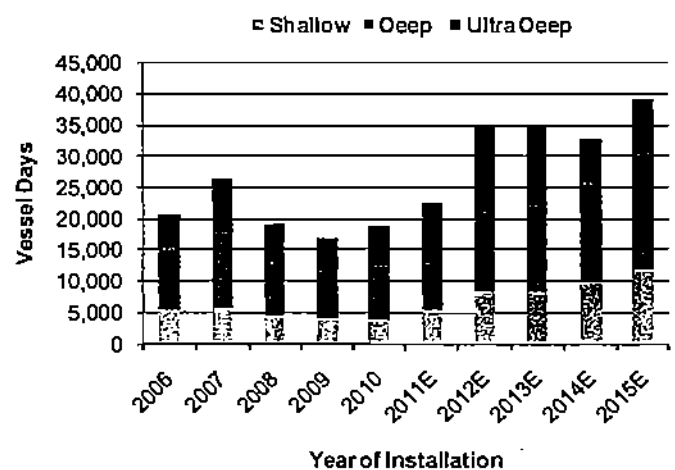


Figure 6-29: Global SURF demand by water depth group (2006-2015) [Source: ISL]

The SURF market includes Subsea installations (S), Umbilicals, Risers and Flowlines (URF) and has been separated in this Report as Subsea installations and URF to differentiate the requirements of heavy lift and lay vessels respectively. Overall, demand for SURF infrastructure is driven by floating production solutions such as FPSOs and the associated infrastructure. As Figure 6-28 shows, demand within the SURF market is heavily driven by the URF sector, which will require DLB vessels with lay capabilities. We expect the SURF market to grow over the next five years with a greater focus on deep and ultra-deepwater operations, indicative of the industry looking towards more remote locations for hydrocarbon production.

8. INDUSTRY OVERVIEW (cont'd)

SURF installation demand has historically taken place in intermediate environmental conditions, and whilst this trend is expected to continue, we believe that more benign and harsh environments will require SURF installation over the next five years. For benign waters, this is driven by secondary brownfield developments, as well as at greenfields offshore South East and East Asia. Whereas the increase in demand within harsh environments is driven primarily from Norway, and the anticipated large power lines and umbilicals expected to be installed over the next five years in the North and Barents Seas.

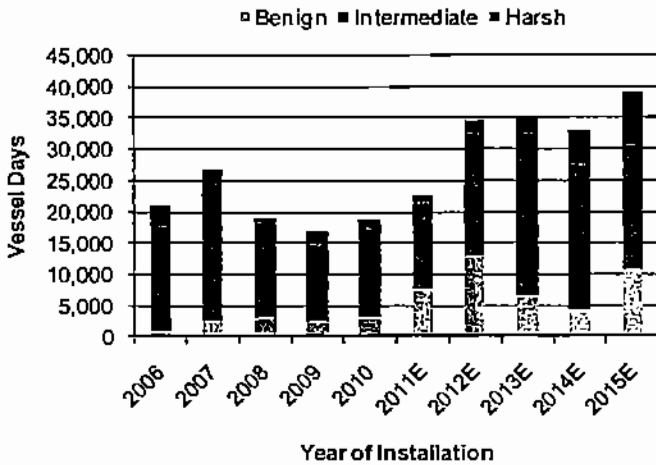


Figure 6-30: Global SURF demand by environment condition (2006-2015) [Source: ISL]

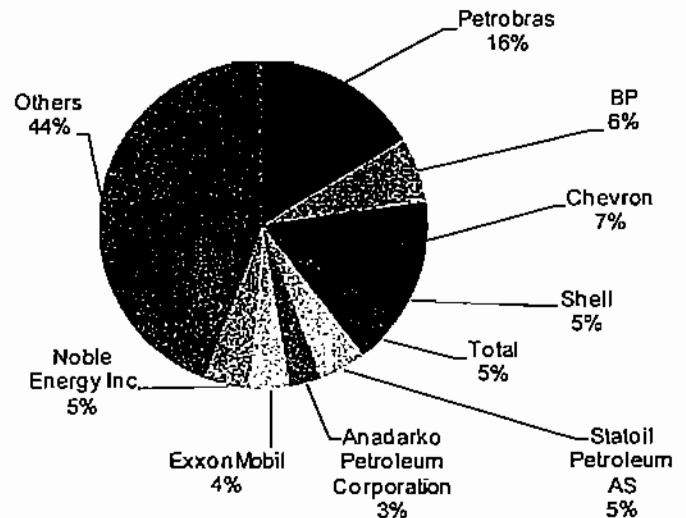


Figure 6-31: Global SURF estimated demand by operator (2011-2015) [Source: ISL]

Within the SURF market, Brazilian NOC Petrobras is expected to require the largest operator share of demand over the next five years reflecting the company's drive towards developing the lucrative pre-salt fields with FPSOs and associated subsea solutions that we believe require large amounts of SURF infrastructure. Other large operator share is anticipated to come from the Super majors such as Chevron, Total and Shell, with some of the larger IOCs also expected to require a large amount of SURF installations through to 2015.

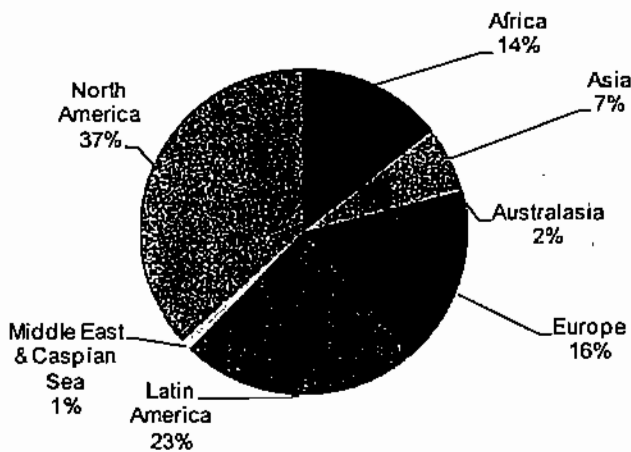


Figure 6-32: Global SURF demand by region (2006-2010) [Source: ISL]

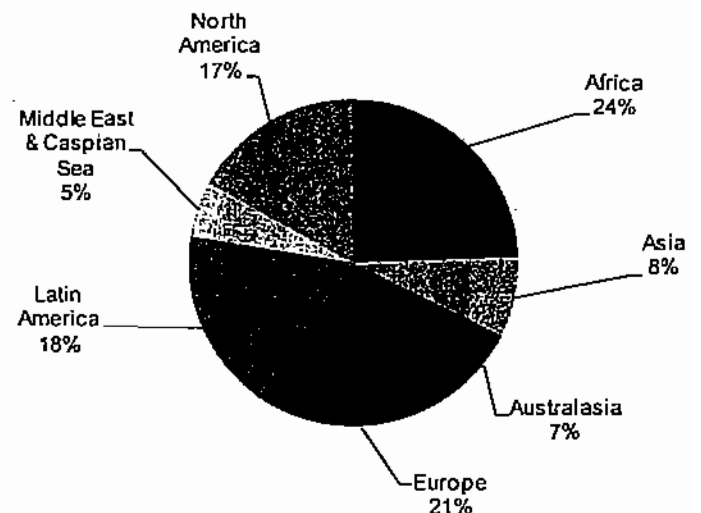


Figure 6-33: Global SURF estimated demand by region (2011-2015) [Source: ISL]

8. INDUSTRY OVERVIEW (cont'd)

Given the drive towards deep and ultra-deepwater floating solutions in the lower tertiary trend in the Gulf of Mexico in the last decade, it is not surprising that North America was the main regional driver for SURF demand in the last five years. Whilst the Deepwater Horizon disaster is one of the factors for the region losing market share for SURF demand over the next five years, the growth of the SURF market in regions such as Europe, Africa and Australasia is also a large factor. Indeed, the growth of the floating production market offshore West Africa and Australasia is one of the key drivers for this change.

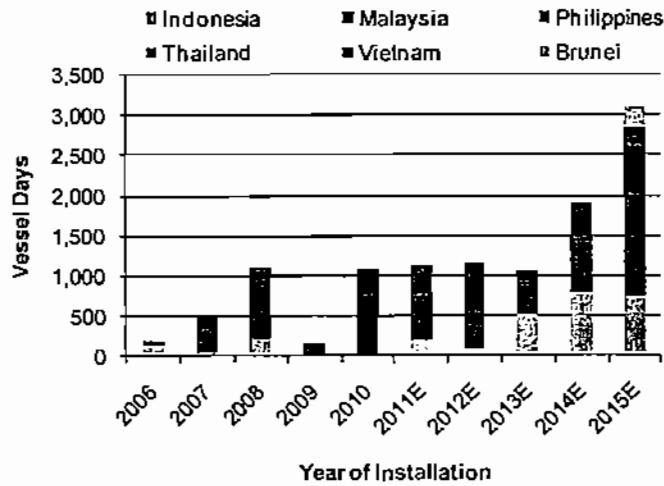


Figure 6-34: South East Asia SURF demand by country (2006-2015) [Source: ISL]

Although not historically a large region for SURF demand, the South East Asian market is expected to grow over the next five years, especially in the latter years as a swathe of floating production solutions are expected to be installed offshore Indonesia and Malaysia. Indeed we believe Malaysia to be the predominant country for SURF demand over the next five years within South East Asia.

IRM market

It should be noted that within this section the figures presented show the total demand market for IRM, some of which will be supplied by multi service vessels (MSVs) as well as some OSVs. Nevertheless, the IRM market should provide upside to DLBs that are not contracted to perform heavy lift or lay operations.

8. INDUSTRY OVERVIEW (cont'd)

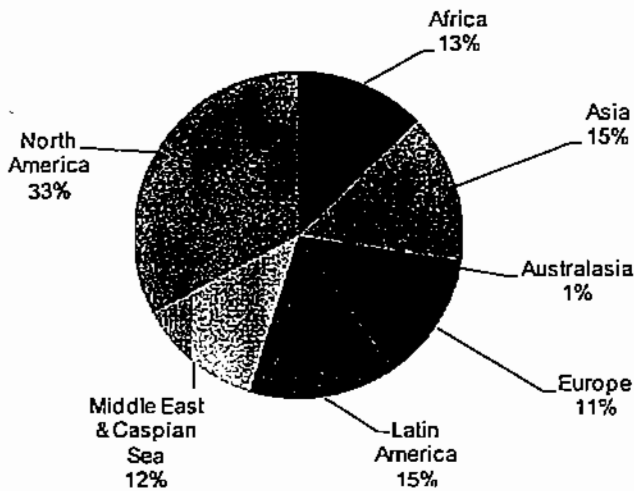


Figure 6-35: Global IRM demand by Region (2006-2010) [Source: ISL]

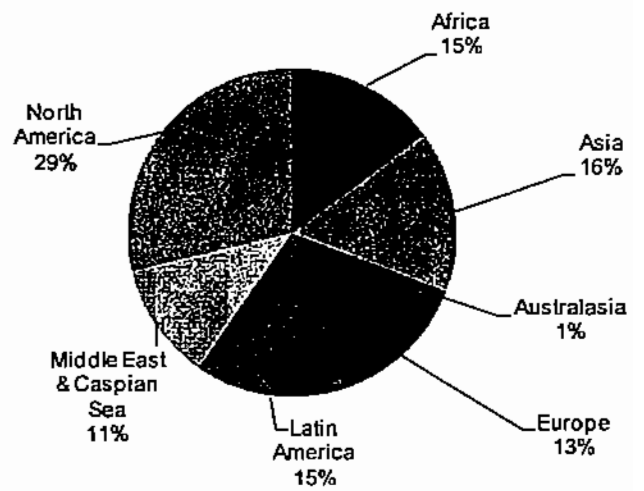


Figure 6-36: Global IRM estimated demand by Region (2011-2015) [Source: ISL]

We believe that the key regions for IRM demand over the next five years will continue to be North America, Asia, Africa and Latin America. For the Americas, the Gulf of Mexico (both Mexico and US) is expected to be the major location for IRM demand, especially in the shallow and benign waters.

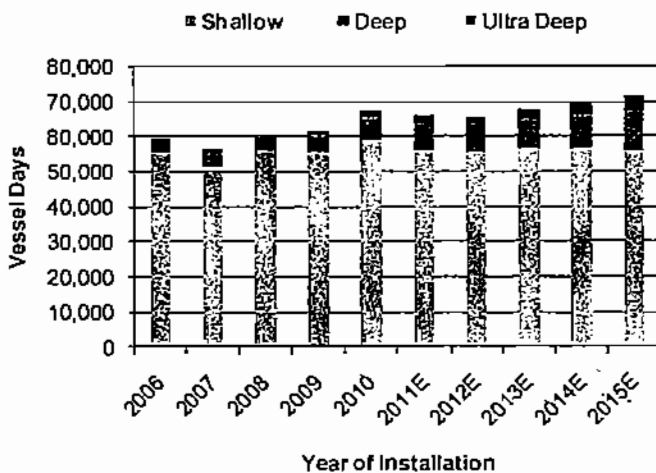


Figure 6-37: Global IRM demand by water depth group (2006-2015) [Source: ISL]

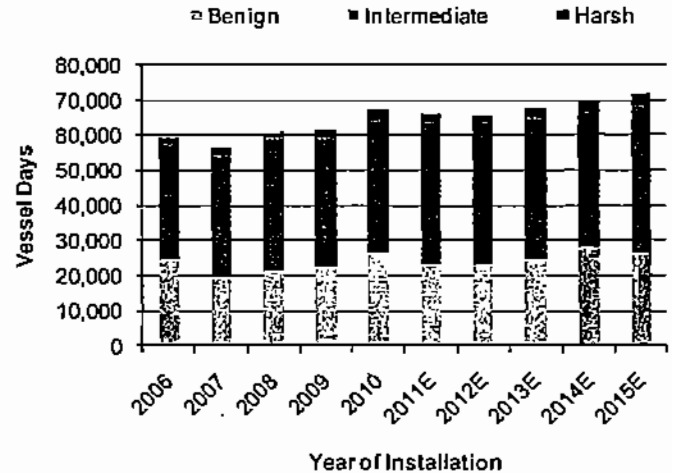


Figure 6-38: Global IRM demand by environment condition (2006-2015) [Source: ISL]

Shallow water operations are expected to contribute the most towards IRM demand globally, as the majority of existing offshore infrastructure installed is located in these shallow waters; for example in the Persian Gulf, Gulf of Mexico, and in shallow waters offshore Asia. Over time, as more and more deep and ultra-deepwater fields are brought on stream, demand for IRM related services is also likely to move deeper. Looking forward this should provide more upside for sophisticated and operationally capable vessels, much of this however is expected to be realised beyond 2015.

8. INDUSTRY OVERVIEW (cont'd)

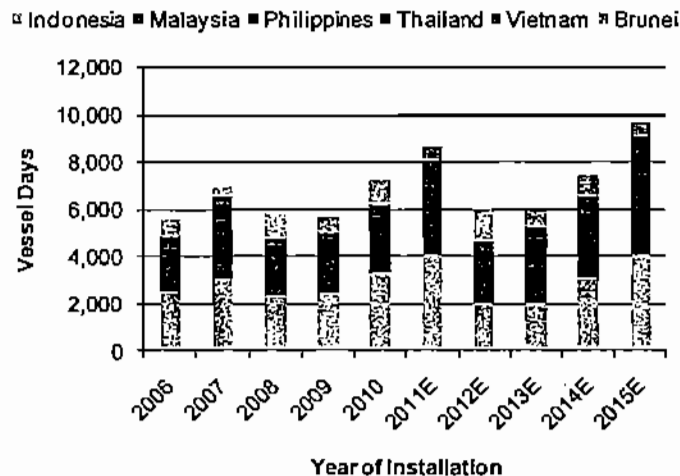


Figure 6-39: South East Asia IRM demand by country (2006-2015) [Source: ISL]

Within Asia, South East Asia is expected to contribute a large amount towards IRM demand over the next five years, driven predominantly by infrastructure offshore Indonesia and Malaysia. Overall the region should see more demand for IRM over the next five years as countries such as Vietnam and Thailand are forecast to install a large amount of shallow water fixed platforms. This is in addition to the large amount of developments planned offshore the key countries of Malaysia and Indonesia.

6.2.10 Competitive Market Place

The DLB marketplace is an extremely competitive one, across all regions, however it should present opportunities to high end vessels during the next five years. Although we believe that the high specification, more sophisticated construction vessels are more capable of winning high day-rates and witnessing good utilisation, there is still stiff competition within the high end vessels for these contracts. One trend that has been witnessed is a move from these high end operators offering only transportation and installation services to repackaging this within larger contracts with scope for engineering, procurement, construction and installation, which command greater contract values and allow the operator to have only one contractor to work with for a project rather than working with multiple companies which in some instances can cause delays and cost overruns.

Whilst there is competition for the larger projects and contracts values within the high end vessels, there is still competition between vessels at the lower end of the spectrum. Towards the lower end of the DLB market, predominantly low lift capable barges that operate mainly in shallow waters, vessel owners are more attracted to utilisation rates rather than high contract values and as such compete for contracts by lowering rates, a trend that has occurred in South East Asia.

Overall, the highest amount of competition for DLB contracts are expected to be witnessed in the deep and ultra deepwater plays where more lucrative contracts can be won, for example offshore Brazil and West Africa, where high end vessels are likely to migrate to these areas in order to address the undersupply for the large projects in particular, the pipelay market. South East Asia and other regions that have traditionally shallow water and benign met ocean conditions should witness both high and low end vessels competing for contracts for DLBs as countries such as Malaysia and Indonesia look to developments that will require a variety of large and medium size construction vessels over the next five years.

8. INDUSTRY OVERVIEW (cont'd)

7 CONCLUSION

The global economy is now starting to show signs of recovery after a period of recession. Non-OECD economies look set to continue as the engine of economic growth, and their rapid industrialisation and rising energy demand is placing a strain on energy resources. The pace of this growth is likely to drive the price of oil and gas upwards; this in turn will encourage oil companies to invest on finding and developing new reserves, and then delivering them to the market. Higher energy demand and associated high oil and gas prices also provides the incentives for the offshore O&G industry to move into deeper waters, more remote operational locations, and harsher environments. This is an important development as we are starting to see more maturing shallow water exploration and production regions and depletion of shallow water fields as they age.

The theme of maturing oil provinces plays through to the regional distribution of activity in the offshore oil and gas industry. Historically the industry has had a large exposure to shallow water areas in the US side of the Gulf of Mexico, and in the North Sea. In the future we expect Asia, Latin America, and West Africa to be at the heart of the offshore industry. These are the regions which are showing some of the best growth potential; Latin America and West Africa in particular are notable for the sheer volume of their deepwater reserves, whilst Asia is only beginning to explore and unlock its deepwater potential.

FPSO solutions play an essential role within the offshore O&G industry's move into new exploration and production frontiers. The FPSO also enables production from deepwater areas. The FPSO allows oil to be produced from the sea floor, then stored and offloaded to a waiting shuttle tanker to be delivered to any international market. This system means that oil companies no longer have to invest in costly pipelines to transport oil from a field to shore, and it also means that any potential security concerns associated with bringing the oil onshore are mitigated. We see the FPSO as a field development solution which is of integral importance to the future offshore oil and gas industry, and note considerable demand for FPSOs in West Africa, Latin America and Asia.

The global OSV market is set to benefit from a period of sustained growth and increased activity if energy demand and oil prices remain strong. Within the OSV market, two types of vessel are found, the AHT and the PSV. Each has slightly different drivers. AHTs support drilling activity; when the price of oil is high we tend to see a lot of drilling activity, conversely, when the price of oil drops and there is uncertainty surrounding the future energy demand, drilling activity decreases. Accordingly, during the period of global economic recession, we witness lower AHT charter rates and utilisation. Looking forward, if we continue to see rising oil prices then we can expect to see higher AHT charter rates. Whilst AHTs support drilling activity, PSVs provide services primarily to production platforms. Production platforms tend to be less prone to short-term volatility and as such have not been as severely impacted by the global economic recession. The longer-term drivers for both AHTs and PSVs, and OSVs in general appear to be strong. Again, this is an industry which is moving towards deeper waters, and in this sense, companies which are able to provide OSV services with deepwater capable assets are likely to be at an advantage.

8. INDUSTRY OVERVIEW *(cont'd)*

Finally, looking towards the global DLB market, this is a market which was also impacted by a slowdown in general activity caused by the global economic recession. With the prospects of economic recovery, the DLB market also has strong drivers for growth. We would note however that this is a market which is in a state of global oversupply. This oversupply though is complex given that there are three tiers of vessels within this market. Firstly, high end vessels capable of lifting greater than 5,000 tonnes; these are likely to be used within specific specialised markets. Secondly, general DLB vessels which compete for the core range of installation business. Thirdly, a large number of older vessels exist with very limited crane capacity which are still theoretically active in the market, yet which are not really in competition with the previous two categories of DLB. So whilst the supply versus demand outlook does not appear to be promising, this is caveated by the requirement to consider how competitive all of the vessels in the market actually are. Newer, higher specification vessels are likely to be in high demand by oil companies, and are expected to achieve higher day rates and utilisation.

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9. INFORMATION ON OUR DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY MANAGEMENT

9.1 Directors

9.1.1 Board

Our Board has adopted the following responsibilities for effective discharge of its functions:

- (i) reviewing and adopting a strategic plan for our Group;
- (ii) overseeing the conduct of our Group's businesses to evaluate whether our businesses are being properly managed;
- (iii) identifying principal risks and ensuring the implementation of appropriate systems to manage these risks;
- (iv) succession planning, including appointing, training, fixing the compensation of, and where appropriate, replacing key management;
- (v) developing and implementing an investor relations programme or shareholders' communications policy for our Group; and
- (vi) reviewing the adequacy and the integrity of our Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives, and guidelines.

As at the date of this Prospectus, our Board consists of 10 Directors. Under our Articles of Association, at the first annual general meeting of our Company, all our Directors shall retire from office, and at the annual general meeting in every subsequent year, one third of our Directors must retire at each annual general meeting of shareholders but are eligible for re-election. Our Directors must submit themselves for re-election at least once in 3 years.

Our Board comprises the following Directors:

<u>Name</u>	<u>Age</u>	<u>Date of appointment as Director</u>	<u>Designation</u>
Dato' Sri Mahamad Fathil bin Dato' Mahmood	62	19 September 2006	Non-Independent Non-Executive Chairman
Dato' Ahmad Fuad bin Md Ali	58	6 June 2007	Non-Independent Non-Executive Deputy Chairman
Saiful Aznir bin Shahabudin	51	1 December 2006	Independent Non-Executive Director
Alexandra Elisabeth Johanna Maria Schaapveld*	52	8 June 2011	Independent Non-Executive Director
Andrew Philip Whittle*	65	8 June 2011	Independent Non-Executive Director
Chan Chee Beng	55	2 June 2003	Non-Independent Non-Executive Director
Farah Suhanah binti Ahmad Saji	46	2 June 2003	Non-Independent Non-Executive Director
Lim Ghee Keong	43	22 April 2011	Non-Independent Non-Executive Director
Hassan Assad Basma	54	1 September 2005	Executive Director/Chief Executive Officer
Shaharul Rezza bin Hassan	39	2 June 2003	Executive Director/Chief Financial Officer

9. INFORMATION ON OUR DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY MANAGEMENT (cont'd)

Note:

- * Appointed after the LPD.

The date of expiration of the current term of office for each of our Directors and the period that each of them has served in that office is as follows:

Name	Date of appointment as Director	Date of expiration of the current term of office	Approximate no. of years in office
Dato' Sri Mahamad Fathil bin Dato' Mahmood	19 September 2006	June 2012	5
Dato' Ahmad Fuad bin Md Ali	6 June 2007	June 2012	4
Saiful Aznir bin Shahabudin	1 December 2006	June 2013	4
Alexandra Elisabeth Johanna Maria Schaapveld*	8 June 2011	June 2011	<1
Andrew Philip Whittle*	8 June 2011	June 2011	<1
Chan Chee Beng	2 June 2003	June 2011	8
Farah Suhanah binti Ahmad Sarji	2 June 2003	June 2012	8
Lim Ghee Keong	22 April 2011	June 2011	<1
Hassan Assad Basma	1 September 2005	June 2011	6
Shaharul Rezza bin Hassan	2 June 2003	June 2013	8

Note:

- * Appointed after the LPD.

Save as disclosed below, none of our other Directors represent any corporate shareholders:

Corporate shareholder(s)	Director
OBSB	Chan Chee Beng and Lim Ghee Keong
ODSB	Dato' Sri Mahamad Fathil bin Dato' Mahmood and Dato' Ahmad Fuad bin Md Ali
KMSB, WBSB and WSSB	Farah Suhanah binti Ahmad Sarji

9.1.2 Biographies of Directors

Dato' Sri Mahamad Fathil bin Dato' Mahmood is a Non-Independent Non-Executive Chairman of our Company. He is an entrepreneur with extensive interest and experience in trading, agriculture, telecommunication, information technology and management solutions and services. He is also the chairman and director of Lembaga Totalisator Malaysia. He founded several companies namely MFDM Holdings Sdn Bhd, MTU Services (Malaysia) Sdn Bhd, Pelasari Sdn Bhd, Central Management Catalogue Agency Sdn Bhd, Motor Teknologi & Industri Sdn Bhd, Pelasari Agriculture Sdn Bhd and Unisrialfa Sdn Bhd. His other principal directorships are in Bukit Kiara Resort Berhad and FVSB. He holds a diploma from the Institute of Management Specialists in the UK and is a fellow of the British Institute of Management in the UK.

9. INFORMATION ON OUR DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY MANAGEMENT (cont'd)

Dato' Ahmad Fuad bin Md Ali is a Non-Independent Non-Executive Deputy Chairman of our Company. He has more than 20 years of extensive experience in the fields of finance, accounting, auditing and consultancy. He was a consultant in 1978 with Hanafiah Raslan & Mohamad (which merged with Arthur Andersen & Co. in 1990). He was made a Principal of the branch office in Penang in 1982. 2 years later, he was made a Partner in charge of the management consulting division. In 1991, he headed the Audit and Business Advisory unit and in 1993, he was appointed as the Office Managing Partner. He retired from Arthur Andersen & Co. in August 1995. In September 1995, he was appointed as the Executive Chairman of Malaysian Plantations Berhad. During his 3-year tenure, he was involved in and managed various projects including construction and property development, stock broking and finance related businesses. In early 2000, he ventured into O&G industry-related support services, especially those relating to the complete operations and management side of various O&G installations. He sits on the boards of directors of various other private companies. He is a Fellow Member of the Association of Chartered Certified Accountants (UK) and a Member of the Malaysian Institute of Certified Public Accountants ("MICPA"). He is also a Public Accountant of the Malaysian Institute of Accountants ("MIA").

Saiful Aznir bin Shahabudin is an Independent Non-Executive Director of our Company. He has wide management experience in general management having served as the Chief Executive Officer of 2 companies for an aggregate of more than 10 years. Currently, he is the Chief Executive Officer of the Sharikat Permodalan Kebangsaan Berhad Group. In addition, he also specialises in corporate finance and privatisation matters. He qualified as a member of the American Institute of Certified Public Accountants and is a member of the MICPA. He holds a Master of Business Administration degree from the University of Chicago in the US and a Bachelor of Business Administration degree from Western Michigan University in the US.

Alexandra Elisabeth Johanna Maria Schaapveld is an Independent Non-Executive Director of our Company. She spent all her career at ABNAMRO Bank, which she joined in 1984, where the first 8 years were spent within Corporate Banking and the subsequent 8 years 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 Business Unit Global Clients and Investment Banking. After the acquisition of ABNAMRO Bank by a consortium of banks, she was the head of Europe for Royal Bank of Scotland during 2008. She is presently the Non-Executive Director for Vallourec S.A. in France, a member of the Supervisory Board of Holland Casino, member of the Board of the Amsterdam University and the University Medical Center and member of the Advisory Board of Plan Nederland (a not for profit organisation). She was educated at the Lycee Francais in many countries, graduated with a Degree in Politics, Philosophy and Economics from Oxford University in the UK and subsequently a Master in Development Economics degree from Erasmus University in the Netherlands.

9. INFORMATION ON OUR DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY MANAGEMENT (cont'd)

Andrew Philip Whittle is an Independent Non-Executive Director of our Company. He has over 40 years of technical and managerial experience in the petroleum exploration and production industry worldwide with a focus on South East Asia/Australia. His experience includes over 21 years with several affiliates of Exxon Corporation in Australia, Singapore, Malaysia, Canada and the US, finally in the position of Geological Manager of Esso Australia. Thereafter, he was Exploration Manager for five years with GFE Resources Ltd, Australia. He has over 15 years experience through PetroVal (Australasia) Pty Ltd, of which he is a founding Director, and his private consulting company Sheristowe Pty Ltd, in preparing independent technical reports and in evaluating E&P assets for a range of clients. He was closely involved in early discoveries in the Bass Strait and offshore Peninsular Malaysia for Exxon and in the exploration that led to the identification and discovery of the Thylacine gas field offshore Tasmania. He is a member of the American Association of Petroleum Geologists, the Society of Professional Well Log Analysts and the Petroleum Exploration Society of Australia. He holds a Bachelor of Science degree with First Class Honours in Geology from University of Adelaide, South Australia.

Chan Chee Beng is a Non-Independent Non-Executive Director of our Company. He has more than 30 years of experience in investment banking, financial management and accounting including stints with Ernst & Young and Morgan Grenfell & Co. Ltd. He joined the UTSB Group in 1992 as the head of corporate finance. He is presently an executive director of UTSB and serves on the boards of directors of several other companies in which UTSB has significant interests such as Maxis (listed on the Main Market), Maxis Communications Berhad and Binariang GSM Sdn Bhd, having an operational base in Malaysia, Sri Lanka Telecom PLC (listed on the Colombo Stock Exchange) and Mobitel (Pvt) Ltd, having an operational base in Sri Lanka, and Aircel Limited, having an operational base in India. He is also a director in a non-independent non-executive capacity and a member of the Audit Committee of MEASAT Global Berhad and a member of the Audit and Nomination Committees of Maxis. He holds a Degree in Economics and Accounting from the University of Newcastle-upon-Tyne in the UK and is a Fellow of the Institute of Chartered Accountants in England and Wales.

Farah Suhanah binti Ahmad Sarji is a Non-Independent Non-Executive Director of our Company. She is an Advocate and Solicitor of the High Court of Malaya and began her professional legal career with the Attorney-General's Chambers as a Deputy Public Prosecutor and was later appointed as a Federal Counsel. She also served as a Magistrate at the Kuala Lumpur Magistrate Courts (Civil). She left Government service in 1996 to pursue her legal practice as a partner in the law firm of Messrs Zaid Ibrahim & Co, where she gained considerable experience in corporate/commercial and governmental transactions. As a result of her tenure with the Government, she has extensive experience in regulatory matters. At present, she is the Managing Partner of her own law firm, Chambers of Farah Suhanah, which was established in January 2003. She holds a Bachelor of Arts degree (Honours) in Law from the University of Kent in Canterbury, UK and is a Barrister at Law of the Middle Temple in London. She has also attended and participated in the Program of Instruction for Lawyers at Harvard Law School in Cambridge, US.

9. INFORMATION ON OUR DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY MANAGEMENT (cont'd)

Lim Ghee Keong is a Non-Independent Non-Executive Director of our Company. He has more than 20 years of experience in treasury and credit management. He is currently the Group Treasurer of UTSB. His other directorships include Paxys Inc., a business process outsourcing company listed on the Philippines Stock Exchange. He is also a director and chairman of the Audit Committee of Bond Pricing Agency Malaysia Sdn Bhd, a bond pricing agency registered with the SC. Prior to joining UTSB, he was attached to General Electric Capital Corporation in the US and the former Ban Hin Lee Bank in Malaysia. He holds a Bachelor of Business Administration degree, majoring in Finance, from the University of Hawaii at Manoa, US.

Hassan Assad Basma is an Executive Director and Chief Executive Officer of our Company and is currently responsible for developing and implementing the strategic vision for the growth and expansion of our Group and to provide leadership and direction to our Group and our business. He has 30 years of experience in the O&G industry, of which the last 17 years were spent in Asia. Prior to joining our Company in September 2005, he was the President of Far East Single Buoy Mooring and the Managing Director of Kvaerner E & C Singapore and has held senior management positions since 1993. His work experience has spanned 4 continents, covering Europe, Africa, Middle East, India, South East Asia and Australia, which involved several disciplines from subsea and pipelines, jackets and topsides through to floaters and floating solutions. He was involved in several "firsts" throughout his career, including the first deepwater FPSO for the Kikeh Field in Malaysia, the first Gravity Actuated Pipe application in the world, the first co-generation power plant in Singapore, the first petrochemical plant in Kuantan, Malaysia for BASF (Malaysia) Sdn Bhd as well as the front-end engineering and design for the first on-shore gas field in China, for Shell Changbai. He holds a Bachelor of Science degree (Honours) in Engineering from the University of Manchester Institute of Science and Technology in the UK.

Shaharul Rezza bin Hassan is an Executive Director and Chief Financial Officer of our Company and is currently responsible for overseeing finance related matters of our Group including financial reporting, corporate finance, treasury and cash management. He has over 15 years of experience in corporate finance/fund raising and financial management. Prior to joining our Company in September 2005, he worked in the corporate finance department of UTSB for 10 years. During his tenure with UTSB, he was involved in various corporate exercises such as mergers and acquisitions, structuring, fund raising and equity public offerings, including the reverse take-over of Malaysian Tobacco Company Bhd (now known as MEASAT Global Berhad) and the acquisition and subsequent privatisation of Bumi Armada. He holds a Bachelor of Science degree in Economics from the University of Bristol in the UK.

9. INFORMATION ON OUR DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY MANAGEMENT (cont'd)

9.1.3 Principal business activities outside of our Group and principal directorships

The following table sets out the principal directorships of our Directors as at the LPD and that which were held within the past 5 years up to the LPD, and the principal business activities performed outside of our Group by our Directors as at the LPD:

Name	Directorships	Involvement in business activities other than as a director
Dato' Sri Mahamad Fathil bin Dato' Mahmood	<p><i>Present directorships:</i></p> <ul style="list-style-type: none"> • Awan Inspirasi Global (Labuan) Bhd • Awan Inspirasi Holdings Sdn Bhd • Awan Inspirasi Sdn Bhd • Bukit Kiara Resort Berhad • Central Management Catalogue Agency Sdn Bhd • FVSB⁽¹⁾ • Lembaga Totalisator Malaysia • Majlis Ekuin Malaysia • MFDM Holdings Sdn Bhd • MTU Services (Malaysia) Sdn Bhd • ODSB • Ombak Sepakat Sdn Bhd • Ombak Simfoni Sdn Bhd • Pelasari Sdn Bhd • Rentak Satria Sdn Bhd • ThyssenKrupp Xervon Corp Sdn Bhd <p><i>Previous directorships:</i></p> <ul style="list-style-type: none"> • 3Q Equestrian & Village Resort Sdn Bhd (resigned 15 May 2011) • Equestrian Promotion Sdn Bhd (resigned 15 May 2011) • Kaslynet Sdn Bhd (resigned on 20 July 2009) • Pandan Village Sdn Bhd (resigned 15 May 2011) • Pelasari Agriculture Sdn Bhd (resigned 15 May 2011) • Tenaga Kimia Sdn Bhd (resigned on 3 March 2009) • Unisrialfa Sdn Bhd (resigned on 15 May 2011) 	<ul style="list-style-type: none"> • Indirect shareholder of Awan Inspirasi Global (Labuan) Bhd • Indirect shareholder of Awan Inspirasi Holdings Sdn Bhd • Indirect shareholder of Awan Inspirasi Sdn Bhd • Indirect shareholder of Central Management Catalogue Agency Sdn Bhd • Shareholder of Equestrian Promotion Sdn Bhd • Indirect shareholder of FVSB • Indirect shareholder of iPerintis Sdn Bhd • Shareholder of Kaslynet Sdn Bhd • Chairman of Lembaga Totalisator Malaysia • Chairman of Majlis Ekuin Malaysia • Shareholder of MFDM Holdings Sdn Bhd • Indirect shareholder of Motor Teknologi & Industri Sdn Bhd • Deputy Chairman and shareholder of MTU Services (Malaysia) Sdn Bhd • Shareholder of ODSB • Shareholder of Ombak Sepakat Sdn Bhd • Shareholder of Ombak Simfoni Sdn Bhd • Indirect shareholder of OMV • Indirect shareholder of Pelasari Agriculture Sdn Bhd • Shareholder of Pelasari Sdn Bhd • Shareholder of Rentak Satria Sdn Bhd • Shareholder of Unisrialfa Sdn Bhd
Dato' Ahmad Fuad bin Md Ali	<p><i>Present directorships:</i></p> <ul style="list-style-type: none"> • A.F.A. Sdn Bhd • Daywide Holdings Sdn Bhd • FVSB • iPerintis Sdn Bhd • Magna Murni Sdn Bhd • Malaysian Deepwater Floating Terminal (Kikeh) Limited • Malaysian Deepwater Production Contractors Sdn Bhd • MTU Services (Malaysia) Sdn Bhd • ODSB • Ombak Simfoni Sdn Bhd • OMV • Rentak Nakhoda Sdn Bhd • Rentak Satria Sdn Bhd <p><i>Previous directorships:</i></p> <ul style="list-style-type: none"> • Great Wall Plastic Industries Berhad (resigned on 28 February 2007) 	<ul style="list-style-type: none"> • Shareholder of A.F.A. Sdn Bhd • Shareholder of Daywide Holdings Sdn Bhd • Non-Independent Executive Deputy Chairman and indirect shareholder of FVSB • Indirect shareholder of iPerintis Sdn Bhd • Shareholder of Magna Murni Sdn Bhd • Indirect shareholder of MTU Services (Malaysia) Sdn Bhd • Shareholder of ODSB • Shareholder of Ombak Simfoni Sdn Bhd • Indirect shareholder of OMV • Shareholder of Rentak Nakhoda Sdn Bhd • Shareholder of Rentak Satria Sdn Bhd

9. INFORMATION ON OUR DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY MANAGEMENT (cont'd)

Name	Directorships	Involvement in business activities other than as a director
Dato' Ahmad Fuad bin Md Ali (cont'd)	<p><i>Previous directorships (cont'd):</i></p> <ul style="list-style-type: none"> • KCK Pharmaceutical Industries Sdn Bhd (resigned on 22 January 2009) • Haad Sai Ngen Co Ltd (resigned on 15 April 2009) • Silver Beach Co Ltd (resigned on 15 April 2009) • South Shore Co Ltd (resigned on 15 April 2009) • Yayasan Bumiputra Pulau Pinang Berhad (resigned on 18 April 2007) 	
Saiful Azmir bin Shahabudin	<p><i>Present directorships:</i></p> <ul style="list-style-type: none"> • Awan Inspirasi Holdings Sdn Bhd • CF Consulting Sdn Bhd • Demi Produktif Sdn Bhd • Gerak Jaguh Sdn Bhd • IASB Construction Sdn Bhd • Ideal Appraisal Sdn Bhd • iPerintis Sdn Bhd (as alternate director) • Komunikasi SPK Sdn Bhd • Langkareka Sdn Bhd • Oplimum Production Sdn Bhd • Pembinaan SPK Sdn Bhd • Rentak Satria Sdn Bhd • Simfoni Temasek Sdn Bhd • Sunshine Bonus Sdn Bhd • Sunway SPK Homes Sdn Bhd • ThyssenKrupp Xervon Corp Sdn Bhd • Visi Alaf Pesona Sdn Bhd • Wood Group Production Facilities (Malaysia) Sdn Bhd <p><i>Previous directorships:</i></p> <ul style="list-style-type: none"> • Intermoco Limited (resigned on 13 July 2006) • Jana Java Sdn Bhd (resigned on 27 June 2007) • Merimen Holding Sdn Bhd (resigned on 24 October 2006) • ReKayasa Industri Sdn Bhd (resigned on 25 May 2009) • SAS Consultancy Sdn Bhd (company struck off on 19 October 2006) • SAS Ventures Sdn Bhd (company struck off on 25 November 2006) • Sawira Sdn Bhd (resigned on 11 February 2009) • Shankat Permodalan Kebangsaan Berhad (resigned on 10 August 2010) • SPK-Sentosa Corporation Berhad (resigned on 10 August 2010) • SPK Engineering Services Sdn Bhd (resigned on 8 August 2007) • SPK Middle East Sdn Bhd (company struck off on 15 April 2010) 	<ul style="list-style-type: none"> • Indirect shareholder of Awan Inspirasi Holdings Sdn Bhd • Shareholder of CF Consulting Sdn Bhd • Indirect shareholder of Demi Produktif Sdn Bhd • Shareholder of Gerak Jaguh Sdn Bhd • Indirect shareholder of IASB Construction Sdn Bhd • Indirect shareholder of Ideal Appraisal Sdn Bhd • Indirect shareholder of Komunikasi SPK Sdn Bhd • Indirect shareholder of Oplimum Production Sdn Bhd • Indirect shareholder of Pembinaan SPK Sdn Bhd • Indirect shareholder of ReKayasa Industri Sdn Bhd • Shareholder of Rentak Satria Sdn Bhd • Chief Executive Officer and indirect shareholder of the Shankat Permodalan Kebangsaan Berhad Group • Indirect shareholder of Simfoni Temasek Sdn Bhd • Chief Executive Officer and indirect shareholder of SPK-Sentosa Corporation Berhad • Indirect shareholder of Sunshine Bonus Sdn Bhd • Indirect shareholder of Sunway SPK Homes Sdn Bhd • Indirect shareholder of ThyssenKrupp Xervon Corp Sdn Bhd • Indirect shareholder of Wood Group Production Facilities (Malaysia) Sdn Bhd
Alexandra Elisabeth Johanna Maria Schaapveld	<p><i>Present directorships*:</i></p> <ul style="list-style-type: none"> • Vallourec S.A. • Holland Casino • Amsterdam University and University Medical Center 	<ul style="list-style-type: none"> • Member of the Advisory Board of Plan Nederland* • Shareholder of Vallourec S.A.*

9. INFORMATION ON OUR DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY MANAGEMENT (cont'd)

Name	Directorships	Involvement in business activities other than as a director
Andrew Philip Whittle	<p><i>Present directorships:</i></p> <ul style="list-style-type: none"> • Sheristowe Pty Ltd • Petroval (Australasia) Pty Ltd • Usafe Pty Ltd 	<ul style="list-style-type: none"> • Shareholder of Sheristowe Pty Ltd* • Shareholder of Petroval (Australasia) Pty Ltd*
Chan Chee Beng	<p><i>Present directorships:</i></p> <ul style="list-style-type: none"> • Aircel Cellular Limited • Aircel Limited • All Asia Media Equities Ltd • Allhem B.V. • Barinal N.V. • BGSM Capital Sdn Bhd • Binariang GSM Sdn Bhd • Dishnet Wireless Limited • East Asia Communications Holdings N.V. • East Asia Communications N.V. • First Asia Pacific Investment N.V. • Global Communications Investments Holdings N.V. • Global Communications Services Holdings Ltd • Global Investments (BVI) Ltd • Global Telecommunications Holdings N.V. • Gromwell Limited • International Hotel Investments Ltd • Maxis • Maxis Broadband Sdn Bhd • Maxis Communications Berhad • Maxis International Sdn Bhd • Maxis Mobile Sdn Bhd • Maxis Mobile Services Sdn Bhd • MEASAT Global Berhad • MEASAT Satellite Systems Sdn Bhd • Mezzanine Equities N.V. • Mobilel (Private) Limited • OBSB • Pacific Investments Holdings N.V. • Pan Malaysian Sweeps Sdn Bhd • PT Maxis Communications • PT Natrindo Telepon Selular • Satco Holdings (BVI) Ltd • Shield Estate N.V. • Shield Investments N.V. • Societe Anonyme de l'Hotel Richemond • South Asia Communications Private Limited • Sri Lanka Telecom Plc • Tanjong Capital Sdn Bhd • Tanjong Energy Holdings Sdn Bhd • Towanda B.V. • UTAM Investments N.V. • UT Asset Management (S) Pte Ltd • UT Investments (S) Pte Ltd • UTSB • UTSBM • UT Treasury (L) Ltd • Worldwide Hotel Investments N.V. 	Nil

9. INFORMATION ON OUR DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY MANAGEMENT (cont'd)

Name	Directorships	Involvement in business activities other than as a director
Chan Chee Beng (cont'd)	<p><i>Previous directorships:</i></p> <ul style="list-style-type: none"> • Advanced Wireless Technologies Sdn Bhd (resigned on 22 November 2008) • Charisma Investments Limited (resigned on 7 September 2009) • Choice Century Investments Limited (resigned on 7 September 2009) • International Motor Industry Events Limited (resigned on 30 January 2009) • London EventCo Limited (resigned on 30 January 2009) • London International Exhibition Centre Holdings plc (resigned on 2 May 2008) • London International Exhibition Centre plc (resigned on 2 May 2008) • Multi Global Venture Sdn Bhd (resigned on 28 September 2010) • MSSB (resigned on 22 November 2008) • Nusa Pasifik Sdn Bhd (resigned on 22 November 2008) • OUE Realty Pte Ltd (resigned on 9 March 2010) • Overseas Union Enterprise Ltd (resigned on 26 October 2006) • Powerlek Berhad (resigned on 22 November 2008) • Teleglobal Investments B.V. (resigned on 11 September 2007) • UMTS (Malaysia) Sdn Bhd (resigned on 22 November 2008) • UT Capital Sdn Bhd (resigned on 22 November 2008) • UT Energy Services Sdn Bhd (resigned on 22 November 2008) • UT Land Sdn Bhd (resigned on 22 November 2006) 	

9. INFORMATION ON OUR DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY MANAGEMENT (cont'd)

Name	Directorships	Involvement in business activities other than as a director
Farah Suhanah binti Ahmad Sarji	<p><i>Present directorships:</i></p> <ul style="list-style-type: none"> • Gedung Makmur Sdn Bhd⁽²⁾ • KMSB • Konsep Mahir Sdn Bhd⁽²⁾ • Pelangi Serunding Sdn Bhd⁽²⁾ • SASB • Tekun Emas Sdn Bhd⁽²⁾ • WBSB • WSSB <p><i>Previous directorships:</i></p> <ul style="list-style-type: none"> • ABX Logistics (M) Sdn Bhd (resigned on 30 March 2009) • BMD (ceased from 25 January 2011) • Cheraling Utara Sdn Bhd (resigned on 31 March 2011) • Gagah Permata Sdn Bhd (resigned on 20 November 2009) • HAIntl (resigned on 22 July 2008) • HAM (resigned on 22 July 2008) • Harta Bayumas Sdn Bhd (resigned on 20 November 2009) • HCE (resigned on 22 July 2008) • HEM (resigned on 22 July 2008) • Kitaran Samudra Sdn Bhd (resigned on 31 March 2011) • Mahanusantara Sdn Bhd (resigned on 31 March 2011) • Nusantara Axis Sdn Bhd (resigned on 31 March 2011) • Nusantara Bahagia Sdn Bhd (resigned on 31 March 2011) • Nusantara Bay Sdn Bhd (resigned on 31 March 2011) • Nusantara Dinamik Sdn Bhd (resigned on 31 March 2011) • Nusantara Parade Sdn Bhd (resigned on 31 March 2011) • Simbol Kencana Sdn Bhd (resigned on 31 March 2011) • Usaha Kukuh Sdn Bhd (resigned on 31 March 2011) 	<ul style="list-style-type: none"> • Managing Partner of Chambers of Farah Suhanah
Lim Ghee Keong	<p><i>Present directorships:</i></p> <ul style="list-style-type: none"> • Amat Kreatif Sdn Bhd⁽²⁾ • Astro Holdings Sdn Bhd • Astro Malaysia Holdings Sdn Bhd (as alternate director) • Astro Overseas Limited (as alternate director) • Australian Equities Pty Ltd • Bond Pricing Agency Malaysia Sdn Bhd • Dalton Capital (Asia) Ltd (as alternate director) • Dalton Capital (Guernsey) Ltd (as alternate director) • Daya Merdu Sdn Bhd⁽²⁾ • Excorp • Fanuc Resources Sdn Bhd⁽²⁾ • Ikatan Gemilang Sdn Bhd⁽²⁾ • Kelana Makmur Sdn Bhd⁽²⁾ • Kelana Sakti Sdn Bhd⁽²⁾ • Kuala Terusan Sdn Bhd⁽²⁾ • Kuasa Gemilang Sdn Bhd⁽²⁾ • Kuda Wijaya Sdn Bhd⁽²⁾ 	

9. INFORMATION ON OUR DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY MANAGEMENT (cont'd)

Name	Directorships	Involvement in business activities other than as a director
Lim Ghee Keong (cont'd)	<p data-bbox="644 360 932 389"><i>Present directorships (cont'd):</i></p> <ul data-bbox="644 389 1038 1240" style="list-style-type: none"> • Maxis Holdings Sdn Bhd • MEASAT Global Network Systems Sdn Bhd • Mezzanine Equities N.V. • OBSB • One Asia (HK) Ltd • One Asia Inc • Pacific Investments Holdings N.V. • Pan Malaysian Sweeps Sdn Bhd • PanOcean • Pacific Basin Community Foundation Limited • Pacific Basin Community Foundation Pty Ltd • Paxys Inc. • Perahu Emas Sdn Bhd⁽²⁾ • Permata Tegap Sdn Bhd⁽²⁾ • Pilihan Cermat Sdn Bhd⁽²⁾ • Pilihan Ikhlas Sdn Bhd⁽²⁾ • Pilihan Teguh Sdn Bhd⁽²⁾ • Powertek Berhad • PSIL • Riang Sari Sdn Bhd⁽²⁾ • Serba Jadi Sdn Bhd⁽²⁾ • SRG Asia Pacific Sdn Bhd • Tanjong Capital (L) Ltd • Tanjong Capital Sdn Bhd • Teguh Sari Sdn Bhd⁽²⁾ • Towanda B.V. • UTAM Investments N.V. • UT Investments (S) Pte Ltd • UTSBM • UT Treasury (L) Ltd <p data-bbox="644 1263 863 1292"><i>Previous directorships:</i></p> <ul data-bbox="644 1292 1038 2038" style="list-style-type: none"> • Abad Bistari Sdn Bhd (resigned on 31 March 2011) • Active Precious Sdn Bhd (resigned on 30 March 2011) • Alam Nakhoda Sdn Bhd (resigned on 31 March 2011) • Aliran Klasik Sdn Bhd (resigned on 31 March 2011) • All Asia Radio Technologies Sdn Bhd (resigned on 31 March 2011) • Anak Samudra Sdn Bhd (resigned on 31 March 2011) • Angkatan Abadi Sdn Bhd (resigned on 31 March 2011) • Angsana Dinamik Sdn Bhd (resigned on 31 March 2011) • Angsana Kukuh Sdn Bhd (resigned on 31 March 2011) • Arnhold Holdings Ltd (resigned on 25 March 2011) • Badai Jaya Sdn Bhd (resigned on 31 March 2011) • Badai Maju Sdn Bhd (resigned on 31 March 2011) • Bagan Budiman Sdn Bhd (resigned on 31 March 2011) • Bayu Hasrat Sdn Bhd (resigned on 31 March 2011) • Bayu Nusantara Sdn Bhd (resigned on 31 March 2011) 	Nil

9. INFORMATION ON OUR DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY MANAGEMENT (cont'd)

Name	Directorships	Involvement in business activities other than as a director
Lim Ghee Keong (cont'd)	<p><i>Previous directorships (cont'd):</i></p> <ul style="list-style-type: none"> • Beduk Selatan Sdn Bhd (resigned on 31 March 2011) • Benteng Purnama Sdn Bhd (company dissolved on 7 April 2011) • Berkat Nusantara Sdn Bhd (resigned on 31 March 2011) • Berkat Perkasa Sdn Bhd (resigned on 31 March 2011) • Besitang (M) Sdn Bhd (resigned on 31 March 2011) • Besitang Barat Sdn Bhd (resigned on 31 March 2011) • Besitang Selatan Sdn Bhd (resigned on 31 March 2011) • Besitang Utara Sdn Bhd (resigned on 31 March 2011) • Bimbingan Cemerlang Sdn Bhd (resigned on 31 March 2011) • Budiman Muda Sdn Bhd (company dissolved on 7 April 2011) • Cabaran Mujur Sdn Bhd (resigned on 31 March 2011) • Cahaya Temurun Sdn Bhd (resigned on 31 March 2011) • Cermal Delima Sdn Bhd (resigned on 31 March 2011) • Cermal Deras Sdn Bhd (resigned on 31 March 2011) • Citra Cekal Sdn Bhd (resigned on 31 March 2011) • Darul Citra Sdn Bhd (resigned on 27 August 2010) • Daya Impian Sdn Bhd (resigned on 31 March 2011) • Daya Mahsuri Sdn Bhd (resigned on 31 March 2011) • Desa Bidara Sdn Bhd (resigned on 31 March 2011) • Dian Tiara Sdn Bhd (resigned on 31 March 2011) • Dimensi Timur Sdn Bhd (resigned on 31 March 2011) • Dumai Maju Sdn Bhd (resigned on 31 March 2011) • Era Cekal Sdn Bhd (resigned on 31 March 2011) • Far Eastern Strategy Sdn Bhd (resigned on 31 March 2011) • Gabungan Penting Sdn Bhd (resigned on 31 March 2011) • Gagasan Panglima Sdn Bhd (resigned on 31 March 2011) • Gagasan Wira Sdn Bhd (resigned on 31 March 2011) • Gelora Delima Sdn Bhd (resigned on 31 March 2011) • Gerak Naga Sdn Bhd (resigned on 31 March 2011) • Gerak Nusantara Sdn Bhd (resigned on 31 March 2011) • Harapan Tegas Sdn Bhd (resigned on 31 March 2011) • Hasral Jaguh Sdn Bhd (resigned on 31 March 2011) • Ilham Mesra Sdn Bhd (resigned on 31 March 2011) 	

9. INFORMATION ON OUR DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY MANAGEMENT (cont'd)

Name	Directorships	Involvement in business activities other than as a director
Lim Ghee Keong (cont'd)	<p><i>Previous directorships (cont'd):</i></p> <ul style="list-style-type: none"> • Impian Delima Sdn Bhd (resigned on 31 March 2011) • Impian Mutiara Sdn Bhd (resigned on 31 March 2011) • Impian Sari Sdn Bhd (resigned on 31 March 2011) • Impian Tegap Sdn Bhd (resigned on 31 March 2011) • Impian Wira Sdn Bhd (company dissolved on 7 April 2011) • Indomurni Sdn Bhd (resigned on 31 March 2011) • Inno-Search Sdn Bhd (resigned on 31 March 2011) • Intan Naga Sdn Bhd (resigned on 31 March 2011) • Iras Perkasa Sdn Bhd (resigned on 31 March 2011) • Iras Selia Sdn Bhd (resigned on 31 March 2011) • Iras Utama Sdn Bhd (resigned on 31 March 2011) • Karisma Belian Sdn Bhd (resigned on 31 March 2011) • Kudasang Selatan Sdn Bhd (company dissolved on 7 April 2011) • Langkawi Paradise Cruises Sdn Bhd (resigned on 27 August 2010) • Macroniaga Sdn Bhd (resigned on 31 March 2011) • Matang Murni Sdn Bhd (company dissolved on 7 April 2011) • Media Nusantara Sdn Bhd (resigned on 31 March 2011) • Metro Ujud Sdn Bhd (resigned on 31 March 2011) • Mezzanine Equities Sdn Bhd (resigned on 31 March 2011) • Mincing Lane Commodities Sdn Bhd (resigned on 31 March 2011) • MSSB (resigned on 31 March 2011) • Mujur Anggun Sdn Bhd (resigned on 31 March 2011) • Mujur Nusantara Sdn Bhd (resigned on 31 March 2011) • Mujur Sanjung Sdn Bhd (resigned on 31 March 2011) • Mujur Sejahtera Sdn Bhd (resigned on 31 March 2011) • Mujur Teguh Sdn Bhd (resigned on 31 March 2011) • Multi Global Venture Sdn Bhd (resigned on 31 March 2011) • Nada Nusantara Sdn Bhd (resigned on 31 March 2011) • Nilai Rezeki (M) Sdn Bhd (resigned on 31 March 2011) • Nusa Pasifik Sdn Bhd (resigned on 31 March 2011) • Nusantara Barat Sdn Bhd (resigned on 31 March 2011) • Nusantara Cempaka Sdn Bhd (resigned on 31 March 2011) • Nusantara Delima Sdn Bhd (resigned on 31 March 2011) • Nusantara Kembang Sdn Bhd (resigned on 31 March 2011) 	

9. INFORMATION ON OUR DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY MANAGEMENT (cont'd)

Name	Directorships	Involvement in business activities other than as a director
Lim Ghee Keong (cont'd)	<p><i>Previous directorships (cont'd):</i></p> <ul style="list-style-type: none"> • Nusantara Makmur Sdn Bhd (resigned on 31 March 2011) • Nusantara Saga Sdn Bhd (resigned on 31 March 2011) • Nusantara Tegas Sdn Bhd (resigned on 31 March 2011) • Nusantara Teras Sdn Bhd (resigned on 31 March 2011) • Overseas Union Enterprise Ltd (resigned on 9 March 2010) • Paduan Nusantara Sdn Bhd (resigned on 31 March 2011) • Pan Asia Power Services Sdn Bhd (resigned on 31 March 2011) • Pancar Seloka Sdn Bhd (resigned on 31 March 2011) • Panglimawira Sdn Bhd (resigned on 31 March 2011) • Pengkalan Teras Sdn Bhd (company dissolved on 7 April 2011) • Peninsular Asset Management Sdn Bhd (resigned on 31 March 2011) • Petrolog (Malaysia) Sdn Bhd (resigned on 31 March 2011) • Prisma Gergasi Sdn Bhd (resigned on 31 March 2011) • Prisma Muliana Sdn Bhd (resigned on 31 March 2011) • Riang Kukuh Sdn Bhd (company dissolved on 7 April 2011) • Ria Utama Sdn Bhd (resigned on 31 March 2011) • Saga Mestika Sdn Bhd (resigned on 31 March 2011) • Samudra Capital Sdn Bhd (resigned on 31 March 2011) • Samudra Melati Sdn Bhd (resigned on 31 March 2011) • Sanjung Nusantara Sdn Bhd (resigned on 31 March 2011) • Sanjungan Nusa Sdn Bhd (resigned on 31 March 2011) • Simbol Tenggara Sdn Bhd (resigned on 31 March 2011) • Sistem Tegap Sdn Bhd (company dissolved on 7 April 2011) • Tanding Megah Sdn Bhd (resigned on 31 March 2011) • Tanjong Equities Sdn Bhd (resigned on 31 March 2011) • Tegas Mahsuri Sdn Bhd (resigned on 31 March 2011) • Tegas Puri Sdn Bhd (resigned on 31 March 2011) • Tegas Sari Sdn Bhd (resigned on 31 March 2011) • Tenaga Tegap Sdn Bhd (resigned on 31 March 2011) • Tenteram Usaha Sdn Bhd (resigned on 31 March 2011) • Tetap Emas Sdn Bhd (resigned on 31 March 2011) • Tiara Nusantara Sdn Bhd (resigned on 31 March 2011) • Tunas Sempurna Sdn Bhd (resigned on 31 March 2011) 	

9. INFORMATION ON OUR DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY MANAGEMENT (cont'd)

Name	Directorships	Involvement in business activities other than as a director
Lim Ghee Keong (cont'd)	<p><i>Previous directorships (cont'd):</i></p> <ul style="list-style-type: none"> • Ujud Cergas Sdn Bhd (resigned on 31 March 2011) • Ujud Mumi Sdn Bhd (resigned on 31 March 2011) • Ujung Sempuma Sdn Bhd (resigned on 31 March 2011) • Ujung Tegas Sdn Bhd (company dissolved on 7 April 2011) • Usaha Kenanga Sdn Bhd (resigned on 31 March 2011) • Usaha Kukuh Sdn Bhd (resigned on 31 March 2011) • Usaha Mutu Sdn Bhd (resigned on 31 March 2011) • Usaha Tegas Equity Sdn Bhd (resigned on 31 March 2011) • Usaha Tegas Resources Sdn Bhd (resigned on 31 March 2011) • Usaha Tunggal Sdn Bhd (resigned on 31 March 2011) • UT Capital Sdn Bhd (resigned on 31 March 2011) • UT Land Sdn Bhd (resigned on 31 March 2011) • UT Projects Sdn Bhd (resigned on 31 March 2011) • UT Real Estate (Holdings) Sdn Bhd (resigned on 31 March 2011) • Utix Sdn Bhd (resigned on 31 March 2011) • Wilayah Bintang Sdn Bhd (resigned on 31 March 2011) • Wilayah Resources Sdn Bhd (resigned on 31 March 2011) • Wilayah Tegas Sdn Bhd (company dissolved on 7 April 2011) • Wira Ribuan Sdn Bhd (resigned on 31 March 2011) 	
Hassan Assad Basma	<p><i>Previous directorships:</i></p> <ul style="list-style-type: none"> • BMD (ceased from 25 January 2011) • BMDL (ceased from 25 January 2011) • HAIIntl (resigned on 22 July 2008) • HAM (resigned on 22 July 2008) • HCE (resigned on 22 July 2008) • HEM (resigned on 22 July 2008) 	<ul style="list-style-type: none"> • Shareholder of Black Platinum BV

9. INFORMATION ON OUR DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY MANAGEMENT (cont'd)

Name	Directorships	Involvement in business activities other than as a director
Shaharul Rezza bin Hassan	<p><i>Present directorships:</i></p> <ul style="list-style-type: none"> • Amat Kreatif Sdn Bhd^(a) • Daya Merdu Sdn Bhd^(a) • Fanuc Resources Sdn Bhd^(a) • Ikatan Gemilang Sdn Bhd^(a) • Kelana Makmur Sdn Bhd^(a) • Kelana Sakti Sdn Bhd^(a) • Kuala Terusan Sdn Bhd^(a) • Kuasa Gemilang Sdn Bhd^(a) • Kuda Wijaya Sdn Bhd^(a) • Perahu Emas Sdn Bhd^(a) • Pilihan Cermat Sdn Bhd^(a) • Pilihan Ikhlas Sdn Bhd^(a) • Pilihan Teguh Sdn Bhd^(a) • Riang Sari Sdn Bhd^(a) • Serba Jadi Sdn Bhd^(a) • Teguh Sari Sdn Bhd^(a) <p><i>Previous directorships:</i></p> <ul style="list-style-type: none"> • Abad Lintang Sdn Bhd (resigned on 31 March 2011) • Alam Nakhoda Sdn Bhd (resigned on 31 March 2011) • Anak Samudra Sdn Bhd (resigned on 31 March 2011) • Angsana Kukuh Sdn Bhd (resigned on 31 March 2011) • Badai Jaya Sdn Bhd (resigned on 31 March 2011) • Badai Maju Sdn Bhd (resigned on 31 March 2011) • Bagan Budiman Sdn Bhd (resigned on 31 March 2011) • Bayu Nusantara Sdn Bhd (resigned on 31 March 2011) • Beduk Selatan Sdn Bhd (resigned on 31 March 2011) • Berkat Nusantara Sdn Bhd (resigned on 31 March 2011) • Bimbingan Cemerlang Sdn Bhd (resigned on 31 March 2011) • Bintang Angsi Sdn Bhd (resigned on 31 March 2011) • BMD (ceased from 25 January 2011) • BMDL (ceased from 25 January 2011) • Cabaran Mujur Sdn Bhd (resigned on 31 March 2011) • Cabaran Nusantara Sdn Bhd (resigned on 31 March 2011) • Cergas Meranti Sdn Bhd (resigned on 31 March 2011) • Cermat Delima Sdn Bhd (resigned on 31 March 2011) • Cermat Deras Sdn Bhd (resigned on 31 March 2011) • Citra Cekal Sdn Bhd (resigned on 31 March 2011) 	Nil

9. INFORMATION ON OUR DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY MANAGEMENT (cont'd)

Name	Directorships	Involvement in business activities other than as a director
Shaharul Rezza bin Hassan (cont'd)	<p><i>Previous directorships (cont'd):</i></p> <ul style="list-style-type: none"> • Desa Bidara Sdn Bhd (resigned on 31 March 2011) • Dian Tiara Sdn Bhd (resigned on 31 March 2011) • Dimensi Timur Sdn Bhd (resigned on 31 March 2011) • Dumai Maju Sdn Bhd (resigned on 31 March 2011) • East Asia Refining Sdn Bhd (resigned on 31 March 2011) • Garuda Satria Sdn Bhd (resigned on 31 March 2011) • Gerak Nusantara Sdn Bhd (resigned on 31 March 2011) • HAIIntl (resigned on 22 July 2008) • HAM (resigned on 22 July 2008) • HCE (resigned on 22 July 2008) • HEM (resigned on 22 July 2008) • Indomurni Sdn Bhd (resigned on 31 March 2011) • Inno-Search Sdn Bhd (resigned on 31 March 2011) • Irama Tulus Sdn Bhd (resigned on 31 March 2011) • Jaguh Abadi Sdn Bhd (resigned on 31 March 2011) • Karisma Berlian Sdn Bhd (resigned on 31 March 2011) • Kitaran Samudra Sdn Bhd (resigned on 31 March 2011) • KMSB (resigned on 31 March 2011) • Kuala Budi Sdn Bhd (resigned on 31 March 2011) • Mujur Anggun Sdn Bhd (resigned on 31 March 2011) • Mujur Nusantara Sdn Bhd (resigned on 31 March 2011) • MSSB (resigned on 31 March 2011) • Nada Nusantara Sdn Bhd (resigned on 31 March 2011) • Nusantara Barat Sdn Bhd (resigned on 31 March 2011) • Nusantara Cempaka Sdn Bhd (resigned on 31 March 2011) • Nusantara Delima Sdn Bhd (resigned on 31 March 2011) • Nusantara Kembang Sdn Bhd (resigned on 31 March 2011) • Nusantara Makmur Sdn Bhd (resigned on 31 March 2011) • Nusantara Saga Sdn Bhd (resigned on 31 March 2011) • Nusantara Tegas Sdn Bhd (resigned on 31 March 2011) • Nusantara Teras Sdn Bhd (resigned on 31 March 2011) • OBSB (resigned on 14 March 2011) • Pacific Fortune Sdn Bhd (resigned on 31 March 2011) • Pancar Seloka Sdn Bhd (resigned on 31 March 2011) • Pangkal Masyhur Sdn Bhd (resigned on 31 March 2011) • Pasifik Unggul Sdn Bhd (resigned on 31 March 2011) • Peninsular Asset Management Sdn Bhd (resigned on 31 March 2011) 	Nil

9. INFORMATION ON OUR DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY MANAGEMENT (cont'd)

Name	Directorships	Involvement in business activities other than as a director
Shaharul Rezza bin Hassan (cont'd)	<p><i>Previous directorships (cont'd):</i></p> <ul style="list-style-type: none"> ▪ Prisma Muliana Sdn Bhd (resigned on 31 March 2011) • Rampai Kasturi Sdn Bhd (resigned on 31 March 2011) • Ratna Pelangi Sdn Bhd (resigned on 31 March 2011) • Ria Utama Sdn Bhd (resigned on 31 March 2011) • SASB (resigned on 31 March 2011) • Saluran Masyhur Sdn Bhd (resigned on 31 March 2011) • Samudra Capital Sdn Bhd (resigned on 31 March 2011) ▪ Samudra Melati Sdn Bhd (resigned on 31 March 2011) • Sanjung Nusantara Sdn Bhd (resigned on 31 March 2011) • Simbol Tenggara Sdn Bhd (resigned on 31 March 2011) • Sikap Cerah Sdn Bhd (resigned on 31 March 2011) • Tegas Sari Sdn Bhd (resigned on 31 March 2011) • Tenaga Tegap Sdn Bhd (resigned on 31 March 2011) • Telap Emas Sdn Bhd (resigned on 31 March 2011) • Tujuan Bidari Sdn Bhd (resigned on 31 March 2011) • Usaha Kenanga Sdn Bhd (resigned on 31 March 2011) • Usaha Kukuh Sdn Bhd (resigned on 31 March 2011) • WBSB (resigned on 31 March 2011) • WSSB (resigned on 31 March 2011) 	

Notes:

* Information as at 8 June 2011.

(1) This company is a joint-venture partner with our Company in OMV.

(2) Under members' voluntary winding-up.

9. INFORMATION ON OUR DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY MANAGEMENT (cont'd)

9.1.4 Involvement in other businesses or corporations (other than our associated companies and jointly-controlled entities) which carry on a similar trade as our Group, associated companies and jointly-controlled entities or which are our customers and/or suppliers

Save as disclosed below, as at the LPD, none of our Directors has any interest, direct or indirect, in other businesses or corporations (other than our associated companies and jointly-controlled entities) which are (i) carrying on a similar trade as that of our Group, associated companies and jointly-controlled entities; or (ii) our customers and/or suppliers:

Name	Businesses/Corporations	Nature of Interest	Direct interest	Indirect interest
			%	%
Dato' Sri Mahamad Fathil bin Dato' Mahmood	<i>Similar trade as that of our Group:</i>	• FVSB ⁽¹⁾	-	49
		• OMV ⁽²⁾	-	100
	<i>Our customer:</i>	• OMV ⁽²⁾	-	100
Dato' Ahmad Fuad bin Md Ali	<i>Similar trade as that of our Group:</i>	• FVSB ⁽¹⁾	-	49
		• Malaysian Deepwater Floating Terminal (Kikeh) Limited	-	-
		• Malaysian Deepwater Production Contractors Sdn Bhd	-	-
		• OMV ⁽²⁾	-	100
	<i>Our customer:</i>	• OMV ⁽²⁾	-	100
Saiful Aznir bin Shahabudin	<i>Similar trade as that of our Group:</i>	• Rekayasa Industri Sdn Bhd ⁽³⁾	-	70
Chan Chee Beng	<i>Our suppliers:</i>	• Maxis Mobile Services Sdn Bhd	-	-
		• UTSBM	-	-
Lim Ghee Keong	<i>Our supplier:</i>	• UTSBM	-	-

Notes:

- (1) This company is a joint-venture partner with our Company in OMV. FVSB is a 51%-owned subsidiary of MISC.
- (2) This company is our jointly-controlled entity.
- (3) This company is a 70%-owned subsidiary of SPK-Sentosa Corporation Berhad.

9. INFORMATION ON OUR DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY MANAGEMENT (cont'd)

The interests of Dato' Sri Mahamad Fathil bin Dato' Mahmood and Dato' Ahmad Fuad bin Md Ali in FVSB are mitigated by the fact that although our Group also provides similar services, FVSB does not compete directly with our businesses as our 2 FPSOs are currently operating in Nigeria whilst FVSB currently operates 2 FPSOs and 3 FSOs at offshore Terengganu in Peninsular Malaysia and offshore East Malaysia. Further, FVSB only performs O&M services for FPSOs/FSOs which are owned by MISC or MISC and its partners. Any decision to relocate the FPSOs/FSOs will be determined by MISC or MISC and its partners and not FVSB.

The interests of Dato' Ahmad Fuad bin Md Ali in Malaysian Deepwater Floating Terminal (Kikeh) Limited and Malaysian Deepwater Production Contractors Sdn Bhd are mitigated by the fact that he is an independent non-executive director with no shareholding interest and the 2 companies which are also subsidiaries of MISC, are the owner and O&M provider for a specific FPSO.

The interests of Dato' Sri Mahamad Fathil bin Dato' Mahmood and Dato' Ahmad Fuad bin Md Ali in OMV are mitigated by the fact that OMV is our jointly-controlled entity and their respective interests in OMV are aligned with that of our Company.

The interest of Saiful Aznir bin Shahabudin in Rekayasa Industri Sdn Bhd, which is involved in engineering and construction works similar to those carried out by our subsidiary, BAE, is mitigated by the fact that he is not actively involved in the management and day-to-day operations of our Group.

Our Directors are of the view that the interests held by them in other businesses and corporations which carry out similar trade as that of our Group or which are our customers and/or suppliers do not compete directly with our businesses. Transactions between our Group and our Directors in their personal capacity or the abovementioned companies and businesses in which they have interests as directors or substantial shareholders are carried out on an arm's length basis and on usual business terms.

The interests held by our Directors in the businesses and corporations mentioned in this Section 9.1.4 of this Prospectus may give rise to a conflict of interests situation with our businesses. On matters or transactions requiring the approval of our Board, Directors who are deemed interested or conflicted in such matters or transactions shall be required to declare their interests and abstain from deliberations and voting on the resolutions relating to such matters or transactions.

9. INFORMATION ON OUR DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY MANAGEMENT (cont'd)

9.1.5 Audit Committee

The Audit Committee of our Company comprises 3 Directors, 2 of whom are Independent Non-Executive Directors. The Audit Committee, reconstituted on 18 June 2011, was established by our Board with the function of assisting our Board in fulfilling its oversight responsibilities. Our Audit Committee has full access to both internal and external auditors who in turn have access at all times to the Chairman of our Audit Committee. Our Audit Committee performs, among others, the following functions:

- *Internal controls* – to review the adequacy and integrity of the internal controls of our Company, which include policies and compliance procedures with respect to business practices, applicable laws and regulations and to review arrangements by which our employees may, in confidence, raise concerns about possible improprieties in matters of financial reporting, financial control or other business and commercial related matters;
- *Financial results* – to review and report to our Board, the quarterly financial results and annual audited financial statements, before recommending to our Board for its approval. The review focuses particularly on changes in or implementation of major accounting policy changes, significant or unusual events, compliance with applicable approved accounting standards and other legal requirements and significant adjustments arising from the audit;
- *External auditors* – to review with our external auditors and report to our Board, their terms of engagement, independence, objectivity, remuneration and cost-effectiveness, their audit plan for the financial year to ensure their scope of work adequately addresses our activities, their audit report, their evaluation of our systems of internal controls, and their recommendations. To review the assistance given by our employees to our external auditors, and any letter of resignation from our external auditors and whether there is reason to believe that our external auditors are not suitable for re-appointment. To recommend the nomination of persons as our external auditors;
- *Internal auditors* – to review with our internal auditors their audit plan for the financial year ensuring the principal risk areas and key processes are adequately identified and addressed in the plan. Additionally, to review and report to our Board, the adequacy of the scope, functions, competency and resources of our internal audit functions and that it has the necessary authority to carry out its work, and whether appropriate actions are taken on the recommendations by the internal auditors, the performance of their staff, the effectiveness of the internal audit function and the adequacy of its terms of reference;
- *Related party transactions* – to review and report to our Board, related party transactions and conflicts of interest situations that may arise within our Group, as well as considering the appropriateness of such transactions before recommending them to our Board for its approval; and
- *Employee share option scheme* – to verify the allocation of Options under the ESOS pursuant to the criteria disclosed to eligible employees of our Group and our executive Directors.

9. INFORMATION ON OUR DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY MANAGEMENT (cont'd)

Under its terms of reference, our Audit Committee must consist of at least 3 Non-Executive Directors, the majority of whom shall be Independent Non-Executive Directors. At least 1 Audit Committee member must be a member of the MIA, or if he is not a member of the MIA, he must have at least 3 years' working experience and must have passed certain examinations under the Accountants Act, 1967 or be a member of an association of accountants specified in the Accountants Act, 1967. The Chairman of our Audit Committee must be an Independent Non-Executive Director and is selected by the members of our Audit Committee. Our Board will review the composition, term of office, performance and effectiveness of our Audit Committee annually.

The current members our Audit Committee are set forth below:

<u>Name</u>	<u>Position</u>	<u>Date of appointment</u>	<u>Directorship</u>
Saiful Aznir bin Shahabudin	Chairman	13 February 2007	Independent Non-Executive Director
Alexandra Elisabeth Johanna Maria Schaapveld	Member	8 June 2011	Independent Non-Executive Director
Chan Chee Beng	Member	13 February 2007	Non-Independent Non-Executive Director

9.1.6 Remuneration Committee

Our Remuneration Committee was re-constituted by our Board on 18 June 2011 and comprises 3 members, the majority of whom are Independent Non-Executive Directors. Our Remuneration Committee is charged with the following primary responsibilities:

- (i) recommending to our Board the policy and framework for our Directors' remuneration as well as the remuneration and terms of service of our executive Directors; and
- (ii) evaluating performance of and reward for our executive Directors,

The current members of our Remuneration Committee are set forth below:

<u>Name</u>	<u>Position</u>	<u>Date of appointment</u>	<u>Directorship</u>
Alexandra Elisabeth Johanna Maria Schaapveld	Chairman	8 June 2011	Independent Non-Executive Director
Andrew Philip Whittle	Member	8 June 2011	Independent Non-Executive Director
Lim Ghee Keong	Member	8 June 2011	Non-Independent Non-Executive Director

9. INFORMATION ON OUR DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY MANAGEMENT (cont'd)

9.1.7 Nomination Committee

Our Nomination Committee, re-constituted on 18 June 2011, was established by our Board and comprises 3 members, the majority of whom are Independent Non-Executive Directors. Our Nomination Committee is responsible for, amongst others, the following:

- (i) formulating the nomination, selection and succession policies for members of our Board and Board committees;
- (ii) recommending to our Board the optimum size of our Board, and formalising a transparent procedure for proposing new nominees to our Board and committees of our Board;
- (iii) assisting our Board in reviewing on an annual basis the required mix of skills and experience of Non-Executive Directors;
- (iv) assessing the effectiveness of our Board as a whole and each individual director and member of each committee of the Board; and
- (v) ensuring that the investments of our minority shareholders are fairly reflected in our Board.

The recommendations of our Nomination Committee are subject to the approval of our Board.

The current members of our Nomination Committee are set forth below:

<u>Name</u>	<u>Position</u>	<u>Date of appointment</u>	<u>Directorship</u>
Andrew Philip Whittle	Chairman	8 June 2011	Independent Non-Executive Director
Alexandra Elisabeth Johanna Maria Schaapveld	Member	8 June 2011	Independent Non-Executive Director
Chan Chee Beng	Member	13 February 2007	Non-Independent Non-Executive Director

9. INFORMATION ON OUR DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY MANAGEMENT (cont'd)

9.1.8 Shareholding of Directors in our Company

The following table sets forth the direct and indirect shareholdings of each of our Directors before and after the IPO (assuming full subscription of the Issue Shares reserved for our Directors under the preferential share allocation scheme under the IPO):

Name	Before IPO				After IPO*			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
	000		000		000		000	
Dato' Sri Mahamad Fathil bin Dato' Mahmood	-	-	439,740 ⁽¹⁾	19.25	750	0.03	340,778 ⁽¹⁾	11.64
Dato' Ahmad Fuad bin Md Ali	-	-	439,740 ⁽¹⁾	19.25	750	0.03	340,778 ⁽¹⁾	11.64
Saiful Aznir bin Shahabudin	-	-	-	-	750	0.03	-	-
Alexandra Elisabeth Johanna Maria Schaapveld	-	-	-	-	750	0.03	-	-
Andrew Philip Whittle	-	-	-	-	750	0.03	-	-
Chan Chee Beng	-	-	-	-	750	0.03	-	-
Farah Suhanah binti Ahmad Sarji	-	-	601,272 ⁽²⁾	26.32	750	0.03	465,957 ⁽²⁾	15.91
Lim Ghee Keong	-	-	-	-	750	0.03	-	-
Hassan Assad Basma	-	-	-	-	2,500	0.09	-	-
Shaharul Rezza bin Hassan	-	-	-	-	1,200	0.04	-	-

Notes:

* Excludes the effects of the exercise of the call option granted to Hassan Assad Basma of 7,500,000 Shares and the initial grant of Options under the ESOS set out in Sections 15.1(iv)(c) and 15.4 of this Prospectus, respectively.

(1) Deemed interest by virtue of their respective shareholdings in ODSB pursuant to Section 6A of the Act.

(2) Deemed interest by virtue of her shareholding in SASB pursuant to Section 6A of the Act. However, she does not have any economic interest in the Shares held via SASB's shareholdings in WSSB, KMSB and WBSB (collectively, "SASB Subsidiaries"), as such interest is held subject to the terms of discretionary trusts for Bumiputera objects. See note (3) in Section 9.4 of this Prospectus for SASB's deemed interest in the Shares.

Notwithstanding the subscription for the Issue Shares reserved under the preferential share allocation scheme under the IPO for our Directors, our Directors may subscribe for the Issue Shares under the Retail Offering. Subject to the terms of the ESOS, our executive Directors are eligible to be offered and granted Options over new Shares, the number of which will be determined in accordance with the By-Laws and subject to the approval of our shareholders in accordance with the Listing Requirements. Prior to the Listing, our Board proposes to grant Options over an aggregate of up to 21,500,000 Shares to our Executive Directors, pursuant to the ESOS. Please refer to Section 15.4 of this Prospectus for further details on the aforesaid grant. The By-Laws are set out in Annexure D of this Prospectus.

In addition, Hassan Assad Basma has been granted a call option over an aggregate of 7,500,000 Shares by OBSB, ODSB, KMSB, WBSB and WSSB. Please refer to Section 15.1(iv)(c) of this Prospectus for further details on this call option.

9. INFORMATION ON OUR DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY MANAGEMENT (cont'd)

9.1.9 Remuneration and material benefits-in-kind of Directors and Chief Executive Officer

The aggregate remuneration and material benefits-in-kind paid and proposed to be paid to our Directors for services rendered in all capacities to our Group for the year ended 31 December 2010 and estimated for the year ending 31 December 2011 are as follows:

Directors	Remuneration band of our Directors	
	Year ended 31 December 2010 (Actual)	Year ending 31 December 2011 (Estimate)
	RM	
Dato' Sri Mahamad Fathil bin Dato' Mahmood	200,001 – 250,000	250,001 – 300,000
Dato' Ahmad Fuad bin Md Ali	400,001 – 450,000	500,001 – 550,000
Saiful Aznir bin Shahabudin	100,001 – 150,000	200,001 – 250,000
Alexandra Elisabeth Johanna Maria Schaapveld	-	150,001 – 200,000
Andrew Philip Whittle	-	150,001 – 200,000
Chan Chee Beng	50,001 – 100,000	300,001 – 350,000
Farah Suhanah binti Ahmad Sarji	Below 50,000	50,001 – 100,000
Lim Ghee Keong	-	50,001 – 100,000
Hassan Assad Basma	3,500,001 – 3,550,000	4,150,001 – 4,200,000
Shaharul Rezza bin Hassan	800,001 – 850,000	1,150,001 – 1,200,000

The remuneration of our Directors which includes salaries, bonuses, fees and allowances as well as other benefits, is approved by our Board, following recommendations made by our Remuneration Committee and subject to our Articles of Association. Any change in Directors' fees as set out in our Articles of Association must be approved by shareholders of our Company pursuant to an ordinary resolution passed at a general meeting where appropriate notice of any increase proposed should be given. Please refer to Section 15.2.2 of this Prospectus for further details.

9. INFORMATION ON OUR DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY MANAGEMENT (cont'd)

9.2 Key management

9.2.1 Key management

Our key management is set out below:

Name	Age	Designation/Function
Hassan Assad Basma	54	Chief Executive Officer
Shaharul Rezza bin Hassan	39	Chief Financial Officer
Andrew Day Lamshed	49	Senior Vice President, Floating Production Systems
Wee Yam Khoon	56	Senior Vice President, OSV
Massimiliano Bellotti	42	Senior Vice President, T&I
Adriaan Petrus Van De Korput	53	Senior Vice President, Projects
Madhusudanan Madasery Balan	46	Chief Talent Officer
Jonathan Edward Duckett	41	Senior Vice President, Corporate Planning
Noor Azmi bin Abdul Malek	46	Vice President, BAE
Noval D'avila Paredes	48	Vice President, Corporate Health Safety Environment Quality ("HSEQ")
Choong Guan Huat	58	Vice President, Strategic Procurement

9.2.2 Biographies of key management

Hassan Assad Basma. Please refer to Section 9.1.2 of this Prospectus.

Shaharul Rezza bin Hassan. Please refer to Section 9.1.2 of this Prospectus.

Andrew Day Lamshed is our Senior Vice President, Floating Production Systems and is currently responsible for the sales and marketing, technology contract structuring and financing aspects of the Floating Production Systems division. He joined us in October 2006. He has over 25 years of experience, predominantly in the O&G industry. He started his career in capital equipment manufacturing, with roles in engineering and sales of large rotating equipment to the major oil companies. He then progressed through various project engineering, asset consulting, project management and project development roles with Fluor Corporation, Melbourne, Australia and Clough Engineering Ltd, Perth, Australia. He was appointed as the Project Director of the OMV Maari project with Clough Engineering Ltd prior to joining us. He holds a Bachelor of Engineering degree (Mechanical) from Ballarat College of Advanced Education in Australia and a Master of Business Administration degree from Monash University in Australia.

Wee Yam Khoon is our Senior Vice President, OSV and is currently responsible for chartering and overall management of our OSV fleet. He joined BAN in 1978 as one of its founders and is the longest serving member of our staff with over 30 years of experience in our Group. He is one of Malaysia's most experienced players in the OSV segment and is mainly responsible for BAN's performance. He is also one of the pioneers of our "Steel on Water" OSV fleet expansion programme and has worked to open up new areas of operations in Congo, Mexico and Venezuela. He holds a Diploma in Accounting from the London Chamber of Commerce and Industry in the UK.

9. INFORMATION ON OUR DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY MANAGEMENT (cont'd)

Massimiliano Bellotti is our Senior Vice President, T&I and is currently responsible for overall management and development of the T&I unit. He joined us in July 2008. He has more than 14 years of professional experience in management, engineering and construction within the offshore O&G industry involved in ultra-deepwater and shallow water developments, including subsea pipeline/flowlines/platforms engineering, construction and installation, and barge/vessel upgrading. He was a Project Director of the Blacktip project and Sakhalin II Offshore project working for Saipem S.p.A. in Indonesia, Russia, Singapore and Australia. He holds a Master of Science degree in Aircraft Preliminary Design from Delft University of Technology in the Netherlands and a Degree in Aircraft Engineering from University of Pisa in Italy.

Adriaan Petrus Van De Korput is our Senior Vice President, Projects and is currently responsible for the management of our various projects as well as, amongst others, engineering, construction and commissioning units. He joined us in August 2009. He first started as a management trainee with SGS Technische Inspecties B.V. in the Netherlands and was promoted to become a Manager of Special Examinations. He was later appointed by Fluor Corporation, the Netherlands as a Contracts Engineer. He held various roles and positions in Bluewater Offshore Production Systems B.V. in the Netherlands prior to joining us. He holds a Bachelor of Science degree in Mechanics from Technische Hogeschool Rijswijk in the Netherlands and a Master of Science degree in Management from University of Brussels in Belgium.

Madhusudanan Madasery Balan is our Chief Talent Officer and is currently responsible for the full spectrum of human resource management, administration and security processes for all operations within our Group. He joined us in March 2009. He has over 22 years of human resource experience in O&G, telecommunication, automotive and fast moving consumer goods industries. He spent his last 6 years with Saipem S.p.A., India and served as the Head of Human Resources and Information and Communication Technologies in the Asia Pacific Region for the last 4 years there. He holds a Bachelor of Science degree in Chemistry and a Master of Arts degree in Public Administration from the University of Madras in India, a Bachelor of General Laws degree from Madurai Kamaraj University in India, a Post Graduate Diploma in Human Resource Management from Indira Gandhi National Open University in India and a Post Graduate Diploma in Personnel Management from Annamalai University in India.

Jonathan Edward Duckett is our Senior Vice President, Corporate Planning and is currently responsible for our overall strategy, corporate performance, growth planning, investor relations as well as business and competitor analysis. He joined us in May 2006. He started his career as an equity research analyst with Asia Equity in Malaysia in 1993 and after the take-over by Banque Paribas, he was Paribas Asia-Equity's Malaysian Equity Sales/Research Representative. In 2000, he joined Renong Berhad as Group General Manager, Investor Relations, before transferring to Plus Expressways Berhad and UEM Group Berhad in the same capacity prior to joining us. He holds a Bachelor of Applied Arts degree in Business Administration Management from The American College in London (now known as The American Intercontinental University).

9. INFORMATION ON OUR DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY MANAGEMENT (cont'd)

Noor Azmi bin Abdul Malek is our Vice President, BAE and is currently responsible for the management of the resources and facilities of BAE as well as technical direction and support. He joined us in July 2006. He was a Research and Development Engineer with Innovest Industries Sdn Bhd from 1989 to 1990. From 1990 to 1991, he was a Sales Engineer in Sun Metal Works Sdn Bhd before leaving as a Project Engineer at the same company in 1994. Between 1994 and 2006, he assumed the roles of Project Manager, Projects Department Manager, Regional Business Department Manager, Business Development Manager and HSE Manager/After Sales Manager for Kvaerner Process Systems Asia Pacific Sdn Bhd prior to joining us. He holds a Bachelor of Science degree in Mechanical Engineering from Colorado State University in the US.

Noval D'avila Paredes is our Vice President, Corporate HSEQ and is currently responsible for planning, direction, control and management of the functions and activities for the division. He joined us in January 2011. He started his career with Ideal Standard, Brazil in 1985 before moving to ABC Cristais Microeletronica, Brazil and left as Production Manager in 1995. Between 1995 and 2000, he was an HSEQ consultant with Grifo Enterprises, Brazil where his key performance areas include health and safety system, environmental management system and quality management system. In 2000, he moved to ACERGY, Brazil where he was responsible for, among others, HSE, quality and Total Acergy Quality Leadership Program ("TAQL"). His last position at ACERGY, Brazil was HSEQ Director & TAQL Co-ordinator before joining us in 2011. He holds a Master of Business Administration degree in Finances from Ibmec in Brazil, as well as a Post-graduation Degree in Safety Engineering and a Master in Production Engineering degree (Emphasis in Enterprise Strategy) from the Federal University of Rio de Janeiro in Brazil.

Choong Guan Huat is our Vice President, Strategic Procurement and is currently responsible for our procurement and contract management functions. He joined us in August 2006. He has over 30 years of procurement and project management experience, working with large multi-national corporations in international and domestic projects which included O&G facilities, power, petrochemical, industrial, pharmaceuticals, pipelines, LNG terminals, fixed production platforms and FPSO. His experience encompasses project procurement, materials and logistics management for projects in the Middle East, Africa, Europe and Asia Pacific. He has held senior procurement management positions which included responsibility for regional and global procurement. He holds an Advanced Diploma in Business Administration from The Association of Business Executives (ABE) in London, UK and also completed a course of study as a Certified Purchasing Manager from the National Association of Purchasing Management in the US.

9. INFORMATION ON OUR DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY MANAGEMENT (cont'd)

9.2.3 Shareholding of key management in our Company

The following table sets forth the direct and indirect shareholdings of each member of the key management before and after the IPO (assuming full subscription of the Issue Shares reserved for them under the preferential share allocation scheme under the Retail Offering):

Name	Before IPO				After IPO*			
	Direct		Indirect		Direct		Indirect	
	No. of Shares held	%	No. of Shares held	%	No. of Shares held	%	No. of Shares held	%
Hassan Assad Basma	-	-	-	-	2,500,000	0.09	-	-
Shaharul Rezza bin Hassan	-	-	-	-	1,200,000	0.04	-	-
Andrew Day Lamshed	-	-	-	-	250,000	0.01	-	-
Wee Yam Khoon	-	-	-	-	250,000	0.01	-	-
Massimiliano Bellotti	-	-	-	-	200,000	0.01	-	-
Adriaan Petrus Van De Korput	-	-	-	-	150,000	0.01	-	-
Madhusudanan Madasery Balan	-	-	-	-	200,000	0.01	-	-
Jonathan Edward Duckett	-	-	-	-	250,000	0.01	-	-
Noor Azmi bin Abdul Maiek	-	-	-	-	250,000	0.01	-	-
Noval D'avila Paredes	-	-	-	-	22,000	~	-	-
Choong Guan Huat	-	-	-	-	250,000	0.01	-	-

Notes:

~ Negligible.

* Excludes the effects of the exercise of the call option granted to Hassan Assad Basma of 7,500,000 Shares and the initial grant of Options under the ESOS set out in Sections 15.1(iv)(c) and 15.4 of this Prospectus, respectively.

Notwithstanding the preferential share allocation scheme under the IPO, our key management may subscribe for the Issue Shares under the Retail Offering. Subject to the terms of the ESOS, our key management is eligible to be offered and granted Options over new Shares, the number of which will be determined in accordance with the By-Laws. Prior to the Listing, our Board proposes to grant Options over an aggregate of up to 33,000,000 Shares to our executive Directors and eligible employees of our Group, of which Options over up to 17,500,000 Shares and up to 4,000,000 Shares are to be granted to Hassan Assad Basma and Shaharul Rezza bin Hassan, respectively. Please refer to Section 15.4 of this Prospectus for further details of the aforesaid grant. The By-Laws are set out in Annexure D of this Prospectus.

In addition, Hassan Assad Basma has been granted a call option over an aggregate of 7,500,000 Shares by OBSB, ODSB, KMSB, WBSB and WSSB. Please refer to Section 15.1(iv)(c) of this Prospectus for further details on this call option.

9. INFORMATION ON OUR DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY MANAGEMENT (cont'd)

9.2.4 Involvement of executive Directors and key management in other principal business activities

Save as disclosed in Section 9.1.3, none of our executive Directors or our key management is involved in other principal business activities outside of our Group as at the LPD.

Our executive Directors believe that their involvement in other principal business activities outside of our Group as set out in Section 9.1.3 will not affect their contribution to our Group.

9.3 Promoters

OBSB and ODSB are the Promoters of the IPO.

9.3.1 OBSB

OBSB is one of the Promoters for the IPO and has been involved in the affairs and business of our Company since becoming a substantial shareholder on 30 August 2002 pursuant to a conditional sale and purchase agreement entered into between OBSB and Wan Ariff bin Wan Hamzah, Wan Ariff & Co. Sdn Bhd, Nik Mohd Kamal Nik Yusof and Tengku Fauziah binti Tengku Zainal Abidin to acquire in aggregate about 30.8% of the then issued and paid-up share capital of our Company. On 19 September 2002, RHB Sakura Merchant Bankers Berhad (now known as RHB Investment Bank Berhad), on behalf of OBSB, served a Notice of Take-over on the then Board of Directors of our Company to acquire all the remaining shares of our Company not already owned by OBSB and the parties acting in concert. Subsequently, our Company was removed from the Official List of the then Main Board of the Kuala Lumpur Stock Exchange (now the Main Market) on 18 April 2003.

OBSB was incorporated as a private company limited by shares in Malaysia under the Act on 5 July 2002. The principal activity of OBSB is investment holding. As at the LPD, the authorised share capital of OBSB is RM200,001,000 comprising 200,000,000 ordinary shares of RM1.00 each and 100,000 non-cumulative redeemable convertible preference shares ("NCRCPs") of RM0.01 each. The issued and paid-up share capital of OBSB as at the LPD is RM200,000,304.43 comprising 200,000,000 ordinary shares of RM1.00 each and 30,443 NCRCPs of RM0.01 each.

Chan Chee Beng and Lim Ghee Keong, who are directors of OBSB, have been our Company's Directors since 2 June 2003 and 22 April 2011, respectively. For details on their relevant knowledge and experience, please refer to their respective profiles as set out in Section 9.1.2 of this Prospectus.

9. INFORMATION ON OUR DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY MANAGEMENT (cont'd)

9.3.2 ODSB

ODSB was incorporated as a private company limited by shares in Malaysia under the Act on 15 December 2005. The principal activity of ODSB is investment holding. ODSB's only investment is the Shares held by ODSB in our Company and it has no other business activity or investment.

As at the LPD, the authorised share capital of ODSB is RM25,000,000 comprising 25,000,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of ODSB as at the LPD is RM11,250,000 comprising 11,250,000 ordinary shares of RM1.00 each.

As at the LPD, ODSB is held by Dato' Ahmad Fuad bin Md Ali, Dato' Sri Mahamad Fathil bin Dato' Mahmood and Datuk Abdul Farish bin Abd Rashid. Both Dato' Ahmad Fuad bin Md Ali and Dato' Sri Mahamad Fathil bin Dato' Mahmood have been our Company's Directors since 6 June 2007 and 19 September 2006, respectively. For details on their relevant knowledge and experience, please refer to their respective profiles as set out in Section 9.1.2 of this Prospectus.

In addition to the lock-up arrangements referred to in Section 4.10.2 of this Prospectus applicable to ODSB, in accordance with the Equity Guidelines, OBSB and ODSB, in their capacity as the Promoters, have given separate undertakings to the SC that they will not sell, transfer or assign their shareholdings in our Company as at the date of Listing, for 6 months from the date of Listing, details of which are set out in Section 10.2 of this Prospectus. Further, MSSB and ISSB, the direct shareholders of OBSB, have also given an undertaking to the SC that they will not sell, transfer or assign their shareholdings in OBSB as at the date of Listing, for 6 months from the date of Listing. UTSB, in its capacity as the indirect shareholder of OBSB, has also given an undertaking to the SC that it will not sell, transfer or assign its shareholdings in MSSB and ISSB as at the date of Listing, for 6 months from the date of Listing. PSIL, Excorp and PanOcean, indirect shareholders of OBSB, have also given an undertaking to the SC that they will not sell, transfer or assign their shareholdings in UTSB, PSIL and Excorp, respectively, as at the date of Listing, for 6 months from the date of Listing. Dato' Ahmad Fuad bin Md Ali, Dato' Sri Mahamad Fathil bin Dato' Mahmood and Datuk Abdul Farish bin Abd Rashid in their capacity as shareholders of ODSB, have also given separate undertakings to the SC that they will not sell, transfer or assign their shareholdings in ODSB as at the date of Listing, for 6 months from the date of Listing.

9. INFORMATION ON OUR DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY MANAGEMENT (cont'd)

9.4 Substantial shareholders

The following table sets forth the shareholding of substantial shareholders, being a person who holds not less than 5% of the Shares, before and after the IPO:

Name of substantial shareholder	Nationality/ Country of incorporation	Before IPO				After IPO*			
		Direct		Indirect		Direct		Indirect	
		No. of Shares held	%	No. of Shares held	%	No. of Shares held	%	No. of Shares held	%
		000		000		000		000	
OBSB	Malaysia	1,243,188	54.43	-	-	1,243,188	42.45	-	-
ODSB	Malaysia	439,740	19.25	-	-	340,778	11.64	-	-
WSSB	Malaysia	274,680	12.03	-	-	212,864	7.27	-	-
KMSB	Malaysia	204,120	8.94	-	-	158,183	5.40	-	-
WBSB	Malaysia	122,472	5.36	-	-	94,910	3.24	-	-
Dato' Ahmad Fuad bin Md Ali	Malaysian	-	-	439,740 ⁽¹⁾	19.25	750 ⁽⁹⁾	0.03	340,778 ⁽¹⁾	11.64
Dato' Sri Mahamad Fathil bin Dato' Mahmood	Malaysian	-	-	439,740 ⁽¹⁾	19.25	750 ⁽⁹⁾	0.03	340,778 ⁽¹⁾	11.64
Datuk Abdul Farish bin Abd Rashid	Malaysian	-	-	439,740 ⁽¹⁾	19.25	750 ⁽⁹⁾	0.03	340,778 ⁽¹⁾	11.64
SASB	Malaysia	-	-	601,272 ⁽²⁾	26.32	-	-	465,957 ⁽²⁾	15.91
Farah Suhanah binti Ahmad Sarji	Malaysian	-	-	601,272 ⁽²⁾	26.32	750 ⁽⁹⁾	0.03	465,957 ⁽²⁾	15.91
MSSB	Malaysia	-	-	1,243,188 ⁽⁴⁾	54.43	-	-	1,243,188 ⁽⁴⁾	42.45
UTSB	Malaysia	-	-	1,243,188 ⁽⁵⁾	54.43	-	-	1,243,188 ⁽⁵⁾	42.45
PSIL	Jersey, Channel Islands	-	-	1,243,188 ⁽⁶⁾	54.43	-	-	1,243,188 ⁽⁶⁾	42.45
Excorp	Curacao	-	-	1,243,188 ⁽⁷⁾	54.43	-	-	1,243,188 ⁽⁷⁾	42.45
PanOcean	Jersey, Channel Islands	-	-	1,243,188 ⁽⁷⁾	54.43	-	-	1,243,188 ⁽⁷⁾	42.45
TAK	Malaysian	-	-	1,243,188 ⁽⁸⁾	54.43	-	-	1,243,188 ⁽⁸⁾	42.45

Notes:

- * Excludes the effects of the exercise of the call option granted to Hassan Assad Basma of 7,500,000 Shares and the initial grant of Options under the ESOS set out in Sections 15.1(iv)(c) and 15.4 of this Prospectus, respectively.
- (1) Deemed interest by virtue of their respective shareholdings in ODSB pursuant to Section 6A of the Act.
- (2) Deemed interest by virtue of its shareholdings in the SASB Subsidiaries pursuant to Section 6A of the Act. Each of the SASB Subsidiaries is a trustee of a discretionary trust 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 discretionary trusts for Bumiputera objects.
- (3) Deemed interest by virtue of her shareholding in SASB. However, she does not have any economic interest 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 (2) above for SASB's deemed interest in the Shares.

9. INFORMATION ON OUR DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY MANAGEMENT (cont'd)

Notes (cont'd):

- (4) *Deemed interest by virtue of its shareholding in OBSB pursuant to Section 6A of the Act.*
- (5) *UTSB is deemed to have an interest in all of the Shares in which 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 (4) above for MSSB's deemed interest in the Shares.*
- (6) *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 (5) above for UTSB's deemed interest in the Shares.*
- (7) *The shares in PSIL are held by Excorp which is in turn held 100% by PanOcean. See note (6) 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 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.*
- (8) *TAK is deemed to have an interest in the Shares, by virtue of his deemed interest in PanOcean. See note (7) 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 (7) above.*
- (9) *Assuming full subscription of the Issue Shares reserved for them under the preferential share allocation scheme under the Retail Offering.*

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9. INFORMATION ON OUR DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY MANAGEMENT (cont'd)

The table below sets forth our substantial shareholders' and/or our Promoters' direct and indirect interests in our Company for the past 3 years up to the LPD:

Name	31 March 2009				31 March 2010				31 March 2011				As at the LPD				
	Direct		Indirect		Direct		Indirect		Direct		Indirect		Direct		Indirect		
	No. of ordinary shares of RM1.00 000	%	No. of ordinary shares of RM1.00 000	%	No. of ordinary shares of RM1.00 000	%	No. of ordinary shares of RM1.00 000	%	No. of Shares 000	%	No. of Shares 000	%	No. of Shares 000	%	No. of Shares 000	%	
OBSB	30,870	49.00	-	-	30,870	49.00	-	-	1,243,188	54.43	-	-	1,243,188	54.43	-	-	
ODSB	12,600	20.00	-	-	12,600	20.00	-	-	408,240	17.87	-	-	439,740	19.25	-	-	
WSSB	9,450	15.00	-	-	9,450	15.00	-	-	306,180	13.40	-	-	274,680	12.03	-	-	
KMSB	6,300	10.00	-	-	6,300	10.00	-	-	204,120	8.94	-	-	204,120	8.94	-	-	
WBSB	3,780	6.00	-	-	3,780	6.00	-	-	122,472	5.36	-	-	122,472	5.36	-	-	
Dato' Ahmad Fuad bin Md Ali	-	-	12,600 ⁽¹⁾	20.00	-	-	12,600 ⁽¹⁾	20.00	-	-	-	408,240 ⁽¹⁾	17.87	-	-	439,740 ⁽¹⁾	19.25
Dato' Sri Mahamad Fathil bin Dato' Mahmood	-	-	12,800 ⁽¹⁾	20.00	-	-	12,600 ⁽¹⁾	20.00	-	-	-	408,240 ⁽¹⁾	17.87	-	-	439,740 ⁽¹⁾	19.25
Datuk Abdul Farish bin Abd Rashid	-	-	12,600 ⁽¹⁾	20.00	-	-	12,600 ⁽¹⁾	20.00	-	-	-	408,240 ⁽¹⁾	17.87	-	-	439,740 ⁽¹⁾	19.25
SASB	-	-	19,530 ⁽²⁾	31.00	-	-	19,530 ⁽²⁾	31.00	-	-	-	632,772 ⁽²⁾	27.70	-	-	601,272 ⁽²⁾	26.32
Farah Suhanah binti Ahmad Sajji	-	-	19,530 ⁽²⁾	31.00	-	-	19,530 ⁽²⁾	31.00	-	-	-	832,772 ⁽²⁾	27.70	-	-	601,272 ⁽²⁾	26.32
MSSB	-	-	30,870 ⁽⁴⁾	49.00	-	-	30,870 ⁽⁴⁾	49.00	-	-	-	1,243,188 ⁽⁴⁾	54.43	-	-	1,243,188 ⁽⁴⁾	54.43
UTSB	-	-	30,870 ⁽⁵⁾	49.00	-	-	30,870 ⁽⁵⁾	49.00	-	-	-	1,243,188 ⁽⁵⁾	54.43	-	-	1,243,188 ⁽⁵⁾	54.43
PSIL	-	-	30,870 ⁽⁶⁾	49.00	-	-	30,870 ⁽⁶⁾	49.00	-	-	-	1,243,188 ⁽⁶⁾	54.43	-	-	1,243,188 ⁽⁶⁾	54.43

9. INFORMATION ON OUR DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY MANAGEMENT (cont'd)

Name	31 March 2009			31 March 2010			31 March 2011			As at the LPD						
	Direct		Indirect	Direct		Indirect	Direct		Indirect	Direct		Indirect				
	No. of ordinary shares of RM1.00	%	No. of ordinary shares of RM1.00	%	No. of ordinary shares of RM1.00	%	No. of Shares	%	No. of Shares	%	No. of Shares	%				
Excorp	-	-	30,870 ⁽⁷⁾	49.00	-	-	30,870 ⁽⁷⁾	49.00	-	-	1,243,188 ⁽⁷⁾	54.43	-	-	1,243,188 ⁽⁷⁾	54.43
PanOcean	-	-	30,870 ⁽⁷⁾	49.00	-	-	30,870 ⁽⁷⁾	49.00	-	-	1,243,188 ⁽⁷⁾	54.43	-	-	1,243,188 ⁽⁷⁾	54.43
TAK	-	-	30,870 ⁽⁸⁾	49.00	-	-	30,870 ⁽⁸⁾	49.00	-	-	1,243,188 ⁽⁸⁾	54.43	-	-	1,243,188 ⁽⁸⁾	54.43

Notes:

(1) Deemed interest by virtue of their respective shareholdings in ODSB pursuant to Section 6A of the Act.

(2) Deemed interest by virtue of its shareholding in the SASB Subsidiaries pursuant to Section 6A of the Act. Each of the SASB Subsidiaries is a trustee of a discretionary trust 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 discretionary trusts for Bumiputera objects.

(3) Deemed interest by virtue of her shareholding in SASB. However, she does not have any economic interest 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 (2) above for SASB's deemed interest in the Shares.

(4) Deemed interest by virtue of its shareholding in OBSB pursuant to Section 6A of the Act.

(5) UTSS is deemed to have an interest in all of the Shares in which MSSB has an interest, by virtue of UTSS being entitled to exercise 100% of the votes attached to the voting shares of MSSB. See note (4) above for MSSB's deemed interest in the Shares.

(6) PSIL is deemed to have an interest in all of the Shares in which UTSS has an interest, by virtue of PSIL being entitled to exercise 99.999% of the votes attached to the voting shares of UTSS. See note (5) above for UTSS's deemed interest in the Shares.

(7) The shares in PSIL are held by Excorp which is in turn held 100% by PanOcean. See note (6) 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 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.

(8) TAK is deemed to have an interest in the Shares, by virtue of his deemed interest in PanOcean. See note (7) 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 (7) above.

9. INFORMATION ON OUR DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY MANAGEMENT (cont'd)

The principal activity of each of WSSB, KMSB and WBSB is trust and investment holding. The principal activity of each of SASB, MSSB, UTBS, PSIL and Excorp is investment holding. The principal activity of PanOcean is that of a trustee of a discretionary trust, the beneficiaries of which are members of the family of TAK and foundations including those for charitable purposes.

Datuk Abdul Farish bin Abd Rashid, one of our substantial shareholders, has been a substantial shareholder of ODSB since 2005. He was also appointed as an advisor to our Board in 2007. He is an entrepreneur with extensive experience in the O&G and power generation industries since 1989. He is presently the Executive Director of FVSB, a subsidiary of MISC which is involved in O&M of FPSOs and FSOs. In addition, he is a shareholder and director of Ombak Simfoni Sdn Bhd which holds shares in FVSB. He holds directorships in various private companies and is the Chairman of Makhostia Sdn Bhd, an O&M service provider for gas district cooling. Previously, he was a director and shareholder in Stratavest Sdn Bhd and Serve Vest Sdn Bhd which were involved in the O&G industry and owns an independent power producer in Sabah.

TAK is a director of UTBS, PSIL, Excorp and PanOcean. TAK is also a substantial shareholder of OBSB, MSSB, UTBS, PSIL, Excorp and PanOcean by virtue of his deemed interest in PanOcean. Please refer to note (8) of Section 9.4 of this Prospectus.

Save as disclosed below and in Section 9.1.4 of this Prospectus, none of our substantial shareholders has any direct or indirect interests in other businesses and corporations (other than our associated companies and jointly-controlled entities) carrying on a similar trade as that of our Group, associated companies and jointly-controlled entities or in other businesses and corporations (other than our associated companies and jointly-controlled entities) which are our customers and/or suppliers:

Substantial shareholder	Businesses/Corporations	Nature of interest	Direct interest	Indirect interest
			%	%
Datuk Abdul Farish bin Abd Rashid	<i>Similar trade as that of our Group:</i>			
	• FVSB ⁽¹⁾	• Director	-	49
	• OMV ⁽²⁾	• Alternate Director	-	100
	<i>Our customer:</i>			
	• OMV ⁽²⁾	• Alternate Director	-	100
UTSB	<i>Our suppliers:</i>			
	• Maxis Group	• Deemed interest in Maxis held through UTBS Group	-	70
	• MEASAT Broadcast Network Systems Sdn Bhd ("MBNS")	• Deemed interest in MBNS held through UTBS Group	-	100
	• UTBS Group	• Direct equity interests held by UTBS in its subsidiaries	100	-
PSIL	<i>Our suppliers:</i>			
	• Maxis Group	• Deemed interest in Maxis held through UTBS Group	-	70
	• MBNS	• Deemed interest in MBNS held through UTBS Group	-	100
	• UTBS Group	• Deemed interest held in UTBS Group	-	100
Excorp	<i>Our suppliers:</i>			
	• Maxis Group	• Deemed interest in Maxis held through UTBS Group	-	70
	• MBNS	• Deemed interest in MBNS held through UTBS Group	-	100
	• UTBS Group	• Deemed interest held in UTBS Group	-	100

9. INFORMATION ON OUR DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY MANAGEMENT (cont'd)

Substantial shareholder	Businesses/Corporations	Nature of Interest	Direct interest	Indirect interest
			%	%
PanOcean	<i>Our suppliers:</i>			
	• Maxis Group	• Deemed interest in Maxis held through UTSB Group	-	70
	• MBNS	• Deemed interest in MBNS held through UTSB Group	-	100
	• UTSB Group	• Deemed interest held in UTSB Group	-	100
	• MLP	• Deemed Interest in MLP	-	100
TAK	<i>Our suppliers:</i>			
	• Maxis Group	• Deemed interest in Maxis held through UTSB Group and companies in which he has controlling interests	-	70
	• MBNS	• Deemed interest in MBNS held through UTSB Group and companies in which he has controlling interest	-	100
	• UTSB Group	• Director and deemed interest held in UTSB Group	-	100
	• MLP	• Deemed interest in MLP	-	100

Notes:

(1) This company is a joint-venture partner with our Company in OMV.

(2) This company is our jointly-controlled entity.

Our substantial shareholders are of the view that the interests held by our substantial shareholders in other businesses and corporations which carry out similar trade as that of our Group or which are our customers and/or suppliers do not compete directly with our businesses. Transactions between our Group and our substantial shareholders in their personal capacity or the abovementioned companies and businesses in which they have interests as directors or substantial shareholders are carried out on an arm's length basis and on usual business terms.

Although such interests may give rise to a conflict of interest situation, such substantial shareholders and persons connected to them shall abstain from deliberations and voting on the resolutions relating to these matters or transactions that require the approval of our shareholders in respect of their direct or indirect interests. Such transactions are carried out on an arm's length basis and on usual business terms.

Our substantial shareholders, in their personal capacity or the companies and businesses in which they have interests as directors or substantial shareholders, may be our suppliers for telecommunications, management and other services provided to our Company. Such transactions are carried out on an arm's length basis and on usual business terms.

Save as disclosed above, our Company is not aware of any person who, directly or indirectly, jointly or severally, has control over our Company.

9. INFORMATION ON OUR DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY MANAGEMENT (cont'd)

9.5 Relationships and associations between our Directors, key management, substantial shareholders and Promoters

Save as disclosed below and the relationships and associations between our Company's substantial shareholders as described in Section 9.4 of this Prospectus, there is no family relationship and/or association between any of our Directors, key management, substantial shareholders and Promoters as at 8 June 2011:

- (i) Association amongst our substantial shareholders
 - (a) TAK is a director of UTSB, PSIL, Excorp and PanOcean. TAK is also a substantial shareholder of OBSB, MSSB, UTSB, PSIL, Excorp and PanOcean.
 - (b) Dato' Sri Mahamad Fathil bin Dato' Mahmood, Dato' Ahmad Fuad bin Md Ali and Datuk Abdul Farish bin Abd Rashid are directors and substantial shareholders of ODSB.
 - (c) Farah Suhanah binti Ahmad Sarji is a director and substantial shareholder of each of SASB, WSSB, KMSB and WBSB.
- (ii) Association between our Directors and substantial shareholders
 - (a) Dato' Sri Mahamad Fathil bin Dato' Mahmood and Dato' Ahmad Fuad bin Md Ali are directors and substantial shareholders of ODSB.
 - (b) Chan Chee Beng is a director of OBSB and an executive director of UTSB. He is also a director of several subsidiaries of UTSB and other companies in which UTSB, PSIL, Excorp, PanOcean and TAK have interests in and are substantial shareholders of, viz. Maxis Communications Berhad ("MCB"), Maxis and several subsidiaries of MCB and Maxis.
 - (c) Farah Suhanah binti Ahmad Sarji is a director and substantial shareholder of each of SASB, WSSB, KMSB and WBSB.
 - (d) Lim Ghee Keong is a director of OBSB. He is also a director of PSIL, Excorp, PanOcean and several subsidiaries of UTSB and other companies in which UTSB, PSIL, Excorp, PanOcean and TAK have interests in.
- (iii) Association between our Directors and Promoters
 - (a) Dato' Sri Mahamad Fathil bin Dato' Mahmood and Dato' Ahmad Fuad bin Md Ali are directors and substantial shareholders of ODSB.
 - (b) Chan Chee Beng and Lim Ghee Keong are directors of OBSB.

9. INFORMATION ON OUR DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY MANAGEMENT *(cont'd)*

9.6 Declaration by our Directors, Promoters and key management

Each of our Directors, Promoters, and key management has confirmed to us that, as at the LPD (save for Alexandra Elisabeth Johanna Maria Schaapveld and Andrew Philip Whittle, whose declarations are as at 8 June 2011), he or it is not and has not been involved in any of the following events (whether in or outside Malaysia):

- (i) a petition under any bankruptcy or insolvency laws was filed (and not struck out) against such person or any partnership in which such person is or was a partner or any corporation of which such person was a director or key personnel;
- (ii) disqualified from acting as a director of any corporation, or from taking part directly or indirectly in the management of any corporation;
- (iii) charged and/or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding;
- (iv) any judgment entered against such person involving a breach of any law or regulatory requirement that relates to the securities or futures industry; or
- (v) the subject of any order, judgement or ruling of any court, government or regulatory authority or body temporarily enjoining such person from engaging in any type of business practice or activity.

9.7 Service agreements

Save as disclosed below, as at the LPD, there is no existing or proposed service agreement entered into or to be entered into between our Directors or any member of our key management and our Group:

- (i) Hassan Assad Basma was appointed as the executive Director of OBSB and seconded to our Company as the executive Director of Strategy, Commercial and Business Development. Upon this secondment, all obligations relating to his appointment were assumed by our Company. His secondment was for a fixed term of 5 years which commenced on 1 September 2005 and has since expired. On 7 December 2009, he entered into a service agreement with our Company for his appointment as our Chief Executive Officer. This appointment, which took effect on 1 September 2010, is for a term of 2 years and may be extended for a further 1 year subject to mutual agreement. His employment as our Chief Executive Officer is subject to mutual early termination provisions by giving 6 months prior written notice. Further, if our Company terminates his employment without cause prior to the expiry of the term, he will be entitled to receive an agreed compensation.
- (ii) Shaharul Rezza bin Hassan was appointed executive Director and Chief Financial Officer on 18 September 2006. His designation as executive Director and Chief Financial Officer was deemed effective from 1 July 2006 and is not for a fixed term. His employment is subject to mutual termination provisions by giving 6 months prior written notice. Shaharul Rezza bin Hassan was also appointed Managing Director of BAN effective from 1 November 2007. His employment is not for a fixed term and is subject to mutual termination provisions by giving 3 months prior written notice.
- (iii) Madhusudanan Madasery Balan and Massimiliano Belloti each has a service agreement with our Company. These service agreements have tenures for a fixed term of 5 years and include mutual termination clauses. Madhusudanan Madasery Balan and Massimiliano Belloti are entitled to receive an agreed compensation if our Company terminates their respective service agreements without cause prior to the expiry of their respective terms.

9. INFORMATION ON OUR DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY MANAGEMENT (cont'd)

- (iv) Andrew Day Lamshed, Adriaan Petrus Van De Korput, Noval D'avila Paredes and Jonathan Edward Duckett each has a service agreement with our Company. These service agreements have tenures for a fixed term of between 2 and 3 years (except for Jonathan Edward Duckett whose employment is not for a fixed term) and include mutual termination clauses.
- (v) Noor Azmi bin Abdul Malek entered into a service agreement with our Company on 2 May 2006 and was subsequently transferred to BAE with effect from 1 October 2006. His employment is not for a fixed term and is subject to mutual termination provisions.
- (vi) Wee Yam Khoon entered into a service agreement with BAN on 15 June 2009 and was subsequently transferred to our Company with effect from 24 June 2009. His employment is for a fixed term of 3 years and is subject to mutual termination provisions.
- (vii) Choong Guan Huat has a service agreement with H AISPL. His employment is for a fixed term of 3 years and is subject to mutual termination provisions.

9.8 Other matters

No amount has been paid or benefit given within the 2 years preceding the LPD, nor is it intended to be so paid or given, to our Promoters, substantial shareholders and Directors except for the following:

- (i) historical and future payments to our substantial shareholders in the ordinary course of business as set out in Section 11 of this Prospectus;
- (ii) Options which may be granted to our executive Directors under the ESOS as set out in Section 9.1.8 of this Prospectus; and
- (iii) salaries and benefits-in-kind paid and payable to our Directors as set out in Sections 9.1.9 and 11 of this Prospectus.

10. APPROVALS AND CONDITIONS

10.1 Approvals and conditions

The SC has, via its letters dated 20 June 2011 and 24 June 2011, approved the IPO and the ESOS, respectively, under the Section 212(5) of the CMSA and equity requirement for public companies, subject to the compliance with the following condition:

Condition	Status of compliance
(i) CIMB, Maybank IB and RHB, as the Joint Principal Advisers, and Bumi Armada to fully comply with the relevant requirements under the Equity Guidelines and the Prospectus Guidelines pertaining to the implementation of the IPO and the Listing	Noted

The SAC has, via its letter dated 18 May 2011, classified our Shares as Shariah-compliant.

The SC has, via its letter dated 20 June 2011, approved the waivers sought in relation to compliance with certain requirements under the Equity Guidelines and the Prospectus Guidelines. The details of the waivers sought and accompanying conditions imposed by the SC are as follows:

Reference	Details of the waivers sought	Conditions Imposed	Status of compliance, where applicable
Equity Guidelines			
Section 1, Appendix 1	Exemption from having to appoint 2 of the Independent Non-Executive Directors to our Board at the point of submission to the SC. The 2 Independent Non-Executive Directors will be appointed at a later stage, prior to the decision from the SC for the Listing	The updated prospectus (containing information on the Independent Non-Executive Directors and the names of the members of the audit, remuneration and nomination committees) to be re-exposed for another 5 working days for public comments	Complied
Section 2(e), Appendix 1	Modified compliance such that our Company is only required to disclose information on proposals submitted to the SC by our Group after the date of de-listing of our Company on 18 April 2003	Nil	Not applicable
Section 2(f), Appendix 1	Modified compliance such that the disclosures on non-compliance with the relevant laws, regulations, rules and requirements governing the conduct of the businesses of our Group are made only with respect to any breach of any relevant laws, regulations, rules and requirements which may have a material adverse impact on the business operations and/or financial position of our Group	Nil	Not applicable

10. APPROVALS AND CONDITIONS (cont'd)

Reference	Details of the waivers sought	Conditions imposed	Status of compliance, where applicable
Prospectus Guidelines			
Paragraphs 8.02(m) and 18.01(c)	(i) Exemption from disclosing certain confidential provisions in the contracts that our Group are highly dependent on ("Dependent Contracts") in this Prospectus; and (ii) Redaction of certain confidential provisions in the Dependent Contracts which are made available for public inspection	Nil	Not applicable
Paragraph 8.03(d)	Exemption from disclosing the NBV of each of the FPSO and T&I vessels in this Prospectus	To disclose the NBV of the FPSO and T&I vessels on a collective basis for each segment	Complied. The disclosure has been included in Sections 7.4.1 and 7.4.3 of this Prospectus
Paragraphs 9.12 and 18.01(d)	(i) Exemption from disclosing certain confidential provisions in the service contract of Hassan Assad Basma, our Executive Director and Chief Executive Officer ("CEO Service Contract"); and (ii) Redaction of certain confidential provisions in the CEO Service Contract which is made available for public inspection	Nil	Not applicable
Paragraph 18.01(i)	Exemption from making available for public inspection the audited financial statements of each of our subsidiaries for the 3-month financial period ended 31 March 2011	Nil	Not applicable
Prospectus Guidelines – Procedures for Registration			
Paragraph 1.10(j)	Exemption from submitting as part of the documents for registration, the audited financial statements of each of our subsidiaries for the 3-month financial period ended 31 March 2011	Nil	Not applicable

10. APPROVALS AND CONDITIONS (cont'd)

The SC has noted the notification dated 25 May 2011 from the Joint Principal Advisers, on behalf of our Company, that Bumi Armada is a company with predominantly foreign-based operations pursuant to the equity requirement for public companies. As such, the SC has, via its letter dated 27 May 2011, informed that Bumi Armada is exempted from having to comply with the Bumiputera equity requirement pursuant to the Listing. The Joint Principal Advisers are required to notify the SC in the event that Bumi Armada does not derive more than 50% of its after-tax profits from its foreign-based operations at the time of listing, whereby in such a case, the Bumiputera equity requirement will be imposed on Bumi Armada.

10.2 Moratorium on our Shares

In accordance with the Equity Guidelines, OBSB, being one of our Promoters, will not be allowed, and has undertaken not to sell, transfer or assign its entire shareholding of 1,243,188,000 Shares, which represent approximately 42.45% of the enlarged issued and paid-up ordinary share capital of our Company, as at the date of Listing, for a period of 6 months from the date of Listing. However, in the event that Hassan Assad Basma exercises the call option granted to him by OBSB over the first tranche of 1,348,000 Shares, the aforesaid undertaking by OBSB shall apply to the entire remaining shareholding of OBSB in our Company of 1,241,840,000 Shares which represent approximately 42.41% of the enlarged issued and paid-up share capital of our Company as at the date of Listing.

In accordance with the Equity Guidelines, ODSB, being one of our Promoters, will not be allowed, and has undertaken not to sell, transfer or assign its entire shareholding of 340,777,700 Shares, which represent approximately 11.64% of the enlarged issued and paid-up ordinary share capital of our Company, as at the date of Listing, for a period of 6 months from the date of Listing. However, in the event that Hassan Assad Basma exercises the call option granted to him by ODSB over the first tranche of 500,000 Shares, the aforesaid undertaking by ODSB shall apply to the entire remaining shareholding of ODSB in our Company of 340,277,700 Shares which represent approximately 11.62% of the enlarged issued and paid-up share capital of our Company as at the date of Listing.

For further details on the call option granted by OBSB and ODSB respectively to Hassan Assad Basma, please refer to Section 15.1(iv)(c) of this Prospectus.

In accordance with the Equity Guidelines, the direct shareholders of OBSB, namely MSSB and ISSB have undertaken not to sell, transfer or assign their entire respective shareholdings in OBSB as at the date of Listing, for a period of 6 months from the date of Listing.

In accordance with the Equity Guidelines, the indirect shareholder of OBSB, namely UTSB, has undertaken not to sell, transfer or assign its entire respective shareholdings in MSSB and ISSB as at the date of Listing, for a period of 6 months from the date of Listing.

In accordance with the Equity Guidelines, the indirect shareholders of OBSB, namely PSIL, Excorp and PanOcean have undertaken not to sell, transfer or assign their entire shareholdings in UTSB, PSIL and Excorp, respectively, as at the date of Listing, for a period of 6 months from the date of Listing.

In accordance with the Equity Guidelines, the shareholders of ODSB, namely Dato' Ahmad Fuad bin Md Ali, Dato' Sri Mahamad Fathil bin Dato' Mahmood and Datuk Abdul Farish bin Abd Rashid have undertaken not to sell, transfer or assign their entire respective shareholdings in ODSB as at the date of Listing, for a period of 6 months from the date of Listing.

11. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST**11.1 Related party transactions**

Under the Listing Requirements that are applicable to companies listed on the Main Market, a "related party transaction" is a transaction entered into by a listed issuer or its subsidiaries that involves the interest, direct or indirect, of a related party. A "related party" of a listed issuer (not being a special purpose acquisition company) is:

- (i) a director having the meaning given in Section 2(1) of the CMA and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a director of the listed issuer, its subsidiary or holding company or a chief executive of the listed issuer, its subsidiary or holding company; or
- (ii) a major shareholder, and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a major shareholder of the listed issuer or its subsidiaries or holding company, and has or had an interest or interests in one or more voting shares in a corporation and the nominal amount of that share or the aggregate of the nominal amounts of those shares is:
 - (a) 10% or more of the aggregate of the nominal amounts of all the voting shares in the corporation; or
 - (b) 5% or more of the aggregate of the nominal amounts of all the voting shares in the corporation where such person is the largest shareholder of the corporation,or
- (iii) a person connected with such director or major shareholder.

11. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST (cont'd)

11.1.1 Non-recurrent related party transactions

Save as disclosed below, there are no existing and/or proposed non-recurrent related party transactions which have been entered into or expected to be entered into by our Group with related parties for the past 3 years ended 31 December 2010, 3 months ended 31 March 2011 and the year ending 31 December 2011:

No.	Transacting parties	Nature of relationship	Nature of transaction	Actual			Estimate	
				Year ended 31 December	2009	2010	3 months ended 31 March 2011	Year ending 31 December 2011
				RM,000				
(i)	Our Company and PTSB ⁽¹⁾	Interested major shareholders UTSB, PSIL, Excorp, PanOcean and TAK	• Provision of loan by PTSB to our Company ("Loan")	150,000 ⁽²⁾
		Interested Directors Chan Chee Beng ("CCB") and Lim Ghee Keong ("LGK")	• Interest expense on the Loan	468	5,610	5,610	701	701

PTSB is a wholly-owned subsidiary of UTSB. UTSB, PSIL, Excorp, PanOcean and TAK are major shareholders of PTSB and our Company.

CCB is a director of our Company and UTSB but he does not have any equity interest in UTSB.

LGK is a director of our Company, PSIL, Excorp and PanOcean but he does not have any equity interest in PSIL, Excorp or PanOcean

11. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST (cont'd)

No.	Transacting parties	Nature of relationship	Nature of transaction	Actual			Estimate
				Year ended 31 December	3 months ended 31 March	Year ending 31 December	
				2008	2009	2010	2011
						RM 000	
(ii)	AMCCPL and UTSBM	Interested major shareholders UTSB, PSIL, Excorp, PanOcean and TAK	<ul style="list-style-type: none"> Provision of project-related advisory services by UTSBM to AMCCPL 	-	-	1,910	-

Interested Directors
CCB and LGK

UTSBM is a wholly-owned subsidiary of UTSB. UTSB, PSIL, Excorp, PanOcean and TAK are major shareholders of UTSBM and our Company. AMCCPL is our indirect wholly-owned subsidiary.

CCB is a director of our Company, UTSB and UTSBM but he does not have any equity interest in UTSB or UTSBM.

LGK is a director of our Company, PSIL, Excorp, PanOcean and UTSBM but he does not have any equity interest in PSIL, Excorp, PanOcean or UTSBM.

11. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST (cont'd)

No.	Transacting parties	Nature of relationship	Nature of transaction	Actual		Estimate
				Year ended 31 December	3 months ended 31 March	Year ending 31 December
			2008	2009	2010	2011
					RM 000	
(iii)	AOL and UTSBM	Interested major shareholders UTSB, PSIL, Excorp, PanOcean and TAK Interested Directors CCB and LGK UTSBM is a wholly-owned subsidiary of UTSB, UTSB, PSIL, Excorp, PanOcean and TAK are major shareholders of UTSBM and our Company. AOL is our wholly-owned subsidiary. CCB is a director of our Company, UTSB and UTSBM but he does not have any equity interest in UTSB or UTSBM. LGK is a director of our Company, PSIL, Excorp, PanOcean and UTSBM but he does not have any equity interest in PSIL, Excorp, PanOcean or UTSBM.	<ul style="list-style-type: none"> Provision of project-related advisory services by UTSBM to AOL 	-	-	-
					1,520	-
(iv)	Our Group and UTSBM	Interested major shareholders UTSB, PSIL, Excorp, PanOcean and TAK Interested Directors CCB and LGK UTSB, PSIL, Excorp, PanOcean and TAK are major shareholders of UTSBM and our Company. CCB is a director of our Company, UTSB and UTSBM but he does not have any equity interest in UTSB or UTSBM. LGK is a director of our Company, PSIL, Excorp, PanOcean and UTSBM but he does not have any equity interest in PSIL, Excorp, PanOcean or UTSBM.	<ul style="list-style-type: none"> Provision of corporate and project-related advisory services by UTSBM to our Group 	-	-	24,000

11. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST (cont'd)

No.	Transacting parties	Nature of relationship	Nature of transaction	Actual			Estimate Year ending 31 December 2011
				Year ended 31 December 2008	2009	2010	
(v)	Our Company and BAN, WSSB, KMSB and WBSB	Interested major shareholders WSSB, KMSB, WBSB, SASB and Farah Suhanah binti Ahmad Sarji ("Farah") Interested Directors Hassan Assad Basma ("Hassan"), Shaहरु Rezza bin Hassan ("Rezza"), Farah and CCB SASB, WSSB, KMSB and WBSB are major shareholders of BAN and our Company. Hassan, Rezza and CCB are directors of our Company and BAN but they do not have any equity interest in BAN. Farah was a director of BAN (within the preceding 6 months) and our Company, WSSB, KMSB, WBSB and SASB. She is also a major shareholder of BAN, our Company, WSSB, KMSB, WBSB and SASB.	Shareholders' agreement in respect of BAN	-	-	-	RM 000

Notes:

(1) PTSB is a licensed moneylender and related corporation of OBSB.

(2) In consideration of OBSB procuring PTSB to provide the Loan to our Company, we granted OBSB a call option to subscribe for 7,500,000 new ordinary shares of RM1.00 each in our Company. The Loan interest was payable at the rate of the lower of 12-month Kuala Lumpur Interbank Overnight Rate of 3.74% per annum or 18% per annum. The Loan was settled in full on 18 February 2011.

(3) No consideration involved. Details of the terms of the shareholders' agreement are as set out in Section 15.14(v) of this Prospectus.

11. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST (cont'd)

11.1.2 Recurrent related party transactions

Save as disclosed below, our Group does not have any other existing and/or proposed recurrent related party transactions which have been entered into or are to be entered into by our Group with related parties for the past 3 years ended 31 December 2010, 3 months ended 31 March 2011 and the year ending 31 December 2011:

No.	Transacting parties	Nature of relationship	Nature of transaction	Actual			Estimate	
				Year ended 31 December	3 months ended 31 March	Year ending 31 December	Year ending 31 December	
				2008	2009	2010	2011	
				RM 000				
(i)	Our Company and MLP	Interested major shareholders PanOcean and TAK Interested Director LGK MLP is a subsidiary of PanOcean. PanOcean and TAK are major shareholders of MLP and our Company. LGK is a director of our Company and PanOcean but he does not have any equity interest in PanOcean.	<ul style="list-style-type: none"> Tenancy lease agreement between our Company and MLP whereby MLP has leased levels 7 and 19 to 22 of Menara Perak, Kuala Lumpur to our Company (inclusive of utilities) 	999	3,776	3,950	1,037	5,300
(ii)	Our Group and Maxis Group	Interested major shareholders UTSB, PSIL, Excorp, PanOcean and TAK Interested Directors CCB and LGK UTSB, PSIL, Excorp, PanOcean and TAK are major shareholders of Maxis and our Company. CCB is a director of UTSB, Maxis and several subsidiaries of Maxis and our Company and has 0.01% equity interest in Maxis. LGK is a director of our Company, PSIL, Excorp and PanOcean but he does not have any equity interest in PSIL, Excorp or PanOcean.	<ul style="list-style-type: none"> Purchases of BlackBerry handphoned by our Group from Maxis group Provision of training by Maxis group to our Group 	221	95	65	6	200

11. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST (cont'd)

No.	Transacting parties	Nature of relationship	Nature of transaction	Actual			Estimate	
				Year ended 31 December	2009	2010	3 months ended 31 March 2011	Year ending 31 December 2011
				RM 000				
(iii)	Our Company and Astro Holdings Sdn Bhd ("AHSB") and its subsidiaries (collectively, "Astro")	Interested major shareholders UTSB, PSIL, Excorp, PanOcean and TAK Interested Directors CCB and LGK UTSB, PSIL, Excorp, PanOcean and TAK are major shareholders of Astro and our Company. CCB is a director of our Company and UTSB but he does not have any equity interest in UTSB. LGK is a director of our Company, PSIL, Excorp, PanOcean and AHSB but he does not have any equity interest in PSIL, Excorp, PanOcean or AHSB.	<ul style="list-style-type: none"> Provision of subscription services by Astro to our Company 	42	28	18	5	150
(iv)	Our Company and UTSBM	Interested major shareholders UTSB, PSIL, Excorp, PanOcean and TAK Interested Directors CCB and LGK UTSBM is a wholly-owned subsidiary of UTSB. UTSB, PSIL, Excorp, PanOcean and TAK are major shareholders of UTSBM and our Company. CCB is a director of our Company, UTSB and UTSBM but he does not have any equity interest in UTSB or UTSBM. LGK is a director of our Company, PSIL, Excorp, PanOcean and UTSBM but he does not have any equity interest in PSIL, Excorp, PanOcean or UTSBM.	<ul style="list-style-type: none"> Reimbursement costs incurred in respect of Hassan Assad Basma, our Executive Director/Chief Executive Officer Provision of management and strategic consultancy services by UTSBM to our Company 	2,830	3,281	3,453	610	3,650
				1,762	1,762	1,762	1,198	5,200

11. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST (cont'd)

No.	Transacting parties	Nature of relationship	Nature of transaction	Actual			Estimate
				Year ended 31 December	2009	2010	Year ending 31 December 2011
				2008	2009	2010	2011
				RM 000			
(v)	Our Group and BAN ^(h)	Interested major shareholders WBSB, KMSB, WSSB, SASB and Farah	<ul style="list-style-type: none"> Provision of ship management services by BAN to other subsidiaries of our Group 	-	-	-	50,000
		Interested Directors Hassan, Rezza, Farah and CCB	<ul style="list-style-type: none"> Advances from BAN to other subsidiaries of our Group 	-	-	-	500,000
		SASB, WSSB, KMSB and WBSB are major shareholders of BAN and our Company.	<ul style="list-style-type: none"> Provision of management services by our Company to BAN 	-	-	-	50,000

Hassan, Rezza and CCB are directors of our Company and BAN but they do not have any equity interests in BAN.

Farah was a director of BAN (within the preceding 6 months), our Company, WSSB, KMSB, WBSB and SASB. She is also a major shareholder of BAN, our Company, WSSB, KMSB, WBSB and SASB.

11. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST (cont'd)

No.	Transacting parties	Nature of relationship	Nature of transaction	Actual			Estimate	
				Year ended 31 December	2009	2010	3 months ended 31 March 2011	Year ending 31 December 2011
				RM 000				
(vi)	BAN and OMV	Interested major shareholders ODSB, Dato' Sri Mahamad Fathil bin Dato' Mahmood ("Dato' Sri Fathil"), Dato' Ahmad Fuad bin Md Ali ("Dato' Ahmad Fuad") and Datuk Abdul Farish bin Abd Rashid ("Datuk Abdul Farish")	<ul style="list-style-type: none"> Provision of ship management services by BAN to OMV Advances from BAN to OMV 	197	213	108	33	500
		Interested Directors Dato' Sri Fathil and Oato' Ahmad Fuad		2,457	4,746	8,796	1,179	5,200

OMV is our 49.99%-owned jointly-controlled entity whilst the remaining 50.01% in OMV is held by FVSB. FVSB is jointly held by Ombak Simfoni Sdn Bhd and MISC.

Dato' Ahmad Fuad, Dato' Sri Fathil and Datuk Abdul Farish are major shareholders of FVSB via Ombak Simfoni Sdn Bhd, end, our Company and BAN, via ODSB.

Dato' Sri Fathil and Dato' Ahmad Fuad are directors of our Company and FVSB.

Note:

(1) For the 3 years ended 31 December 2010, BAN was our wholly-owned subsidiary. Pursuant to the shareholders' agreement dated 25 March 2011, BAN is no longer our wholly-owned subsidiary and as such, transactions between BAN and our Group will be deemed as related party transactions under the Listing Requirements.

11. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST (cont'd)

Our Directors are of the view that all the above non-recurrent and recurrent related party transactions were conducted on an arm's length basis and on terms not more favourable to the related parties than those generally available to the public.

11.1.3 Transactions entered into that are unusual in their nature or conditions

There were no transactions entered into that are unusual in their nature or conditions, involving goods, services, tangible or intangible assets to which we or any of our parent or subsidiaries were a party in respect of the past 3 years ended 31 December 2010 and the 3 months ended 31 March 2011.

11.1.4 Loans made to or for the benefit of related parties

Save as disclosed in Sections 11.1.1 and 11.1.2 of this Prospectus, there were no outstanding loans (including guarantees of any kind) made by any of our Group or any of our parent to or for the benefit of any related party, for the past 3 years ended 31 December 2010 and the 3 months ended 31 March 2011.

11.2 Conflicts of interest

Save as disclosed in Section 9.1.4 of this Prospectus, none of our Directors and substantial shareholders has any interest, direct or indirect, in other businesses or corporations (other than our associated companies and jointly-controlled entities) which are (i) carrying on a similar trade as that of our Group, associated companies and jointly-controlled entities; or (ii) our customers and/or suppliers.

11.3 Monitoring and oversight of related party transactions and conflicts of interest**11.3.1 Audit Committee review**

The Audit Committee reviews related party transactions and conflicts of interests that may arise within our Group. The Audit Committee periodically reviews the procedures set by our Company to monitor related party transactions to ensure that these transactions are carried out on normal commercial terms not more favourable to the related party than those generally available to third parties dealing at arm's length and are not to the detriment of our Company's minority shareholders. All reviews by the Audit Committee are reported to our Board for its further action.

11.3.2 Conflicts of interest

The related party transactions disclosed above, by their very nature, involve a conflict of interest between our Group and the related parties with whom our Group has entered into such transactions. Some of the officers and the Directors of our Group are also officers, directors and in some cases, shareholders of or who have interest in the shares of the related parties of our Group, as disclosed herein and, with respect to these related party transactions, may individually and in aggregate have conflicts of interest. It is the policy of our Group that all related party transactions are carried out in the best interest of our Group on normal commercial terms not more favourable to the related party than those generally available to third parties dealing at arm's length with our Group and are not to the detriment of our Company's minority shareholders.

11. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST *(cont'd)*

11.4 Declarations by advisers on conflicts of interest

11.4.1 Declaration by CIMB

CIMB, its subsidiaries and associated companies, as well as its holding company, CIMB Group Holdings Berhad and the subsidiaries and associated companies of its holding company ("CIMB Group") form a diversified financial group and are engaged in a wide range of investment and commercial banking, brokerage, securities trading, asset and funds management and credit transaction services businesses. The CIMB Group has engaged and may in the future, engage in transactions with and perform services for our Company and our affiliates, in addition to the roles set out in this Prospectus. In addition, in the ordinary course of business, any member of the CIMB Group may at any time offer or provide its services to or engage in any transactions (on its own account or otherwise) with any member of our Group or any other entity or person, hold long or short positions, and may trade or otherwise effect transactions for its own account or the account of its customers in debt or equity securities or senior loans of our Company and our affiliates. This is a result of the businesses of CIMB Group generally acting independent of each other, and accordingly there may be situations where parts of the CIMB Group and/or its customers now have or in the future, may have interest or take actions that may conflict with the interests of our Company.

As at the LPD, the CIMB Group has extended credit facilities of RM457.3 million to our Group. The credit facilities comprise term loans, trade and hedging facilities. As at the LPD, the total amounts owing by our Group to the CIMB Group are about RM399.5 million.

We have no intention of utilising the proceeds to be raised from the Public Issue to repay the above facilities granted by the CIMB Group.

CIMB is of the view that the abovementioned extension of credit facilities do not result in conflict of interests situation in respect of its capacities as set out in this Prospectus as the total credit facilities are not material when compared to the audited total assets of the CIMB Group as at 31 December 2010. Furthermore, the extension of credit facilities arose in the ordinary course of business of the CIMB Group in view of the CIMB Group's extensive participation in the Malaysian capital market and banking industry.

11.4.2 Declaration by Maybank IB

Maybank IB is of the view that there is no conflict of interest in relation to its capacities as set out in this Prospectus.

Maybank IB, its subsidiaries and associated companies, as well as its holding company, Malayan Banking Berhad and the subsidiaries and associated companies of its holding company ("Maybank Group") are, in the ordinary course of business, engaged in investment banking, commercial banking, securities trading, asset and funds management, insurance and offshore banking services. The Maybank Group has engaged and may in the future, engage in transactions with and perform services for our Company and/or our affiliates, in addition to the roles set out in this Prospectus. In addition, in the ordinary course of business, any member of the Maybank Group may at any time offer or provide its services to or engage in any transaction (on its own account or otherwise) with any member of our Group or any other entity or person or hold long or short positions and may trade or otherwise effect transactions for its own account or the account of its customers in debt or equity instruments or senior loans of our Company and our affiliates.

11. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST (cont'd)

As at the LPD, the Maybank Group has extended credit facilities comprising term loans, bridging loans, foreign exchange contracts and trade facilities to our Group amounting to RM1,551 million, of which RM1,202 million has been drawdown. Part of the proceeds to be raised from the Public Issue will be used to partially repay the bridging loans extended by the Maybank Group, subject to the terms of the bridging loans.

Nonetheless, Maybank IB is of the opinion that the extension of credit facilities does not result in a conflict of interest situation in respect of its capacities as set out in this Prospectus as the total credit facilities are not material when compared to the audited total assets of the Maybank Group as at 30 June 2010 and is in the ordinary course of the Maybank Group's business.

11.4.3 Declaration by RHB

RHB is not aware of any circumstances that exist or are likely to give rise to a possible conflict of interest situation in relation to its capacities as set out in this Prospectus.

RHB Bank Berhad, a company related to RHB has extended credit facilities to our Company amounting to RM783.86 million as at the LPD. Nevertheless, RHB as part of RHB Banking Group is of the view that there is no conflict of interest in its capacities as set out in this Prospectus in relation to the IPO in view that the credit facilities are not material when compared to RHB Bank Berhad's total loan, advances and financing as at 31 December 2010. In the ordinary course of business, RHB and/or its related companies ("RHB Group") do or may engage in transactions with and perform services for our Company and our affiliates. RHB Group may extend credit facilities or may engage in private banking, commercial banking and investment banking transaction including, *inter-alia* brokerage, securities trading, asset and funds management and credit transaction service businesses in their ordinary course of business with our Company and/or our affiliates. Further, any member of the RHB Group may at any time offer or provide their services to or engage in any transactions (on their own account or otherwise) with our Company and/or our affiliates, hold long or short positions, and may trade or otherwise effect transactions for their own account or the account of their other customers in debt or equity securities or senior loans of our Company and/or our affiliates. The related companies of RHB may bid for the IPO Shares to be offered under the Institutional Offering.

We have no intention of utilising the proceeds to be raised from the Public Issue to repay the above facilities granted by RHB Bank Berhad.

11.4.4 Declaration by Credit Suisse

Credit Suisse is of the view that it has no conflict of interest in its capacity as the Joint Global Co-ordinator and Joint Bookrunner in our Listing in view of the fact that Credit Suisse has not made any loan to us or the Selling Shareholders and, in its capacity as the Joint Global Co-ordinator and Joint Bookrunner, Credit Suisse will not receive any proceeds from the IPO, except with respect to the fees and expenses of Credit Suisse in connection with the IPO.

11. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST (cont'd)

11.4.5 Declaration by CLSA

CLSA is of the view that there is no conflict of interest in relation to its capacities as set out in this Prospectus.

In the ordinary course of business, CLSA and/or its affiliated companies (collectively, the "CLSA Group") do or may engage in transactions with and perform services for our Company and/or our affiliates. Members of the CLSA Group may extend credit facilities or may engage in private banking, commercial banking and investment banking transactions including, inter alia, brokerage, securities trading, asset and funds management and credit transaction services in their ordinary course of business with our Company and/or our affiliates. Further, any member of the CLSA Group may at any time offer or provide its services to, or engage in any transactions (on its own account or otherwise), with our Company and/or our affiliates, hold long or short positions, and may trade or otherwise effect transactions for its own account or the account of its other customers in debt or equity securities or senior loans of our Company and/or our affiliates.

11.4.6 Declaration by UBS

UBS and/or its subsidiaries, branches, affiliates and associates (the "UBS Group"), in its capacity as principal or agent, is and may be in the future, involved in a wide range of commercial banking and investment banking activities globally (including investment advisory, asset management, wealth management, research, securities issuance, trading (customer and proprietary) and brokerage) from which conflicting interests or duties may arise. The UBS Group has engaged, and may in the future engage, in transactions with, and has performed, and may in the future perform, services for our Company and/or our affiliates, in addition to the role set out in this Prospectus. In addition, in the ordinary course of its global investment banking and commercial banking activities, UBS and other members of the UBS Group may at any time offer or provide services to or engage in any transaction (on its own account or otherwise) with our Company, our affiliates and/or any other persons, or hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of its customers, in debt or equity securities (or related derivative instruments) or senior loans of our Company or any of our affiliates. UBS is of the view that notwithstanding the above, it does not have a conflict of interest which prevents it from acting in its capacity as a Joint Bookrunner for the Institutional Offering.

11.4.7 Declaration by AmlInvestment Bank Berhad

AmlInvestment Bank Berhad has confirmed that there is no existing or potential conflict of interest in its capacity as the Joint Managing Underwriter for the IPO.

11.4.8 Declaration by Deutsche Bank

Deutsche Bank has confirmed that there is no existing or potential conflict of interest in its capacity as the Joint Lead Manager for the IPO.

11. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST (cont'd)

11.4.9 Declaration by OCBC

OCBC and/or its subsidiaries and associated companies (collectively, the "OCBC Group"), in the ordinary course of business, may extend credit facilities or may engage in commercial banking, investment banking, private banking, securities trading, asset and funds management, research, and insurance with our Company and/or our affiliates, in addition to the roles set out in this Prospectus. In addition, in the ordinary course of business, any member of the OCBC Group may at any time offer or provide its services to or engage in any transactions (on its own account or otherwise) with any member of our Group or any other entity or person, hold long or short positions, and may trade or otherwise effect transactions for its own account or the account of its customers in debt or equity (or related derivative instruments) of our Group. This is a result of the businesses of OCBC Group generally acting independent of each other, and accordingly there may be situations where parts of the OCBC Group and/or its customers now have or in the future, may have interest or take actions that may conflict with the interests of our Company.

As at the LPD, the OCBC Group has extended credit facilities amounting to RM670.98 million to our Group. The credit facilities comprise term loans, bridging loans, trade and hedging facilities. As at the LPD, the total amounts owing by our Group to the OCBC Group are about RM600.0 million.

We have no intention of utilising the proceeds to be raised from the Public Issue to repay the above facilities granted by the OCBC Group.

OCBC is of the view that the abovementioned extension of credit facilities do not result in a conflict of interest situation in respect of its capacities as set out in this Prospectus as the total credit facilities are not material when compared to the audited total assets of the OCBC Group as at 31 December 2010 and the extension of credit facilities is in the ordinary course of the OCBC Group's business.

11.4.10 Declaration by PricewaterhouseCoopers

PricewaterhouseCoopers has confirmed that there is no existing or potential conflict of interest in its capacity as the Auditors and Reporting Accountants of our Company.

11.4.11 Declaration by Kadir, Andri & Partners

Kadir, Andri & Partners has confirmed that there is no existing or potential conflict of interest in its capacity as the Legal Adviser to our Company as to Malaysian law and for the IPO.

11.4.12 Declaration by Clifford Chance Pte Ltd

Clifford Chance Pte Ltd is of the view that there is no conflict of interest in its capacity as the Legal Adviser to our Company as to United States and English law.

11.4.13 Declaration by Linklaters Allen & Gledhill Pte Ltd

Linklaters Allen & Gledhill Pte Ltd acting as the international legal counsel to the Joint Global Co-ordinators, Joint Bookrunners and Lead Managers as to English law in relation to the IPO, confirm that they have no conflict of interest acting in such capacity.

11. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST (cont'd)

11.4.14 Declaration by Zul Rafique & Partners

Zul Rafique & Partners is of the view that there is no conflict of interests in its capacity as the Legal Adviser to the Joint Managing Underwriters, Joint Global Co-ordinators and Joint Bookrunners as to Malaysian law in relation to the IPO.

11.4.15 Declaration by ISL

ISL has confirmed that there is no existing or potential conflict of interest in its capacity as the Independent Market Researcher.

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12. FINANCIAL INFORMATION

12.1 Historical consolidated financial information

The following selected historical audited consolidated financial information as at or for the years ended 31 December 2008, 2009 and 2010, and as at or for the 3 months ended 31 March 2011 and historical unaudited consolidated financial information as at or for the 3 months ended 31 March 2010 have been derived from the Accountants' Report in Section 13 of this Prospectus. The selected historical audited and unaudited consolidated financial information should be read in conjunction with the Accountants' Report in Section 13 of this Prospectus and with Section 12.2 of this Prospectus. The financial information included in this Prospectus does not reflect our Group's results of operations, financial position and cash flows in the future, and our Group's past operating results are not indicative of our Group's future operating performance.

The audited consolidated financial statements of our Company were not subject to any audit qualification for the years ended 31 December 2008, 2009 and 2010, and for the 3 months ended 31 March 2011.

	Audited			Unaudited	Audited
	Year ended			3 months ended	
	31 December			31 March	
	2008	2009	2010	2010	2011
(RM 000, except percentages and per share data)					
Statements of income:					
Revenue	519,839	732,090	1,241,383	262,461	376,159
Cost of sales	(272,674)	(399,026)	(636,272)	(141,890)	(223,058)
Gross profit	247,165	333,064	605,111	120,571	153,101
Other operating income	47,114	64,412	40,167	7,148	4,620
Selling and distribution costs	(62,375)	(59,223)	(81,839)	(21,541)	(26,739)
Administrative expenses	(36,405)	(63,861)	(96,303)	(13,247)	(17,535)
Profit from operations	195,499	294,392	467,136	92,931	113,447
Finance cost	(34,583)	(50,781)	(82,425)	(19,751)	(17,141)
Share of results of an associate	245	38,632	(1,428)	(357)	-
Share of results of jointly-controlled entities	727	1,685	(17)	(4)	(833)
PBT	161,888	283,928	383,266	72,819	95,473
Taxation	(11,865)	(6,486)	(32,511)	(6,177)	(13,399)
PAT	150,023	277,442	350,755	66,642	82,074
PAT attributable to:					
Owners of our Company	150,023	277,442	350,755	66,642	82,074
Non-controlling interests	-	-	-	-	-
	150,023	277,442	350,755	66,642	82,074
Profit from operations includes:					
Depreciation of vessels	101,573	180,295	239,874	58,444	69,402
Depreciation of other property, plant and equipment	4,764	5,659	8,544	1,883	2,742
Total depreciation	106,337	185,954	248,418	60,327	72,144
Total depreciation included in:					
Cost of sales	101,573	180,295	239,874	58,444	69,402
Administrative expenses	4,764	5,659	8,544	1,883	2,742
Other selected financial data:					
EBITDA ⁽¹⁾	302,808	520,663	714,109	152,897	184,758
Dividends declared	-	-	-	-	-
Gross profit margin (%) ⁽²⁾	47.5	45.5	48.7	45.9	40.7
EBITDA margin (%) ⁽³⁾	58.3	71.1	57.5	58.3	49.1
PBT margin (%) ⁽⁴⁾	31.1	38.6	30.9	27.7	25.4
PAT margin (%) ⁽⁵⁾	28.9	37.9	28.3	25.4	21.8
Basic earnings per ordinary share (sen) ⁽⁶⁾	7.54	13.94	17.62	3.35	3.64
Diluted earnings per ordinary share (sen) ⁽⁷⁾	7.44	12.71	16.02	3.06	3.64

12. FINANCIAL INFORMATION (cont'd)

Notes:

- (1) EBITDA represents earnings before finance cost, taxation and depreciation. The table below sets forth a reconciliation of our PAT to EBITDA:

	Year ended 31 December			3 months ended 31 March	
	2008	2009	2010	2010	2011
	RM 000				
EBITDA:					
PAT	150,023	277,442	350,755	66,642	82,074
Taxation	11,885	6,486	32,511	6,177	13,399
PBT	161,888	283,928	383,266	72,819	95,473
Finance cost	34,583	50,781	82,425	19,751	17,141
Depreciation	106,337	185,954	248,418	60,327	72,144
	302,808	520,663	714,109	152,897	184,758

EBITDA, as well as the related ratios presented in this Prospectus are supplemental measures of our performance and liquidity and are not required by, or represented in accordance with FRS. Furthermore, EBITDA is not a measure of our financial performance or liquidity under FRS and should not be considered as alternatives to net income, operating income or any other performance measures derived in accordance with FRS or as an alternative to cash flow from operating activities or as a measure of liquidity. In addition, EBITDA is not a standardised term, hence a direct comparison between companies using such a term may not be possible. Other companies may calculate EBITDA differently to our Company, limiting its usefulness as a comparative measure.

- (2) Computed based on the gross profit over total revenue of our Group.
- (3) Computed based on the EBITDA over total revenue of our Group.
- (4) Computed based on the PBT over total revenue of our Group.
- (5) Computed based on the PAT over total revenue of our Group.
- (6) Computed based on the PAT of our Group divided by the number of Shares set out in the table below. Such number of Shares was arrived at after adjusting for certain events which were completed between February 2011 and March 2011 as follows:

	As at 31 December			As at 31 March	
	2008	2009	2010	2010	2011
	000				
Ordinary shares of RM1.00 each in Bumi Armada:					
Existing shares issued as at 1 January	63,000	63,000	63,000	63,000	63,000
New shares issued pursuant to:					
Bonus element on rights issue of 1 share for every 12.5 shares held*	3,341 [^]	3,341 [^]	3,341 [^]	3,341 [^]	3,341
Weighted average number of shares under the rights issue	-	-	-	-	501
Bonus issue of 5 shares for every 1 share held	331,705 [^]	331,705 [^]	331,705 [^]	331,705 [^]	380,700
Weighted average number of shares under the call option exercised by OBSB	-	-	-	-	3,417
	398,046	398,046	398,046	398,046	450,959
Ordinary shares of RM0.20 each in Bumi Armada:					
Share split of 1 share of RM1.00 each into 5 shares of RM0.20 each	1,990,230 [^]	1,990,230 [^]	1,990,230 [^]	1,990,230 [^]	2,254,795
Shares as at 31 December/31 March	1,990,230	1,990,230	1,990,230	1,990,230	2,254,795

* Bonus element calculated based on the difference between the fair value of the ordinary shares and the value of rights issue payable on the basis of 1 new ordinary share for every 12.5 existing ordinary shares.

[^] Adjusted retrospectively.

12. FINANCIAL INFORMATION (cont'd)

Notes (cont'd):

(7) Computed based on the adjusted PAT of our Group divided by the number of Shares set out in the table below. The adjusted PAT and number of Shares were arrived at after adjusting for certain events which were completed between February 2011 and March 2011 as follows:

	31 December			31 March	
	2008	2009	2010	2010	2011
Profit for the year ended 31 December/3 months ended 31 March (RM 000)	150,023	277,442	350,755	66,642	82,074
Potential interest income earned (net of tax) pursuant to the exercise of call option by OBSB (RM 000)	346	4,208	4,208	1,052	-
Adjusted profit for the year ended 31 December/3 months ended 31 March (RM 000)	<u>150,369</u>	<u>281,650</u>	<u>354,963</u>	<u>67,694</u>	<u>82,074</u>
Ordinary shares of RM1.00 each in Bumi Armada (000):					
Existing shares issued as at 1 January	63,000	63,000	63,000	63,000	63,000
New shares issued pursuant to:					
Weighted average number of shares under the call option exercised by OBSB	1,021 ^a	7,500 ^a	7,500 ^a	7,500 ^a	3,417
Bonus element on rights issue of 1 share for every 12.5 shares held*	3,341 ^a	3,341 ^a	3,341 ^a	3,341 ^a	3,341
Weighted average number of shares under the rights issue	-	-	-	-	501
Bonus issue of 5 shares for every 1 share held	<u>336,810^a</u>	<u>369,205^a</u>	<u>369,205^a</u>	<u>369,205^a</u>	<u>380,700</u>
	<u>404,172</u>	<u>443,046</u>	<u>443,046</u>	<u>443,048</u>	<u>450,959</u>
Ordinary shares of RM0.20 each in Bumi Armada (000):					
Share split of 1 share of RM1.00 each into 5 shares of RM0.20 each	2,020,860 ^a	2,215,230 ^a	2,215,230 ^a	2,215,230 ^a	2,254,795
Shares as at 31 December/31 March (000)	<u>2,020,860</u>	<u>2,215,230</u>	<u>2,215,230</u>	<u>2,215,230</u>	<u>2,254,795</u>

^a Adjusted retrospectively.

^b Assume full exercise of the call option by OBSB.

^c Bonus element calculated based on the difference between the fair value of the ordinary shares and the value of rights issue payable on the basis of 1 new ordinary share for every 12.5 existing ordinary shares.

12. FINANCIAL INFORMATION (cont'd)

12.2 Management's discussion and analysis of financial condition and results of operations

The following discussion and analysis with respect to the years ended 31 December 2008, 2009 and 2010, and the 3 months ended 31 March 2010 and 2011 are based on, and should be read in conjunction with, the Accountants' Report as set out in Section 13 of this Prospectus.

Certain information in this section, where as indicated, is extracted or derived from the report prepared by ISL. The information therein has not been independently verified by us or any other person.

Our consolidated financial statements as at and for the years ended 31 December 2008, 2009 and 2010, and the 3 months ended 31 March 2011 have been prepared and presented on a consolidated basis in accordance with FRS.

12.2.1 Introduction

We are a Malaysian-based international offshore services provider to the O&G industry in Malaysia and over 10 other countries in Asia, Africa and Latin America. We are principally involved in the provision of offshore services, mainly chartering of FPSOs, OSVs and T&I, to support O&G exploration activities. We are increasing focus on deepwater and harsh environments and work with customers ranging from NOCs and IOCs to Independents. We are the largest owner and operator of OSVs in Malaysia and one of the largest in South East Asia (source: *Bumi Armada Independent Market Research Report by ISL*). As at 31 March 2011, we have 40 OSVs, as well as 4 FPSOs and under the T&I business, we have a DLB in the Caspian Sea, Turkmenistan. Our Group's revenue is mainly derived from income from vessel charter and support services from the FPSO and OSV segments.

Prior to 2006, our Group was principally engaged in 2 main business divisions, namely the offshore support services business (including the charter of our first FPSO, Armada Perkasa) and offshore construction business. In 2006, we decided to focus on the offshore support services business, which led to the disposal of the offshore construction business. The disposal of the offshore construction business was completed in 2008.

The OSV segment has been a significant contributor to our earnings for the years ended 31 December 2008, 2009 and 2010 whilst the contribution from the FPSO segment has been increasing since the redeployment of our first FPSO, Armada Perkasa, to the Okoro-Setu Field, Nigeria which contract commenced in April 2007 and first oil produced in May 2008. Further, we commenced the contract of our second FPSO, Armada Perdana, to ENI's subsidiary, NAE in Oyo Field, Nigeria in April 2008 with first oil produced in December 2009. We commenced the contract of our third FPSO, Armada Perwira (which has since been renamed the Armada TGT 1) in September 2009, which will start production in the third quarter of 2011 for HLJOC in Vietnam. In December 2010, we acquired the Griffin Venture (which has since been renamed the Armada Prima) as a conversion candidate for our next FPSO project with Apache Julimar Pty Ltd for the Balnaves development in Australia, for which we secured a conditional letter of award on 30 March 2011.

Under the T&I segment, the DLB Armada Installer has been operating since the second quarter of 2010 in the Caspian Sea, Turkmenistan pursuant to an 8 year contract awarded by PETRONAS Carigali.

In 2011, we have initiated our venture into the OFS segment with the conversion and sale of an FSO to Petrofac, for the Sepat Field, off Terengganu, Malaysia.

12. FINANCIAL INFORMATION (cont'd)

Moving forward, we plan to enhance our capabilities as an integrated offshore service provider to the O&G industry by growing our existing main business segments of FPSO, OSV, T&I and our new OFS business segment. For further details on our strategies and future plans, please refer to Section 7.7 of this Prospectus.

12.2.2 Factors affecting our Group's financial condition and results of operations

Our financial condition, results of operations and prospects have been and, we expect, will continue to be, affected by the following primary factors:

(i) Level of activity in the offshore O&G industry

As we provide offshore support services to the offshore O&G industry, our financial condition and results of operations are dependent on the level of activity in the offshore O&G industry. Generally, the prospect of rising energy demand and concerns relating to security of supply, and potentially associated increasing O&G prices, may encourage oil companies to look into developing and delivering more hydrocarbon resources, which require the assistance of the offshore O&G support service industry.

Our various business segments have historically benefited from periods of increased spending budgets in exploration, development and production activities as more oilfields become commercially viable. Conversely, sustained periods of low oil prices generally have a negative impact on the level of exploration, development and production activities, and in turn have had a negative impact on our associated business segments.

For example, the size of the FPSO market is generally dependent on oil prices. At levels of oil prices where more oilfields become commercially viable, we expect there will be an increase in demand for production installations, of which the FPSO segment is a significant component. In addition, the level of exploration, development and production activities has a direct influence on the demand for OSVs, as more OSVs are needed to support offshore O&G fields during periods of high demand. These factors have historically directly affected our utilisation rates and our DCRs.

(ii) Our FPSO contracts

Revenue generated from our FPSO business is primarily dependent on the following:

- (a) **number of FPSO contracts** - The number of active FPSO contracts that we have in any given year, whether our FPSOs are operating on location or being converted in the yard. However, the number of FPSO contracts that we target may be limited due to certain factors such as financing, resource or supplier constraints;
- (b) **terms and tenure of the related contracts that we enter into** - The terms and tenure of respective FPSO contracts include, amongst others, bareboat charter fees and O&M fees related to crew and consumables of the respective FPSO contracts. The tenure of the contract is likely to be split between a firm period and extension options, which are callable by our customers;
- (c) **daily bareboat fee and daily operating fee** - The amount of day rates that our FPSOs earn under the respective contracts for an agreed period of time; and

12. FINANCIAL INFORMATION (cont'd)

- (d) **availability and uptime of our FPSOs** – The number of days of which our FPSOs are in operation and earning day rates which may be linked to a minimum performance as stipulated in the respective contracts.

Each of our operating FPSOs has met their required contractual uptime and availability and we have incurred no penalty or reduction in rates. However, there can be no assurance that we will be able to achieve the required contractual availability and/or uptime in the future. In the event that contractual availability and/or uptime are not achieved, the related contracts generally provide for a reduction in or suspension of the daily bareboat charter fee or in extreme cases, may lead to termination of the contract, which we expect would negatively affect our financial results.

(iii) **Expansion of our FPSO business**

The FPSO business is capital intensive in nature, and as we have expanded our FPSO business, we have incurred significant capital expenditures. Ultimately, we expect the amounts that we incur in respect of our FPSO construction and conversion projects will be driven by a number of factors, such as our ability to reduce upfront costs, prevent cost overruns and win contracts at competitive price levels.

During the years ended 31 December 2008, 2009 and 2010, and the 3 months ended 31 March 2010 and 2011, we incurred capital expenditure in respect of our FPSO business of RM453.6 million, RM652.6 million, RM769.9 million, RM74.4 million and RM241.1 million, respectively. The capital expenditures were generally funded through internally generated cash flows and debt.

(iv) **Size and composition of our OSV fleet**

Revenue generated from our OSV business is dependent on, amongst other things, the number of OSVs in our fleet and the composition of our fleet. Our total OSV revenues are effectively limited by the number of charter hire contracts we can enter into, with a larger fleet enabling us to enter into more charter hire contracts, thereby increasing our revenue. We generally manage our fleet size through fleet renewal strategies. Since 2006, through our "Steel on Water" OSV fleet expansion programme, we constructed 20 new vessels, with the last 4 vessels delivered in 2010. In addition, we have disposed more than 10 older, lower-end and lower tonnage vessels. Currently, we do not have any formal vessel renewal policy with regards to OSVs. As at 31 March 2011, our fleet comprised a total of 40 OSVs, excluding 6 OSVs owned by our jointly-controlled entities.

In addition, charter hire revenue is directly affected by the DCRs at which we can contract our OSVs. DCRs are negotiated on a charter-by-charter basis and determined by the type of OSV (which is based on the services required by the charterer) and length of the contract period. Long-term charters refer to charters of more than 18 months while short-term charters refer to charters of less than 18 months. Generally, a long-term charter will be priced at a relative discount to the then prevailing shorter-term market rate.

In addition, our DCRs have been driven by the design and capability of our individual vessels. Over the past several years, through our "Steel on Water" OSV fleet expansion programme, we have been upgrading our OSV fleet to better service offshore O&G production, in deeper waters and harsher environments which require more sophisticated and higher bhp OSVs.

12. FINANCIAL INFORMATION (cont'd)

Our operating costs associated with our OSV business primarily comprise depreciation cost, crew costs and maintenance cost and principally vary depending on the design and capability of the OSV. For instance, our newer vessels which generally have higher capacities and are able to service offshore O&G production in deeper waters and harsher environments tend to have higher associated costs than lower-end vessels. However, the increased costs of these vessels may be offset through higher revenue and less frequent maintenance as compared to older, lower-end vessels.

The following table sets forth the type, number and total capacity of OSVs in our fleet as at the dates indicated:

Type of OSVs	As at 31 December			As at 31 March		
	2008	2009	2010	2010	2011	2011
	No. of OSVs	No. of OSVs	No. of OSVs	No. of OSVs	No. of OSVs	No. of OSVs
AHTS	14	18	23	20	23	23
Accommodation workboats/barges	6	8	8	8	8	8
Others ⁽¹⁾	16	19	9	19	9	9
	<u>36⁽²⁾</u>	<u>45⁽³⁾</u>	<u>40⁽⁴⁾</u>	<u>47⁽⁵⁾</u>	<u>40⁽⁶⁾</u>	<u>40⁽⁶⁾</u>
	Total capacity	Total capacity	Total capacity	Total capacity	Total capacity	Total capacity
	76,200 bhp	120,200 bhp	160,200 bhp	136,200 bhp	160,200 bhp	160,200 bhp
	962 beds	1,362 beds	1,362 beds	1,362 beds	1,362 beds	1,362 beds
	16 units	19 units	9 units	19 units	9 units	9 units

Notes:

- (1) Comprises mooring launch, hose handling vessels, SSVs, utility vessels and other vessels.
- (2) Our jointly-controlled entities did not own any OSV as at 31 December 2008.
- (3) Excludes 2 OSVs owned by our jointly-controlled entities as at 31 December 2009.
- (4) Excludes 6 OSVs owned by our jointly-controlled entities as at 31 December 2010.
- (5) Excludes 2 OSVs owned by our jointly-controlled entities as at 31 March 2010.
- (6) Excludes 6 OSVs owned by our jointly-controlled entities as at 31 March 2011.

12. FINANCIAL INFORMATION (cont'd)

(v) Utilisation rate of our OSVs

Revenue generated from our OSV business is dependent on the overall availability or uptime as well as the utilisation rates of our OSVs. The uptime of our vessels are based on the availability of the vessel for charter (i.e. not in dry-dock, maintenance or being relocated) and the utilisation rate of OSVs refers to the number of operating days for our vessels, which may be affected by the length of the charter period and our ability to renew or replace charter contracts upon expiry of existing charter contracts. Our current charter hire contracts primarily comprise a combination of long-term and short-term charter hire contracts. Prior to the expiry of our existing time charter contracts, we generally seek new charter hire contracts for the associated OSV, the terms of which would be dependent upon the then prevailing level of activity in the offshore O&G industry, amongst other market factors. The utilisation rates of our OSVs are reduced during periods when our OSVs are idle, which consequently reduces our revenue.

In addition, the utilisation rates for our OSVs may also be negatively impacted by unscheduled drydocking, such as if any major unforeseen repair is required. Generally under our time charter contracts, whenever an OSV is unavailable for service for periods exceeding an allowable maintenance period, the charterer is not required to pay us the charter hire fee and we are responsible for all vessel operating costs, unless the non-availability of the vessel is attributable to the charterer. To mitigate these potential costs, we generally manage our time charter contract portfolio to include a number of short-term contracts in order to help ensure the availability of replacement vessels in the event of such unscheduled drydocking. Keeping selected vessels on short-term charters is also critical in order to have spare capacity to benefit from short-term opportunities or a change in market conditions. If all our vessels are committed to long-term contracts, we will not have vessels available to benefit from any increase in DCRs.

(vi) Operations in our T&I business

In the year ended 31 December 2010, we expanded our T&I operations to include our DLB business, in addition to installation activities in respect of our FPSOs. Our revenue and costs in respect of our DLB business are considerably greater than those in respect of our FPSO installation activities, and therefore our results of operations from our T&I business since 2010 have been, and we expect will continue to primarily comprise our DLB operations and be principally driven by factors which affect our DLB business.

Our DLB has a contract that guarantees a minimum number of charter days per year at an agreed DCR. Our DLB revenue, therefore, is principally affected to the extent our DLB is unable to operate due to mechanical or operational failures. In the event our DLB is not available for the minimum number of guaranteed days, there may be a reduction in or suspension of payment of the bareboat charter fees during the period that the DLB is unavailable. Further, if any drydocking is required for reasons attributable to us and the DLB is unable to meet its contractual obligations for availability, we may not be entitled to the DCR for such period.

Going forward, we may enter into more lump-sum contracts compared to contracts based on daily rates, in accordance with the prevailing market for our installation activities. This may cause fluctuations in our T&I profit margin as this will be driven by the operating efficiency of our T&I business unit in the execution of such projects against the contractual pricing agreed with the customers.

12. FINANCIAL INFORMATION (cont'd)

(vii) Foreign exchange fluctuations

Revenue from our customer contracts, our capital expenditure and our operating costs are generally denominated in USD, with a smaller portion denominated in RM and other foreign currencies. As we report our financial results in RM, our financial results are impacted by foreign currency translation fluctuations, and in particular fluctuations of the USD, against the RM, which may affect our Group's financial position and results of operations.

We are also exposed to foreign exchange fluctuations in the event of mismatches between the amount and timing of receipts and payments in foreign currencies. To the extent there are any such mismatches, a significant fluctuation in the applicable foreign currency against the RM arising from such timing differences, for example in respect of credit terms given to our customers and by our suppliers, we may incur foreign exchange losses.

We may use hedging instruments such as foreign currency forward contracts and swaps to manage foreign exchange exposures arising from all known significant foreign currency denominated commitments where there is no corresponding match between assets and liabilities as and when they arise. Further, where we have investments in foreign operations whose NA are exposed to foreign currency translation risks, such exposures are mainly mitigated by borrowings in similar currencies.

(viii) Level of borrowings and finance costs

We have and will continue to have a significant amount of borrowings. As at 31 March 2011, our total borrowings stood at RM3,479.3 million (including RM1.1 million of hire purchase). Our ability to service our debts and other contractual obligations will depend on our future performance and cash flow generation, which in turn will be affected by various factors, many of which are beyond our control.

As a result of our indebtedness, we are exposed to interest rate risk, primarily from borrowings bearing variable interest rates to the extent that our exposure to floating interest rates remains unhedged by interest rate swaps. As at 31 March 2011, RM3,377.4 million of our total indebtedness bear a variable rate of interest out of which we had entered into interest rate swap agreements in respect of RM601.3 million of indebtedness. As a result, as at 31 March 2011, 82.2% of our total indebtedness which bear a variable rate of interest was exposed to interest rate risk without the protection of interest rate swaps. Our financial expenses (including amounts expensed and capitalised) arising from such borrowings amounted to RM33.1 million for the 3 months ended 31 March 2011. Please refer to Section 12.2.18(iii) of this Prospectus on our financial risk management policies in respect of interest rate risk. Changes in economic conditions could result in higher interest rates, thereby increasing our interest expense and reducing our profitability and funds available for operations or other purposes.

Please refer to Section 5 of this Prospectus for other factors which may affect the financial condition and results of operations of our Group.

12. FINANCIAL INFORMATION (cont'd)**12.2.3 Significant accounting policies and critical accounting estimates and judgments**

The following is an extract of our Group's significant accounting policies, critical estimates and judgments and the explanations thereof

Significant accounting policies***Jointly controlled entities***

Jointly controlled entities are corporations, partnerships or other entities over which there is contractually agreed sharing of control by our Group with another party where the strategic financial and operating decisions, relating to the entity require unanimous consent of the parties sharing control. Our interest in jointly controlled entities is accounted for in the consolidated financial statements by the equity method of accounting.

Equity accounting involves recognising our Group's share of the post acquisition results of jointly controlled entities in the profit or loss and its share of post acquisition changes of the investee's reserve in other comprehensive income. The cumulative post acquisition changes are adjusted against the cost of the investment and include goodwill on acquisition (net of accumulated impairment loss).

We recognise the portion of gains or losses on the sale of assets by our Group to the joint venture that is attributable to the other venturers. We do not recognise our share of profits or losses from our joint venture resulting from the purchase of assets by our Group from the joint venture until it resells the assets to an independent party. However, a loss on the transaction is recognised immediately if a loss provides evidence of a reduction in the net realisable value of current assets or an impairment loss.

Where necessary, adjustments are made to the financial statements of jointly controlled entities to ensure consistency of accounting policies with those of our Group.

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. Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset.

Drydocking expenditure represents major inspection and overhaul cost and are depreciated to reflect the consumption of benefits, which are to be replaced or restored by the subsequent drydocking generally performed. Our Group has included these drydocking costs as a component within vessel costs in accordance with FRS 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 our 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 charged to the profit or loss during the financial year/period in which they are incurred.

12. FINANCIAL INFORMATION (cont'd)

Gains and 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 write off the costs of the assets over the estimated useful lives summarised as follows:

Leasehold land and building	50 years
Drydocking expenditure	5 years
Vessels	12 to 25 years
Equipment, furniture, fittings and office equipment	2 to 10 years
Motor vehicles	5 years

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

At the end of the reporting period, our 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.

Impairment of non-financial assets

Non-financial 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 is separately identifiable cash flows (cash-generating units). Assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

The impairment loss is charged to the 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 the profit or loss unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation surplus.

Borrowings

(i) Classification

Borrowings are initially recognised at fair value less transaction costs. Borrowings are subsequently stated at amortised cost: any difference between the initial recognised amount and the redemption value is recognised in the profit or loss over the period of the borrowings using the effective interest method except for borrowing cost incurred for the construction of any qualifying asset.

12. FINANCIAL INFORMATION (cont'd)

Interest, dividends, losses and gains relating to a financial instrument classified as a liability is reported within the finance cost in the profit or loss. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn-down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn-down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless our Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(ii) Capitalisation of borrowing costs

Borrowing costs incurred for the construction of any qualifying assets are capitalised as part of the cost of the asset during the period of time that is required to complete and prepare the asset for its intended use. All other borrowing costs are expensed off to the profit or loss.

Construction contracts

A construction contract is a contract 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 or use.

Contract costs are recognised as expenses in the period in which they are incurred. When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Variations in contract work, claims and incentive payments are included in contract revenue to the extent agreed with the customer and are capable of being reliably measured.

Our Group uses the 'percentage-of-completion method' to determine the appropriate amount to recognise in a given period. The stage of completion is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Costs incurred in the year/period in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature.

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

Our Group presents as an asset the gross amount due from customers for contract work for all contracts in progress for which costs incurred plus recognised profits (less recognised losses) exceed progress billings. Progress billings not yet paid by customers and retention sum are included within 'trade and other receivables'. Our Group presents as a liability the gross amount due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses).

12. FINANCIAL INFORMATION (cont'd)

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of our Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within our Group.

Our Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of our Group's activities as described below. Our Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. Revenue is recognised on the following bases:

(i) Vessel charter fees and support services

Charter hire income from vessels is recognised upon rendering of services to customers, using a straight line basis over the term of the charter hire contract. Revenue derived from FPSO leasing contracts classified as operating leases are recognised on a straight line basis over the lease period for which the customer has contractual right over the FPSO vessel.

Commission and agency income are recognised when services are rendered to the principals and recognised on an accrual basis.

(ii) Interest, rental and dividend income

Our Group earns interest income from deposits placed with licensed banks. Our Group also earns rental income from the rental of premises to third parties.

Interest and rental income are recognised on an accrual basis.

Dividend income is recognised when our Group's right to receive payment is established.

(iii) Construction and engineering services

Revenue from construction contracts are accounted for under the percentage of completion method.

(iv) Sale of goods

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

Accounting by lessor

(i) Finance leases

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income.

Lease income is recognised over the term of the lease using the net investment method so as to reflect a constant periodic rate of return.

12. FINANCIAL INFORMATION (cont'd)

(ii) Operating leases

Assets leased out under operating leases are included in property, plant and equipment in the statements of financial position. They are depreciated over their expected useful lives on a basis consistent with similar owned property, plant and equipment. Lease income (net of any incentives given) is recognised on a straight line basis over the lease term and is recorded as accrued lease rental on the statements of financial position.

Earnings per share

Basic earnings per share is calculated by dividing the profit or loss for the financial year/period attributable to our owners by the weighted average number of ordinary shares outstanding during the period. The weighted average number of ordinary shares in issue will be adjusted to account for any bonus and share splits which were undertaken subsequent to date of the statements of financial position.

Diluted earnings per share is determined by adjusting the profit or loss for the financial year/period attributable to our owners and the weighted average number of ordinary shares outstanding for the effects of all potential dilutive ordinary shares, which comprise of convertible notes, and any share options granted to our employees and/or Directors.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker. The Chief Operating Decision-Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified to make strategic decisions.

Change in accounting policy

Our Group has adopted FRS 8 "Operating segments" from 1 January 2010. FRS 8 replaces FRS 114 "Segment reporting" and is applied retrospectively. The adoption of FRS 8 has resulted in an increase in the number of reportable segments presented. Comparatives have been reclassified to facilitate comparison. This has not resulted in any new impairment of goodwill. There has been no other impact on the measurement of our Group's asset and liabilities.

Segment revenues and expenses are those directly attributable to the segments and include any expenses where a reasonable basis of allocation exists.

Critical accounting estimates and judgements

Estimates and judgements are continually evaluated by our Directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

Our 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 our 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/period are outlined below.

12. FINANCIAL INFORMATION (cont'd)

Revenue

Chartering of FPSO and vessels to customers are recognised as revenue based on whether the charter contract arrangements are considered to be an operating lease or finance lease in accordance with FRS 117. Classification of these contracts as operating leases or finance leases are assessed at the inception of the lease. The estimated useful lives of the vessel and lease payment pattern are relevant in relation to evaluating lease contracts. This assessment requires significant judgments in the following areas:

(i) Lease term

At lease inception, a lease contract is classified as either an operating or a finance lease. The lease term is the 'non-cancellable period' for which our 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) Purchase option

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 judgment. The lessee's purchase option is considered in classifying the lease contract.

Contracts for leasing and operation of vessels are usually negotiated together. Leasing of vessels is accounted for under FRS 117 and operation of vessels is accounted for under FRS 118. 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 market rates, comparable transactions and other market related information to be determined at lease inception.

If the terms and conditions of the lease contract change subsequently, management is required to assess whether the new arrangements would be classified as a new lease based on the prevailing market conditions.

Impairment of non-financial assets

Our Group reviews periodically whether property, plant, equipment and vessels under construction have suffered any impairment in accordance with the accounting policy stated above under Significant accounting policies - Impairment of non-financial assets. The recoverable amounts of each vessel, being defined as a cash generating unit, have been determined based on the higher of fair value less cost to sell and value in-use calculations. The value in-use calculations are based on contracted cash flows and estimates of uncontracted cash flows for the useful lives of each vessel, including scrap values discounted by an appropriate discount rate.

The impairment testing for cash-generating units requires estimates and judgment to determine the net present value of future cash flows such as revenue growth, cost escalation and discount rate amongst others. Our Directors have evaluated the carrying amounts of property, plant and equipment and is satisfied that no impairment charge is required.

12. FINANCIAL INFORMATION (cont'd)

Vessel useful life and residual value

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 and knowledge of the vessels owned by our Group and is normally equal to the design lives of the vessel. Assumptions about residual value are based on 10% of original vessel costs. Where appropriate, our Group will adjust the residual value and useful life of the individual vessel based on the particular conditions of the vessel. These adjustments require judgements to be exercised by management to assess the residual value and useful life for the individual vessels.

Taxation

Our Group is subject to income and withholding taxes in a number of jurisdictions in which our Group operates. Significant judgement is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Our Group recognises liabilities for tax based on estimates of assessment of the tax liability due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provision where relevant in the period in which such determination is made.

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12. FINANCIAL INFORMATION (cont'd)

12.2.4 Information on legal entities

The following table sets forth the external revenue of entities, that has been consolidated, within our Group for the periods indicated:

	Year ended 31 December						3 months ended 31 March			
	2008		2009		2010		2010		2011	
	(RM 000, except percentages)									
Revenue										
BAN	240,286	46.2%	378,408	51.7%	376,113	30.3%	99,687	38.0%	174,763	46.5%
ATGT	-	-	75,158	10.3%	312,590	25.2%	55,479	21.1%	60,095	16.0%
AMCCPL	-	-	-	-	186,543	15.0%	-	-	73,850	19.6%
AOL	115,213	22.2%	162,941	22.2%	166,954	13.4%	39,041	14.9%	38,252	10.2%
BASPL	25,898	5.0%	34,948	4.8%	130,087	10.5%	48,859	18.6%	15,215	4.0%
AFSL	59,882	11.6%	54,807	7.5%	49,801	4.0%	11,592	4.4%	11,734	3.1%
HAISPL	12,604	2.4%	144	-*	-	-	-	-	30	-*
AML	20,427	3.9%	24,765	3.4%	19,295	1.6%	7,803	3.0%	2,220	0.6%
BASM	21,384	4.1%	-	-	-	-	-	-	-	-
AOD	13,113	2.5%	211	-*	-	-	-	-	-	-
Others ⁽¹⁾	11,052	2.1%	708	0.1%	-	-	-	-	-	-
	<u>519,839</u>	<u>100.0%</u>	<u>732,090</u>	<u>100.0%</u>	<u>1,241,383</u>	<u>100.0%</u>	<u>262,461</u>	<u>100.0%</u>	<u>376,159</u>	<u>100.0%</u>

Notes:

(1) Comprises remaining subsidiaries.

* Negligible.

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12. FINANCIAL INFORMATION (cont'd)

The following table sets forth the PBT/(loss before taxation) of entities, that has been consolidated, within our Group for the periods indicated:

	Year ended 31 December						3 months ended 31 March			
	2008		2009		2010		2010		2011	
	(RM 000, except percentages)									
PBT/(Loss before taxation)										
BAN	53,285	32.9%	71,779	25.3%	30,779	8.0%	10,377	14.2%	779	0.8%
ATGT	-	-	47,382	16.7%	185,858	48.5%	35,526	48.8%	31,049	32.5%
AMCCPL	382	0.3%	(10,354)	(3.6)%	129,854	33.9%	(638)	(0.9)%	51,009	53.4%
AOL	69,921	43.2%	88,149	31.0%	49,016	12.8%	19,357	26.6%	10,356	10.9%
BASPL	(10,545)	(6.5)%	7,931	2.8%	(2,885)	(0.8)%	6,703	9.2%	(9,805)	(10.3)%
AFSL	37,445	23.1%	30,776	10.8%	16,512	4.3%	3,616	5.0%	3,557	3.7%
HAISPL	(4,233)	(2.6)%	4,232	1.5%	1,048	0.3%	(3,509)	(4.8)%	4,707	5.0%
AML	11,152	6.9%	14,488	5.1%	6,780	1.8%	3,495	4.8%	791	0.8%
BASM	1,645	1.0%	(76)	-*	(8)	-*	-	-	-	-
AOD	9	-*	(586)	(0.2)%	(301)	-*	(144)	(0.2)%	(45)	-*
Others ⁽¹⁾	1,855	1.1%	(10,110) ⁽²⁾	(3.6)%	(31,942) ⁽³⁾	(8.4)%	(1,603)	(2.2)%	3,908	4.1%
	<u>160,916</u>	<u>99.4%</u>	<u>243,611</u>	<u>85.8%</u>	<u>364,711</u>	<u>100.4%</u>	<u>73,180</u>	<u>100.5%</u>	<u>96,306</u>	<u>100.9%</u>
Share of profit/(loss) of BMD	245	0.2%	38,632	13.6%	(1,428)	(0.4)%	(357)	(0.5)%	-	-
Share of profit/(loss) of jointly-controlled entities	727	0.4%	1,685	0.6%	(17)	-*	(4)	-*	(833)	(0.9)%
	<u>161,888</u>	<u>100.0%</u>	<u>283,928</u>	<u>100.0%</u>	<u>383,266</u>	<u>100.0%</u>	<u>72,819</u>	<u>100.0%</u>	<u>95,473</u>	<u>100.0%</u>

Notes:

- (1) Comprises Bumi Armada and remaining subsidiaries.
- (2) Mainly comprises loss before taxation by our Company of RM7.8 million mainly due to certain operating expenses incurred by us which were not charged out to our subsidiaries.
- (3) Mainly comprises loss before taxation by our Company of RM29.5 million mainly due to certain operating expenses incurred by us which were not charged out to our subsidiaries.
- * Negligible.

12. FINANCIAL INFORMATION (cont'd)

12.2.5 Segment Information

The following tables sets forth our Group's external revenue and results by principal segments for the periods indicated:

Segment revenue	Audited		Unaudited		Audited
	Year ended 31 December		3 months ended 31 March		
	2009	2010	2010	2011	
	(RM 000, except percentages)				
FPSOs	197,570	327,853	553,411	154,971	125,296
OSVs	322,269	404,093	419,709	107,490	97,876
T&I	-	-	288,263	-	73,850
OFS	-	-	-	-	79,137
Others	-	144	-	-	-
	519,839	732,090	1,241,383	262,461	376,159
	100.0%	100.0%	100.0%	100.0%	100.0%
	38.0%	44.8%	44.6%	59.0%	33.3%
	62.0%	55.2%	33.8%	41.0%	26.0%
	-	-	21.6%	-	19.6%
	-	-	-	-	21.1%
	-	-	-	-	-
	100.0%	100.0%	100.0%	100.0%	100.0%

Note:

- Negligible.

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12. FINANCIAL INFORMATION (cont'd)

	Audited		Unaudited		Audited
	Year ended 31 December		3 months ended 31 March		
	2008	2009	2010	2011	
	(RM 000, except percentages)				
Segment results ⁽¹⁾					
FPSOs	53,564	92,797	179,215	54,153	36,466
OSVs	89,364	99,580	88,941	25,751	11,630
T&I	-	-	148,472	-	50,517
OFS	-	-	-	-	5,149
Others ⁽²⁾	942	11,273	22,707	4,872	4,295
Corporate and eliminations	4,515	6,330	(12,366)	1,007	470
	<u>148,385</u>	<u>209,980</u>	<u>426,969</u>	<u>65,783</u>	<u>106,627</u>
	100.0%	100.0%	100.0%	100.0%	100.0%
	36.2%	44.2%	42.0%	54.153	33.5%
	60.2%	47.4%	20.8%	25,751	10.7%
	-	-	34.8%	-	46.7%
	-	-	-	-	4.7%
	0.6%	5.4%	5.3%	4,872	4.0%
	3.0%	3.0%	(2.9)%	1,007	0.4%
	100.0%	100.0%	100.0%	65,783	100.0%

Notes:

- (1) Segment results before other operating income, finance cost, share of results of our jointly-controlled entities and associate and taxation.
- (2) Mainly comprises results from engineering contracts, vessel construction and other services.

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12. FINANCIAL INFORMATION (cont'd)

12.2.6 Results by geographical segment

The following tables sets forth our Group's revenue and gross profit by geographical segments for the periods indicated:

	Audited		Unaudited		Audited	
	Year ended 31 December		3 months ended 31 March		Audited	
	2008	2009	2010	2010	2011	2011
	(RM 000, except percentages)					
Revenue						
International						
- Asia*	87,987	124,741	526,938 ⁽¹⁾	60,320	138,278 ⁽²⁾	38.8%
- Africa	221,401	345,101	438,661	131,251	94,739	25.1%
- Latin America	-	42,338	87,218	25,660	21,804	5.8%
	309,388	512,180	1,052,817	217,231	254,821	67.7%
Malaysia	210,451	219,910	188,566	45,230	121,338 ⁽³⁾	32.3%
	519,839	732,090	1,241,383	262,461	376,159	100.0%

Notes:

* Includes areas between Australia and Central Asia except Malaysia.

(1) The increase in revenue for the year ended 31 December 2010 as compared with the previous year in the Asia region was mainly due to revenue from the DLB Armada Installer which has been operating since second quarter of 2010 in the Caspian Sea, Turkmenistan and full year contribution from our third FPSO, Armada TGT 1 (formerly known as Armada Perwira) for HLJOC in Vietnam, whose contract commenced in September 2009.

(2) The increase in revenue for the 3-month period ended 31 March 2011 as compared with the 3-month period ended 31 March 2010 in the Asia region was mainly due to revenue from the DLB Armada Installer which has been operating since second quarter of 2010 in the Caspian Sea, Turkmenistan.

(3) The increase in revenue for the 3-month period ended 31 March 2011 as compared with the 3-month period ended 31 March 2010 in Malaysia was mainly due to revenue from the ongoing conversion and sale of an FSO to Petrofac, for the Sepat Field, off Terengganu, Malaysia under our new DFS segment.

12. FINANCIAL INFORMATION (cont'd)

	Year ended 31 December			3 months ended 31 March		
	2008	2009	2010	2010	2011	
	(RM 000, except percentages)					
Gross profit						
International						
- Asia*	28,894	81,639	348,626	36,305	100,569	65.7%
- Africa	111,506	145,732	145,384	58,758	24,649	16.1%
- Latin America	-	27,399	57,484	17,837	15,908	10.4%
	140,400	254,770	551,494	112,900	141,126	92.2%
Malaysia	106,765	78,294	53,617	7,671	11,975	7.8%
	247,165	333,064	605,111	120,571	153,101	100.0%

Note:

- * Includes areas between Australia and Central Asia except Malaysia.

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12. FINANCIAL INFORMATION (cont'd)

12.2.7 Components of revenue

For the years ended 31 December 2008, 2009 and 2010, and the 3 months ended 31 March 2010 and 2011, our revenue was mainly derived from the vessel charter and offshore support services from FPSOs and OSVs. Additionally, our T&I segment which commenced operations in 2010 contributed to our Group's revenue for the year ended 31 December 2010 and the 3 months ended 31 March 2011. For the 3 months ended 31 March 2011, we have also recognised initial revenue under our OFS segment.

The principal components of our Group's revenue for the years ended 31 December 2008, 2009 and 2010 and 3 months ended 31 March 2011 are discussed below.

Vessel charter and support services***FPSOs***

We generate revenue by chartering our vessels and providing related O&M services for our FPSOs. Generally, revenue from our FPSOs comprises bareboat charter fees, operating fees, and amongst others, mobilisation charges, and demobilisation charges which are reimbursable. Currently, we have 2 FPSOs operating in Nigeria, namely Armada Perkasa and Armada Perdana. In 2009, we also secured a third FPSO contract in Vietnam which contributed to our increase in revenue.

Our FPSOs are chartered for an initial firm contract period of between 5 and 10 years. At the end of the initial firm contract period, our customers have the option to extend the contract periods for additional 1-year periods up to a maximum of 5 to 8 years in accordance with the provisions in the FPSO contracts.

Our revenue from the FPSO segment increased from RM197.6 million in 2008 to RM327.9 million in 2009 and RM553.4 million in 2010. As a percentage of total revenue, contributions from the FPSO segment increased from 38.0% in 2008 to 44.8% in 2009 and marginally decreased to 44.6% in 2010. For the 3 months ended 31 March 2011, our revenue from the FPSO segment was RM125.3 million in comparison to RM155.0 million for the 3 months ended 31 March 2010.

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12. FINANCIAL INFORMATION (cont'd)

The following table sets forth the components of our revenue from FPSOs for the periods indicated:

Revenue	Year ended 31 December			3 months ended 31 March		
	2008	2009	2010	2010	2011	
	(RM 000, except percentages)					
Bareboat charter	175,075	292,905	447,525	106,112	110,080	87.9%
O&M services	22,495	34,948	105,786	46,859	15,216	12.1%
	197,570	327,853	553,411	154,971	125,296	100.0%
						100.0%

Revenue from our bareboat charter increased by 155.6% or RM272.5 million from RM175.1 million in 2008 to RM447.6 million in 2010. This was mainly due to the commencement of the contract of our second FPSO, Armada Perdana and our third FPSO, Armada TGT 1 (formerly known as Armada Perwira) in April 2008 and September 2009, respectively.

Revenue from our O&M services increased by 370.2% or RM83.3 million from RM22.5 million in 2008 to RM105.8 million in 2010. This was mainly due to the contribution from our first FPSO, Armada Perkasa and our second FPSO, Armada Perdana where in first oil was produced in May 2008 and December 2009, respectively.

12. FINANCIAL INFORMATION (cont'd)

OSVs

We generate revenue from our OSV charters and offshore support services. A major portion of our OSV charter fees are from time charters consisting of vessel charter with supporting crew and provision of offshore support services. The offshore support services rendered include the provision of catering, accommodation and other services. Revenue also includes mobilisation and demobilisation charges for the vessels of certain contracts.

The following table sets forth the components of our revenue from OSVs for the periods indicated:

Revenue	Year ended 31 December		3 months ended 31 March	
	2008	2009	2010	2011
	(RM 000, except percentages)			
AHTS	149,996	192,799	217,554	52,541
Accommodation workboats/barges	79,255	183,487	166,821	46,421
Others ⁽¹⁾	93,018	27,807	35,334	8,528
	322,269	404,093	419,709	107,490
	100.0%	100.0%	100.0%	100.0%
			51.8%	48.9%
			39.8%	43.2%
			8.4%	7.9%
			100.0%	100.0%
				53,530
				38,864
				5,462
				97,876
				54.7%
				39.7%
				5.6%
				100.0%

Note:

(1) Comprises mooring launch, hose handling vessels, SSVs, utility vessels and other vessels.

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12. FINANCIAL INFORMATION (cont'd)

The following table sets forth the type, number and total capacity of OSVs in our fleet as at the dates indicated:

Type of OSVs	As at 31 December			As at 31 March		
	2008	2009	2010	2010	2011	2011
	No. of OSV	Total capacity	No. of OSV	Total capacity	No. of OSV	Total capacity
AHTS	14	76,200 bhp	18	120,200 bhp	20	136,200 bhp
Accommodation workboats/barges	6	962 beds	8	1,362 beds	8	1,362 beds
Others ⁽¹⁾	16	16 units	19	19 units	19	19 units
	<u>36⁽²⁾</u>		<u>45⁽³⁾</u>		<u>47⁽⁴⁾</u>	<u>40⁽⁵⁾</u>

Notes:

- (1) Comprises mooring launch, hose handling vessels, SSVs, utility vessels and other vessels.
- (2) Our jointly-controlled entities did not own any OSV as at 31 December 2008.
- (3) Excludes 2 OSVs owned by our jointly-controlled entities as at 31 December 2009.
- (4) Excludes 6 OSVs owned by our jointly-controlled entities as at 31 December 2010.
- (5) Excludes 2 OSVs owned by our jointly-controlled entities as at 31 March 2010.
- (6) Excludes 6 OSVs owned by our jointly-controlled entities as at 31 March 2011.

12. FINANCIAL INFORMATION (cont'd)

The following table sets forth the selected operating data of our OSVs for the periods indicated:

Category	Year ended 31 December				3 months ended 31 March			
	2008	2009		2010	2010		2011	
	Low DCR / High DCR	Utilisation rate ⁽¹⁾	Low DCR / High DCR	Utilisation rate ⁽¹⁾	Low DCR / High DCR	Utilisation rate ⁽¹⁾	Low DCR / High DCR	Utilisation rate ⁽¹⁾
AHTS	USD1.15 per bhp/ USD3.57 per bhp	95.1%	USD1.22 per bhp/ USD2.82 per bhp	86.9%	USD1.32 per bhp/ USD3.85 per bhp	65.7%	USD1.28 per bhp/ USD3.67 per bhp	68.6%
Accommodation workboats/barges	USD58.43 per bed/ USD174.59 per bed	91.1%	USD63.92 per bed/ USD257.50 per bed	91.2%	USD63.92 per bed/ USD257.50 per bed	80.0%	USD63.92 per bed/ USD257.50 per bed	72.4%
Other OSVs ⁽²⁾	USD569 per vessel/ USD6,902 per vessel	85.2%	USD534 per vessel/ USD5,628 per vessel	61.9%	USD1,076 per vessel/ USD5,000 per vessel	73.4%	USD561 per vessel/ USD7,000 per vessel	54.0%
							USD1.40 per bhp/ USD2.62 per bhp	65.8%
							USD83.35 per bed/ USD257.50 per bed	63.9%
							USD1,269 per vessel/ USD5,500 per vessel	53.7%

Notes:

(1) Simple average of the utilisation rates for the vessels under each category. The utilisation rate of each vessel is computed as follows:

$$\text{Utilisation rate} = \frac{\text{Aggregate number of operating days and allowable maintenance days}^{\wedge}}{\text{Number of days in the period}^{\ast}}$$

[^] Allowable maintenance days refer to the number of days, as specified under the terms of the charter hire contracts, that the vessel can be taken out of service for maintenance purposes, for which we are still entitled to the DCR.

^{*} For newbuild vessels, the number of days in the period is computed from the delivery date of the vessel. For vessels disposed during the period, the number of days in the period is computed up to the date of the disposal. For existing vessels, the number of days in the period is based on the number of days the vessel is available for charter.

(2) Comprises mooring launch, hose handling vessels, SSVs, utility vessels and other vessels.

12. FINANCIAL INFORMATION (cont'd)

Our revenue from the OSV segment increased from RM322.3 million in 2008 to RM404.1 million in 2009 and RM419.7 million in 2010. As a percentage of total revenue, contributions from the OSV segment decreased from 62.0% in 2008 to 55.2% in 2009 and 33.8% in 2010. For the 3 months ended 31 March 2011, our revenue from the OSV segment was RM97.9 million in comparison to RM107.5 million for the 3 months ended 31 March 2010.

The increase in revenue in 2009 was mainly due to the increase in the total capacity of our OSV fleet through fleet renewal and expansion. We took delivery of 11 newbuild deepwater OSVs with higher bhp and sold 2 OSVs in 2009. The fleet renewal continued in 2010 with the delivery of 5 newbuild deepwater OSVs with higher bhp and the sale of 10 OSVs, which were on average more than 10 years in age. There was a marginal increase in revenue for the year ended 31 December 2010 due to an increase in total capacity of our OSVs which was partially offset by generally lower utilisation rates as compared to 2009.

Revenue from our AHTS increased by 45.1% or RM67.6 million from RM150.0 million in 2008 to RM217.6 million in 2010. This was mainly due to contributions from newbuild deepwater AHTS with higher capacity added under our "Steel on Water" fleet expansion programme and deployment of 7 AHTSs to Nigeria with generally higher DCR as compared to the DCR of our other AHTSs.

Revenue from our accommodation workboats and workbarges increased by 110.3% or RM87.5 million from RM79.3 million in 2008 to RM166.8 million in 2010. This was mainly due to the commencement of the charters of our newbuild accommodation workboats, Armada Firman 2 and Armada Firman 3, in early 2009 which were deployed to Angola and Mexico, respectively. These accommodation workboats were able to obtain higher DCR than other accommodation workboats and workbarges in our fleet. Additionally, higher mobilisation fees relating to the distant deployments of Armada Firman 2 and Armada Firman 3 resulted in increased revenue.

Revenue from our other OSVs decreased by 62.0% or RM57.7 million from RM93.0 million in 2008 to RM35.3 million in 2010 mainly due to the sale of 17 other OSVs from 2008 to 2010 which were on average more than 10 years in age.

T&I

We principally generate revenue from our T&I business by chartering and operating our DLB, namely the DLB Armada Installer. Revenue from our DLB comprises bareboat charter fees and O&M fees which includes, amongst others, mobilisation and demobilisation charges which are reimbursable.

We secured our first DLB contract for PETRONAS Carigali's operations in the Caspian Sea, Turkmenistan in 2009. The DLB Armada Installer, which can operate in water depths of between 8 metres and 300 metres, has been commissioned and is in operation since the second quarter of 2010 in the Caspian Sea, Turkmenistan for the 8-year contract awarded by PETRONAS Carigali. The current long-term charter contract provides us with a minimum guarantee on the number of days that the DLB will be chartered annually, during the tenure of this contract. In 2010, revenue from our T&I segment of RM268.3 million (which includes revenue generated from our FPSO installation activities amounting to RM81.7 million) contributed 21.6% of our total revenue. For the 3 months ended 31 March 2011, our revenue from the T&I segment was RM73.9 million.

12. FINANCIAL INFORMATION (cont'd)

OFS

Our OFS business entails the provision of various specialised services required in the offshore mature/brownfield markets. These include, amongst others marginal field production solutions such as EOR, process modules to enhance the extraction of hydrocarbons from the reservoir as well as specific services and assets offered on a RBC basis for working in the marginal and mature/brownfield environment.

We commenced recognition of revenue in first quarter 2011 from our new OFS segment on a percentage-of-completion method in respect of the ongoing conversion and sale of an FSO to Petrofac, for the Sepat Field, off Terengganu, Malaysia which is expected to be delivered in August 2011.

For the 3 months ended 31 March 2011, our revenue from the OFS segment was RM79.1 million which contributed 21.1% of our total revenue.

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12. FINANCIAL INFORMATION (cont'd)

12.2.9 Components of operating costs

Our Group's operating costs increased from RM371.5 million in 2008, to RM522.1 million in 2009 and RM814.4 million in 2010. For the 3 months ended 31 March 2011, our Group's operating costs was RM267.3 million in comparison to RM176.7 million for the 3 months ended 31 March 2010.

The following table sets forth the principal components of our Group's operating costs and such costs expressed as a percentage of total operating costs and total revenue, for the periods indicated:

	Year ended 31 December						3 months ended 31 March					
	2008		2009		2010		2010		2011		2011	
	RM 000	% of total operating costs	RM 000	% of total operating costs	RM 000	% of total operating costs	RM 000	% of total operating costs	RM 000	% of total operating costs	RM 000	% of total operating costs
Operating costs												
Vessel depreciation	101,573	27.4	180,295	34.8	239,874	29.5	19.3	58,444	33.1	69,402	26.0	18.5
Crew costs	58,334	15.7	89,306	17.1	144,806	17.8	11.5	34,257	19.4	34,141	12.8	9.1
Maintenance costs	34,184	9.2	43,436	8.3	105,116	13.0	8.5	8,333	4.7	9,981	3.7	2.7
Management fees	20,962	5.6	28,376	5.4	65,878	8.1	5.3	24,554	13.9	20,462	7.7	5.4
Other cost of sales	57,621	15.5	57,613	11.1	79,798	9.8	6.4	16,302	9.2	89,072 ⁽¹⁾	33.2	23.7
Cost of sales	272,674	73.4	399,028	76.5	636,272	78.2	51.1	141,890	80.3	223,056	83.4	59.4
Selling and distribution costs	62,375	16.8	59,223	11.3	81,839	10.0	8.8	21,541	12.2	26,739	10.0	7.1
Administrative expenses	38,405	9.8	63,861	12.2	96,303	11.8	7.8	13,247	7.5	17,535	6.6	4.7
	371,454	100.0	522,110	100.0	814,414	100.0	65.5	176,678	100.0	267,332	67.4	71.2

Note:

(1) Includes cost for the ongoing conversion of an FSO for Palrotec, for the Sapat Field, off Terengganu, Malaysia of RM71.2 million.

12. FINANCIAL INFORMATION (cont'd)

The principal components of our Group's operating costs are discussed below.

Vessel depreciation

Vessel depreciation is the single largest component of our Group's operating costs. Depreciation depends on the estimated useful lives of our vessels and residual values at the end of their useful lives. The estimated useful lives are based on previous experience and knowledge of the vessels owned by our Group and is normally equal to the design lives of the vessel. Assumptions about residual values are based on 10% of original vessel costs. Where appropriate, our Group will adjust the residual value and useful life of the individual vessel based on the particular conditions of the vessel. Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at the end of each reporting period.

In addition, we also incur drydocking expenditures which represent major inspection and overhaul costs of the vessel every 5 years and are depreciated over the subsequent 5-year period.

Crew costs

Crew costs comprise, amongst others, crew wages, statutory contributions, allowances, bonus, overtime costs and related taxes and travel and accommodation costs, where applicable for the crew of our vessels.

Maintenance costs

Maintenance costs comprise costs for FPSO, OSV and T&I vessels.

OSV maintenance costs mainly comprise intermediate docking expenditures. Intermediate docking is a scheduled vessel refurbishment exercise conducted every 2 to 3 years after special drydocking in compliance with requirements of the relevant classification society. The remaining vessel maintenance costs relates to other ad-hoc repairs of FPSOs, OSVs, and T&I vessels and vessel equipment.

Management fees

Management fees are fees paid to third parties for the provision of O&M services related to our FPSO operations and are charged based on daily rates. These services include crewing, repair and maintenance and general logistics of our FPSOs.

Other cost of sales

Other cost of sales includes insurance for our vessels and vessel equipment, fuel and lubricants, commission paid to ship brokers as well as engineering related costs, custom and port charges and communication expenses.

Selling and distribution costs

Selling and distribution costs mainly comprise staff-related cost such as wages, statutory contributions, bonus and other staff benefits, marketing cost, travelling cost and cost for shore-based facilities, which are directly related to the procurement and conduct of our business segments.

Administrative expenses

Administrative expenses mainly comprise corporate overheads and shared services personnel costs such as wages, statutory contributions, bonus and other staff benefits as well as costs incurred for office rental and facilities.

12. FINANCIAL INFORMATION (cont'd)

12.2.10 Results of operations

(i) 3 months ended 31 March 2011 compared to 3 months ended 31 March 2010

Revenue

Our revenue increased by 43.3% or RM113.7 million from RM262.5 million for the 3 months ended 31 March 2010 to RM376.2 million for the 3 months ended 31 March 2011.

FPSOs

Revenue from our FPSOs decreased by 19.2% or RM29.7 million from RM155.0 million for the 3 months ended 31 March 2010 to RM125.3 million for the 3 months ended 31 March 2011 mainly due to higher revenue recorded in the 3 months ended 31 March 2010 resulting from the reimbursement of additional costs incurred by us on behalf of our customer, Afren amounting to RM15.2 million in respect of work done for FPSO Armada Perkasa in 2008 and 2009 which was confirmed by Afren. In addition, the decrease in revenue was also due to the reduction in our daily operating fees for FPSO Armada Perdana as a result of renegotiation of our FPSO Armada Perdana contract effective June 2010.

OSVs

Revenue from vessel charter and offshore support services provided by our OSVs decreased by 8.9% or RM9.6 million from RM107.5 million for the 3 months ended 31 March 2010 to RM97.9 million for the 3 months ended 31 March 2011. The decrease was due to generally lower utilisation rates as compared to the 3-month period ended 31 March 2010 due to the time lag between vessel charters as vessels coming off contracts during this period were unable to immediately secure new charter hire contracts mainly due to market conditions.

T&I

T&I revenues were RM73.9 million for the 3 months ended 31 March 2011 primarily as a result of contribution from our DLB Armada Installer which commenced operations in May 2010 in the Caspian Sea, Turkmenistan for an 8-year contract awarded by PETRONAS Carigali.

OFS

We commenced recognition of revenue of RM79.1 million for the 3 months ended 31 March 2011 from our new OFS segment on a percentage-of-completion method in respect of the ongoing conversion and sale of an FSO to Petrofac, for the Sepat Field, off Terengganu, Malaysia which is expected to be delivered in August 2011.

Cost of sales

Our cost of sales increased by 57.2% or RM81.2 million from RM141.9 million for the 3 months ended 31 March 2010 to RM223.1 million for the 3 months ended 31 March 2011 in line with the increase in revenue. Our cost of sales increased mainly as a result of cost incurred for the ongoing conversion and sale of an FSO to Petrofac, for the Sepat Field, off Terengganu, Malaysia.

12. FINANCIAL INFORMATION (cont'd)

Our vessels depreciation costs increased by 18.8% or RM11.0 million from RM58.4 million for the 3 months ended 31 March 2010 to RM69.4 million for the 3 months ended 31 March 2011 mainly due to depreciation of DLB Armada Installer whose contract commenced in May 2010 and depreciation of 3 new OSVs which were delivered in the second half of 2010.

Our crew costs decreased marginally by 0.6% or RM0.2 million from RM34.3 million for the 3 months ended 31 March 2010 to RM34.1 million for the 3 months ended 31 March 2011. The decrease in our crew costs was mainly due to the sale of 10 lower capacity OSVs, which was partially offset by the delivery of 3 new higher capacity OSVs.

Our maintenance costs increased by 20.5% or RM1.7 million from RM8.3 million for the 3 months ended 31 March 2010 to RM10.0 million for the 3 months ended 31 March 2011. The increase in our maintenance costs was mainly due to the commencement of pipeline installation services in respect of DLB Armada Installer in May 2010 and additional diesel cost incurred for our FPSO Armada Perdana.

Management fees paid to third parties for the provision of O&M services related to our FPSO operations decreased by 16.7% or RM4.1 million from RM24.6 million for the 3 months ended 31 March 2010 to RM20.5 million for the 3 months ended 31 March 2011 due to a reduction in the daily rates as a result of renegotiation of contracts for management fees paid for O&M services for our FPSOs Armada Perdana and Armada Perkasa.

Our other cost of sales increased by 446.6% or RM72.8 million from RM16.3 million for the 3 months ended 31 March 2010 to RM89.1 million for the 3 months ended 31 March 2011 mainly due to the cost incurred for the ongoing conversion and sale of an FSO to Petrofac, for the Sepat Field, off Terengganu, Malaysia of RM71.2 million under our OFS segment.

Gross profit and gross profit margin

As a result of the foregoing factors, gross profit increased by 26.9% or RM32.5 million from RM120.6 million for the 3 months ended 31 March 2010 to RM153.1 million for the 3 months ended 31 March 2011. Gross profit margin decreased to 40.7% for the 3 months ended 31 March 2011 from 45.9% for the 3 months ended 31 March 2010 mainly due to lower gross profit margin from our new OFS segment which commenced in 2011.

Other operating income

Our other operating income was RM4.6 million for the 3-month period ended 31 March 2011 as compared to RM7.1 million for the 3-month period ended 31 March 2010.

Selling and distribution costs

Selling and distribution costs increased by 24.2% or RM5.2 million from RM21.5 million for the 3 months ended 31 March 2010 to RM26.7 million for the 3 months ended 31 March 2011. The increase was in line with the increase in sales and operational support required for the continued expansion of our Group's activities in terms of fleet size and geographical spread.

12. FINANCIAL INFORMATION (cont'd)

Administrative expenses

Administrative expenses increased by 32.6% or RM4.3 million from RM13.2 million for the 3 months ended 31 March 2010 to RM17.5 million for the 3 months ended 31 March 2011 mainly due to cost related to additional personnel and related office facilities to support business growth and geographic expansion.

Profit from operations

As a result of the foregoing factors, our profit from operations increased by 22.1% or RM20.5 million from RM92.9 million for the 3 months ended 31 March 2010 to RM113.4 million for the 3 months ended 31 March 2011.

EBITDA and EBITDA margin

Our EBITDA increased by 20.9% or RM31.9 million from RM152.9 million for the 3 months ended 31 March 2010 to RM184.8 million for the 3 months ended 31 March 2011. EBITDA margin decreased from 58.3% for the 3 months ended 31 March 2010 to 49.1% for the 3 months ended 31 March 2011 mainly due to lower EBITDA margin from our new OFS segment which commenced in 2011.

Finance costs

Finance costs decreased by 13.6% or RM2.7 million from RM19.8 million for the 3 months ended 31 March 2010 to RM17.1 million for the 3 months ended 31 March 2011 mainly due to a gain of RM7.6 million arising from fair value changes of derivative assets and liabilities for the 3 months ended 31 March 2011 as compared to a loss of RM2.9 million for the 3 months ended 31 March 2010 mainly due to movements in interest rates and foreign exchange rates. This was partially offset by an increase in interest expense of RM7.9 million from RM16.8 million for the 3 months ended 31 March 2010 to RM24.7 million for the 3 months ended 31 March 2011. The increase in interest expense was mainly due to interest charged to the statements of income upon the completion of our vessels subsequent to 31 March 2010, including our FPSO Armada Perdana, DLB Armada Installer and 3 new OSVs. Prior to the completion of the construction of these vessels, the interest was capitalised as cost of vessel on the statements of financial position.

Share of results of an associate

We did not share any result in our associated company, BMD, for the 3 months ended 31 March 2011 as compared to the share of loss of RM0.4 million for the 3 months ended 31 March 2010 as we have made full impairment of our investment in BMD. Please refer to Section 15.7 for further details.

PBT and PBT margin

As a result of the foregoing factors, PBT increased by 31.2% or RM22.7 million from RM72.8 million for the 3 months ended 31 March 2010 to RM95.5 million for the 3 months ended 31 March 2011. PBT margin decreased from 27.7% for the 3 months ended 31 March 2010 to 25.4% for the 3 months ended 31 March 2011 mainly due to lower PBT margin from our new OFS segment which commenced in 2011.

12. FINANCIAL INFORMATION (cont'd)

Taxation

Our taxation increased by 116.1% or RM7.2 million from RM6.2 million for the 3 months ended 31 March 2010 to RM13.4 million for the 3 months ended 31 March 2011 mainly due to foreign taxation imposed on income generated by DLB Armada Installer which was deployed to Turkmenistan in May 2010.

PAT

As a result of the foregoing factors, PAT increased by 23.3% or RM15.5 million from RM66.6 million for the 3 months ended 31 March 2010 to RM82.1 million for the 3 months ended 31 March 2011.

(ii) Year ended 31 December 2010 compared to year ended 31 December 2009**Revenue**

Our revenue increased by 69.6% or RM509.3 million from RM732.1 million for the year ended 31 December 2009 to RM1,241.4 million for the year ended 31 December 2010.

FPSOs

Revenue from the vessel charter fee and daily operating fee of our FPSOs increased by 68.8% or RM225.5 million from RM327.9 million for the year ended 31 December 2009 to RM553.4 million for the year ended 31 December 2010. This was mainly due to the full year contribution from our third FPSO, Armada TGT 1 (formerly known as Armada Perwira), whose contract commenced in September 2009. Additionally, revenue also increased due to an increase in the scope of work for FPSO Armada TGT 1 (formerly known as Armada Perwira) mainly from a variation order issued by HLJOC, effective in June 2010.

OSVs

Revenue from vessel charter and offshore support services provided by our OSVs increased marginally by 3.9% or RM15.6 million from RM404.1 million for the year ended 31 December 2009 to RM419.7 million for the year ended 31 December 2010. This increase was primarily due to an increase in the total capacity of our OSVs in 2010 as compared to 2009 resulting from the full year contribution of OSVs acquired in 2009, OSVs acquired in 2010 and the availability of certain OSVs in 2010 which had been redeployed to Nigeria during 2009. The increase in revenue was partially offset by generally lower utilisation rates as compared to 2009 due to time taken to deploy new vessels and the time lag between vessel charters as vessels coming off contract during this period were unable to immediately secure new charter hire contracts.

T&I

T&I revenues were RM268.3 million for the year ended 31 December 2010 primarily as a result of the initiation of our DLB operations. DLB Armada Installer commenced operations in May 2010 in the Caspian Sea, Turkmenistan for an 8-year contract awarded by PETRONAS Carigali. Our T&I revenue also included installation work performed for Armada TGT 1 (formerly known as Armada Perwira) amounting to RM81.7 million as a result of the increase in scope of work during the year 2010.

12. FINANCIAL INFORMATION (cont'd)**Cost of sales**

Our cost of sales increased by 59.5% or RM237.3 million from RM399.0 million for the year ended 31 December 2009 to RM636.3 million for the year ended 31 December 2010 in line with the increase in revenue primarily as a result of increased vessel depreciation costs, crew and maintenance costs, as well as increased management fees in respect of our FPSO operations.

Our vessels depreciation costs increased by 33.1% or RM59.6 million from RM180.3 million for the year ended 31 December 2009 to RM239.9 million for the year ended 31 December 2010 due to the full year depreciation of FPSO Armada TGT 1 (formerly known as Armada Perwira) in 2010 whose contract commenced in September 2009, depreciation of DLB Armada Installer whose contract commenced in May 2010 and depreciation of 5 new OSVs delivered in 2010.

Our crew costs and maintenance costs increased by 61.9% or RM55.3 million from RM89.3 million for the year ended 31 December 2009 to RM144.6 million for the year ended 31 December 2010 and by 144.5% or RM62.7 million from RM43.4 million for the year ended 31 December 2009 to RM106.1 million for the year ended 31 December 2010, respectively. The increase in our crew costs and maintenance costs was mainly due to:

- (a) full year costs incurred by FPSO Armada Perdana which commenced operations in December 2009 and 5 newbuild OSVs which began commissioning and chartering in 2009;
- (b) commencement of pipeline installation services by DLB Armada Installer in May 2010; and
- (c) 5 new OSVs delivered in 2010.

Management fees paid to third parties for the provision of O&M services related to our FPSO operations increased by 132.0% or RM37.5 million from RM28.4 million for the year ended 31 December 2009 to RM65.9 million for the year ended 31 December 2010 due to the full year operations by FPSO Armada Perdana which commenced operations in December 2009.

Our other cost of sales increased by 38.5% or RM22.2 million from RM57.6 million for the year ended 31 December 2009 to RM79.8 million for the year ended 31 December 2010 due to higher fleet insurance, ship management fees, communication expenses and miscellaneous supplies as compared to 2009, in line with the increase in revenue.

Gross profit and gross profit margin

As a result of the foregoing factors, gross profit increased by 81.7% or RM272.0 million from RM333.1 million for the year ended 31 December 2009 to RM605.1 million for the year ended 31 December 2010. Gross profit margin increased to 48.7% for the year ended 31 December 2010 from 45.5% for the year ended 31 December 2009 mainly due to the gross profit contribution from our new T&I segment which commenced in 2010.

12. FINANCIAL INFORMATION (cont'd)

Other operating income

Our other operating income decreased by 52.4% or RM44.2 million from RM84.4 million for the year ended 31 December 2009 to RM40.2 million for the year ended 31 December 2010. The decrease was mainly due to a one time gain on disposal amounting to RM60.1 million for the year ended 31 December 2009 from the sale of 2 AHTSs during that year and decrease of agency and handling fees from RM19.8 million for the year ended 31 December 2009 to RM9.7 million for the year ended 31 December 2010. However, the decrease was partially offset mainly by insurance income of RM10.0 million for the year ended 31 December 2010.

Selling and distribution costs

Selling and distribution costs increased by 38.2% or RM22.6 million from RM59.2 million for the year ended 31 December 2009 to RM81.8 million for the year ended 31 December 2010. The increase was in line with the increase in sales and operational support required for the continued expansion of our Group's activities in terms of fleet size and geographical spread.

Administrative expenses

Administrative expenses increased by 50.7% or RM32.4 million from RM63.9 million for the year ended 31 December 2009 to RM96.3 million for the year ended 31 December 2010. The increase was mainly due to cost related to additional personnel and related office facilities to support business growth and geographic expansion and a one-off impairment of our investment in our associated company, BMD, of RM13.3 million. Please refer to Section 15.7 for further details.

Profit from operations

As a result of the foregoing factors, our profit from operations increased by 58.7% or RM172.7 million from RM294.4 million for the year ended 31 December 2009 to RM467.1 million for the year ended 31 December 2010.

EBITDA and EBITDA margin

Our EBITDA increased by 37.1% or RM193.4 million from RM520.7 million for the year ended 31 December 2009 to RM714.1 million for the year ended 31 December 2010. EBITDA margin decreased from 71.1% for the year ended 31 December 2009 to 57.5% for the year ended 31 December 2010 mainly due to a one time gain on disposal amounting to RM60.1 million for the year ended 31 December 2009 from the sale of 2 AHTSs during that year and share of result in our associate of a loss of RM1.4 million for the year ended 31 December 2010 as compared to a profit of RM38.6 million for the year ended 31 December 2009.

Finance costs

Finance costs increased by 62.2% or RM31.6 million from RM50.8 million for the year ended 31 December 2009 to RM82.4 million for the year ended 31 December 2010 mainly due to the full year interest charged to the statements of income in 2010 upon completion of the construction of FPSO Armada Perdana in December 2009 and interest charged to the statements of income upon the completion of the construction of DLB Armada Installer in May 2010. Prior to the completion of construction of these vessels, interest was capitalised as cost of vessels on the statements of financial position.

12. FINANCIAL INFORMATION (cont'd)

Share of results of an associate

Our share of results in our associated company, BMD, was a profit of RM38.6 million for the year ended 31 December 2009 and a loss of RM1.4 million for the year ended 31 December 2010 mainly due to the reduction in BMD's construction and installation activities in 2010 as a result of the completion of a major construction and installation project in 2009 together with no major project being undertaken in 2010.

PBT and PBT margin

As a result of the foregoing factors, PBT increased by 35.0% or RM99.4 million from RM283.9 million for the year ended 31 December 2009 to RM383.3 million for the year ended 31 December 2010. PBT margin decreased from 38.8% for the year ended 31 December 2009 to 30.9% for the year ended 31 December 2010 mainly due to a one time gain on disposal amounting to RM60.1 million for the year ended 31 December 2009 from the sale of 2 AHTSs during that year and share of result in our associate of a loss of RM1.4 million for the year ended 31 December 2010 as compared to a profit of RM38.6 million for the year ended 31 December 2009.

Taxation

Our taxation increased by 400.0% or RM26.0 million from RM6.5 million for the year ended 31 December 2009 to RM32.5 million for the year ended 31 December 2010 mainly due to foreign taxation imposed on income generated by FPSO Armada Perdana and DLB Armada Installer which were deployed to Nigeria in December 2009 and Turkmenistan in May 2010, respectively.

PAT

As a result of the foregoing factors, PAT increased by 26.5% or RM73.4 million from RM277.4 million for the year ended 31 December 2009 to RM350.8 million for the year ended 31 December 2010.

(iii) Year ended 31 December 2009 compared to year ended 31 December 2008

Revenue

Our revenue increased by 40.8% or RM212.3 million from RM519.8 million for the year ended 31 December 2008 to RM732.1 million for the year ended 31 December 2009.

FPSOs

Revenue from the vessel charter fee and daily operating fee of our FPSOs increased by 65.9% or RM130.3 million from RM197.6 million for the year ended 31 December 2008 to RM327.9 million for the year ended 31 December 2009. This was mainly due to the commencement of the contract for our third FPSO, Armada TGT 1 (formerly known as Armada Perwira) in September 2009. Additionally, revenue also increased due to the full year contribution from our second FPSO, Armada Perdana, whose contract had commenced in April 2008.

12. FINANCIAL INFORMATION (cont'd)**OSVs**

Revenue from vessel charter and offshore support services provided by our OSVs increased by 25.4% or RM81.8 million from RM322.3 million for the year ended 31 December 2008 to RM404.1 million for the year ended 31 December 2009. This increase was primarily due to the commencement of charters of 5 newbuild OSVs, as well as full year contributions from 2 additional OSVs which were both commissioned and chartered in the first quarter of 2008. This increase was partially offset by the sale of 7 other OSVs during 2008 and lower overall utilisation of our other OSVs in 2009 as a result of the redeployment of 7 other OSVs to Nigeria during 2009.

Cost of sales

Our cost of sales increased by 46.3% or RM126.3 million from RM272.7 million for the year ended 31 December 2008 to RM399.0 million for the year ended 31 December 2009 primarily as a result of increased vessel depreciation costs, crew and maintenance costs, as well as increased management fees in respect of our FPSO operations.

Our vessel depreciation cost increased by 77.5% or RM78.7 million from RM101.6 million for the year ended 31 December 2008 to RM180.3 million for the year ended 31 December 2009 due to the depreciation of FPSO Armada TGT 1 (formerly known as Armada Perwira) whose contract commenced in September 2009, full year depreciation of FPSO Armada Perdana whose contract commenced in April 2008, and depreciation of 5 newbuild OSVs which were delivered in 2009.

Our crew costs and maintenance costs increased by 53.2% or RM31.0 million from RM58.3 million for the year ended 31 December 2008 to RM89.3 million for the year ended 31 December 2009 and 26.9% or RM9.2 million from RM34.2 million for the year ended 31 December 2008 to RM43.4 million for the year ended 31 December 2009, respectively. The increase in our crew costs and maintenance costs was mainly due to:

- (a) FPSO Armada Perdana which commenced operations in December 2009 and full year operations by FPSO Armada Perkasa which commenced in May 2008;
- (b) 5 newbuild OSVs delivered in 2009; and
- (c) full year costs incurred by 2 OSVs which began commissioning and chartering in 2008.

Management fees paid to third parties for the provision of O&M services related to our FPSO operations increased by 35.2% or RM7.4 million from RM21.0 million for the year ended 31 December 2008 to RM28.4 million for the year ended 31 December 2009 due to FPSO Armada Perdana which commenced operations in 2009 and full year operations by FPSO Armada Perkasa which commenced in 2008.

Gross profit and gross profit margin

As a result of the foregoing factors, gross profit increased by 34.7% or RM85.9 million from RM247.2 million for the year ended 31 December 2008 to RM333.1 million for the year ended 31 December 2009. Gross profit margin decreased marginally to 45.5% for the year ended 31 December 2009 from 47.5% for the year ended 31 December 2008 mainly due to higher depreciation and crew costs from new vessels in 2009.

12. FINANCIAL INFORMATION (cont'd)

Other operating income

Our other operating income increased by 79.2% or RM37.3 million from RM47.1 million for the year ended 31 December 2008 to RM84.4 million for the year ended 31 December 2009. The increase was mainly due to the gain on disposal of 2 AHTSs amounting to RM60.1 million in 2009 as compared to gain on disposal of 7 harbour tugs amounting to RM26.9 million in 2008.

Selling and distribution costs

Selling and distribution costs decreased by 5.1% or RM3.2 million from RM62.4 million for the year ended 31 December 2008 to RM59.2 million for the year ended 31 December 2009. This was mainly due to the reduction in shore-based personnel and the centralisation of certain fleet support functions in 2009 as compared to 2008.

Administrative expenses

Administrative expenses increased by 75.5% or RM27.5 million from RM36.4 million for the year ended 31 December 2008 to RM63.9 million for the year ended 31 December 2009. The increase was mainly due to costs related to additional personnel and related office facilities to support business growth and geographic expansion.

Profit from operations

As a result of the foregoing factors, our profit from operations increased by 50.6% or RM98.9 million from RM195.5 million for the year ended 31 December 2008 to RM294.4 million for the year ended 31 December 2009.

EBITDA and EBITDA margin

Our EBITDA increased by 72.0% or RM217.9 million from RM302.8 million for the year ended 31 December 2008 to RM520.7 million for the year ended 31 December 2009. EBITDA margin increased to 71.1% for the year ended 31 December 2009 from 58.3% for the year ended 31 December 2008 mainly due to a one time gain on disposal amounting to RM60.1 million for the year ended 31 December 2009 from the sale of 2 AHTSs during that year and an increase in share of profits of our associate of RM38.4 million for the year ended 31 December 2009 as compared to a profit of RM0.2 million for the year ended 31 December 2008.

Finance costs

The increase in finance cost of 46.8% or RM16.2 million from RM34.6 million for the year ended 31 December 2008 to RM50.8 million for the year ended 31 December 2009 was mainly due to the increase in interest incurred on borrowings to fund our fleet expansion with delivery of 11 OSVs in 2009.

Share of results of an associate

Share of profits of our associated company, BMD, increased substantially by RM38.4 million from RM0.2 million for the year ended 31 December 2008 to RM38.6 million for the year ended 31 December 2009. This was due to additional revenue from changes in the scope of a contract as a result of variation of orders requested by the customer and the progress of the construction and installation activities in respect of the contract which was completed in 2009.

12. FINANCIAL INFORMATION (cont'd)

PBT and PBT margin

As a result of the foregoing factors, PBT increased by 75.4% or RM122.0 million from RM161.9 million for the year ended 31 December 2008 to RM283.9 million for the year ended 31 December 2009. PBT margin increased from 31.1% for the year ended 31 December 2008 to 38.8% for the year ended 31 December 2009 mainly due to a one time gain on disposal amounting to RM60.1 million for the year ended 31 December 2009 from the sale of 2 AHTSs during that year and an increase in share of profits of our associate of RM38.4 million for the year ended 31 December 2009 as compared to a profit of RM0.2 million for the year ended 31 December 2008.

Taxation

Our taxation decreased by 45.4% or RM5.4 million from RM11.9 million for the year ended 31 December 2008 to RM6.5 million for the year ended 31 December 2009. This was mainly due to taxation of RM12.5 million on the RM26.9 million gain on the disposal of 7 harbour tugs recorded in 2008 and foreign withholding taxes of RM6.4 million on FPSO Armada Perkasa in Nigeria in 2009.

PAT

As a result of the foregoing factors, PAT increased by 84.9% or RM127.4 million from RM150.0 million for the year ended 31 December 2008 to RM277.4 million for the year ended 31 December 2009.

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12. FINANCIAL INFORMATION (cont'd)

12.2.11 Orderbook

As at the LPD, the orderbook of our Group stood at RM5.8 billion. Upon expiration of the contract period, certain contracts contain extension options which are renewable on an annual basis with a total potential contract sum of RM2.5 billion over the entire option periods. The details of our Group's orderbook as at the LPD are set out below:

	Contract period	Contract expiry	Firm contract period				Optional extension period			
			Remaining contract sum		Total	Potential contract sum		Total		
			USD million	BND million		RM million	RM million ⁽¹⁾		USD million	RM million
FPSOs	5 to 7 years	2013 to 2018	1,170.1 ⁽³⁾	-	-	3,514.3	1 to 8 years ⁽⁴⁾	533.3	-	1,601.7
T&I	8 years	2018	452.4	-	-	1,358.7	-	-	-	-
OSVs	⁽⁵⁾	⁽⁵⁾	107.0	3.6	550.9	880.9	⁽⁵⁾	148.4	473.4	919.1 ⁽⁶⁾
			<u>1,729.5</u>	<u>3.8</u>	<u>550.9</u>	<u>5,753.9</u>		<u>681.7</u>	<u>473.4</u>	<u>2,520.8</u>

Notes:

- (1) Converted at RM3.0034 / USD and RM2.4010 / BND, being the closing rates as at the LPD based on Oenda's website at www.oenda.com.
- (2) Total potential contract sum over the entire option periods.
- (3) Includes the remaining contract sum for a firm 10-year term for FPSO Armada Perdana as we are currently in the midst of formalising an amendment contract with NAE to revise the FPSO Armada Perdana contract period from a firm 5-year term to a firm 10-year term. Does not include the contract sum for Armada Prima for which we have secured a conditional letter of award on 30 March 2011 and our next FPSO project for Oil and Natural Gas Corporation Limited in India which FBAOL has secured a letter of award on 25 June 2011.
- (4) The charter for FPSO Armada Perdana may be extended for additional one year periods over a 5-year period while FPSO Armada TGT 1 (formerly known as FPSO Armada Perwira) may be extended for additional one year periods over an 8-year period. The extension options are exercisable at the discretion of our customers (at a pre-determined rate). Contract periods are not disclosed as contract expiry dates and option periods for the OSVs vary significantly.
- (5) The total value of the OSV extension options may vary going forward, as the charter rate during the optional extension period may be negotiated at the time of extension.

12. FINANCIAL INFORMATION (cont'd)

12.2.12 Liquidity and capital resources

Our principal sources of liquidity are internal cash generated from operations and borrowings, as well as capital contributions from our shareholders. For the 3-month period ended 31 March 2011, these funds were utilised mainly to fund our operations and capital expenditures. As at 31 March 2011, we have unused sources of liquidity of RM932.4 million, comprising cash and cash equivalents of RM443.9 million and available lines of credit of RM488.5 million.

(i) Working capital

Our working capital is funded through cash generated from operations and credit lines. After taking into consideration our existing level of cash and cash equivalents, the available credit lines, the expected cash flow from operations and the proceeds from the Public Issue allocated for working capital purposes, our Board is of the opinion that our Group will have adequate working capital for a period of 12 months from the date of this Prospectus.

(ii) Cash flows

The following table sets forth the consolidated cash flow statements of our Group for the periods indicated:

	Audited			Unaudited	Audited
	Year ended 31 December			3 months ended	
	2008	2009	2010	2010	2011
	RM 000				
Net cash flow generated from operating activities	365,878	39,677	255,367	40,621	103,423
Net cash flow used in investing activities	(1,011,271)	(1,054,945)	(988,384)	(216,874)	(361,295)
Net cash flow generated from financing activities	702,014	1,179,037	734,834	43,822	460,677
Net increase/(decrease) in cash and cash equivalents	56,621	163,769	1,817	(132,431)	202,805
Currency translation differences	5,284	(6,755)	(23,970)	(11,084)	(3,846)
Cash and cash equivalents at the beginning of the year/period	48,132	110,037	267,051	267,051	244,898
Cash and cash equivalents at the end of the year/period	110,037	267,051	244,898	123,536	443,857

There is no legal, financial or economic restriction on the ability of our subsidiaries to transfer funds to our Company in the form of cash dividends, loans or advances to meet the cash obligations of our Company.

12. FINANCIAL INFORMATION (cont'd)

Net cash flow generated from operating activities

Net cash generated from operating activities for the 3-month period ended 31 March 2011 was RM103.4 million mainly due to net profit of RM82.1 million, adjustments for non-cash items of RM106.7 million, RM41.8 million increase in working capital and RM39.1 million interest paid. The adjustments for non-cash items for the 3-month period ended 31 March 2011 mainly comprise depreciation of property, plant and equipment of RM72.1 million, fair value gain on financial instruments of RM7.6 million, allowance for doubtful debt of RM3.5 million, interest expense of RM24.7 million and taxation of RM13.4 million. The increase in working capital for the 3-month period ended 31 March 2011 consisted primarily of an increase in trade and other receivables of RM152.6 million and an increase in trade and other payables of RM111.1 million. The increase in trade and other receivables was mainly related to receivables for the ongoing conversion and sale of an FSO to Petrofac, for the Sepat Field, off Terengganu, Malaysia and accrued lease rental for the FPSO Armada TGT 1 (formerly known as Armada Perwira). The increase in trade and other payables was mainly due to increase in payables for the ongoing conversion and sale of an FSO to Petrofac, for the Sepat Field, off Terengganu, Malaysia and ongoing conversion of the FPSO Armada TGT 1 (formerly known as Armada Perwira).

Net cash generated from operating activities for the year ended 31 December 2010 was RM255.4 million mainly due to net profit of RM350.8 million, adjustments for non-cash items of RM371.0 million, RM330.8 million increase in working capital and RM106.4 million interest paid. The adjustments for non-cash items for the year ended 31 December 2010 mainly comprise depreciation of property, plant and equipment of RM248.4 million and interest expense of RM89.6 million. The increase in working capital for the year ended 31 December 2010 consisted primarily of an increase in trade and other receivables of RM238.0 million and a decrease in trade and other payables of RM92.5 million. The increase in trade and other receivables was mainly related to accrued lease rental for the FPSO Armada TGT 1 (formerly known as Armada Perwira). The decrease in trade and other payables was mainly due to settlement of amounts owing to our trade and other creditors for the year ended 31 December 2010.

Net cash generated from operating activities for the year ended 31 December 2009 was RM39.7 million mainly due to net profit of RM277.4 million, adjustments for non-cash items of RM149.5 million, RM298.2 million increase in working capital and RM72.5 million interest paid. The adjustments for non-cash items for the year ended 31 December 2009 mainly comprise depreciation of property, plant and equipment of RM186.0 million, gain on disposal of property, plant and equipment of RM60.1 million and interest expense of RM50.8 million. The increase in working capital for the year ended 31 December 2009 consisted primarily of an increase in trade and other receivables of RM238.1 million and a decrease in trade and other payables of RM60.7 million. The increase in trade and other receivables was mainly related to accrued lease rental for the FPSOs Armada Perdana and Armada TGT 1 (formerly known as Armada Perwira). The decrease in trade and other payables was mainly due to settlement of amounts owing to our trade and other creditors for the year ended 31 December 2009.

12. FINANCIAL INFORMATION (cont'd)

Net cash generated from operating activities for the year ended 31 December 2008 was RM365.9 million mainly due to net profit of RM150.0 million, adjustments for non-cash items of RM123.4 million and RM163.3 million decrease in working capital which were partially offset by RM51.3 million interest paid. The adjustments for non-cash items for the year ended 31 December 2008 mainly comprise depreciation of property, plant and equipment of RM106.3 million, gain on disposal of property, plant and equipment of RM26.9 million and interest expense of RM34.6 million. The decrease in working capital for the year ended 31 December 2008 consisted primarily of an increase in trade and other receivables of RM109.4 million and an increase in trade and other payables of RM272.8 million. The increase in trade and other receivables was mainly related to accrued lease rental for the FPSOs Armada Perkasa and Armada Perdana. The increase in trade and other payables was mainly due to the significant increase in credit purchase of property, plant and equipment for the year ended 31 December 2008.

Net cash flow used in investing activities

The net cash used in investing activities are mainly for the purchase of property, plant and equipment, offset by the proceeds from the disposal of property, plant and equipment. This resulted in net cash flow used in investing activities of RM1,011.3 million in 2008, RM1,054.9 million in 2009, RM988.4 million in 2010 and RM361.3 million in the 3 months ended 31 March 2011.

Purchases of property, plant and equipment were RM1,075.8 million, RM1,300.4 million, RM1,008.2 million and RM359.3 million in 2008, 2009, 2010 and 3 months ended 31 March 2011, respectively. Such additions to property, plant and equipment include interest costs on borrowings to finance the construction of property, plant and equipment that are capitalised, which amounted to RM18.3 million, RM26.9 million, RM34.7 million and RM8.4 million in 2008, 2009, 2010 and 3 months ended 31 March 2011, respectively.

Proceeds from disposal of property, plant and equipment were RM52.2 million, RM244.7 million, RM8.0 million and negligible in 2008, 2009, 2010, and 3 months ended 31 March 2011, respectively.

Net cash flow generated from financing activities

The net cash flows generated from financing activities primarily comprised funds from the drawdown of new bank borrowings and repayment of bank borrowings. This resulted in net cash flows from financing activities of RM702.0 million in 2008, RM1,179.0 million in 2009, RM734.8 million in 2010 and RM460.7 million in the 3 months ended 31 March 2011.

The drawdown of new bank borrowings in the 3 months ended 31 March 2011 was RM349.4 million mainly to fund the expansion of our fleet. In addition, RM150.0 million was raised pursuant to the exercise of a call option by OBSB. The repayment of bank borrowings and loan to a related party in the 3 months ended 31 March 2011 was RM85.1 million and RM150.0 million, respectively.

The drawdown of new bank borrowings in 2010 was RM1,688.2 million to fund the expansion of our FPSO, OSV and T&I fleet. The repayment of bank borrowings in 2010 was RM954.2 million.

12. FINANCIAL INFORMATION (cont'd)

The drawdown of new bank borrowings in 2009 was RM1,492.0 million to fund the expansion of our FPSO, OSV and T&I fleet. The repayment of maturing term loans in 2009 was RM312.5 million.

The drawdown of new bank borrowings in 2008 was RM1,862.2 million to fund the expansion of our FPSO, OSV and T&I fleet. The repayment of maturing borrowings, including term loans and revolving credits in 2008 was RM1,309.8 million. In addition, PTSB, a related corporation of OBSB, extended a loan of RM150.0 million to us to facilitate our fleet expansion programme.

(iii) Borrowings

Our Group's total outstanding borrowings, all of which are interest-bearing, as at 31 March 2011 are as follows:

Statement of total outstanding borrowings	Interest rate terms	Currency			Total
		SGD 000	USD 000	RM 000	RM 000 ⁽¹⁾
Short-term borrowings:					
- Term loans - secured	Variable floating rate based on London Interbank Offered Rate ("LIBOR")	-	61,925	-	187,188
- Term loans - secured	Variable floating rate based on cost of funds	-	-	23,435	23,435
- Term loans - unsecured	Fixed rate ranging from 3.74% to 6.30% per annum	-	-	50,828	50,828
- Term loans - unsecured	Variable floating rate based on cost of funds	-	-	70,000	70,000
- Revolving credits - unsecured	Variable floating rate based on LIBOR	-	50,000	-	151,140
- Revolving credits - unsecured	Variable floating rate based on cost of funds	-	-	50,096	50,096
- Bridging loans - unsecured	Variable floating rate based on LIBOR	-	100,000	-	302,280
- Bridging loans - unsecured	Variable floating rate based on cost of funds	-	-	300,000	300,000
- Hire purchase liabilities - secured	Fixed rate ranging from 4.42% to 5.70% per annum	12	-	306	335
Long-term borrowings:					
- Term loans - secured	Variable floating rate based on LIBOR	-	238,572	-	721,156
- Term loans - secured	Variable floating rate based on cost of funds	-	-	197,065	197,065
- Term loans - unsecured	Fixed rate at 6.05% per annum	-	-	50,000	50,000
- Term loans - unsecured	Variable floating rate based on cost of funds	-	-	1,000,000	1,000,000
- Bridging loans - unsecured	Variable floating rate based on cost of funds	-	-	375,000	375,000
- Hire purchase liabilities - secured	Fixed rate ranging from 4.42% to 5.70% per annum	31	-	687	761
Total borrowings		43	450,497	2,117,417	3,479,284

12. FINANCIAL INFORMATION (cont'd)

Note:

- (1) *Converted at RM3.0228 / USD and RM2.3947 / SGD, being the closing rates as at 31 March 2011 based on Oanda's website at www.oanda.com.*

For information on our Group's indebtedness, refer to Section 12.3 of this Prospectus.

We obtain our borrowings from various Malaysian and international financial institutions. Our borrowings are mainly arranged to finance the construction of our vessels.

Some of our term loans are secured in the following manner (either single security or combination of securities):

Term loans

- (a) Fixed charges over certain vessels in our subsidiaries.
- (b) Assignment of insurance policies for the vessels charged in (a) above.
- (c) Assignment of charter proceeds for the vessels charged in (a) above.
- (d) Assignment of ship building contracts for the vessels charged in (a) above.
- (e) Corporate guarantee from our Company.
- (f) Shares of a subsidiary are held as security against borrowings.

Our Group has not defaulted on payments of interest or principal sums on any of our borrowings throughout the year ended 31 December 2010 and up to the LPD.

Our Group is not in breach of any terms and conditions or covenants associated with the credit arrangements or borrowings which can materially affect our Group's financial position and results or business operations, or the investment by holders of securities in our Group.

12. FINANCIAL INFORMATION (cont'd)

12.2.13 Capital expenditure

In line with our fleet expansion plan, we invested a total of RM1,173.5 million, RM1,371.3 million and RM1,081.6 million in capital expenditure for the years ended 31 December 2008, 2009 and 2010 respectively, and RM239.7 million and RM266.3 million for the 3 months ended 31 March 2010 and 2011, respectively, mainly to expand our fleet of FPSOs and OSVs and to construct our DLB. Our Group funded the capital expenditure mainly through new borrowings and cash flows from operations.

The following table sets out the composition of our Group's total capital expenditure for the periods indicated:

	Year ended 31 December			3 months ended 31 March	
	2008	2009	2010	2010	2011
	RM 000				
FPSOs	453,573	652,579	769,851	74,351	241,102
OSVs	465,702	302,250	114,520	40,275	19,093
T&I	240,569	411,699	193,982	122,932	5,201
	1,159,844	1,366,526	1,078,353	237,558	265,396
Others	13,618	4,781	3,221	2,177	936
Total capital expenditure	1,173,462	1,371,309	1,081,574	239,735	266,332

The capital expenditure in 2008 was mainly incurred for the construction of OSVs. In the same year, our Group also incurred capital expenditure for the refurbishment of our first FPSO, Armada Perkasa and acquisition and conversion of a tanker into our second FPSO, Armada Perdana. Capital expenditure was also incurred for the construction of our first DLB, Armada Installer.

Capital expenditure in 2009 was mainly incurred for the acquisition and conversion of our third FPSO, Armada TGT 1 (formerly known as Armada Perwira), the ongoing conversion of FPSO Armada Perdana and the construction of DLB Armada Installer. Capital expenditure on OSVs declined as compared to 2008 due to lower construction of OSVs in 2009.

Capital expenditure in 2010 was mainly incurred for the ongoing conversion of FPSO Armada TGT 1 (formerly known as Armada Perwira), and the ongoing construction of DLB Armada Installer. Capital expenditure on OSVs declined as compared to 2009 as OSV construction under our "Steel on Water" fleet expansion programme was completed in 2010.

Capital expenditure for the 3 months ended 31 March 2011 was mainly incurred for the ongoing conversion of FPSO Armada TGT 1 (formerly known as Armada Perwira). Capital expenditure on OSVs declined as compared to the 3 months ended 31 March 2010 as OSV construction under our "Steel on Water" fleet expansion programme was completed in 2010. Capital expenditure on T&I declined as compared to the 3 months ended 31 March 2010 as the construction of DLB Armada Installer was completed in May 2010.

Our Group's general policy with respect to investments in vessels is driven primarily by the ability to secure new FPSO contracts and anticipation of market demand and charter rates for deepwater vessels. We expect future capital expenditure in the coming years to be largely dependent on these factors.

12. FINANCIAL INFORMATION (cont'd)

12.2.14 Capital commitments

Our future capital expenditure with respect to property, plant and equipment relates mainly to planned capital expenditure for the conversion of FPSOs and purchase and construction of vessels for OSV and T&I fleet expansion.

Our Group's capital commitments are as follows:

	As at 31 March 2011	As at the LPD
	Audited	Unaudited
	RM 000	RM 000
Capital commitments		
Property, plant and equipment:		
- Authorised and contracted	257,880	301,230
- Authorised but not contracted	429,921	309,545
Operating leases for rental of premises	39,043	54,262
Total capital commitments	<u>726,844</u>	<u>665,037</u>

The capital commitments for property, plant and equipment mainly comprise the remaining conversion cost for the FPSO Armada TGT 1 (formerly known as Armada Perwira) whilst operating leases for rental of premises is for office buildings.

The contracted capital commitments for property, plant and equipment are expected to be incurred over the next 12 months from 31 March 2011. The capital commitments for the operating leases for rental of premises as at the LPD are as follows:

	RM 000
Payable within 1 year	5,387
Payable later than 1 year and not later than 5 years	22,640
Payable later than 5 years	26,235
	<u>54,262</u>

We expect to fund capital commitments primarily through proceeds from the Public Issue, cash flows from operations and bank borrowings.

12.2.15 Contingent liabilities

As at the LPD, our Directors are not aware of any contingent liabilities which upon becoming enforceable, may have a material impact on our Group's results of operations or financial condition.

12. FINANCIAL INFORMATION (cont'd)

12.2.16 Material divestitures

There have not been any material divestitures undertaken by our Group for the years ended 31 December 2008, 2009 and 2010 and the 3 months ended 31 March 2011 save as disclosed below:

- (i) *the sale of 7 harbour tugs for RM52.2 million in 2008*, on which we realised a gain of RM26.9 million. The sale was consistent with our fleet renewal strategy to focus on the deepwater segment; and
- (ii) *the sale of 2 AHTSs for USD35.9 million each (or equivalent to an aggregate amount of RM244.7 million) in 2009* - These 2 AHTSs formed part of the "Steel on Water" fleet expansion programme. Our decision to dispose these vessels was made after receiving an attractive offer from a third party. As a result of the sale, we realised a gain on disposal of RM60.1 million in 2009.

As at the LPD, we do not have any uncompleted material divestiture.

12.2.17 Key financial ratios

The following table sets forth certain key financial ratios of our Group based on the consolidated financial statements of our Company for the years indicated:

	Year ended 31 December		
	2008	2009	2010
Average trade receivables turnover days ⁽¹⁾	72	70	55
Average payables turnover days ⁽²⁾	86	102	99
Current ratio (times) ⁽³⁾	0.43	0.54	0.41
Gearing ratio (times) ⁽⁴⁾	3.43	3.98	3.91

Notes:

$$(1) \quad \frac{\text{Average trade receivables} - \text{Allowance for doubtful debts}^*}{\text{Revenue}} \times \text{Number of days in the year}$$

* Average opening and closing trade receivables less allowance for doubtful debts for the year.

$$(2) \quad \frac{\text{Average trade and other payables}^{\wedge}}{\text{Cost of sales} + \text{capital expenditure}} \times \text{Number of days in the year}$$

^ Average opening and closing trade and other payables for the year. Trade and other payables include amounts owing to creditors for capital expenditures which were incurred mainly for our fleet expansion.

(3) Current assets over current liabilities.

(4) Total interest bearing borrowings over shareholders' equity.

12. FINANCIAL INFORMATION (cont'd)

Trade receivables turnover days

Trade receivables turnover days decreased marginally from 72 days for the year ended 31 December 2008 to 70 days for the year ended 31 December 2009. For the year ended 31 December 2010, this had decreased to 55 days due to improved credit collection as a result of closer monitoring of our receivables.

Payables turnover days

Payables turnover days increased from 86 days for the year ended 31 December 2008 to 102 days for the year ended 31 December 2009 mainly due to 3 major projects running concurrently in 2009, namely FPSO Armada Perdana, DLB Armada Installer and FPSO Armada TGT 1 (formerly known as Armada Perwira) which resulted in higher payables. The payables turnover days decreased marginally by 3 days from 102 days for the year ended 31 December 2009 to 99 days for the year ended 31 December 2010.

Current ratio

Current ratio increased to 0.54 times as at 31 December 2009 from 0.43 times as at 31 December 2008 mainly due to the increase in trade receivables and cash and cash equivalents, which was proportionately higher than the increase in current liabilities.

Current ratio decreased to 0.41 times as at 31 December 2010 from 0.54 times as at 31 December 2009 due to the increase in short-term borrowings which was proportionately higher than the increase in current assets.

Gearing ratio

Gearing ratio increased from 3.43 times as at 31 December 2008 to 3.98 times as at 31 December 2009 and was 3.91 times as at 31 December 2010 due to the additional borrowings to finance the expansion of our fleet of FPSOs, OSVs and DLB.

Aging analysis

The aging analysis for trade receivables and payables as at 31 March 2011 are as follows:

	Current (Not due)	Past due					Total
		1 - 30 days	31 - 60 days	61 - 90 days	91 - 360 days	Over 360 days	
RM 000							
Trade receivables ⁽¹⁾	111,452	100,177	22,405	23,716	2,594	5,560	265,904
Trade payables ⁽²⁾	30,883	13,051	8,345	7,836	3,038	10,642	71,775

Notes:

(1) After allowances for doubtful debts of RM10.9 million as at 31 March 2011.

(2) Excludes accrued trade payables of RM88.9 million as at 31 March 2011 owing to our suppliers in relation to our operating expenditures.

12. FINANCIAL INFORMATION (cont'd)

The credit period we extend to our customers ranges between 30 and 45 days. As at 31 March 2011, 41.9% of our trade receivables were within the credit period. Of the balance, a portion of our trade receivables were collected subsequent to the 3-month period ended 31 March 2011. We have made adequate allowances for doubtful debts in arriving at these outstanding amounts. As at the LPD, we have received RM100.6 million out of the RM154.5 million trade receivables overdue as at 31 March 2011. We expect to receive the majority of the remaining outstanding trade receivables of RM48.2 million by 31 December 2011 and RM5.6 million owing by a particular customer by 31 March 2012 as agreed with the said customer.

The credit period extended by our suppliers ranges between 30 and 45 days. As at 31 March 2011, 43.0% of our trade payables were within the credit period. The remaining RM40.9 million trade payables overdue as at 31 March 2011 includes amounts payable to suppliers of RM15.6 million where we are agents for their services and the payment to such suppliers are made back-to-back upon receipt of payment from the end customers. Accordingly, the delay in payment to these suppliers is mainly due to delay in payment by such end customers. The remaining trade payables also include amounts owing to our suppliers for capital expenditures of RM11.6 million. The delay in payment to these suppliers was mainly due to the longer time required for verification and approval of invoices for capital expenditures. As at the LPD, we have paid RM21.6 million out of the RM40.9 million trade payables overdue as at 31 March 2011.

12.2.18 Financial risk management objectives and policies

Our Group's activities expose us to a variety of financial risks, market risk including currency risk and interest rate risk, credit risk and liquidity risk. Our Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on our financial performance. Our Board identifies and evaluates financial risks in close co-operation with our management.

We do not use financial instruments, including financial derivatives, for trading purposes.

(i) Foreign currency exchange risk

We are exposed to various currencies, primarily the USD. Our foreign currency exchange risk arose from the purchases of material, spares and services for maintenance of our vessels.

We have investments in foreign operations whose NA, which are denominated in USD, are exposed to foreign currency translation risk. These exposures are largely mitigated by borrowings in currencies of the underlying cash flows.

(ii) Credit risk

Credit risk arises when sales are made on credit terms. We employ a credit policy that ensures our customers are subjected to credit checks and outstanding accounts are followed up on a timely basis. We manage our credit risk concentration by constantly monitoring the performance of these specific customers.

12. FINANCIAL INFORMATION (cont'd)

Several of our contracts are long-term. There can be no guarantees that the financial position of our major customers will not materially change during the contracted period. Given the limited number of major customers of our Group and the significant portion they represent of our income, the inability of one or more of them to make full payment on any of our contracts may have a significant adverse impact on the financial position of our Group. We believe that the credit risk related to these counterparties is at an acceptable level. We assess the credit quality of the customer, taking into account its financial position, past experience and other factors. As such, we do not expect any counterparty to fail to meet its obligations. The carrying amount of trade receivables including accrued lease rentals represent our maximum exposure to credit risk.

Our management has also reviewed the credit risk with respect to amounts due from jointly-controlled entities and does not expect any amount to be irrecoverable.

(iii) Interest rate risk

Our Group's exposure to changes in interest rates relates primarily to our deposits with licensed banks and borrowings with a floating interest rate. In respect of managing interest rate risk, the floating interest rates of certain long-term loans are hedged by fixed rate swaps for the entire maturity period. Short term facilities which bear interest at floating rates are used for working capital and bridge financing requirements. The interest rate profile of our Group's borrowings is regularly reviewed against prevailing and anticipated market rates to determine hedging requirements.

As at 31 March 2011, the interest rate profile of our Company's interest-bearing financial instruments was:

	<u>RM 000</u>
Fixed rate instruments	
Financial assets, comprising deposits with licensed banks	7,384
Financial liabilities, comprising term loans, bridging loans and revolving credits	101,924
	<u>RM 000</u>
Variable rate instruments	
Financial liabilities, comprising term loans, bridging loans and revolving credits	3,377,360
Less: Interest rate swap contracts	(380,804)
Cross currency interest rate swap contract	(220,500)
	<u>2,776,056</u>

12. FINANCIAL INFORMATION (cont'd)**(iv) Liquidity risk**

We adopt liquidity risk management by maintaining sufficient cash and availability of funding through an adequate amount of committed credit facilities from financial institutions to support daily operations. Whenever we undertake additional financing, the repayment and maturity profile of the underlying loans are structured after taking into consideration the cash inflows expected to be generated from the related assets or operations and economic life of the assets or operations being financed.

Our non-derivative financial liabilities and gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period as at 31 March 2011 to the contractual maturity date are as follows:

	As at 31 March 2011					Total
	Maturity profile					
	< 3 months	3 months - 1 year	1 - 2 years	2 - 5 years	> 5 years	
	RM 000					
Borrowings	193,170	1,054,422	790,627	1,088,044	701,041	3,827,304
Hire purchase creditors	87	262	636	259	-	1,244
Gross-settled derivative financial instruments						
- Interest rate swaps	40,527	75,117	132,815	300,203	104,610	653,272
- Forward foreign currency contract	15,978	7,457	33,022	87,348	76,695	220,500
Trade payables	180,682	-	-	-	-	160,682
Other payables	242,094	-	-	-	-	242,094
Amount due to jointly-controlled entities	3,874	-	-	-	-	3,874

12.2.19 Inflation

Our Group is of the view that the current inflation rate does not have a material impact on our business, financial condition or results of our operation. However, any increase in future inflation rate may adversely affect our Group's operations and performance insofar we are unable to pass on the higher cost to our customers through higher charter rates for our FPSOs and OSVs or other fees charged to our customers for services provided by our Group.

12.2.20 Seasonality

We may experience significant fluctuations in operations due to seasonal factors. Certain vessels, depending on the location are susceptible to seasonal weather conditions. When seasonal weather conditions are not conducive for our vessels to continue operations, our utilisation rates may be reduced and such reduction may consequently affect our results.

12.2.21 Government/Economic/Fiscal/Monetary policies

Risks relating to government, economic, fiscal or monetary policies or factors which may materially affect our Group's operations, are set out in Section 5 of this Prospectus.

12. FINANCIAL INFORMATION (cont'd)

12.2.22 Prospects

The results of our Group's operations for the year ending 31 December 2011 have so far been and/or are expected to be mainly influenced by the following factors:

- size of our orderbook;
- level of activity in the O&G industry;
- our ability to secure new contracts in the FPSO, OSV and T&I segments and grow our new business segments comprising the OFS businesses;
- competition in offshore support services industry which will affect the DCR and utilisation rate of our vessels;
- our operational efficiency;
- foreign exchange fluctuations;
- changes in inflation;
- seasonal weather conditions;
- control of capital expenditures and project delivery schedules;
- availability of financing for new contracts;
- changes in interest rates; and
- capacity and ability to execute our EPICC contracts.

Except as disclosed in Section 12.2.2, "Industry Overview" as set out in Section 8 of this Prospectus and "Risk Factors" as set out in Section 5 of this Prospectus and to the best of our Directors' knowledge and belief, there are no other known trends, factors, demands, commitments, events or uncertainties that are reasonably likely to have a material effect on the financial condition and results of operations of our Group. However, the factors and trends affecting our Group's financial position and operations as set out above and in "Risk Factors" as set out in Section 5 of this Prospectus are not exhaustive.

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12. FINANCIAL INFORMATION (cont'd)

12.3 Capitalisation and indebtedness

The following information should be read in conjunction with the Reporting Accountants' letter and the proforma consolidated statement of financial position as at 31 March 2011 and the notes thereon, and the Accountants' Report set out in Sections 12.5 and 13 of this Prospectus, respectively.

The table below sets out the cash and cash equivalents as well as capitalisation and indebtedness of our Group based on the audited consolidated financial statements of our Company and based on the proforma consolidated statement of financial position as at 31 March 2011 set out in Section 12.4 of this Prospectus, on the assumption that the IPO and utilisation of proceeds had occurred on 31 March 2011. The proforma financial information below does not represent our Group's actual capitalisation and indebtedness as at 31 March 2011 and is provided for information purposes only. The total indebtedness of our Group is not guaranteed by any third party.

	As at 31 March 2011 (Audited)	Proforma After IPO
	RM 000	
Cash and cash equivalents ⁽¹⁾	443,857	1,006,281
Indebtedness		
Short term debt		
Secured		
- Term loans	210,623	210,623
- Hire purchase creditors	335	335
Unsecured		
- Term loans	120,828	120,828
- Revolving credits	201,236	51,236
- Bridging loans	602,280	352,280
	<u>1,135,302</u>	<u>735,302</u>
Long term debt		
Secured		
- Term loans	918,221	918,221
- Hire purchase creditors	761	761
Unsecured		
- Term loans	1,050,000	1,050,000
- Bridging loans	375,000	-
	<u>2,343,982</u>	<u>1,968,982</u>
Total indebtedness⁽²⁾	<u>3,479,284</u>	<u>2,704,284</u>
Total shareholders' equity	1,264,226	3,193,650
Non-controlling interest	9,744	9,744
Total capitalisation	<u>1,273,970</u>	<u>3,203,394</u>
Total capitalisation and Indebtedness	<u>4,753,254</u>	<u>5,907,678</u>
Gearing ratio (times) ⁽³⁾	2.75	0.85

Notes:

- (1) Cash and cash equivalents include deposits, cash and bank balances less bank overdrafts and designated deposits.
- (2) Total indebtedness includes short-term debts and long-term debts.
- (3) Computed based on total debt (interest bearing) over total shareholders' equity of our Group.

12. FINANCIAL INFORMATION (cont'd)

12.4 Proforma consolidated statement of financial position of our Company

We have prepared the proforma consolidated statement of financial position below for illustrative purposes only, to show the effects of the IPO and utilisation of proceeds on the assumption that the events had been effected on 31 March 2011. The proforma consolidated statement of financial position have been prepared on the basis set out in the notes in Section 12.5 of this Prospectus, using financial statements prepared in accordance with FRS and in a manner consistent with both the format of the financial statements and the accounting policies of our Group.

The proforma consolidated statement of financial position should be read in conjunction with the Reporting Accountants' letter and the proforma consolidated statement of financial position as at 31 March 2011 and the notes thereon as set out in Section 12.5 of this Prospectus.

	As at 31 March 2011 (Audited)	Proforma After IPO
	RM 000	
ASSETS		
Property, plant and equipment	3,856,053	4,448,053
Goodwill	1,411	1,411
Jointly controlled entities	9,323	9,323
Other investments	5,506	5,506
Accrued lease rentals	323,682	323,682
Deferred tax assets	3,249	3,249
Total non-current assets	4,199,224	4,791,224
Inventories	1,366	1,366
Non-current assets held for sale	4,471	4,471
Trade receivables	265,904	265,904
Accrued lease rentals	241,464	241,464
Other receivables, deposits and prepayments	39,450	39,450
Tax recoverable	7,557	7,557
Amounts due from jointly controlled entities	27,587	27,587
Derivative financial instruments	17,405	17,405
Deposits, cash and bank balances	451,222	1,013,646
Total current assets	1,056,426	1,618,850
TOTAL ASSETS	6,255,650	6,410,074
EQUITY AND LIABILITIES		
Share capital	456,840	585,692
Reserves	807,386	2,607,958
Equity attributable to owners of our Company	1,264,226	3,193,650
Non-controlling interest	9,744	9,744
TOTAL EQUITY	1,273,970	3,203,394
Hire purchase creditors	761	761
Borrowings	2,343,221	1,968,221
Deferred tax liabilities	3,523	3,523
Total non-current liabilities	2,347,505	1,972,505
Amount due to customers on contracts	70,116	70,116
Trade payables	160,682	160,682
Other payables and accruals	242,094	242,094
Amounts due to an associate	44	44
Amounts due to jointly controlled entities	3,874	3,874
Hire purchase creditors	335	335
Borrowings	1,134,967	734,967
Derivative financial liabilities	6,577	8,577
Taxation	15,486	15,486
Total current liabilities	1,634,175	1,234,175
TOTAL LIABILITIES	3,981,680	3,206,680
TOTAL EQUITY AND LIABILITIES	5,255,660	6,410,074

12. FINANCIAL INFORMATION (cont'd)

	As at 31 March 2011 (Audited)	Proforma After IPO
	RM 000	
Number of Shares (000)	2,284,200	2,928,462
NA per Share attributable to owners of our Company (RM) ⁽¹⁾	0.55	1.09
Net tangible assets per Share attributable to owners of our Company (RM) ⁽²⁾	0.55	1.09

Notes:

- (1) Computed based on NA per Share attributable to owners of our Company over number of Shares.
- (2) Computed based on net tangible assets per Share attributable to owners of our Company over number of Shares.

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12. FINANCIAL INFORMATION (cont'd)

12.5 Reporting Accountants' letter on the proforma consolidated statement of financial position



The Board of Directors
 Bumi Armada Berhad
 Level 21 Menara Perak
 24 Jalan Perak
 50450 Kuala Lumpur

22 June 2011

PwC/SL/1972J

Dear Sirs

**BUMI ARMADA BERHAD (“Bumi Armada” or the “Company”)
 Report on Pro Forma Consolidated Statement of Financial Position as at 31 March 2011
 (“Report”)**

- 1 We report on the Pro Forma Consolidated Statement of Financial Position of Bumi Armada and its subsidiaries (“the Group”) as at 31 March 2011 together with the Notes thereon (collectively known as “Pro Forma Consolidated Statement of Financial Position”), as set out in Appendix I, which has been prepared for inclusion in the Prospectus in connection with the initial public offering of up to 878,538,600 ordinary shares of RM0.20 each in Bumi Armada (“IPO”) and the listing of the Company on the Main Market of Bursa Malaysia Securities Berhad for which the Directors of the Company are solely responsible.
- 2 The Pro Forma Consolidated Statement of Financial Position has been prepared, for illustrative purposes only, to show the effects of the IPO as set out in Note 3 of Appendix I, on the audited consolidated statement of financial position of the Company as at 31 March 2011, had the IPO been effected at the date stated.

Responsibilities

- 3 It is the sole responsibility of the Board of Directors of the Company to prepare the Pro Forma Consolidated Statement of Financial Position on the basis set out in the notes thereon in accordance with the requirements of Chapter 12 of the Prospectus Guidelines – Equity and Debt (“Prospectus Guidelines”) issued by the Securities Commission.
- 4 It is our responsibility to form an opinion, as required by the Prospectus Guidelines on the Pro Forma Consolidated Statement of Financial Position.

*PricewaterhouseCoopers (AF 1146), Chartered Accountants,
 Level 10, 1 Sentral, Jalan Travers, Kuala Lumpur Sentral, P.O. Box 10192, 50706 Kuala Lumpur, Malaysia
 T: +60 (3) 2173 1188, F: +60 (3) 2173 1288, www.pwc.com/my*

12. FINANCIAL INFORMATION (cont'd)



The Board of Directors
Bumi Armada Berhad
 PwC/SL/1972J
 22 June 2011

Responsibilities (continued)

- 5 In providing this opinion, we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the preparation of the Pro Forma Consolidated Statement of Financial Position nor do we accept responsibility for such reports or opinions beyond that owed to those whom those reports or opinions were addressed by us at the dates of their issue.

Basis of Opinion

- 6 We conducted our work in accordance with the approved standard for assurance engagements in Malaysia, ISAE 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information". Our work, which involved no independent examination of any of the underlying financial information, consisted of comparing unadjusted information with the audited consolidated financial statements of the Company, considering the evidence supporting the adjustments and discussing the Pro Forma Consolidated Statement of Financial Position with the Directors of the Company.
- 7 We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro Forma Consolidated Statement of Financial Position has been properly prepared on the basis stated, using financial statements prepared in accordance with Financial Reporting Standards ("FRS") in Malaysia, and in a manner consistent with both the format of the financial statements and the accounting policies of the Group.
- 8 As the Pro Forma Consolidated Statement of Financial Position is prepared for illustrative purposes only, such information, because of their nature, does not give a true picture of the effects of the IPO on the financial position presented had the IPO occurred as at 31 March 2011. Further, such information does not purport to predict the Group's future results and financial position.

Our Opinion

- 9 In our opinion:
- (a) the Pro Forma Consolidated Statement of Financial Position as at 31 March 2011 has been properly prepared on the basis set out in the notes, using financial statements prepared in accordance with FRS, the MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities, and in a manner consistent with both the format of the financial statements and the accounting policies of the Group; and
- (b) each material adjustment made to the information used in the preparation of the Pro Forma Consolidated Statement of Financial Position is appropriate for the purposes of preparing the Pro Forma Consolidated Statement of Financial Position.

12. FINANCIAL INFORMATION (cont'd)



The Board of Directors
Bumi Armada Berhad
PwC/SL/1972J
22 June 2011

Other matters

- 10 This report is issued for inclusion in the Prospectus in connection with the IPO and should not be used or relied upon for any other purpose. We accept no duty of responsibility to and deny any liability to any party in respect of any use of, or reliance upon, this report in connection with any transaction other than the IPO.

Yours faithfully,

A handwritten signature in cursive script that reads "PricewaterhouseCoopers".

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants

A handwritten signature in cursive script that reads "Tiang Woon Meng".

TIANG WOON MENG
(No. 2927/05/12 (J))
Chartered Accountant

12. FINANCIAL INFORMATION (cont'd)

APPENDIX I
Page 1 of 7

BUMI ARMADA BERHAD

PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2011

The Pro Forma Consolidated Statement of Financial Position below has been prepared for illustrative purposes only to show the effects on the audited consolidated financial position of Bumi Armada Berhad ("Bumi Armada" or the "Company") as at 31 March 2011 on the assumption that the effects of the IPO, as set out in Note 3, had been effected on 31 March 2011 and should be read in conjunction with the notes thereon.

	Audited as at 31 March 2011 RM'000	Pro Forma: IPO	
		Adjustment for the IPO (Note 3) RM'000	After the IPO RM'000
ASSETS			
Property, plant and equipment	3,856,053	592,000	4,448,053
Goodwill	1,411		1,411
Jointly controlled entities	9,323		9,323
Other investments	5,506		5,506
Accrued lease rentals	323,682		323,682
Deferred tax assets	3,249		3,249
Total non-current assets	4,199,224		4,791,224
Inventories	1,366		1,366
Non-current assets held for sale	4,471		4,471
Trade receivables	265,904		265,904
Accrued lease rentals	241,464		241,464
Other receivables, deposits and prepayments	39,450		39,450
Tax recoverable	7,557		7,557
Amounts due from jointly controlled entities	27,587		27,587
Derivative financial instruments	17,405		17,405
Deposits, cash and bank balances	451,222	562,424	1,013,646
Total current assets	1,056,426		1,618,850
TOTAL ASSETS	5,255,650		6,410,074



12. FINANCIAL INFORMATION (cont'd)

APPENDIX I
Page 2 of 7

BUMI ARMADA BERHAD

PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2011

	Audited as at 31 March 2011 RM'000	Pro Forma: IPO	
		Adjustment for the IPO (Note 3) RM'000	After the IPO RM'000
EQUITY AND LIABILITIES			
Share capital	456,840	128,852	585,692
Reserves	807,386	1,800,572	2,607,958
Equity attributable to owners of the Parent	1,264,226		3,193,650
Non-controlling interests	9,744		9,744
TOTAL EQUITY	1,273,970		3,203,394
Hire purchase creditors	761		761
Borrowings	2,343,221	(375,000)	1,968,221
Deferred tax liabilities	3,523		3,523
Total non-current liabilities	2,347,505		1,972,505
Amounts due to customers on contracts	70,116		70,116
Trade payables	160,682		160,682
Other payables and accruals	242,094		242,094
Amounts due to an associate	44		44
Amounts due to jointly controlled Entities	3,874		3,874
Hire purchase creditors	335		335
Borrowings	1,134,967	(400,000)	734,967
Derivative financial liabilities	6,577		6,577
Taxation	15,486		15,486
Total current liabilities	1,634,175		1,234,175
TOTAL LIABILITIES	3,981,680		3,206,680
TOTAL EQUITY AND LIABILITIES	5,255,650		6,410,074



12. FINANCIAL INFORMATION (cont'd)

APPENDIX I
Page 3 of 7

BUMI ARMADA BERHAD

PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2011

	Audited as at 31 March 2011	Pro Forma: IPO	
		Adjustment for the IPO (Note 3)	After the IPO
Number of ordinary shares of RM0.20 each in Bumi Armada (‘000)	2,284,200	644,262	2,928,462
Net assets per ordinary share of RM0.20 each in Bumi Armada attributable to owners of the Parent (RM)	0.55		1.09
Net tangible assets per ordinary share of RM0.20 in Bumi Armada each attributable to owners of the Parent (RM)	<u>0.55</u>		<u>1.09</u>

Note:

For illustrative purposes only, it is assumed that the price payable by the institutional investors to be determined by way of bookbuilding ("Institutional Price") and the final price payable by the retail investors ("Final Retail Price") is equal to the initial price payable by the retail investors ("Retail Price") of RM3.15 for each ordinary share of RM0.20 each in Bumi Armada ("Bumi Armada Share").



12. FINANCIAL INFORMATION (cont'd)APPENDIX I
Page 4 of 7**BUMI ARMADA BERHAD****PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2011****1 INTRODUCTION**

- 1.1 The Pro Forma Consolidated Statement of Financial Position of Bumi Armada and its subsidiaries ("the Group") as at 31 March 2011 together with the Notes thereon (collectively known as "Pro Forma Consolidated Statement of Financial Position"), has been prepared for illustrative purposes only, for inclusion in the Prospectus in connection with the initial public offering of up to 878,538,600 ordinary shares of RM0.20 each in Bumi Armada ("IPO") and the listing of the Company on the Main Market of Bursa Malaysia Securities Berhad ("the Listing") for which the Directors of the Company are solely responsible.

2 BASIS OF PREPARATION

- 2.1 The Pro Forma Consolidated Statement of Financial Position, for which the Directors of Bumi Armada are solely responsible, has been prepared based on the audited consolidated financial statements of the Company as at 31 March 2011 prepared in accordance with Financial Reporting Standards ("FRS") in Malaysia, and in the manner consistent with both the format of the financial statements and accounting policies of Bumi Armada.
- 2.2 For the purpose of preparing the Pro Forma Consolidated Statement of Financial Position, it is assumed that the Institutional Price and Final Retail Price is equal to the Retail Price of RM3.15 for each Bumi Armada Share.
- 2.3 The Employee Share Option Scheme ("ESOS") is not illustrated in the Pro Forma Consolidated Statement of Financial Position as the share options under the ESOS have yet to be granted as at the date of this report.



12. FINANCIAL INFORMATION (cont'd)

APPENDIX I
Page 5 of 7**BUMI ARMADA BERHAD****PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2011****3 IPO**

3.1 Bumi Armada undertakes an IPO of up to 878,538,600 Bumi Armada Shares comprising:

(a) Offer for sale of up to 234,277,000 existing Bumi Armada Shares ("Offer Shares") ("Offer for Sale") comprising:

- the institutional offering of up to 234,277,000 Offer Shares to Bumiputera investors approved by the Ministry of International Trade and Industry ("MITI") at the Institutional Price; and

(b) Public issue of up to 644,261,600 new Bumi Armada Shares ("Issue Shares") ("Public Issue") comprising:

- the institutional offering of up to 564,400,200 Issue Shares to Malaysian and foreign institutional and selected investors, including Bumiputera investors approved by MITI at the Institutional Price; and
- the retail offering of 79,861,400 Issue Shares to the Malaysian public, the Directors of Bumi Armada, and eligible employees and persons who have contributed to the success of the Group at the Retail Price of RM3.15 per Bumi Armada Share payable in full upon application and subject to a refund of the difference in the event that the Final Retail Price is less than the Retail Price.

3.2 The estimated IPO expenses totalling RM100,000,000 to be borne by Bumi Armada comprised underwriting fees, professional fees and miscellaneous expenses. The selling shareholders will be bearing their own professional fees and miscellaneous expenses in respect of the Offer for Sale. A total of RM74,180,000 of the estimated IPO expenses is assumed to be directly attributable to the Public Issue and as such will be debited against the share premium whereas the remaining IPO expenses of RM25,820,000 are assumed to be attributable to the Listing and as such, will be charged to profit or loss.



12. FINANCIAL INFORMATION (cont'd)

APPENDIX I
Page 6 of 7**BUMI ARMADA BERHAD****PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2011****4 ESOS**

- 4.1 As stated in Note 2.3, the ESOS is not illustrated in the Pro Forma Consolidated Statement of Financial Position as the share options under the ESOS ("Options") have yet to be granted as of the date of this report.
- 4.2 The total fair value of the Options will be charged to profit or loss over the vesting period with a corresponding increase to the ESOS reserve. The eventual cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of Options that will ultimately vest. Upon exercising the Options, there will be an increase in share capital, share premium and reversal of ESOS reserve.

5 EFFECTS ON THE PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

- 5.1 The Pro Forma Consolidated Statement of Financial Position has been prepared for illustrative purposes only to show the effects of the IPO as at 31 March 2011 had the IPO been effected on that date.

Pro Forma: IPO

The Pro Forma includes the effects of the IPO as described in Note 3. The effects of the IPO on the share premium and retained profits of the Group are as follows:

	Share premium RM'000	Retained profits RM'000	Other reserves RM'000	Total reserves RM'000
Per audited consolidated statement of financial position as at 31 March 2011	0	1,010,623	(203,237)	807,386
Public Issue	1,900,572	0	0	1,900,572
Estimated IPO Expenses	<u>(74,180)</u>	<u>(25,820)</u>	<u>0</u>	<u>(100,000)</u>
Per Pro Forma	<u>1,826,392</u>	<u>984,803</u>	<u>(203,237)</u>	<u>2,607,958</u>

- 5.2 The estimated IPO expenses totalling RM100,000,000 to be borne by Bumi Armada comprised underwriting fees, professional fees and miscellaneous expenses. The selling shareholders will be bearing their own professional fees and miscellaneous expenses in respect of the Offer for Sale. A total of RM74,180,000 of the estimated IPO expenses are assumed to be directly attributable to the Public Issue and as such will be debited against the share premium whereas the remaining IPO expenses of RM25,820,000 are assumed to be attributable to the Listing and as such, will be charged to profit and loss.



12. FINANCIAL INFORMATION (cont'd)

APPENDIX I
Page 7 of 7

BUMI ARMADA BERHAD

PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2011


5 EFFECTS ON THE PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(continued)

5.3 The gross proceeds from the Public Issue of RM2,029,424,000 is expected to be utilised as follows:

	RM'000
Repayment of bank borrowings	775,000
Capital expenditure	592,000
Working capital	562,424
Estimated listing expenses	100,000
	<u>2,029,424</u>

Approval by Board of Directors

Approved and adopted by the Board of Directors of Bumi Armada Berhad in accordance with a resolution dated 22 June 2011.



Shaharul Rezza Bin Hassan
Chief Financial Officer
Bumi Armada Berhad



12. FINANCIAL INFORMATION (cont'd)

12.6 Dividend policy

As our Company is a holding company, our income, and therefore our ability to pay dividends, is dependent upon the dividends that we receive from our subsidiaries.

The payment of dividends by our subsidiaries will depend upon their operating results, financial condition, capital expenditure plans and any other relevant factors. The actual dividend that our Board may recommend or declare in respect of any particular financial year or period will be subject to the factors outlined below as well as any other factors deemed relevant by our Board. In considering the level of dividend payments, if any, upon recommendation by our Board, our Company intends to take into account various factors including:

- (i) the level of our cash, gearing, debt profile and retained earnings;
- (ii) our expected financial performance; and
- (iii) our projected levels of capital expenditure and other investment plans.

Considering the current financial position of our Company, our Board intends to adopt a progressive dividend policy, subject to the factors stated above and in the absence of any circumstances which may affect or restrict our ability to pay dividends.

Please refer to Section 5.3.4 of this Prospectus for factors which may affect or restrict our ability to pay dividends.

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13. ACCOUNTANTS' REPORT



The Board of Directors
Bumi Armada Berhad
Level 21, Menara Perak
24, Jalan Perak
50450 Kuala Lumpur

22 June 2011

Dear Sirs,

**Bumi Armada Berhad
Accountants' Report**

Introduction

This Accountants' Report ("the Report") on Bumi Armada Berhad ("Bumi Armada" or "the Company") and its subsidiaries (collectively known as "the Group") has been prepared by PricewaterhouseCoopers, an approved company auditor for the purpose of inclusion in the Prospectus of Bumi Armada in connection with the listing of and quotation for the shares of Bumi Armada on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") and should not be relied upon for any other purposes.

The audited consolidated financial statements do not incorporate the effects of the initial public offering of up to 878,538,600 ordinary shares of RM0.20 each in the Company ("IPO"), listing of our Company on the Main Market of Bursa Malaysia Securities Berhad ("Listing") and the Employee Share Option Scheme ("ESOS"). Therefore, they are not indicative of the financial results, financial position and cash flows that would have occurred if the IPO, Listing and ESOS have been effected on 31 March 2011 or of the future financial position, results and cash flows of the Group.

This Accountants' Report includes the following sections:

- I Bumi Armada Berhad
- II Bumi Armada Group
- III Historical Financial Information of the Group

13. ACCOUNTANTS' REPORT *(cont'd)*

SECTION I – BUMI ARMADA BERHAD

13. ACCOUNTANTS' REPORT (cont'd)



The Board of Directors
Bumi Armada Berhad
22 June 2011

I BUMI ARMADA BERHAD

1 Background information and principal activities

Bumi Armada Berhad was incorporated in Malaysia on 12 December 1995 under the Companies Act, 1965 as a public company limited by shares under its present name and commenced its business on 28 March 1997.

The address of the registered office of Bumi Armada is at Level 21, Menara Perak, 24, Jalan Perak, 50450 Kuala Lumpur.

2 Share capital

Details of the issued and paid-up share capital of Bumi Armada since its incorporation on 12 December 1995 are as follows:

<u>Date of allotment/ (redemption)</u>	<u>Number of ordinary shares/RPS issued/(RPS redeemed)</u>	<u>Par value RM</u>	<u>Consideration</u>	<u>Cumulative issued and paid-up share capital RM</u>
<u>Ordinary shares</u>				
12.12.1995	2	1.00	Cash subscription	2
10.04.1997	43,835,338	1.00	Share swap of the acquisition of the entire equity interest in Bumi Armada Navigation Sdn Bhd and Bumi Armada Automation Industries Sdn Bhd	43,835,340
14.04.1997	4,664,660	1.00	Cash subscription with premium of RM1.00 per share	48,500,000
10.06.1997	14,500,000	1.00	Cash subscription with premium of RM2.70 per share	63,000,000
21.02.2011	7,500,000	1.00	Cash subscription with premium of RM19.00 per share	70,500,000
23.03.2011	5,640,000	1.00	Cash subscription with premium of RM34.46 per share	76,140,000

13. ACCOUNTANTS' REPORT (cont'd)



The Board of Directors
Bumi Armada Berhad
22 June 2011

I BUMI ARMADA BERHAD (CONTINUED)

2 Share capital (continued)

<u>Date of allotment/ (redemption)</u>	<u>Number of ordinary shares/RPS issued/(RPS redeemed)</u>	<u>Par value RM</u>	<u>Consideration</u>	<u>Cumulative issued and paid-up share capital RM</u>
<u>Ordinary shares (continued)</u>				
30.03.2011	380,700,000	1.00	Bonus issue at par on the basis of 5 new shares for every 1 existing share	456,840,000
31.03.2011	2,284,200,000	0.20	Share split of every existing 1 share of RM1.00 each to 5 shares of RM0.20 each	456,840,000
<u>Redeemable Preference Shares ("RPS")</u>				
29.10.2004	300,000	1.00	Bonus issue with RM99.00 premium per share	300,000
31.01.2005	(300,000)	1.00	Redemption	0

13. ACCOUNTANTS' REPORT *(cont'd)*

SECTION II – BUMI ARMADA GROUP

13. ACCOUNTANTS' REPORT (cont'd)



The Board of Directors
Bumi Armada Berhad
22 June 2011

II BUMI ARMADA GROUP

1 Background information

(a) Group's principal activities and information

The principal activity of the Company is investment holding. The principal activities of the Group consist of provision of marine transportation, Floating Production Storage and Offloading ("FPSO") operations, vessel construction, engineering and maintenance services to the offshore oil and gas companies. The principal activities of the subsidiaries are disclosed in Note 20 to the financial statements.

The Company is a public company, limited by shares, incorporated and domiciled in Malaysia.

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) Auditors

We are the group auditors for Bumi Armada Berhad and its subsidiaries for the three financial years ended 31 December 2008, 31 December 2009, 31 December 2010 and 3 month financial period ended 31 March 2011. We are not the statutory auditors for the following entities:

Entity's name	Auditors
Haven Automation Industries (S) Pte Ltd	Rohan Mah & Partners Certified Public Accountants, Singapore 78, Shenton Way #26-02 Singapore 079120
Bumi Armada (Singapore) Pte Ltd	Rohan Mah & Partners Certified Public Accountants, Singapore 78, Shenton Way #26-02 Singapore 079120
Armada Marine Contractors Caspian Pte Ltd	Rohan Mah & Partners Certified Public Accountants, Singapore 78, Shenton Way #26-02 Singapore 079120
Armada Project Pte. Ltd. (formerly known as Armada Forbes D1 India Pte Ltd)	Rohan Mah & Partners Certified Public Accountants, Singapore 78, Shenton Way #26-02 Singapore 079120

13. ACCOUNTANTS' REPORT (cont'd)



The Board of Directors
Bumi Armada Berhad
22 June 2011

II BUMI ARMADA GROUP (CONTINUED)

1 Background information (continued)

(b) Auditors (continued)

Entity's name	Auditors
Offshore Marine Ventures Sdn Bhd	Ernst & Young Level 23A, Menara Milenium Jalan Damanlela Pusat Bandar Damansara 50490 Kuala Lumpur Malaysia
Armada Offshore DMCEST	Horwath MAK 21 st Floor, The Prism Tower, Business Bay, Dubai, UAE
Forbes Bumi Armada Limited	U.V. Shah & Co #403, Prashanth Chambers Samuel Street, Masjid West Mandvi Mumbai -400003

2 Basis of preparation of financial information in this Report

The audited consolidated financial statements of the Group for the financial years ended 31 December 2008, 31 December 2009, 31 December 2010 and 3 month financial period ended 31 March 2011 which have been reported on by us without qualification to the shareholders in Malaysia.

The interim financial statements of the Group should be read in conjunction with the annual financial statements for the financial year ended 31 December 2010, which have been prepared in accordance with Financial Reporting Standards in Malaysia.

The preparation of financial statements 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 the financial statements, and the reported amounts of revenues and expenses during the reported financial period. It also requires Directors to exercise their judgement in the process of applying the Group's accounting policies. Although these estimates and judgement are based on the Director's 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 Group's financial statements are disclosed in Note 4 to the financial statements.

13. ACCOUNTANTS' REPORT (cont'd)



The Board of Directors
 Bumi Armada Berhad
 22 June 2011

II BUMI ARMADA GROUP (CONTINUED)

2 Basis of preparation of financial information in this Report (continued)

(a) Standards, amendments and interpretations that are effective

The new accounting standards, amendments and improvements to published standards and interpretations that are effective and applicable for the Group's financial period beginning on or after 1 January 2011 are as follows:

- FRS 3 (revised) "Business Combinations"
- FRS 127 (revised) "Consolidated and Separate Financial Statements"
- Amendments to FRS 2 "Share-based Payment"
- Amendments to FRS 7 "Improving Disclosures about Financial Instruments"
- Amendment to FRS 132 "Financial instruments: Presentation"
- IC Interpretation 4 "Determining whether an Arrangement Contains a Lease"
- IC Interpretation 16 "Hedges of a Net Investment in a Foreign Operation"
- IC Interpretation 17 "Distributions of Non-cash Assets to Owners"
- IC Interpretation 18 "Transfers of Assets from Customers"
- Improvements to FRS
 - FRS 2 "Group Cash-settled Share-based Payment Transactions"
 - FRS 3 "Business Combinations"
 - FRS 5 "Non-current assets held for sale and discontinued operations"
 - FRS 138 "Intangible Assets"
 - FRS 101 "Presentation of financial statements"
 - IC Interpretation 9 "Reassessment of Embedded Derivatives"

The above new standards and IC Interpretations are not expected to have a material impact on the Group's financial statements.

13. ACCOUNTANTS' REPORT (cont'd)



The Board of Directors
 Bumi Armada Berhad
 22 June 2011

II BUMI ARMADA GROUP (CONTINUED)

3 Summary of significant accounting policies

Unless otherwise stated, the following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements. The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new and revised Financial Reporting Standards in Malaysia as fully described in Note 2(a) and unless otherwise described below.

3.1 Group accounting

Subsidiaries are those entities in which the Group has power to exercise control over the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are consolidated from the date on which control is transferred to the Group and these are de-consolidated from the date that control ceases.

Subsidiaries are consolidated using the purchase method of accounting except for certain subsidiaries as disclosed in Note 20, which were consolidated prior to 1 April 2002 using the merger method of accounting in accordance with Malaysian Accounting Standard No. 2 "Accounting for Acquisition and Mergers" the generally accepted accounting principles prevailing at that time.

Under the merger method of accounting, the results of the subsidiaries are presented as if the merger had been effected throughout the current and previous financial periods. On consolidation, the difference between the carrying value of the investment in these subsidiaries over the cost of the shares acquired is charged or credited to retained earnings.

The Group has the exemption provided by FRS 122₂₀₀₄ and FRS 3 to apply these Standards prospectively. Accordingly, business combinations entered into prior to the respective effective dates have not been restated to comply with these Standards.

Under the purchase method of accounting, the cost of an acquisition is measured as fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interests.

The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired at the date of acquisition is reflected as goodwill. See Note 3.22 for the accounting policy on goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the profit or loss.

Non-controlling interests represents that portion of the profit or loss and net assets of a subsidiary attributable to equity interests that are not owned, directly or indirectly through subsidiaries, by the parent. It is measured at the non-controlling interests' share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the non-controlling interests' share of changes in the subsidiaries' equity since that date.

13. ACCOUNTANTS' REPORT (cont'd)



**The Board of Directors
Bumi Armada Berhad
22 June 2011**

II BUMI ARMADA GROUP (CONTINUED)

3 Summary of significant accounting policies (continued)

3.1 Group accounting (continued)

Where a business combination involves more than one exchange transaction, any adjustment to the fair values of the subsidiary's identifiable assets, liabilities and contingent liabilities relating to previously held interests of the Group is accounted for as a revaluation.

All inter-company transactions, balances and unrealised gains/losses on transactions between companies in the Group are eliminated. Where necessary, adjustments are made to the financial statements of the subsidiaries to ensure consistency of accounting policies with those of the Group.

The gain or loss on disposal of a subsidiary is the difference between net disposal proceeds and the Group's share of its net assets as of the date of disposal including the cumulative amount of any exchange differences that relate to the subsidiary. This is recognised in profit or loss attributable to the parent.

3.2 Transactions with non-controlling interests

The Group applies a policy of treating transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share of the carrying value of net assets of the subsidiary acquired is deducted from equity. For disposals to non-controlling interests, differences between any proceeds received and the relevant share of non-controlling interests are also recognised in equity.

3.3 Jointly controlled entities

Jointly controlled entities are corporations, partnerships or other entities over which there is contractually agreed sharing of control by the Group with another party where the strategic financial and operating decisions, relating to the entity require unanimous consent of the parties sharing control. The Group's interest in jointly controlled entities is accounted for in the consolidated financial statements by the equity method of accounting.

Equity accounting involves recognising the Group's share of the post acquisition results of jointly controlled entities in the profit or loss and its share of post acquisition changes of the investee's reserve in other comprehensive income. The cumulative post acquisition changes are adjusted against the cost of the investment and include goodwill on acquisition (net of accumulated impairment loss).

The Group recognises the portion of gains or losses on the sale of assets by the Group to the joint venture that is attributable to the other venturers. The Group does not recognise its share of profits or losses from the joint venture resulting from the purchase of assets by the Group from the joint venture until it resells the assets to an independent party. However, a loss on the transaction is recognised immediately if a loss provides evidence of a reduction in the net realisable value of current assets or an impairment loss.

Where necessary, adjustments are made to the financial statements of jointly controlled entities to ensure consistency of accounting policies with those of the Group.

13. ACCOUNTANTS' REPORT (cont'd)



**The Board of Directors
Bumi Armada Berhad
22 June 2011**

II BUMI ARMADA GROUP (CONTINUED)

3 Summary of significant accounting policies (continued)

3.4 Associates

Associates are those corporations, partnerships or other entities in which the Group exercises significant influence, but which it does not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Significant influence is the power to participate in the financial and operating policy decisions of the associates but not the power to exercise control over those policies.

Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associate includes goodwill identified on acquisition (see Note 3.22 for accounting policy on Goodwill), net of any accumulated impairment loss.

The Group's share of its associates' post-acquisition profits or losses is recognised in the profit or loss, and its share of post-acquisition movements in reserves is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. If the Group's share of losses of an associate equals or exceeds its interest in the associate, the Group discontinues recognising its share of further losses. The interest in an associate is the carrying amount of the investment in the associate under the equity method together with any long-term interests that, in substance, form part of the Group's net investment in the associate. After the Group's interest is reduced to zero, additional losses are provided for, and a liability is recognised, only to the extent that the investor has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates; unrealised losses are also eliminated unless the transaction provides evidence on impairment of the asset transferred. Where necessary, in applying the equity method, adjustments are made to the financial statements of associates to ensure consistency of accounting policies with those of the Group.

Dilution gains and losses in associates are recognised in the profit or loss.

3.5 Changes in ownership interests

When the Group ceases to have control, joint control or significant influence over an entity, the carrying amount of the investment, at the date control, joint control or significant influence ceases, becomes its cost on initial measurement as a financial asset in accordance with FRS 139 "Financial Instruments: Recognition and Measurement".

13. ACCOUNTANTS' REPORT (cont'd)



**The Board of Directors
Bumi Armada Berhad
22 June 2011**

II BUMI ARMADA GROUP (CONTINUED)

3 Summary of significant accounting policies (continued)

3.6 Investments in subsidiaries, joint ventures and associates

In the Company's separate financial statements, investments in subsidiaries, joint ventures and associates are carried at cost less accumulated impairment losses (see Note 3.12 for accounting policy on the impairment of non-financial assets). 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.

3.7 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. Cost also include borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (refer to Note 3.13 for accounting policy on borrowing costs).

Drydocking expenditure represents major inspection and overhaul cost 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 FRS 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 charged to the profit or loss during the financial year/period in which they are incurred.

Gains and 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 write off the cost of the assets over their estimated useful lives summarised as follows:

Leasehold land and building	50 years
Drydocking expenditure	5 years
Vessels	12 to 25 years
Equipment, furniture, fittings and office equipment	2 to 10 years
Motor vehicles	5 years

13. ACCOUNTANTS' REPORT (cont'd)



The Board of Directors
 Bumi Armada Berhad
 22 June 2011

II BUMI ARMADA GROUP (CONTINUED)

3 Summary of significant accounting policies (continued)

3.7 Property, plant and equipment (continued)

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at the end of the 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 Note 3.12 for accounting policy on impairment of non-financial assets).

3.8 Financial assets

The Group has changed its accounting policy for recognition and measurement of financial assets upon adoption of FRS 139 "Financial instruments: Recognition and Measurement" on 1 January 2010.

Previously, investments in non-current investments are shown at cost and trade receivables are carried at invoice amount. The Group has applied the new policy according to the transitional provision of FRS 139 by re-measuring all financial assets, as appropriate, and recording any adjustments to the previous carrying amounts to opening retained earnings or, if appropriate, another category of equity, of the current financial year/period. Comparative for financial instruments have not been adjusted and therefore the corresponding balances are not comparable. Refer to Note 41 for the impact of this change in accounting policy.

(i) Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification at initial recognition.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term.

13. ACCOUNTANTS' REPORT (cont'd)



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II BUMI ARMADA GROUP (CONTINUED)

3 Summary of significant accounting policies (continued)

3.8 Financial assets (continued)

(i) Classification (continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the statements of financial position.

(ii) Recognition and initial measurement

Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in profit or loss.

(iii) Subsequent measurement – gains and losses

Financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Changes in the fair values of financial assets at fair value through profit or loss, including the effects of currency translation, interest and dividend income are recognised in profit or loss in the period in which the changes arise.

13. ACCOUNTANTS' REPORT (cont'd)



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II BUMI ARMADA GROUP (CONTINUED)

3 Summary of significant accounting policies (continued)

3.8 Financial assets (continued)

(iv) Subsequent measurement - Impairment of financial assets

Assets carried at amortised cost

The Group assesses at the end of the reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

- Significant financial difficulty of the issuer or obligor;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- The Group, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- It becomes probable that the borrower will enter bankruptcy or other financial reorganisation; and
- Disappearance of an active market for that financial asset because of financial difficulties.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount is reduced and the amount of the loss is recognised in profit or loss. If 'loans and receivables' has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

13. ACCOUNTANTS' REPORT (cont'd)



The Board of Directors
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II BUMI ARMADA GROUP (CONTINUED)

3 Summary of significant accounting policies (continued)

3.8 Financial assets (continued)

(iv) Subsequent measurement - Impairment of financial assets (continued)

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

When an asset is uncollectible, it is written off against the related allowance account. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined.

Change in accounting policy

The Group has changed its accounting policy for impairment of investments upon adoption of FRS 139 "Financial instruments: Recognition and Measurement" on 1 January 2010.

Previously, for investments in non-current investments, allowance for diminution in value was made where, in the opinion of the Directors, there was a decline other than temporary in the value of such investments. Where there had been a decline other than temporary in the value of an investment, such a decline was recognised in profit or loss in the period in which the decline was identified.

The Group has applied the new policy according to the transitional provisions by re-measuring all financial assets, as appropriate, and recording any adjustments to the previous carrying amounts to opening retained earnings or, if appropriate, another category of equity, of the current financial year/period. There is no impact of this change in accounting policies.

(v) De-recognition

Financial assets are de-recognised 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.

Receivables that are factored out to banks and other financial institutions with recourse to the Group are not derecognised until the recourse period has expired and the risks and rewards of the receivables have been fully transferred. The corresponding cash received from the financial institutions is recorded as borrowings.

13. ACCOUNTANTS' REPORT (cont'd)



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II BUMI ARMADA GROUP (CONTINUED)

3 Summary of significant accounting policies (continued)

3.9 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statements 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.

3.10 Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value.

Change in accounting policy

The Group has changed its accounting policy for derivatives upon adoption of FRS 139 "Financial instruments: Recognition and Measurement" on 1 January 2010. Previously, derivative gains and losses were not recognised in the financial statements on inception. Instead, they were recognised when settled, at which time they were included in the measurement of the transaction hedged.

The Group has applied the new policy according to the transitional provisions by recognising and measuring derivatives, as appropriate, and recording any adjustments to the previous carrying amounts to the opening retained earnings or, if appropriate, another category of equity, of the current financial year/period. Comparative for these financial instruments have not been adjusted and therefore the corresponding balances are not comparable. Refer to Note 41 for the impact of this change in accounting policy.

3.11 Financial guarantee contracts

Financial guarantee contracts are contracts that require the Group or Company 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. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with FRS 137 "Provisions, contingent liabilities and contingent assets" and the amount initially recognised less cumulative amortisation, where appropriate.

13. ACCOUNTANTS' REPORT (cont'd)



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II BUMI ARMADA GROUP (CONTINUED)**3 Summary of significant accounting policies (continued)****3.11 Financial guarantee contracts (continued)**

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.

3.12 Impairment of non-financial assets

Non financial 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 is separately identifiable cash flows (cash-generating units). Assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

The impairment loss is charged to the 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 the profit or loss unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation surplus.

13. ACCOUNTANTS' REPORT (cont'd)



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II BUMI ARMADA GROUP (CONTINUED)

3 Summary of significant accounting policies (continued)

3.13 Borrowings

(i) Classification

Borrowings are initially recognised at fair value less transaction costs. Borrowings are subsequently stated at amortised cost; any difference between the initial recognised amount and the redemption value is recognised in the profit or loss over the period of the borrowings using the effective interest method except for borrowing cost incurred for the construction of any qualifying asset.

Interest, dividends, losses and gains relating to a financial instrument classified as a liability is reported within the finance cost in the profit or loss. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

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 reporting date.

(ii) Capitalisation of borrowing costs

Borrowing costs incurred for the construction of any qualifying assets are capitalised as part of the cost of the asset during the period of time that is required to complete and prepare the asset for its intended use. All other borrowing costs are expensed off to the profit or loss.

3.14 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost represents material and attributable cost of acquisition and is determined using the first-in, first-out method.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses.

13. ACCOUNTANTS' REPORT (cont'd)



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II BUMI ARMADA GROUP (CONTINUED)

3 Summary of significant accounting policies (continued)

3.15 Construction contracts

A construction contract is a contract 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 or use.

Contract costs are recognised as expenses in the period in which they are incurred. When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Variations in contract work, claims and incentive payments are included in contract revenue to the extent agreed with the customer and are capable of being reliably measured.

The Group uses the 'percentage-of-completion method' to determine the appropriate amount to recognise in a given period. The stage of completion is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Costs incurred in the year/period in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature.

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

The Group presents as an asset the gross amount due from customers for contract work for all contracts in progress for which costs incurred plus recognised profits (less recognised losses) exceed progress billings. Progress billings not yet paid by customers and retention sum such are included within 'trade and other receivables'. The Group presents as a liability the gross amount due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses).

13. ACCOUNTANTS' REPORT (cont'd)



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II BUMI ARMADA GROUP (CONTINUED)

3 Summary of significant accounting policies (continued)

3.16 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. Revenue is recognised on the following bases:

(i) Vessel charter fees and support services

Charter hire income from vessels is recognised upon rendering of services to customers, using a straight line basis over the term of the charter hire contract. Revenue derived from Floating Production Storage and Offloading (FPSO) leasing contracts classified as operating leases are recognised on a straight line basis over the lease period for which the customer has contractual right over the FPSO vessel.

Commission and agency income are recognised when services are rendered to the principals and recognised on an accrual basis.

(ii) Interest, rental and dividend income

The Group earns interest income from deposits placed with licensed banks. The Group also earns rental income from the rental of premises to third parties.

Interest and rental income are recognised on an accrual basis.

Dividend income is recognised when the Group's right to receive payment is established.

13. ACCOUNTANTS' REPORT (cont'd)



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II BUMI ARMADA GROUP (CONTINUED)**3 Summary of significant accounting policies (continued)****3.16 Revenue recognition (continued)****(iii) Construction and engineering services**

Revenue from construction contracts are accounted for under the percentage of completion method - see Note 3.15 for accounting policy on construction contracts.

(iv) Sale of goods

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

3.17 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 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/period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'finance income or cost'. All other foreign exchange gains and losses are presented in profit or loss within other operating income/expenses.

13. ACCOUNTANTS' REPORT (cont'd)



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II BUMI ARMADA GROUP (CONTINUED)

3 Summary of significant accounting policies (continued)

3-17 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 statements of financial position presented are translated at the closing rate at the date of that statements of financial position;
- income and expenses for each statements of comprehensive income or separate profit or loss presented 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.

On consolidation, exchange differences arising from the 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. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences is reclassified to profit or loss as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisitions of foreign entities on or after 1 January 2006 are treated as assets and liabilities of the foreign entity and translated at the closing rate. The Group has applied the transitional provision for acquisitions prior to 1 January 2006 which allows the goodwill and fair value adjustments arising from acquisitions to be treated as assets and liabilities of the parent rather than that of the foreign entities. Therefore, those goodwill and fair value adjustments either are already expressed in the parent's functional currency or are non-monetary foreign currency items, which are reported using the exchange rates at the date of the acquisitions.

13. ACCOUNTANTS' REPORT (cont'd)



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II BUMI ARMADA GROUP (CONTINUED)

3 Summary of significant accounting policies (continued)

3.18 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 lessee

Finance leases

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Assets held under hire purchase and finance lease agreements are capitalised in the statements of financial position and are depreciated in accordance with the policy set out in Note 3.7. Outstanding obligations due under the hire purchase agreements after deducting finance expenses not due are included as liabilities in the financial statements. The finance expenses of the lease rentals are charged to the profit or loss over the period of the lease.

Operating leases

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on the straight line basis over the lease period.

13. ACCOUNTANTS' REPORT (cont'd)



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II BUMI ARMADA GROUP (CONTINUED)

3 Summary of significant accounting policies (continued)

3.18 Leases (continued)

(i) Accounting by lessee (continued)

Change in accounting policy

Following the adoption of the improvement to FRS 117 "Leases", leasehold land in which the Group has substantially all the risks and rewards incidental to ownership has been reclassified retrospectively from operating lease to finance lease. Previously, leasehold land was classified as an operating lease unless title is expected to pass to the lessee at the end of the lease term. Refer to Note 41 for the impact of this change in accounting policy.

(ii) Accounting by lessor

Finance leases

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income.

Lease income is recognised over the term of the lease using the net investment method so as to reflect a constant periodic rate of return.

Operating leases

Assets leased out under operating leases are included in property, plant and equipment in the statements of financial position. They are depreciated over their expected useful lives on a basis consistent with similar owned property, plant and equipment. Lease income (net of any incentives given) is recognised on a straight line basis over the lease term and is recorded as accrued lease rental on the statements of financial position.

13. ACCOUNTANTS' REPORT (cont'd)



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II BUMI ARMADA GROUP (CONTINUED)

3 Summary of significant accounting policies (continued)

3.19 Current and deferred income taxes

The tax expense for the period comprises current, withholding and deferred tax. Tax is recognised in the profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the company and its subsidiaries operate and generate taxable income. Management 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 most likely outcome.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is 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 income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

13. ACCOUNTANTS' REPORT (cont'd)



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II BUMI ARMADA GROUP (CONTINUED)

3 Summary of significant accounting policies (continued)

3.20 Employee benefits

(i) Short term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group.

(ii) Defined contribution plan

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

(iii) Employee share option schemes

The employees of the Group receive share options as part of their remuneration in consideration for services rendered. The fair value of these share options is measured at their grant date and is recognised in profit or loss as staff costs, with a corresponding increase in the employee share option reserve over the vesting period, when the employees become unconditionally entitled to the share options. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of the share options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised at the beginning and end of that period.

No expense is recognised for share options that do not ultimately vest, except where vesting is dependent on a market or non-vesting condition. These would be treated as vested irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. If the share options expired without being exercised, the employee share option reserve will be transferred to retained earnings. If the share options are exercised whereby new shares are issued, the employee share option reserve together with the exercise proceeds of the share options will be transferred to share capital and share premium accordingly.

3.21 Trade receivables

Trade receivables are carried at invoice amount, where this approximates fair value less an allowance for doubtful debts. The allowance is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables.

13. ACCOUNTANTS' REPORT (cont'd)



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II BUMI ARMADA GROUP (CONTINUED)

3 Summary of significant accounting policies (continued)

3.22 Goodwill

Goodwill represents the excess of the cost of acquisition of subsidiaries, jointly controlled entities and associates over the fair value of the Group's share of the identifiable net assets at the date of acquisition.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the business combination in which the goodwill arose (see Note 3.12 for accounting policy on impairment of non-financial assets).

Goodwill on acquisition of jointly controlled entities and associates are included in investments in jointly controlled entities and associates respectively. Such goodwill is tested for impairment as part of the overall balance.

3.23 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

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

3.24 Provisions

A provision is recognised when the Group has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

3.25 Contingent assets and liabilities

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.

13. ACCOUNTANTS' REPORT (cont'd)



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II BUMI ARMADA GROUP (CONTINUED)

3 Summary of significant accounting policies (continued)

3.25 Contingent assets and liabilities (continued)

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. The Group does not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

Subsequent to the initial recognition, the Group measures the contingent liabilities that are recognised separately at the date of acquisition at the higher of the amount that would be recognised in accordance with FRS 137 "Provisions, contingent liabilities and contingent assets" and the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with FRS 118 "Revenue".

3.26 Cash and cash equivalents

For the purpose of the cash flow statements, cash and cash equivalents consist of cash on hand, deposits held at call with banks, other short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

3.27 Share capital

(i) Classification

Ordinary shares and non-redeemable preference shares with discretionary dividends are both classified as equity. Other shares are classified as equity and/or liability according to the economic substance of the particular instrument.

(ii) Share issue costs

Incremental costs directly attributable to the issue of new shares are shown as a deduction, net of tax, in equity from the proceeds.

(iii) Dividends

Distributions to holders of an equity instrument are debited directly to equity, net of any related income tax benefit and the corresponding liability is recognised in the period in which the dividends are approved.

13. ACCOUNTANTS' REPORT (cont'd)



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II BUMI ARMADA GROUP (CONTINUED)

3 Summary of significant accounting policies (continued)

3.28 Earnings per share

Basic earnings per share ("EPS") is calculated by dividing the profit or loss for the financial year/period attributable to the owners of the Parent by the weighted average number of ordinary shares outstanding during the period. The weighted average number of ordinary shares in issue will be adjusted to account for any bonus and share splits which were undertaken subsequent to date of the statements of financial position.

Diluted EPS is determined by adjusting the profit or loss for the financial year/period attributable to the owners of the Parent and the weighted average number of ordinary shares outstanding for the effects of all potential dilutive ordinary shares, which comprise of convertible notes, and any share options granted to employees of the Group and/or Directors of the Group.

3.29 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker. The Chief Operating Decision-Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified to make strategic decisions.

Change in accounting policy

The Group has adopted FRS 8 "Operating segments" from 1 January 2010. FRS 8 replaces FRS 114 "Segment reporting" and is applied retrospectively. The adoption of FRS 8 has resulted in an increase in the number of reportable segments presented. Comparatives have been reclassified to facilitate comparison. This has not resulted in any new impairment of goodwill. There has been no other impact on the measurement of the Group's assets and liabilities.

Segment revenues and expenses are those directly attributable to the segments and include any expenses where a reasonable basis of allocation exists.

3.30 Non-current assets held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

13. ACCOUNTANTS' REPORT (cont'd)



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II BUMI ARMADA GROUP (CONTINUED)

4 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 circumstances.

Critical accounting estimates and assumptions

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/period are outlined below.

4.1 Revenue

Chartering of FPSO and vessels to customers are recognised as revenue based on whether the charter contract arrangement is considered to be an operating lease or finance lease in accordance with FRS 117. Classification of these contracts as operating leases or finance leases are assessed at the inception of the lease. The estimated useful lives of the vessel and lease payment pattern are relevant in relation to evaluating lease contracts. This assessment requires significant judgements in the following areas:

(i) Lease term

At lease inception, a lease contract is classified as either an operating or a finance lease. The lease term is 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) Purchase option

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. The lessee's purchase option is considered in classifying the lease contract.

13. ACCOUNTANTS' REPORT (cont'd)



**The Board of Directors
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II BUMI ARMADA GROUP (CONTINUED)**4 Critical accounting estimates and judgements (continued)****4.1 Revenue (continued)**

Contracts for leasing and operation of vessels are usually negotiated together. Leasing of vessels is accounted for under FRS 117 and operation of vessels is accounted for under FRS 118. 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 market rates, comparable transactions and other market related information to be determined at lease inception.

If the terms and conditions of the lease contract change subsequently, management is required to assess whether the new arrangements would be classified as a new lease based on the prevailing market conditions.

4.2 Impairment of non-financial assets

The Group reviews periodically whether property, plant, equipment and vessels under construction have suffered any impairment in accordance with the accounting policy stated in Note 3.12. The recoverable amounts of each vessel, being defined as a cash generating unit, have been determined based on the higher of fair value less cost to sell and value in-use calculations. The value in-use calculations are based on contracted cash flows and estimates of uncontracted cash flows for the useful lives of each vessel, including scrap values discounted by an appropriate discount rate.

The impairment testing for cash-generating units requires estimates and judgement to determine the net present value of future cash flows such as revenue growth, cost escalation and discount rate amongst others. The Directors have evaluated the carrying amounts of property, plant and equipment and is satisfied that no impairment charge is required.

4.3 Vessel useful life and residual value

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 and knowledge of the vessels owned by the Group and is normally equal to the design lives of the vessel. Assumptions about residual value are based on 10% of original vessel costs. Where appropriate, the Group will adjust the residual value and useful life of the individual vessel based on the particular conditions of the vessel. These adjustments require judgements to be exercised by management to assess the residual value and useful life for the individual vessels.

13. ACCOUNTANTS' REPORT (cont'd)



**The Board of Directors
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II BUMI ARMADA GROUP (CONTINUED)**4 Critical accounting estimates and judgements (continued)****4.4 Taxation**

The Group is subject to income and withholding taxes in a number of jurisdictions in which the Group operates. Significant judgement is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for tax based on estimates of assessment of the tax liability due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provision where relevant in the period in which such determination is made.

5 Financial risk management objectives and policies

This note presents information about the Group's exposure to risk 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. Further qualitative disclosures are included throughout these consolidated financial statements.

The Group's activities expose it to a variety of financial risks, market risk including currency risk and interest rate risk, credit risk and liquidity risk. The Group's overall risk management program 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 financial risks in close co-operation with the Group's management.

The Group does not use financial instruments, including financial derivatives, for trading purposes.

Foreign currency exchange risk

The Group is exposed to various currencies, primarily the United States Dollar (USD). The Group's foreign currency exchange risk arose from the purchases of material, spares and services for maintenance of its vessels.

The Group has investments in foreign operations whose net assets, which are denominated in USD, are exposed to foreign currency translation risk. These exposures are largely mitigated by borrowing in the currencies of the underlying cashflows.

13. ACCOUNTANTS' REPORT (cont'd)



The Board of Directors
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II BUMI ARMADA GROUP (CONTINUED)

5 Financial risk management objectives and policies (continued)

Interest rate risk

The Group's exposure to changes in interest rates relates primarily to the Group's deposits with licensed banks and borrowings with a floating interest rate. The average interest rates on financial instruments are disclosed on Note 33. In respect of managing interest rate risk, the floating interest rates of certain long-term loans are hedged by fixed rate swaps for the entire maturity period. Short term facilities which bear interest at floating rates are used for working capital and bridge financing requirements. The interest rate profile of the Group's borrowings is regularly reviewed against prevailing and anticipated market rates to determine hedging requirements.

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

	<u>31.12.2009</u> RM'000	<u>31.12.2010</u> RM'000	<u>31.3.2011</u> RM'000
<u>Fixed rate instruments</u>			
Financial assets, comprising deposits with licensed banks	110,815	24,384	7,384
Financial liabilities comprising term loans and hire purchase	<u>307,787</u>	<u>253,285</u>	<u>101,924</u>
<u>Variable rate instruments</u>			
Financial liabilities, comprising term loans, bridging loans and revolving credits	2,365,083	3,165,572	3,377,360
Less: Interest Rate Swap ("TRS") contracts	(493,274)	(452,808)	(380,804)
Cross currency interest rate swap contract ("CCIRS")	0	(220,500)	(220,500)
	<u>1,871,809</u>	<u>2,492,264</u>	<u>2,776,056</u>

13. ACCOUNTANTS' REPORT (cont'd)



The Board of Directors
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II BUMI ARMADA GROUP (CONTINUED)**5 Financial risk management objectives and policies (continued)**Credit risk

Credit risk arises when sales are made on credit terms. The Group employs a credit policy that ensures clients are subjected to credit checks and outstanding accounts are followed up on a timely basis. The Group manages its credit risk concentration by constantly monitoring the performance of these specific customers.

Several of the Group's contracts are long-term. There can be no guarantees 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 of the Group's income, the inability of one or more of them to make full payment on any of the Group's customers may have a significant adverse impact on the financial position of the Group. The Group believes that the credit risk related to these counterparties is at an acceptable level. The Group assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. As such, management does not expect any counterparty to fail to meet their obligations. The carrying amount of trade receivables including accrued lease rentals represents the Group's maximum exposure to credit risk.

Management has also reviewed the credit risk with respect to amounts due from jointly controlled entities and does not expect any amount to be irrecoverable.

13. ACCOUNTANTS' REPORT (cont'd)



The Board of Directors
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II BUMI ARMADA GROUP (CONTINUED)

5 Financial risk management objectives and policies (continued)

Liquidity risk

The Group adopts liquidity risk management by maintaining sufficient cash and availability of funding through an adequate amount of committed credit facilities from financial institutions to support its daily operations. Whenever the Group undertakes additional financing, the repayment and maturity profile of the underlying loans are structured after taking into consideration the cash inflows expected to be generated from the related assets or operations and economic life of the assets or operations being financed.

The table below analyses the Group's non-derivative financial liabilities and gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date.

	Less than <u>3 months</u> RM'000	Between <u>3 months</u> <u>and 1 year</u> RM'000	Between <u>1 and 2</u> <u>years</u> RM'000	Between <u>2 and 5</u> <u>years</u> RM'000	Over <u>5 years</u> RM'000	Total RM'000
<u>At 31 December 2010</u>						
Borrowings	154,795	1,345,067	416,035	1,145,470	716,435	3,777,802
Hire purchase creditors	111	334	676	259	0	1,380
Gross settled derivative financial instruments						
- interest rate swaps	19,283	96,444	130,753	326,184	111,106	683,770
- forward foreign currency contract	0	23,435	33,022	87,348	76,695	220,500
Trade payables	227,376	0	0	0	0	227,376
Other payables	222,445	0	0	0	0	222,445
<u>At 31 March 2011</u>						
Borrowings	193,170	1,054,422	790,627	1,088,044	701,041	3,827,304
Hire purchase creditors	87	262	636	259	0	1,244
Gross settled derivative financial instruments						
- interest rate swaps	40,527	75,117	132,815	300,203	104,610	653,272
- forward foreign currency contract	15,978	7,457	33,022	87,348	76,695	220,500
Trade payables	160,682	0	0	0	0	160,682
Other payables	242,094	0	0	0	0	242,094
Amount due to jointly controlled entities	3,874	0	0	0	0	3,874

13. ACCOUNTANTS' REPORT *(cont'd)*

**SECTION III – HISTORICAL FINANCIAL INFORMATION
OF THE GROUP**

13. ACCOUNTANTS' REPORT (cont'd)



The Board of Directors
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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP

(a) Consolidated Financial Statements

Consolidated Statements of Income

The following consolidated statements of income are based on the audited consolidated financial statements of the Company for the financial years ended 31 December 2008, 31 December 2009, 31 December 2010 and 3 month financial period ended 31 March 2011 except for certain figures which have been reclassified as explained in Note 44 to this report.

	Note	Financial years ended			3 month financial periods ended	
		31.12.2008 Audited RM'000 Restated	31.12.2009 Audited RM'000 Restated	31.12.2010 Audited RM'000	31.3.2010 Unaudited RM'000	31.3.2011 Audited RM'000
Revenue	7	519,839	732,090	1,241,383	262,461	376,159
Cost of sales	8	(272,674)	(399,026)	(636,272)	(141,890)	(223,058)
Gross profit		247,165	333,064	605,111	120,571	153,101
Other operating income	9	47,114	84,412	40,167	7,148	4,620
Selling and distribution costs		(62,375)	(59,223)	(81,839)	(21,541)	(26,739)
Administrative expenses		(36,405)	(63,861)	(96,303)	(13,247)	(17,535)
Operating profit		195,499	294,392	467,136	92,931	113,447
Finance cost	10	(34,583)	(50,781)	(82,425)	(19,751)	(17,141)
Share of results of an associate	21	245	38,632	(1,428)	(357)	0
Share of results of jointly controlled entities	22	727	1,685	(17)	(4)	(833)
Profit before taxation	11	161,888	283,928	383,266	72,819	95,473
Taxation	14	(11,865)	(6,486)	(32,511)	(6,177)	(13,399)
Profit for the financial year/period		150,023	277,442	350,755	66,642	82,074
Attributable to:						
Owners of the Parent		150,023	277,442	350,755	66,642	82,074
Non-controlling interests		0	0	0	0	0
		150,023	277,442	350,755	66,642	82,074
Earnings per share (sen)						
- basic	15	7.54	13.94	17.62	3.35	3.64
- diluted	15	7.44	12.71	16.02	3.06	3.64

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(a) Consolidated Financial Statements (continued)

Consolidated Statements of Comprehensive Income

	Financial years ended			3 month financial periods ended	
	31.12.2008 Audited RM'000	31.12.2009 Audited RM'000	31.12.2010 Audited RM'000	31.3.2010 Unaudited RM'000	31.3.2011 Audited RM'000
Profit for the financial year/period	150,023	277,442	350,755	66,642	82,074
Other comprehensive income:					
Currency translation differences	10,386	(37,412)	(143,536)	(57,538)	(32,684)
Other comprehensive income for the year/period, net of tax	10,386	(37,412)	(143,536)	(57,538)	(32,684)
Total comprehensive income for the year/period	<u>160,409</u>	<u>240,030</u>	<u>207,219</u>	<u>9,104</u>	<u>49,390</u>
Total comprehensive income attributable to:					
- Owners of the Parent	160,409	240,030	207,219	9,104	49,390
- Non-controlling interests	0	0	0	0	0
	<u>160,409</u>	<u>240,030</u>	<u>207,219</u>	<u>9,104</u>	<u>49,390</u>

13. ACCOUNTANTS' REPORT (cont'd)



The Board of Directors
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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(a) Consolidated Financial Statements (continued)

Consolidated Statements of Financial Position

The following consolidated statements of financial position are based on the audited consolidated financial statements of the Company for the financial years ended 31 December 2008, 31 December 2009, 31 December 2010 and 3 month financial period ended 31 March 2011 except for certain figures which have been reclassified to reflect the effects of FRS 117, FRS 139 and due to realignment of business segments in the financial year 2010 as explained in Note 41 and Note 44 to this report.

	Note	Financial years ended			3 month
		31.12.2008	31.12.2009	31.12.2010	financial
		Audited	Audited	Audited	period ended
		RM'000	RM'000	RM'000	31.3.2011
		Restated	Restated		Audited
					RM'000
NON-CURRENT ASSETS					
Property, plant and equipment	17	2,032,218	3,008,375	3,714,989	3,856,053
Goodwill	19	1,411	1,411	1,411	1,411
Investment in an associate	21	10,275	33,382	0	0
Jointly controlled entities	22	5,496	5,566	9,799	9,323
Other investments	23	0	0	3,778	5,506
Accrued lease rentals	26	96,505	122,826	292,256	323,682
Deferred tax assets	34	1,485	1,660	4,190	3,249
		<u>2,147,390</u>	<u>3,173,220</u>	<u>4,026,423</u>	<u>4,199,224</u>
CURRENT ASSETS					
Inventories	24	1,477	825	1,123	1,366
Non-current assets held for sale	18	0	0	0	4,471
Trade receivables	25	96,785	184,827	189,643	265,904
Accrued lease rentals	26	0	146,512	218,017	241,464
Other receivables, deposits and prepayments	27	55,135	43,068	36,193	39,450
Tax recoverable		309	8,345	9,135	7,557
Amounts due from an associate		16,984	172	0	0
Amounts due from jointly controlled entities	28	1,819	7,600	25,123	27,587
Derivative financial instruments	29	0	0	12,126	17,405
Deposits, cash and bank balances	36	114,787	297,687	277,684	451,222
		<u>287,296</u>	<u>689,036</u>	<u>769,044</u>	<u>1,056,426</u>

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(a) Consolidated Financial Statements (continued)

Consolidated Statements of Financial Position (continued)

	Note	Financial years ended			3 month financial period ended
		31.12.2008 Audited RM'000 Restated	31.12.2009 Audited RM'000 Restated	31.12.2010 Audited RM'000	31.3.2011 Audited RM'000
LESS: CURRENT LIABILITIES					
Amounts due to customers on contracts	30	3,951	34,378	30,377	70,116
Trade payables		217,228	236,240	227,376	160,682
Other payables and accruals	31	298,459	241,429	222,445	242,094
Amounts due to an associate		0	0	0	44
Amounts due to jointly controlled entities	28	0	0	0	3,874
Hire purchase creditors	32	360	595	402	335
Borrowings	33	142,906	770,611	1,397,746	1,134,967
Derivative financial liabilities	29	0	0	8,699	6,577
Taxation		1,934	1,809	10,825	15,486
		<u>664,838</u>	<u>1,285,062</u>	<u>1,897,870</u>	<u>1,634,175</u>
NET CURRENT LIABILITIES		<u>(377,542)</u>	<u>(596,026)</u>	<u>(1,128,826)</u>	<u>(577,749)</u>
LESS: NON-CURRENT LIABILITIES					
Hire purchase creditors	32	778	184	819	761
Borrowings	33	1,331,794	1,901,480	2,019,890	2,343,221
Deferred tax liabilities	34	5,960	4,184	1,786	3,523
		<u>1,338,532</u>	<u>1,905,848</u>	<u>2,022,495</u>	<u>2,347,505</u>
		<u>431,316</u>	<u>671,346</u>	<u>875,102</u>	<u>1,273,970</u>
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE PARENT					
Share capital	35	63,000	63,000	63,000	456,840
Reserves		367,749	607,779	811,535	807,386
		<u>430,749</u>	<u>670,779</u>	<u>874,535</u>	<u>1,264,226</u>
NON-CONTROLLING INTERESTS		<u>567</u>	<u>567</u>	<u>567</u>	<u>9,744</u>
TOTAL EQUITY		<u>431,316</u>	<u>671,346</u>	<u>875,102</u>	<u>1,273,970</u>



13. ACCOUNTANTS' REPORT (cont'd)

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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(a) Consolidated Financial Statements (continued)

Consolidated Statements of Changes in Equity

The consolidated statement of changes in equity based on its audited consolidated financial statements for the financial years ended 31 December 2008, 31 December 2009, 31 December 2010 and 3 month financial period ended 31 March 2011 are as follows:

	Number of shares '000	Nominal value RM'000	Share premium RM'000	Share Revaluation reserve RM'000	Attributable to owners of the Parent				Total equity RM'000	
					Foreign exchange reserve RM'000	Capital redemption reserve RM'000	Retained earnings RM'000	Non-controlling interests RM'000		
At 1 January 2008	63,000	63,000	10,898	390	(692)	311	196,433	270,340	567	270,907
- As restated										
Income and expense recognised directly to equity										
- currency translation differences	0	0	0	0	10,386	0	0	10,386	0	10,386
Profit for the financial year	0	0	0	0	0	0	150,023	150,023	0	150,023
Total recognised income and expense for the financial year	0	0	0	0	10,386	0	150,023	160,409	0	160,409
At 31 December 2008	63,000	63,000	10,898	390	9,694	311	346,456	430,749	567	431,316

13. ACCOUNTANTS' REPORT (cont'd)

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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(a) Consolidated Financial Statements (continued)

Consolidated Statements of Changes in Equity (continued)

	Number of shares '000	Nominal value RM'000	Share premium RM'000	Revaluation reserve RM'000	Attributable to owners of the Parent					
					Foreign exchange reserve RM'000	Capital redemption reserve RM'000	Retained earnings RM'000	Non-controlling interests RM'000	Total equity RM'000	
<u>31.12.2009</u>										
At 1 January 2009	63,000	63,000	10,898	390	9,694	311	346,456	430,749	567	431,316
Profit for the financial year	0	0	0	0	0	0	277,442	277,442	0	277,442
Other comprehensive income for the financial year, net of tax	0	0	0	0	(37,412)	0	0	(37,412)	0	(37,412)
Total comprehensive income for the financial year	0	0	0	0	(37,412)	0	277,442	240,030	0	240,030
At 31 December 2009	63,000	63,000	10,898	390	(27,718)	311	623,898	670,779	567	671,346

13. ACCOUNTANTS' REPORT (cont'd)

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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(a) Consolidated Financial Statements (continued)

Consolidated Statements of Changes in Equity (continued)

	Note	Number of shares '000	Nominal value RM'000	Share premium RM'000	Revaluation reserve RM'000	Foreign exchange reserve RM'000	Attributable to owners of the Parent						
							Capital redemption reserve RM'000	Retained earnings RM'000	Total interests RM'000	Non-controlling interests RM'000	Total equity RM'000		
31.12.2010													
At 1 January 2010		63,000	63,000	10,898	390	(27,718)	311	623,898	670,779	567	671,346		
- As previously stated													
- Adjustment on application of FRS 139	41	0	0	0	0	0	0	(3,463)	(3,463)	0	(3,463)		
At 1 January 2010, as restated		63,000	63,000	10,898	390	(27,718)	311	620,435	667,316	567	667,883		
Profit for the financial year		0	0	0	0	0	0	350,755	350,755	0	350,755		
Other comprehensive income for the financial year, net of tax		0	0	0	0	(143,536)	0	0	(143,536)	0	(143,536)		
Total comprehensive income for the financial year		0	0	0	0	(143,536)	0	350,755	207,219	0	207,219		
At 31 December 2010		63,000	63,000	10,898	390	(171,254)	311	971,190	874,535	567	875,102		



13. ACCOUNTANTS' REPORT (cont'd)

The Board of Directors
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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(a) Consolidated Financial Statements (continued)

Consolidated Statements of Changes in Equity (continued)

	Note	Number of shares '000	Nominal value RM'000	Share premium RM'000	Revaluation reserve RM'000	Foreign exchange reserve RM'000	Attributable to owners of the Parent				Total equity RM'000	
							Capital redemption reserve RM'000	Retained earnings RM'000	Total controlling interests RM'000	Non-controlling interests RM'000		
31.3.2010 (Unaudited)												
At 1 January 2010		63,000	63,000	10,898	390	(27,718)	311	623,898	670,779	567	671,346	
- As previously stated												
- Adjustment on application of FRS 139	41	0	0	0	0	0	0	(3,463)	(3,463)	0	(3,463)	
At 1 January 2010, as restated		63,000	63,000	10,898	390	(27,718)	311	620,435	667,316	567	667,883	
Profit for the financial period		0	0	0	0	0	0	66,642	66,642	0	66,642	
Other comprehensive income for the financial period, net of tax		0	0	0	0	(57,538)	0	0	(57,538)	0	(57,538)	
Total comprehensive income for the financial period		0	0	0	0	(57,538)	0	66,642	9,104	0	9,104	
At 31 March 2010		63,000	63,000	10,898	390	(85,256)	311	687,077	676,420	567	676,987	



13. ACCOUNTANTS' REPORT (cont'd)

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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(a) Consolidated Financial Statements (continued)

Consolidated Statements of Changes in Equity (continued)

	Note	Number of shares '000	Nominal value RM'000	Share premium RM'000	Revaluation reserve RM'000	Attributable to owners of the Parent								
						Foreign exchange reserve RM'000	Capital redemption reserve RM'000	Retained earnings RM'000	Total interests RM'000	Non-controlling interests RM'000	Total equity RM'000			
31.3.2011														
At 1 January 2011		63,000	63,000	10,898	390	(171,254)	311	971,190	874,535	567	875,102			
Profit for the financial period		0	0	0	0	0	0	82,074	82,074	0	82,074			
Other comprehensive income for the financial period, net of tax		0	0	0	0	(32,684)	0	0	(32,684)	0	(32,684)			
Total comprehensive income for the financial period		0	0	0	0	(32,684)	0	82,074	49,390	0	49,390			
Transactions with owners:														
Issue of ordinary shares from call option	35(a)	7,500	7,500	142,500	0	0	0	0	150,000	0	150,000			
Rights issue	35(b)	5,640	5,640	194,360	0	0	0	0	200,000	0	200,000			
Bonus issue	35(c)	380,700	380,700	(347,758)	0	0	0	(32,942)	0	0	0			
Share split	35(d)	1,827,360	0	0	0	0	0	0	0	0	0			
Additional shares in a subsidiary subscribed by non-controlling interests		0	0	0	0	0	0	0	0	5,220	5,220			
Dilution of interest in a subsidiary	20(c)	0	0	0	0	0	0	(9,699)	(9,699)	9,699	0			
Dividend paid by a subsidiary to non-controlling interests		0	0	0	0	0	0	0	0	(5,742)	(5,742)			
At 31 March 2011		2,284,200	456,840	0	390	(203,938)	311	1,010,623	1,264,226	9,744	1,273,970			

13. ACCOUNTANTS' REPORT (cont'd)



The Board of Directors
Bumi Armada Berhad
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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(a) Consolidated Financial Statements (continued)

Consolidated Cash Flow Statements

The following consolidated cash flow statements are based on the audited consolidated financial statements of the Company for the financial years ended 31 December 2008, 31 December 2009, 31 December 2010 and 3 month financial period ended 31 Mareb 2011.

	Financial years ended			3 month financial periods ended	
	31.12.2008 Audited RM'000	31.12.2009 Audited RM'000	31.12.2010 Audited RM'000	31.3.2010 Unaudited RM'000	31.3.2011 Audited RM'000
OPERATING ACTIVITIES					
Profit for the financial year/period	150,023	277,442	350,755	66,642	82,074
Adjustments for non cash items:					
Share of results of an associate and jointly controlled entity	(972)	(40,317)	1,445	361	833
Depreciation of property, plant and equipment	106,337	185,954	248,418	60,327	72,144
Impairment of property, plant and equipment	0	7,355	0	0	0
Impairment of investments in associate	0	0	13,300	0	0
Gain on deemed disposal of subsidiaries	(3,005)	0	(4,093)	0	0
Fair value through profit or loss on financial instruments	0	0	(7,144)	2,942	(7,582)
Gain on disposal of property, plant and equipment	(26,920)	(60,141)	(7,478)	(73)	(2)
Property, plant and equipment written off	693	561	0	0	0
Allowance for doubtful debts	1,065	420	6,984	11,836	3,513
Allowance for doubtful debts written back	(2,552)	(76)	(766)	0	(10)
Allowance for inventories obsolescence	0	71	0	0	0
Unrealised foreign exchange loss/(gain)	2,873	(1,301)	(1,463)	2,174	(201)
Interest income	(528)	(253)	(253)	(39)	(77)
Interest expense	34,583	50,781	89,569	16,809	24,723
Taxation	11,865	6,486	32,511	6,177	13,399
	273,462	426,982	721,785	167,156	188,814
Inventories	(52)	581	(298)	(279)	(243)
Trade and other receivables	(109,440)	(238,121)	(237,964)	(138,666)	(152,598)
Trade and other payables	272,832	(60,655)	(92,529)	47,385	111,078
Cash from operations	436,802	128,787	390,994	75,596	147,051
Interest paid	(51,263)	(72,512)	(106,414)	(24,869)	(39,146)
Tax paid	(19,661)	(16,598)	(29,213)	(10,106)	(4,482)
NET CASH FLOW GENERATED FROM OPERATING ACTIVITIES	365,878	39,677	255,367	40,621	103,423

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(a) Consolidated Financial Statements (continued)

Consolidated Cash Flow Statements (continued)

Note	Financial years ended			3 month financial periods ended	
	31.12.2008 Audited RM'000	31.12.2009 Audited RM'000	31.12.2010 Audited RM'000	31.3.2010 Unaudited RM'000	31.3.2011 Audited RM'000
INVESTING ACTIVITIES					
Additional investments in jointly controlled entities	0	0	0	0	(358)
Purchase of property, plant and equipment	(1,075,827)	(1,300,385)	(1,008,239)	(228,400)	(359,290)
Proceed from disposal of property, plant and equipment	52,237	244,709	8,010	143	4
Interest received	528	731	253	39	77
Proceeds from disposal of subsidiaries	2,800	0	0	0	0
Investment in jointly controlled entity	0	0	(157)	0	0
Purchase of other investment	0	0	(3,778)	0	(1,728)
Dividends received	8,991	0	15,527	11,344	0
NET CASH FLOW USED IN INVESTING ACTIVITIES	(1,011,271)	(1,054,945)	(988,384)	(216,874)	(361,295)
FINANCING ACTIVITIES					
Proceeds from loan from a substantial shareholders	150,000	0	0	0	0
Proceeds from bank borrowings	1,862,248	1,491,958	1,688,238	155,017	349,398
Repayment of bank borrowings	(1,309,810)	(312,471)	(954,242)	(112,930)	(85,074)
Repayment of loan to a related party	0	0	0	0	(150,000)
Repayment of hire purchase creditors	(424)	(450)	(513)	(146)	(125)
Decrease/(Increase) in deposit pledged as security	0	0	396	1,881	(3,000)
Exercise of rights issue	0	0	0	0	200,000
Exercise of call option by a shareholder	0	0	0	0	150,000
Issuance of subsidiary's shares to non-controlling interests	0	0	0	0	5,220
Dividends paid to non-controlling interests	0	0	0	0	(5,742)
Drawdown from hire purchase creditors	0	0	955	0	0
NET CASH FLOW GENERATED FROM FINANCING ACTIVITIES	702,014	1,179,037	734,834	43,822	460,677

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(a) Consolidated Financial Statements (continued)

Consolidated Cash Flow Statements (continued)

	Financial years ended			3 month financial periods ended	
	31.12.2008 Audited RM'000	31.12.2009 Audited RM'000	31.12.2010 Audited RM'000	31.3.2010 Unaudited RM'000	31.3.2011 Audited RM'000
B Cash and cash equivalents consist of:					
Deposits with licensed banks	246	110,815	24,384	2,899	7,384
Cash and bank balances	114,541	186,872	253,300	155,143	443,838
	<u>114,787</u>	<u>297,687</u>	<u>277,684</u>	<u>158,042</u>	<u>451,222</u>
Bank overdrafts	(4,750)	(25,875)	(28,421)	(31,626)	0
Designated deposits placed with licensed banks	0	(4,761)	(4,365)	(2,880)	(7,365)
	<u>110,037</u>	<u>267,051</u>	<u>244,898</u>	<u>123,536</u>	<u>443,857</u>

(b) Notes to the Consolidated Financial Statements

6 Segment information

The Group is organised into 4 main business segments based on the type of operations carried out by its vessels and barges:

- Offshore Support Vessels (OSV)
- Floating Production Storage Offloading system (FPSO)
- Transport and Installation (T&I)
- Oilfield Services (OFS)

Inter segment revenue comprises mostly of engineering provision to the marine charter hire companies within the Group. These transactions are conducted based on terms and conditions negotiated with related parties.

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

6 Segment information (continued)

The remaining Group's operations comprise engineering services, which is not of a sufficient size to be reported separately. Management and other corporate support services provided to group entities are considered incidental to the Group's operating business. These are reported separately under Corporate and eliminations.

Financial year ended 31 December 2008

	<u>OSV</u>	<u>FPSO</u>	<u>T&I</u>	<u>Others</u>	<u>Corporate and eliminations</u>	<u>Group</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	322,269	197,570	0	0	0	519,839
Inter-segment revenue	3,403	0	0	23,368	(26,771)	0
Total Revenue	325,672	197,570	0	23,368	(26,771)	519,839

Results

Segment results	89,364	53,564	0	942	4,515	148,385
Other operating income						47,114
Finance cost						(34,583)
Share of results of jointly controlled entity and an associate						972
Taxation						(11,865)
Profit for the financial year						150,023

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

6 Segment information (continued)

Financial year ended 31 December 2009

	<u>OSV</u>	<u>FPSO</u>	<u>T&I</u>	<u>Others</u>	<u>Corporate and eliminations</u>	<u>Group</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	404,093	327,853	0	144	0	732,090
Inter-segment revenue	11,120	0	0	73,277	(84,397)	0
Total Revenue	<u>415,213</u>	<u>327,853</u>	<u>0</u>	<u>73,421</u>	<u>(84,397)</u>	<u>732,090</u>
<u>Results</u>						
Segment results	99,580	92,797	0	11,273	6,330	209,980
Other operating income						84,412
Finance cost						(50,781)
Share of results of jointly controlled entities and an associate						40,317
Taxation						(6,486)
Profit for the financial year						<u>277,442</u>

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

6 Segment information (continued)

Financial year ended 31 December 2010

	<u>OSV</u>	<u>FPSO</u>	<u>T&I</u>	<u>Others</u>	<u>Corporate and eliminations</u>	<u>Group</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	419,709	553,411	268,263	0	0	1,241,383
Inter-segment revenue	0	0	0	78,499	(78,499)	0
Total Revenue	419,709	553,411	268,263	78,499	(78,499)	1,241,383
<u>Results</u>						
Segment results	88,941	179,215	148,472	22,707	(12,366)	426,969
Other operating income						40,167
Finance cost						(82,425)
Share of results of jointly controlled entities and an associate						(1,445)
Taxation						(32,511)
Profit for the financial year						350,755

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

6 Segment information (continued)

Financial period ended 31 March 2010 (Unaudited)

	<u>OSV</u>	<u>FPSO</u>	<u>T&I</u>	<u>OES</u>	<u>Others</u>	<u>Corporate and eliminations</u>	<u>Group</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External Revenue	107,490	154,971	0	0	0	0	262,461
Inter-segment revenue	0	0	0	0	6,093	(6,093)	0
Total Revenue	107,490	154,971	0	0	6,093	(6,093)	262,461

Results

Segment results	25,751	54,153	0	0	4,872	1,007	85,783
Other operating income							7,148
Finance cost							(19,751)
Share of results of jointly controlled entities and an associate							(361)
Taxation							(6,177)
Profit for the financial period							66,642

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

6 Segment information (continued)

Financial period ended 31 March 2011

	<u>OSV</u>	<u>FPSO</u>	<u>T&I</u>	<u>OFS</u>	<u>Others</u>	Corporate and <u>eliminations</u>	<u>Group</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External Revenue	97,876	125,296	73,850	79,137	0	0	376,159
Inter-segment revenue	0	0	0	0	25,121	(25,121)	0
Total Revenue	<u>97,876</u>	<u>125,296</u>	<u>73,850</u>	<u>79,137</u>	<u>25,121</u>	<u>(25,121)</u>	<u>376,159</u>

Results

Segment results	11,630	36,466	50,817	5,149	4,295	470	108,827
Other operating income							4,620
Finance cost							(17,141)
Share of results of jointly controlled entities and an associate							(833)
Taxation							(13,399)
Profit for the financial period							<u>82,074</u>

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

6 Segment information (continued)

The revenue to the third parties reported to the Chief Operating Decision Maker is measured in a manner consistent with that in the profit or loss, according to the services provided to the customers. 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 profit or loss.

Although the Group's business segments are managed in Malaysia, they operate in the following main geographical areas:

- Malaysia - mainly charter hire of vessel, marine engineering and consultancy services
- Asia (excluding Malaysia), Africa and Latin America - charter hire of vessel

	Financial years ended			Revenue 3 month financial periods ended	
	31.12.2008 Audited RM'000	31.12.2009 Audited RM'000	31.12.2010 Audited RM'000	31.3.2010 Unaudited RM'000	31.3.2011 Audited RM'000
Malaysia	210,451	219,910	188,566	45,230	121,338
Asia (excluding Malaysia)	87,987	124,741	526,938	60,320	138,278
Africa	221,401	345,101	438,661	131,251	94,739
Latin America	0	42,338	87,218	25,660	21,804
	<u>519,839</u>	<u>732,090</u>	<u>1,241,383</u>	<u>262,461</u>	<u>376,159</u>

The major customers are in the FPSO and T&I segments. Total revenue from the top three major customers amount to RM218.17 million (31.12.2010: RM673.10 million, 31.3.2010: RM154.97 million, 31.12.2009: RM330.10 million and 31.12.2008: RM270.53 million).

7 Revenue

	Financial years ended			3 month financial periods ended	
	31.12.2008 Audited RM'000	31.12.2009 Audited RM'000	31.12.2010 Audited RM'000	31.3.2010 Unaudited RM'000	31.3.2011 Audited RM'000
Vessel charter fees and support services rendered	479,880	731,946	1,162,884	262,461	297,022
Oilfield services	0	0	0	0	79,137
Vessel construction revenue	19,786	0	0	0	0
Engineering contracts and performance services	20,173	144	78,499	0	0
	<u>519,839</u>	<u>732,090</u>	<u>1,241,383</u>	<u>262,461</u>	<u>376,159</u>

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

8 Cost of sales

	<u>Financial years ended</u>			<u>3 month financial periods ended</u>	
	<u>31.12.2008</u>	<u>31.12.2009</u>	<u>31.12.2010</u>	<u>31.3.2010</u>	<u>31.3.2011</u>
	Audited	Audited	Audited	Unaudited	Audited
	RM'000	RM'000	RM'000	RM'000	RM'000
Vessel charter fees and support services rendered	236,344	399,026	590,878	141,890	151,835
Oilfield services	0	0	0	0	71,223
Vessel construction	19,814	0	0	0	0
Engineering contracts and performance services	16,516	0	45,394	0	0
	<u>272,674</u>	<u>399,026</u>	<u>636,272</u>	<u>141,890</u>	<u>223,058</u>

9 Other operating income

	<u>Financial years ended</u>			<u>3 month financial periods ended</u>	
	<u>31.12.2008</u>	<u>31.12.2009</u>	<u>31.12.2010</u>	<u>31.3.2010</u>	<u>31.3.2011</u>
	Audited	Audited	Audited	Unaudited	Audited
	RM'000	RM'000	RM'000	RM'000	RM'000
Gain on disposal of property, plant and equipment	26,920	60,141	7,478	73	2
Interest income	528	253	253	39	77
Rental income	120	41	41	10	10
Agency and handling fees	11,244	19,808	9,664	0	0
Insurance income	0	2,483	10,000	74	216
Commission	0	0	0	114	333
Management fees	0	0	0	49	49
Technical fees	0	0	0	1,769	1,593
Gain on disposal of scrap materials	0	922	1,544	0	0
Gain on disposal of subsidiaries	3,005	0	4,093	0	0
Others	5,297	764	7,094	5,020	2,340
	<u>47,114</u>	<u>84,412</u>	<u>40,167</u>	<u>7,148</u>	<u>4,620</u>

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

10 Finance cost

	Financial years ended			3 month financial periods ended	
	31.12.2008 Audited RM'000	31.12.2009 Audited RM'000	31.12.2010 Audited RM'000	31.3.2010 Unaudited RM'000	31.3.2011 Audited RM'000
Interest expenses	34,583	50,781	89,569	16,809	24,723
Fair value (gain)/loss on financial derivatives (Note 29)	0	0	(7,144)	2,942	(7,582)
	<u>34,583</u>	<u>50,781</u>	<u>82,425</u>	<u>19,751</u>	<u>17,141</u>

11 Profit before taxation

	Financial years ended			3 month financial periods ended	
	31.12.2008 Audited RM'000	31.12.2009 Audited RM'000	31.12.2010 Audited RM'000	31.3.2010 Unaudited RM'000	31.3.2011 Audited RM'000
Profit before taxation is arrived at after charging/(crediting):					
Allowance for doubtful debts written back	(2,552)	(76)	(766)	0	(10)
Allowance for doubtful debts	1,065	420	6,984	11,836	3,513
Auditors' remuneration					
- statutory audit	662	665	741	0	0
- audit related services	429	153	163	0	1,800
- non-audit services	89	423	675	0	0
Depreciation of property, plant and equipment	106,337	185,954	248,418	60,327	72,144
Property, plant and equipment written off	693	561	0	0	0
Gain on disposal of property, plant and equipment	(26,920)	(60,141)	(7,478)	(73)	(2)
Contract costs	19,814	0	0	0	0
Travelling and freight	11,004	14,141	17,595	1,618	2,645
Repairs and maintenance	17,803	28,742	25,336	922	463
Management fees and commission	29,496	4,280	1,850	315	1,196
Insurance	11,217	15,875	25,151	1,185	3,583
Fuel and oil	8,232	15,683	16,161	2,369	4,262
Advertisement and recruitment	0	0	1,842	158	221

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

11 Profit before taxation (continued)

	Financial years ended			3 month financial periods ended	
	31.12.2008 Audited RM'000	31.12.2009 Audited RM'000	31.12.2010 Audited RM'000	31.3.2010 Unaudited RM'000	31.3.2011 Audited RM'000
Staff costs (Note 12)	99,750	170,997	259,230	51,640	60,317
Cost of contract workers	7,009	0	0	0	0
Other crew costs	3,089	6,004	5,884	3	558
Rental of buildings	3,182	4,938	4,138	774	817
Hiring of equipment	81	8,661	25,118	6,540	6,149
Interest income:					
- deposits with a licensed bank	(528)	(253)	(253)	(39)	(77)
Agency fee	(4,904)	4,147	9,854	1,693	3,484
Rental income	(120)	(41)	(41)	(10)	(10)
Allowance for inventories obsolescence	0	71	0	0	0
Impairment of property, plant and equipment	0	7,355	0	0	0
Impairment of investment in associate (net of amount due to a substantial corporate shareholder of an associate)	0	0	13,300	0	0
Net exchange (gain)/loss:					
- Realised	(13,928)	(13,996)	7,048	(341)	3,027
- Unrealised	2,873	(1,301)	(1,463)	2,174	(201)
Maintenance and services cost	0	29,344	66,704	24,518	13,761
Survey fee	0	2,704	2,957	83	306
Consultancy fee	0	589	3,114	3,659	549
Communication expense	0	5,337	6,070	854	1,150

12 Staff costs

	Financial years ended			3 month financial periods ended	
	31.12.2008 Audited RM'000	31.12.2009 Audited RM'000	31.12.2010 Audited RM'000	31.3.2010 Unaudited RM'000	31.3.2011 Audited RM'000
Wages, salaries and bonuses	87,715	153,949	239,260	47,216	54,488
Defined contribution plan	5,617	6,448	6,783	1,671	2,139
Other staff related cost	6,418	10,600	13,187	2,753	3,690
	99,750	170,997	259,230	51,640	60,317

The staff costs above include the Executive Directors' remuneration as disclosed in Note 13.

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

13 Directors' remuneration

The aggregate amount of emoluments receivable by Directors of the Company during the financial year/period were as follows:

	Financial years ended			3 month financial periods ended	
	31.12.2008 Audited RM'000	31.12.2009 Audited RM'000	31.12.2010 Audited RM'000	31.3.2010 Unaudited RM'000	31.3.2011 Audited RM'000
Non-executive Directors:					
- fees	931	1,215	1,179	295	343
Executive Directors:*					
- salaries and bonuses	4,466	4,009	4,308	1,077	1,141
- defined contribution plan	74	87	88	22	73
	<u>5,471</u>	<u>5,311</u>	<u>5,575</u>	<u>1,394</u>	<u>1,557</u>

* Includes remuneration paid to an Executive Director as disclosed in Note 38(g).

Benefits in kind received by the Director of the Company amounted to RM14,788 (31.12.2010: RM62,213, 31.3.2010: RM15,553, 31.12.2009: RM58,387 and 31.12.2008: RM60,243) from the Group.

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

14 Taxation

	Financial years ended			3 month financial periods ended	
	31.12.2008 Audited RM'000	31.12.2009 Audited RM'000	31.12.2010 Audited RM'000	31.3.2010 Unaudited RM'000	31.3.2011 Audited RM'000
Income tax:					
- Malaysian tax	16,759	2,011	18,423	3,500	464
- foreign tax	3,361	6,426	19,016	3,613	10,257
Deferred tax (Note 34)	(8,255)	(1,951)	(4,928)	(936)	2,678
	<u>11,865</u>	<u>6,486</u>	<u>32,511</u>	<u>6,177</u>	<u>13,399</u>
Income tax:					
- current financial year/period	21,906	9,131	37,608	7,145	11,545
- over provision in respect of prior financial years/periods	(1,786)	(694)	(169)	(32)	(824)
	<u>20,120</u>	<u>8,437</u>	<u>37,439</u>	<u>7,113</u>	<u>10,721</u>
Deferred tax:					
- origination and reversal of temporary differences (Note 34)	(8,255)	(1,951)	(4,928)	(936)	2,678
	<u>11,865</u>	<u>6,486</u>	<u>32,511</u>	<u>6,177</u>	<u>13,399</u>

Domestic Malaysian income tax is calculated at the Malaysian statutory tax rate of 25% (2010: 25%, 2009: 25%, 2008: 26%).

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

14 Taxation (continued)

The explanation of the relationship between Malaysian tax rate and average effective tax rate is as follows:

	Financial years ended			3 month financial periods ended	
	31.12.2008	31.12.2009	31.12.2010	31.3.2010	31.3.2011
	Audited	Audited	Audited	Unaudited	Audited
	%	%	%	%	%
Malaysian tax rate	26	25	25	25	25
Tax effects of:					
- exempt income	(22)	(26)	(26)	(26)	(18)
- withholding tax on foreign sourced income	0	2	5	5	12
- expenses not deductible for tax purposes	3	6	4	4	1
- different tax rate in other countries	(2)	(5)	0	0	(6)
Average effective tax rate	5	2	8	8	14

The increase in the 2010 Group's average effective tax rate was due to an over provision of income tax in prior years/periods.

The income arising from Malaysian sea-going ships of the Group are tax exempt under Section 54A of the Income Tax Act, 1967, whilst business income from Non-Malaysian sea-going ships are taxed at the statutory tax rate of 25% (2010: 25%, 2009: 25% and 2008: 26%) for the financial period ended 31 March 2011.

Foreign sourced income are taxed based on their individual tax jurisdiction and rate vary between 17% to 30% (2009-2010: 17% to 30% and 2008: 18% to 30%).

13. ACCOUNTANTS' REPORT (cont'd)



**The Board of Directors
Bumi Armada Berhad
22 June 2011**

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)**(b) Notes to the Consolidated Financial Statements (continued)****15 Earnings per share**Basic

The basic earnings per share is calculated by dividing the profit for the financial period attributable to the owners of the Parent by the weighted average number of ordinary shares in issue during the financial period, adjusted for the rights issue, bonus shares and share split undertaken by the Company.

Diluted

The diluted earnings per share is calculated by dividing the profit for the financial period attributable to the owners of the Parent (adjusted for interest income, net of tax, earned on the proceeds arising from the conversion of the call option) by the weighted average number of ordinary shares as adjusted for the basic earnings per share and includes all potential dilutive shares on the call option granted by the reporting dates as if the call option had been exercised on the first day of the financial period or the date of the grant, if later.

The basic and diluted weighted average number of shares have been represented for prior financial years/periods to reflect the rights issue, bonus issue and share split as required by FRS 133 "Earnings per Share".

13. ACCOUNTANTS' REPORT (cont'd)



The Board of Directors
Bumi Armada Berhad
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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

15 Earnings per share (continued)

	Financial years ended			Basic 3 month financial periods ended	
	31.12.2008	31.12.2009	31.12.2010	31.3.2010	31.3.2011
	Audited	Audited	Audited	Unaudited	Audited
	RM'000	RM'000	RM'000	RM'000	RM'000
Profit for the financial year/period ended (RM'000):	150,023	277,442	350,755	66,642	82,074
Potential interest income earned (net of tax) pursuant to the exercise of call option by our shareholder (RM'000)	0	0	0	0	0
Adjusted profit for the financial year/period ended (RM'000)	150,023	277,442	350,755	66,642	82,074
Ordinary shares of RM1.00 each in Bumi Armada (000):					
Existing shares issued as at 1 January	63,000	63,000	63,000	63,000	63,000
New shares issued pursuant to:					
Weighted average of shares under call option exercised by shareholder	0	0	0	0	3,417
Bonus element on rights issue of 1 share for every 12.5 shares held*	3,341	3,341	3,341	3,341	3,341
Weighted average of shares under the rights issue	0	0	0	0	501
Bonus issue of 5 shares for every 1 share held	331,705	331,705	331,705	331,705	380,700
	398,046	398,046	398,046	398,046	450,959
Ordinary shares of RM0.20 each in Bumi Armada (000):					
Share split of 1 share of RM1.00 each into 5 shares of RM0.20 each	1,990,230	1,990,230	1,990,230	1,990,230	2,254,795
Earnings per share (sen)	7.54	13.94	17.62	3.35	3.64

* Bonus element calculated based on the difference between the fair value of the ordinary shares and the value of rights issue payable on the basis of 1 new ordinary share for every 12.5 existing ordinary shares.

13. ACCOUNTANTS' REPORT (cont'd)



The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

15 Earnings per share (continued)

	Financial years ended			Diluted 3 month financial periods ended	
	31.12.2008	31.12.2009	31.12.2010	31.3.2010	31.3.2011
	Audited RM'000	Audited RM'000	Audited RM'000	Unaudited RM'000	Audited RM'000
Profit for the financial year/period ended (RM'000)	150,023	277,442	350,755	66,642	82,074
Potential interest income earned (net of tax) pursuant to the exercise of call option by our shareholder (RM'000)	346	4,208	4,208	1,052	0
Adjusted profit for the financial year/period ended (RM'000)	150,369	281,650	354,963	67,694	82,074
Ordinary shares of RM1.00 each in Bumi Armada (000):					
Existing shares issued as at 1 January	63,000	63,000	63,000	63,000	63,000
New shares issued pursuant to:					
Weighted average of shares under the call option exercised by shareholder	1,021	7,500	7,500	7,500	3,417
Bonus element on rights issue of 1 share for every 12.5 shares held*	3,341	3,341	3,341	3,341	3,341
Weighted average of shares under the rights issue Bonus issue of 5 shares for every 1 share held	0	0	0	0	501
	336,810	369,205	369,205	369,205	380,700
	404,172	443,046	443,046	443,046	450,959
Ordinary shares of RM0.20 each in Bumi Armada (000):					
Share split of 1 share of RM1.00 each into 5 shares of RM0.20 each	2,020,860	2,215,230	2,215,230	2,215,230	2,254,795
Earnings per share (sen)	7.44	12.71	16.02	3.06	3.64

* Bonus element calculated based on the difference between the fair value of the ordinary shares and the value of rights issue payable on the basis of 1 new ordinary share for every 12.5 existing ordinary share.

13. ACCOUNTANTS' REPORT *(cont'd)*



**The Board of Directors
Bumi Armada Berhad
22 June 2011**

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

16 Dividends in respect of ordinary shares

The Directors did not recommend any payment of dividends for the financial years ended 31 December 2008, 2009 and 2010 and 3 month financial period ended 31 March 2011.

13. ACCOUNTANTS' REPORT (cont'd)

The Board of Directors
Bumi Armada Berhad
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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

17 Property, plant and equipment

	Effects of		Disposals	Write-off	Re- classification	Currency translation differences	Disposal of subsidiaries	Depreciation charge	As at 31.12.2008
	As at 1.1.2008	of FRS 117 adoption							
As at 31 December 2008									
Leasehold land and building	4,284	864	0	0	0	196	0	(239)	5,105
Vessels under construction	296,534	0	296,534	0	(72,938)	0	0	0	682,916
Vessels	659,333	0	659,333	698,732	(22,466)	8,248	0	(97,599)	1,313,705
Special dry docking costs	11,580	0	11,580	575	(2,777)	98	0	(4,064)	10,796
Total vessel cost	670,913	0	670,913	699,307	(25,243)	8,346	0	(101,573)	1,324,501
Plant and machinery	14	0	14	0	0	0	(8)	(6)	0
Motor vehicles ⁽¹⁾	1,608	0	1,608	523	0	0	(13)	(470)	1,648
Equipment, furniture and fittings and office equipment	8,380	0	8,380	14,312	(74)	80	(95)	(4,049)	18,048
Total	981,733	864	982,597	1,173,462	(25,317)	8,622	(116)	(106,337)	2,032,218

⁽¹⁾ The net book value of motor vehicles at 31 December 2008 under finance lease agreements is RM1,315,000.



13. ACCOUNTANTS' REPORT (cont'd)

The Board of Directors
Bumi Armada Berhad
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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

17 Property, plant and equipment (continued)

	As at 1.1.2009 RM'000	Effects of adoption of FRS 117 RM'000	As restated RM'000	Additions RM'000	Disposals RM'000	Write off classification RM'000	Re- translation differences RM'000	Currency translation differences RM'000	Impairment charge RM'000	Depreciation charge RM'000	As at	
											31.12.2009 RM'000	31.12.2009 RM'000
Leasehold land and building	4,259	846	5,105	0	0	0	0	27	0	(114)	5,018	5,018
Vessels under construction	682,916	0	682,916	582,654	0	0	(336,500)	(4,950)	0	0	0	924,120
Vessels	1,313,705	0	1,313,705	770,920	(184,538)	0	325,273	(11,460)	(7,355)	(176,422)	2,030,123	2,030,123
Drydocking	10,796	0	10,796	10,490	0	0	11,227	(315)	0	(3,873)	28,325	28,325
Total vessel cost	1,324,501	0	1,324,501	781,410	(184,538)	0	336,500	(11,775)	(7,355)	(180,295)	2,058,448	2,058,448
Motor vehicles ^(v)	1,648	0	1,648	0	0	0	0	1	0	(488)	1,161	1,161
Equipment, furniture and fittings and office equipment	18,048	0	18,048	7,245	(30)	(561)	0	(17)	0	(5,057)	19,628	19,628
Total	2,031,372	846	2,032,218	1,371,309	(184,568)	(561)	0	(16,714)	(7,355)	(185,954)	3,008,375	3,008,375

^(v) The net book value of motor vehicles at 31 December 2009 under finance lease agreements is RM908,000.

13. ACCOUNTANTS' REPORT (cont'd)

The Board of Directors
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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

17 Property, plant and equipment (continued)

	As at		Effects of		Disposals	Write off	Re- classification	Currency translation differences	Impairment charge	Depreciation charge	As at
	1.1.2010	31.12.2010	to FRS 117	As restated							
Leasehold land and building	4,190		828	5,018	0	0	0	(74)	0	(124)	4,820
Vessels under construction	924,120		0	924,120	361,098	0	(1,118,246)	(45,737)	0	0	121,235
Vessels	2,030,123		0	2,030,123	694,419	(8,613)	1,113,376	(62,466)	0	(231,229)	3,535,610
Drydocking	28,325		0	28,325	16,342	(8,804)	0	(42)	0	(8,645)	27,176
Total vessel cost	2,058,448		0	2,058,448	710,761	(17,417)	1,113,376	(62,508)	0	(239,874)	3,562,786
Motor vehicles ⁽ⁱ⁾	1,161		0	1,161	954	(116)	0	(3)	0	(519)	1,477
Equipment, furniture and fittings and office equipment	19,628		0	19,628	8,761	(682)	4,870	(5)	0	(7,901)	24,671
Total	3,007,547		828	3,008,375	1,081,574	(18,215)	0	(108,327)	0	(248,418)	3,714,989

⁽ⁱ⁾ The net book value of motor vehicles at 31 December 2010 under finance lease agreements is RM1,299,000.



13. ACCOUNTANTS' REPORT (cont'd)

The Board of Directors
Bumi Armada Berhad
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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

17 Property, plant and equipment (continued)

	As at 1.1.2011 RM'000	Transfer to asset held for sale (Note 18) RM'000	Additions RM'000	Disposals RM'000	Write off RM'000	Re- classification RM'000	Currency translation differences RM'000	Impairment charge RM'000	Depreciation charge RM'000	As at 31.3.2011 RM'000
As at 31 March 2011										
Leasehold land and building	4,820	0	0	0	0	0	75	0	(31)	4,864
Vessels under construction	121,235	0	13,518	0	0	(455)	(2,353)	0	0	131,945
Vessels	3,535,610	(3,015)	242,540	0	0	455	(46,264)	0	(67,631)	3,661,695
Drydocking	27,176	(1,393)	8,515	0	0	0	(107)	0	(1,771)	32,480
Total vessel cost	3,562,786	(4,398)	251,055	0	0	455	(46,371)	0	(69,402)	3,694,175
Motor vehicles ⁽ⁱ⁾	1,477	0	48	0	0	0	0	0	(138)	1,387
Equipment, furniture and fittings and office equipment	24,671	(123)	1,711	(2)	0	0	(2)	0	(2,573)	23,682
Total	3,714,989	(4,471)	266,332	(2)	0	0	(48,651)	0	(72,144)	3,856,053

(i) The net book value of motor vehicles at 31 March 2011 under finance lease agreements is RM1,101,000.

13. ACCOUNTANTS' REPORT (cont'd)



The Board of Directors
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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

17 Property, plant and equipment (continued)

	<u>31.12.2008</u>	<u>31.12.2009</u>	<u>As at</u> <u>31.12.2010</u>	<u>As at</u> <u>31.3.2011</u>
	Restated RM'000	Restated RM'000	Audited RM'000	Audited RM'000
<u>Net book value</u>				
Leasehold land and building	5,105	5,018	4,820	4,864
Vessels under construction	682,916	924,120	121,235	131,945
Vessels	1,324,501	2,058,448	3,562,786	3,694,175
Motor vehicles	1,648	1,161	1,477	1,387
Equipment, furniture and fittings and office equipment	18,048	19,628	24,671	23,682
	<u>2,032,218</u>	<u>3,008,375</u>	<u>3,714,989</u>	<u>3,856,053</u>

- (a) In 1995, the Directors revalued the building under short lease of a subsidiary, Haven Automation Industries (S) Pte. Ltd., a company incorporated in the Republic of Singapore based on an independent valuation done by Jones Lang Wootton Property Consultants Pte Ltd (on an open market value for existing use basis). The surplus on revaluation was credited to revaluation reserve. In accordance with the transitional provisions issued by the Malaysian Accounting Standards Board ("MASB") on adoption of FRS 116 "Property, Plant and Equipment", the valuation of leasehold building under short lease has not been updated and it continues to be stated at its existing carrying amount less depreciation as its deemed cost.

The net book value of this leasehold building, had it been carried at cost less accumulated depreciation amounted to RM2.31 million (31.12.2010: RM2.32 million, 31.12.2009: RM2.43 million and 31.12.2008: RM2.47 million) compared to carrying value of RM2.75 million (31.12.2010: RM2.77 million, 31.12.2009: RM2.92 million and 31.12.2008: RM2.96 million).

- (b) A fixed charge has been created over certain vessels of the Group with net book values amounting to approximately RM1.65 billion (31.12.2010: RM1.71 billion, 31.12.2009: RM1.71 billion and 31.12.2008: RM58.79 million) as security for term loans (Note 33).

13. ACCOUNTANTS' REPORT (cont'd)



The Board of Directors
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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

17 Property, plant and equipment (continued)

- (c) Included in vessels under constructions are borrowing costs directly attributable to the construction capitalised amounting to RM8.40 million (31.12.2010: RM34.71 million, 31.12.2009: RM26.87 million and 31.12.2008: RM18.31 million).
- (d) The FPSO contracts include options for the charterer to purchase the respective FPSO vessels or to extend the charter period beyond the initial 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 reporting date.

18 Non-current assets held for sale

	31.12.2008	31.12.2009	As at 31.12.2010	As at 31.3.2011
	Audited	Audited	Audited	Audited
	RM'000	RM'000	RM'000	RM'000
Non-current assets held for sale previously classified under Property, Plant and Equipment:				
- Vessels	0	0	0	4,471

During the financial period ended 31 March 2011, three vessels which were part of the OSV segment were identified by management for disposal. On 23 March 2011, the Board of Directors approved management's plan to sell these vessels. Subsequent to the reporting date, a sale and purchase agreement is currently being negotiated to dispose one of the vessels for a purchase consideration of RM1.35 million.

Management anticipated that the sale of the remaining two vessels, with a combined carrying value of RM3.07 million at reporting date, will be completed by the current year end.

13. ACCOUNTANTS' REPORT (cont'd)



The Board of Directors
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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

19 Goodwill

	<u>31.12.2008</u>	<u>31.12.2009</u>	<u>As at</u> <u>31.12.2010</u>	<u>As at</u> <u>31.3.2011</u>
	Audited	Audited	Audited	Audited
	RM'000	RM'000	RM'000	RM'000
As at 1 January/31 December/31 March	<u>1,411</u>	<u>1,411</u>	<u>1,411</u>	<u>1,411</u>

Goodwill has been allocated to the Bumi Armada Engineering Sdn Bhd, acquired on 8 June 2006. An impairment review of the carrying value of the goodwill at the reporting date was undertaken by comparing to the recoverable amount, which was based on value in use calculations. Key assumptions used by management are as follows:

- Revenue to increase by 5% for 2012, 10% for 2013 and thereafter 5% growth for 2014 to 2016;
- Expenses to increase by an average annual rate of 5%; and
- Pre-tax discount factor used is 12%, representing the risk of Bumi Armada Engineering Sdn Bhd's activities.

The Directors are of the opinion that the underlying key assumptions used in the estimation of the recoverable amount by the board of the subsidiary, are reasonable. Based on the above assumptions, there is no impairment to the goodwill.

If the estimated pre-tax discount rate applied to the discounted cash flows had been 13% instead of 12% as at 31 March 2011, there is no impact to the goodwill.



13. ACCOUNTANTS' REPORT (cont'd)

The Board of Directors
Bumi Armada Berhad
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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

20 Investment in subsidiaries

The Group's effective interest in the subsidiaries, their respective principal activities and country of incorporation are shown below:-

Name of company	Principal activities	Group's effective interest			Country of incorporation
		31.12.2008 %	31.12.2009 %	31.3.2011 %	
Direct subsidiaries:					
Bumi Armada Navigation Sdn Bhd (BAN)#	Provision of marine transportation, and support services to the offshore oil and gas companies and vessel construction	100.00	100.00	94.80	Malaysia
Bumi Armada Automation International Sdn Bhd (BAAI)&	Investment holding	100.00	100.00	100.00	Malaysia
Bumi Armada (Singapore) Pte Ltd (BASPL)*	Ship management, and chartering operation and maintenance (O&M) of floating production storage and offloading unit (FPSO)	100.00	100.00	100.00	Singapore



13. ACCOUNTANTS' REPORT (cont'd)

The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

20 Investment in subsidiaries (continued)

The Group's effective interest in the subsidiaries, their respective principal activities and country of incorporation are shown below:-

Name of company	Principal activities	Group's effective interest			Country of incorporation
		31.12.2008 %	31.12.2009 %	31.3.2011 %	
Armada Mahakam Limited (AML)@	Ship owners, charterers, managers of ships and vessels, marine support and other services to the offshore oil & gas companies	100.00	100.00	100.00	British Virgin Islands
Bumi Armada Engineering Sdn Bhd (BAE)+	Provision of engineering consultancy services	100.00	100.00	100.00	Malaysia
Armada Floating Solutions Limited (AFSL)@	Bareboat charter of a floating production storage and offloading unit	100.00	100.00	100.00	British Virgin Islands
Bumi Armada (Labuan) Ltd (BALL)	Dormant	100.00	100.00	100.00	Malaysia
Armada Oyo Ltd (AOL)@	Bareboat charter of a floating production storage and offloading unit	100.00	100.00	100.00	British Virgin Islands



13. ACCOUNTANTS' REPORT (cont'd)

The Board of Directors
Bumi Armada Berhad
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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

20 Investment in subsidiaries (continued)

The Group's effective interest in the subsidiaries, their respective principal activities and country of incorporation are shown below:-

Name of company	Principal activities	Group's effective interest			Country of incorporation
		31.12.2008 %	31.12.2009 %	31.12.2010 %	
Armada Offshore DMCEST*	Dormant	100.00	100.00	100.00	Dubai, UAE
Armada Marine Contractors Caspian Ltd (AMCCL)@	Ship owners, charterers, managers of ships and vessels, marine support and other services to the offshore oil & gas companies	100.00	100.00	100.00	British Virgin Islands
Armada TGT Ltd (ATGT)@	Ship owners, charterers, managers of ships and vessels, marine support and other services to the offshore oil & gas companies	0	100.00	100.00	Republic of Marshall Islands
Armada Project Pte Ltd (formerly known as Armada Forbes D1 India Pte Ltd)*	Dormant	0	0	100.00	Singapore



13. ACCOUNTANTS' REPORT (cont'd)

The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

20 Investment in subsidiaries (continued)

The Group's effective interest in the subsidiaries, their respective principal activities and country of incorporation are shown below:-

Name of company	Principal activities	Group's effective interest			Country of incorporation
		31.12.2008 %	31.12.2009 %	31.3.2011 %	
Bumi Armada Offshore Holdings Ltd (formerly known as Armada D1 India Limited)	Dormant	0	0	100.00	Republic of Marshall Islands
Tera Sea Limited@	Ship owners, charterers, managers of ships and vessels, marine support and other services to the offshore oil & gas companies	0	0	100.00	Republic of Marshall Islands
Armada Balnaves Pte Ltd	Ship owners, charterers, managers of ships and vessels, marine support and other services to the offshore oil & gas companies	0	0	100.00	Singapore



13. ACCOUNTANTS' REPORT (cont'd)

The Board of Directors
Bumi Armada Berhad
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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

20 Investment in subsidiaries (continued)

The Group's effective interest in the subsidiaries, their respective principal activities and country of incorporation are shown below:-

Name of company	Principal activities	Group's effective interest			Country of incorporation
		31.12.2008 %	31.12.2009 %	31.12.2010 %	
Subsidiaries of BAN:					
Armada Indah Sdn Bhd	Sea charter transportation	100.00	100.00	100.00	Malaysia
Armada Tankers Sdn Bhd	Dormant	100.00	100.00	100.00	Malaysia
Armada Alpha Sdn Bhd	Dormant	100.00	100.00	100.00	Malaysia
Bumi Care Offshore Production Sdn Bhd	Dormant	60.00	60.00	60.00	Malaysia
Bumi Arinada Ship Management Sdn Bhd	Dormant	100.00	100.00	100.00	Malaysia



13. ACCOUNTANTS' REPORT (cont'd)

The Board of Directors
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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

20 Investment in subsidiaries (continued)

The Group's effective interest in the subsidiaries, their respective principal activities and country of incorporation are shown below:-

Name of company	Principal activities	Group's effective interest			Country of incorporation
		31.12.2008 %	31.12.2009 %	31.12.2010 %	
Subsidiary of BASPL:					
Bumi Armada Nigeria Limited**	Dormant	0	99.00	99.00	Federal Republic of Nigeria
Subsidiary of AMCCCL:					
Armada Marine Contractors Caspian Pte Ltd* +	Chartering of ships, barges and boats with crews (freight)	100.00	100.00	100.00	Singapore



13. ACCOUNTANTS' REPORT (cont'd)

The Board of Directors
Bumi Armada Berhad
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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

20 Investment in subsidiaries (continued)

The Group's effective interest in the subsidiaries, their respective principal activities and country of incorporation are shown below:-

Name of company	Principal activities	Group's effective interest			Country of incorporation
		31.12.2008 %	31.12.2009 %	31.12.2010 %	
Subsidiary of BAAI:					
Haven Automation Industries (S) Pte Ltd*	Repair of ships, tankers and other ocean-going vessels and the manufacture and repair of marine engine and ship parts	100.00	100.00	100.00	Singapore

* The financial statements of these companies are audited by firms other than the auditors of the Company.

** The financial statements of these companies are audited by member firms of PricewaterhouseCoopers International Limited which are separate and independent legal entities from PricewaterhouseCoopers, Malaysia.

@ These companies are not required by their local laws to appoint statutory auditors.

+ These shares are held by third parties on behalf of the Company.

The effective interest of the Company was reduced from 100% to 94.80% as disclosed in Note 20(c).

& Consolidated using merger method of accounting.

13. ACCOUNTANTS' REPORT (cont'd)



The Board of Directors
Bumi Armada Berhad
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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

20 Investment in subsidiaries (continued)

(a) During the financial period, the Company set-up the following subsidiaries:

2008

- (i) Armada Oyo Ltd, a newly incorporated subsidiary in British Virgin Islands at USD10,000.
- (ii) Armada Offshore DMCEST, a newly incorporated subsidiary in Dubai at AED1,000,000. The company was initially formed as a Free Zone Establishment under Jebel Ali Free Zone with registered name, Armada Offshore FZE on 25 February 2008. The Company was subsequently transferred under the Regulations issued by Dubai Maritime City Authority and registered in the Dubai Maritime City Register under the name, Armada Offshore DMCEST on 26 February 2008.
- (iii) Armada Marine Contractors Caspian Limited, a newly incorporated subsidiary in British Virgin Islands at USD10,000.

2009

- (i) Armada Century Ltd, a newly incorporated subsidiary in British Virgin Islands at USD10,000.
- (ii) Armada TGT Ltd, a newly incorporated subsidiary in The Republic of the Marshall Islands at USD10,000.

2010

- (i) Armada Forbes D1 India Pte Ltd, a newly incorporated subsidiary in Singapore on 1 December 2010, with an issued and paid up capital of SGD2 comprising of 2 ordinary shares of SGD1.00 each. On 23 March 2011, the subsidiary changed its name to Armada Project Pte. Ltd.
- (ii) Armada D1 India Limited (formerly known as Tetra Navigation Limited), a newly incorporated subsidiary in the Republic of the Marshall Islands on 17 June 2010, with an authorised share capital of USD50,000 of which USD10,000 comprising of 10,000 ordinary shares of USD1.00 each was issued and paid up.
- (iii) Tera Sea Limited, a newly incorporated subsidiary in the Republic of the Marshall Islands on 18 August 2010, with an authorised share capital of USD50,000 of which USD10,000 comprising of 10,000 ordinary shares of USD1.00 each was issued and paid up.

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

20 Investment in subsidiaries (continued)

(a) During the financial period, the Company set-up the following subsidiaries: (continued)

2011

(i) Armada Balnaves Pte Ltd, a newly incorporated subsidiary in Singapore on 18 February 2011, with an issued and paid up capital of SGD2 comprising of 2 ordinary shares of SGD1.00 each.

(b) During the financial period, the Company disposed the following subsidiaries:

2008

During the financial year, the Group disposed of its 100% equity interest in Haven Automation (Malaysia) Sdn Bhd, Haven Engineering (Malaysia) Sdn Bhd, Haven Corrosion Engineering Sdn Bhd and Haven Automation International Sdn Bhd for a total cash consideration of RM2.8 million.

Details of the disposal are as below:

	<u>2008</u> RM'000
Net disposal proceeds	2,800
Add: Net liability disposed	205
	<hr/>
Gain on disposal	<u>3,005</u>

The net cash flow on disposal was determined as follows:

	<u>2008</u> RM'000
Total proceeds from disposal – cash consideration	2,800
Cash and cash equivalents of subsidiary disposed of	0
	<hr/>
Net cash inflow on disposal	<u>2,800</u>

2009

There were no disposals of subsidiaries for the financial year.

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

20 Investment in subsidiaries (continued)

(b) During the financial period, the Company disposed the following subsidiaries: (continued)

2010

During the financial year, Armada Century Ltd ("ACL"), a wholly owned subsidiary issued additional new ordinary shares, which was subscribed by a joint venture partner for a total consideration of RM8.6 million. As a result, the Company reported a deemed disposal amounting to 49% equity interest of the enlarged share capital of ACL. Details of the deemed disposal are as below:

	<u>2010</u> RM'000
Subscription of new ordinary shares in ACL by the joint venture partner	8,610
Less: Share of net assets attributable to the joint venture partner	(4,517)
	<hr/>
Gain on deemed disposal	4,093
	<hr/> <hr/>

The subscription was completed through the settlement of accounts with the joint venture partner.

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)**(b) Notes to the Consolidated Financial Statements (continued)****20 Investment in subsidiaries (continued)**

- (c) During the financial period, the Company diluted their shareholding in the following subsidiary:

2011

On 25 March 2011, the Company's ordinary shareholding in BAN was diluted following the participation of new shareholders in BAN. This was accounted as a transaction with non-controlling interests. The financial effect of this dilution resulted in a transfer of RM9.70 million from shareholders' equity to non-controlling interests.

The Company continues to regard BAN as its subsidiary as it controls the financial and operating policies of BAN pursuant to a shareholders' agreement entered between its shareholders and the Company. In addition as holder of the Redeemable Preference Shares ("RPS") issued by BAN, the RPS gave the holder the right to participate in the economic interests of BAN in accordance with the capital contributed. Hence, the Company has consolidated BAN based on the economic interests accorded to it by the RPS and ordinary shares held by it in BAN.

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

21 Investment in an associate

The associate and principal activities together with the effective interest held by the Group are as follows:

Associate	Principal activities	Group's effective interest			
		31.12.2008 Audited %	31.12.2009 Audited %	At al 31.12.2010 Audited %	As at 31.3.2011 Audited %
Barmada McDermott Sdn Bhd (BMD)	Provision of construction and installation of offshore pipelines and structures	45.00	45.00	45.00	42.66
		31.12.2008 Audited RM'000	31.12.2009 Audited RM'000	As at 31.12.2010 Audited RM'000	As at 31.3.2011 Audited RM'000
	Share of the associate's net assets	10,275	33,382	16,978	16,978
	Less: Accumulated impairment loss	0	0	(13,300)	(16,978)
	Amount due to a substantial corporate shareholder of an associate	0	0	(2,250)	0
	Share of loss	0	0	(1,428)	0
		<u>10,275</u>	<u>33,382</u>	<u>0</u>	<u>0</u>

On 25 January 2011, the Company received a Notice of Termination from J Ray McDermott ("JRM") on the shareholders' agreement between its subsidiary, Bumi Armada Navigation Sdn Bhd ("BAN") and JRM on its associate, Barmada McDermott Sdn Bhd ("BMD").

The Group has sought legal counsel to ascertain the extent of its rights. BAN takes the view that the termination is unlawful. BAN will take such legal steps as it deems necessary to protect its interest in BMD. Notwithstanding BAN's rights with respect to its participation in BMD, management assessed and fully provided for BAN's investment in associate, BMD of RM16.98 million (31.12.2010: RM13.30 million).

There is no change to this status as at 31 March 2011 and accordingly, no further share of this associate is taken up and the Group's share of net assets remained at the position taken up by the Group as at 31 December 2010.

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

21 Investment in an associate (continued)

The Group's share of revenue, profit/loss, assets and liabilities of the associate is as follows:

	<u>31.12.2008</u>	<u>31.12.2009</u>	<u>As at</u> <u>31.12.2010</u>	<u>As at</u> <u>31.3.2011</u>
	Audited	Audited	Audited	Audited
	RM'000	RM'000	RM'000	RM'000
Revenue	256,435	223,051	63,784	0
Profit/(loss) after tax	245	38,632	(1,428)	0
Non-current assets	17,255	20,691	20,691	20,691
Current assets	98,726	122,377	118,553	118,553
Current liabilities	(73,017)	(78,946)	(91,528)	(91,528)
Non-current liabilities	(32,689)	(30,740)	(30,738)	(30,738)
Net assets	10,275	33,382	16,978	16,978
Less: Accumulated impairment loss	0	0	(13,300)	(16,978)
Amount due to substantial corporate shareholder of an associate	0	0	(2,250)	0
Share of loss	0	0	(1,428)	0
Group's share of net assets	10,275	33,382	0	0

22 Jointly controlled entities

	<u>31.12.2008</u>	<u>31.12.2009</u>	<u>As at</u> <u>31.12.2010</u>	<u>As at</u> <u>31.3.2011</u>
	Audited	Audited	Audited	Audited
	RM'000	RM'000	RM'000	RM'000
Share of net assets of jointly controlled entities	5,496	5,566	9,799	9,323

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

22 Jointly controlled entities (continued)

Details of the jointly controlled entities are as below:

Name of company	Principal activities	Group's effective interest			
		31.12.2008 Audited %	31.12.2009 Audited %	As at 31.12.2010 Audited %	As at 31.3.2011 Audited %
Offshore Marine Ventures Sdn Bhd. (OMV)	Provision of integrated service solution for the supply, operation and maintenance of support vessels, logistics and maritime transportation services to the oil and gas industry	49.99	49.99	49.99	49.99
Forbes Bumi Armada Limited (FBAL)	Ship owners, charterers, managers of ships and vessels, marine support and other services to oil & gas companies	49.00	49.00	49.00	49.00
Century Bumi JV Limited*	Oil and Gas Exploration, and Production and Marine Services	0	0	40.00	40.00
Armada Century Ltd**	Ship owners, charterers, managers of ships and vessels, marine support and other services to the offshore oil & gas companies	0	100.00	51.00	51.00
Forbes Bumi Armada Offshore Limited (FBAOL)	Ship owners, charterers, managers of ships and vessels, marine support and other services to the offshore oil & gas companies	0	0	0	49.99
Armada D1 Pte Ltd	Ship owners, charterers, managers of ships and vessels, marine support and other services to the offshore oil & gas companies	0	0	0	50.00

* In 2010, the Company entered into an agreement to set up a jointly controlled entity, Century Bumi JV Limited. The share of the jointly controlled entity was subsequently allotted on 3 February 2011.

** The Group's equity interest in Armada Century Ltd ("ACL") diluted from 100% to 51% as a result of the joint venture partner purchasing new ordinary shares issued by ACL. Based on the shareholders' agreement effected on 14 April 2010, the Company jointly controls ACL's financial and operating policies with its joint venture partner. Accordingly, ACL is a jointly controlled entity. The effects of the deemed disposal is disclosed in Note 20(b) to this report.

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

22 Jointly controlled entities (continued)

The Group's share of revenue, profit/loss, assets and liabilities of the jointly controlled entities are:

	31.12.2008		As at 31.12.2010	
	Audited RM'000	Audited RM'000	Audited RM'000	As at 31.3.2011 Audited RM'000
Revenue	6,262	10,715	5,647	8,469
Profit/(loss) after tax	727	1,685	(17)	(833)
Non-current assets	23,085	22,000	32,561	31,330
Current assets	3,144	3,676	9,115	13,090
Current liabilities	(1,585)	(7,657)	(21,897)	(24,615)
Non-current liabilities	(19,148)	(12,453)	(9,980)	(10,482)
	5,496	5,566	9,799	9,323

23 Other investments

	31.12.2008		As at 31.12.2010	
	Audited RM'000	Audited RM'000	Audited RM'000	As at 31.3.2011 Audited RM'000
Loans and receivables				
Unquoted preference shares - Outside Malaysia				
1 January	0	0	0	3,778
Additional investment	0	0	3,778	1,728
	0	0	3,778	5,506

Investment in unquoted preference shares represents investment in 1,200,000 redeemable convertible preference shares ("RCPS"). The RCPS of USD1 each expires on the earlier of (i) early redemption date or (ii) 31 January 2012 subject to the holder of RCPS having the right at any time to extend the maturity date by a period of one (1) year to 31 January 2013. The RCPS are redeemable at the option of the holders of at any time between 1 January 2012 and 31 January 2012, subject to a conversion period. Hence, these RCPS are deemed to be debt.

The RCPS is entitled to Preferential Dividend, being the greater of (i) seventy-five per cent (75%) of the distributable reserves of the company or (ii) five per cent (5%) on the issue price of the RCPS. The fair value of the investment equal its carrying amount, as the impact of discounting is not significant as at 31 March 2011.

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

24 Inventories

	31.12.2008	31.12.2009	As at 31.12.2010	As at 31.3.2011
	Audited	Audited	Audited	Audited
	RM'000	RM'000	RM'000	RM'000
Spares and raw materials	874	620	961	1,204
Fuel	603	205	162	162
	<u>1,477</u>	<u>825</u>	<u>1,123</u>	<u>1,366</u>

25 Trade receivables

	31.12.2008	31.12.2009	As at 31.12.2010	As at 31.3.2011
	Audited	Audited	Audited	Audited
	RM'000	RM'000	RM'000	RM'000
Trade receivables	97,508	185,970	197,004	276,768
Less: Allowance for doubtful debts	(723)	(1,143)	(7,361)	(10,864)
	<u>96,785</u>	<u>184,827</u>	<u>189,643</u>	<u>265,904</u>

Past due but not impaired

As at 31 March 2011, RM154.45 million (31.12.2010: RM69.05 million and 31.12.2009: RM97.83 million) of trade receivables were past due but not impaired. These relate to a number of external parties where there is no expectation of default. The ageing analysis of these receivables is as follows:

	As at 31.12.2009	As at 31.12.2010	As at 31.3.2011
	RM'000	RM'000	RM'000
Less than 30 days past due	34,525	28,839	100,177
Between 31 and 60 days past due	9,296	11,792	22,405
Between 61 and 90 days past due	34,518	6,187	23,716
Between 91 days and 1 year past due	18,749	7,968	2,594
More than 1 year past due	740	14,267	5,560
	<u>97,828</u>	<u>69,053</u>	<u>154,452</u>

Not past due are those receivables for which the contractual payment date has not yet elapsed. Past due are those amounts for which either the contractual payment date has passed. Amounts that are past due but not impaired relate to a number of independent customers for whom there is no recent history of default and the Directors believe that no impairment is required.

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

25 Trade receivables (continued)

Impaired and provided for

As at 31 March 2011, trade receivables totalling RM3.51 million (31.12.2010: RM6.98 million, 31.12.2009: RM0.42 million and 31.12.2008: RM1.06 million) were impaired and charged to the profit or loss. The amount of the provision was RM10.86 million as of 31 March 2011 (31.12.2010: RM7.36 million, 31.12.2009: RM1.14 million and 31.12.2008: RM0.72 million). The individually impaired receivables mainly relate to a number of external parties, which are in unexpectedly difficult economic situations

Movement of the Group's provision for impairment of trade receivables are as follows:

	<u>31.12.2008</u>	<u>31.12.2009</u>	<u>As at</u> <u>31.12.2010</u>	<u>As at</u> <u>31.3.2011</u>
	Audited	Audited	Audited	Audited
	RM'000	RM'000	RM'000	RM'000
At 1 January	2,210	723	1,143	7,361
Amounts written back	(2,552)	0	(766)	(10)
Charged to statements of income	1,065	420	6,984	3,513
At 31 December/31 March	<u>723</u>	<u>1,143</u>	<u>7,361</u>	<u>10,864</u>

26 Accrued lease rentals

	<u>31.12.2008</u>	<u>31.12.2009</u>	<u>As at</u> <u>31.12.2010</u>	<u>As at</u> <u>31.3.2011</u>
	Audited	Audited	Audited	Audited
	RM'000	RM'000	RM'000	RM'000
Current	0	146,512	218,017	241,464
Non current	96,505	122,826	292,256	323,682
	<u>96,505</u>	<u>269,338</u>	<u>510,273</u>	<u>565,146</u>

The future minimum lease payments receivable under non-cancellable operating leases are as follow:

	<u>31.12.2008</u>	<u>31.12.2009</u>	<u>As at</u> <u>31.12.2010</u>	<u>As at</u> <u>31.3.2011</u>
	Audited	Audited	Audited	Audited
	RM'000	RM'000	RM'000	RM'000
No later than 1 year	201,532	678,504	417,428	279,705
Later than 1 year and no later than 5 years	899,527	3,102,966	1,935,787	1,598,650
Later than 5 years	0	470,200	774,085	1,374,391
	<u>1,101,059</u>	<u>4,251,670</u>	<u>3,127,300</u>	<u>3,252,746</u>

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

29 Derivative financial instruments

	<u>As at</u> <u>31.12.2010</u> RM'000	<u>As at</u> <u>31.3.2011</u> RM'000
At 1 January, as previously stated	0	3,427
Adjustment on application of FRS 139	(3,463)	0
At 1 January, as restated	(3,463)	3,427
Fair value gain (Note 10)	7,144	7,582
Currency translation reserve	(254)	(181)
At 31 December/31 March	<u>3,427</u>	<u>10,828</u>

	<u>Group</u> <u>31.12.2010</u>	
	<u>Contract/ Notional amount</u> RM'000	<u>Assets</u> RM'000
Current:		<u>Liabilities</u> RM'000
- Interest rate swaps	452,808	0
- Cross currency interest rate swaps	220,500	(8,699)
	<u>12,126</u>	<u>0</u>
	<u>12,126</u>	<u>(8,699)</u>

	<u>Group</u> <u>31.03.2011</u>	
	<u>Contract/ Notional amount</u> RM'000	<u>Assets</u> RM'000
Current:		<u>Liabilities</u> RM'000
- Interest rate swaps	380,804	0
- Cross currency interest rate swaps	220,500	(6,577)
	<u>17,405</u>	<u>0</u>
	<u>17,405</u>	<u>(6,577)</u>

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

29 Derivative financial instruments (continued)

The Group classifies derivative financial instruments as financial assets/liabilities at fair value through profit or loss.

The Group uses forward foreign currency contracts, currency interest rate swaps and interest rate swaps to manage foreign currency and interest rate exposures.

Cross currency interest rate swaps are used to hedge the Group's borrowings denominated in RM, which were taken by a foreign subsidiary, whose functional currency is in USD.

Interest rate swap contracts are used to hedge the floating interest rate risk arising from a bank borrowing amounting to RM601.30 million (31.12.2010: RM673.31 million). These interest rate swap contracts pay fixed rate interest ranging from 2.01% to 4.69% have the same maturity terms as the bank loan.

During the financial period, the Group recognised a gain of RM7.58 million (31.03.2010: loss of RM2.94 million) arising from fair value changes of derivative assets and liabilities.

30 Amounts due to customers on contracts

	<u>31.12.2008</u>	<u>31.12.2009</u>	<u>As at</u> <u>31.12.2010</u>	<u>As at</u> <u>31.3.2011</u>
	Audited RM'000	Audited RM'000	Audited RM'000	Audited RM'000
Aggregate costs incurred	0	0	23,500	127,464
Recognised profit to-date	470	0	11,182	28,118
Cumulative contract revenue recognised	470	0	34,682	155,582
Less: Progress billings	(4,421)	(34,378)	(65,059)	(225,698)
	<u>(3,951)</u>	<u>(34,378)</u>	<u>(30,377)</u>	<u>(70,116)</u>
Represented by:				
Amounts due to customer	<u>(3,951)</u>	<u>(34,378)</u>	<u>(30,377)</u>	<u>(70,116)</u>

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

27 Other receivables, deposits and prepayments

	<u>31.12.2008</u>	<u>31.12.2009</u>	<u>As at</u> <u>31.12.2010</u>	<u>As at</u> <u>31.3.2011</u>
	Audited	Audited	Audited	Audited
	RM'000	RM'000	RM'000	RM'000
Other receivables	25,021	2,619	19,281	25,371
Deposits and prepayments	20,849	37,957	13,425	10,376
Staff loans and advances	9,265	2,492	3,487	3,703
	<u>55,135</u>	<u>43,068</u>	<u>36,193</u>	<u>39,450</u>

Past due but not impaired

As at 31 March 2011, RM10.87 million (31.12.2010: RM12.77 million and 31.12.2009: RM2.62 million) of other receivables, deposits and prepayments were past due but not impaired. These relate to number of external parties where there is no expectation of default. The ageing analysis of these receivables is as follows:

	<u>As at</u> <u>31.12.2009</u>	<u>As at</u> <u>31.12.2010</u>	<u>As at</u> <u>31.3.2011</u>
	RM'000	RM'000	RM'000
Less than 30 days past due	1,476	5,986	3,075
Between 30 and 60 days past due	491	0	0
Between 61 and 90 days past due	226	6,615	0
Between 91 days and 1 year past due	307	20	7,773
More than 1 year past due	120	151	26
	<u>2,620</u>	<u>12,772</u>	<u>10,874</u>

As at 31 March 2011, there is no impairment on other receivables, deposits and prepayments.

No ageing analysis is shown for the other receivables, deposits and prepayment as at 31 December 2008 as this is exempted by the transitional provision under FRS 7 "Financial Instruments: Disclosures".

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

28 Amounts due from/(to) jointly controlled entities

The amounts due from/(to) jointly controlled entities are unsecured, interest free and repayable on demand.

Past due but not impaired

As at 31 March 2011, RM26.67 million (31.12.2010: RM3.69 million) of amount due from jointly controlled entities were past due but not impaired. The ageing analysis of these receivables is as follows:

	<u>31.12.2010</u> RM'000	<u>31.3.2011</u> RM'000
Less than 30 days past due	393	1,977
Between 30 and 60 days past due	799	354
Between 61 and 90 days past due	462	21,196
Between 91 days and 1 year past due	1,128	3,141
More than 1 year due	912	0
	<u>3,694</u>	<u>26,668</u>

As at 31 March 2011, there is impairment of RM2.97 million (31.12.2010: NIL) on amount due from jointly controlled entities.

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

31 Other payables and accruals

	31.12.2008	31.12.2009	As at 31.12.2010	As at 31.3.2011
	Audited	Audited	Audited	Audited
	RM'000	RM'000	RM'000	RM'000
Other payables	224,792	89,866	51,700	38,783
Amount due to a substantial corporate shareholder of an associate	510	2,183	0	0
Amount due to a related company	1,722	2,731	1,711	1,711
Accruals	71,435	146,649	169,034	201,600
	<u>298,459</u>	<u>241,429</u>	<u>222,445</u>	<u>242,094</u>

Included in other payables and accruals are amounts owing to creditors in respect of vessels under construction amounting to RM52.8 million in the current period (31.12.2010: RM65.9 million, 31.12.2009: RM14.8 million and 31.12.2008: RM178.9 million).

32 Hire purchase creditors

	31.12.2008	31.12.2009	As at 31.12.2010	As at 31.3.2011
	Audited	Audited	Audited	Audited
	RM'000	RM'000	RM'000	RM'000
Analysis of hire purchase commitments:				
Payable within one year	403	662	445	349
Payable between one and two years	615	163	676	636
Payable between two and five years	255	47	259	259
	<u>1,273</u>	<u>872</u>	<u>1,380</u>	<u>1,244</u>
Less: Interest in suspense	(135)	(93)	(159)	(148)
	<u>1,138</u>	<u>779</u>	<u>1,221</u>	<u>1,096</u>
Representing hire purchase liabilities:				
Due within 12 months	360	595	402	335
Due after 12 months	778	184	819	761
	<u>1,138</u>	<u>779</u>	<u>1,221</u>	<u>1,096</u>

13. ACCOUNTANTS' REPORT (cont'd)



The Board of Directors
Bumi Armada Berhad
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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

33 Borrowings

	<u>31.12.2008</u>	<u>31.12.2009</u>	<u>As at</u> <u>31.12.2010</u>	<u>As at</u> <u>31.3.2011</u>
	Audited	Audited	Audited	Audited
	RM'000	RM'000	RM'000	RM'000
<u>Current</u>				
Term loans - secured	27,897	124,630	213,335	210,623
Term loans - unsecured	78,259	510,106	274,869	120,828
	<u>106,156</u>	<u>634,736</u>	<u>488,204</u>	<u>331,451</u>
Revolving credits - unsecured	32,000	110,000	210,196	201,236
Bridging loans - unsecured	0	0	670,925	602,280
Bank overdrafts - unsecured	0	22,199	24,140	0
Bank overdrafts - secured	4,750	3,676	4,281	0
	<u>142,906</u>	<u>770,611</u>	<u>1,397,746</u>	<u>1,134,967</u>
<u>Non current</u>				
Term loans - secured	139,488	576,299	969,890	918,221
Term loans - unsecured	1,192,306	1,325,181	1,050,000	1,050,000
Bridging loans - unsecured	0	0	0	375,000
	<u>1,331,794</u>	<u>1,901,480</u>	<u>2,019,890</u>	<u>2,343,221</u>
Total borrowings	<u>1,474,700</u>	<u>2,672,091</u>	<u>3,417,636</u>	<u>3,478,188</u>

The annual weighted average interest rate of borrowings that were effective as at the reporting dates are as follows:

	<u>31.12.2008</u>	<u>31.12.2009</u>	<u>As at</u> <u>31.12.2010</u>	<u>As at</u> <u>31.3.2011</u>
	Audited	Audited	Audited	Audited
	%	%	%	%
Bank overdrafts	6.70	6.27	6.87	0
Revolving credits	4.93	4.25	3.62	3.72
Term loans	4.83	3.48	3.47	3.38

13. ACCOUNTANTS' REPORT (cont'd)



The Board of Directors
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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

33 Borrowings (continued)

At 31 December 2008	Interest rate terms	Currency	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
<u>Group</u>							
Unsecured:							
Revolving credits	Floating rate varying based on cost of funds	RM	32,000	32,000	0	0	0
Term loans	Fixed rates by tranches	RM	210,000	60,000	50,000	50,000	50,000
	Floating rate varying based on cost of finance	RM	872,300	0	30,000	272,500	569,800
	Floating rate varying based on LIBOR	USD	10,462	6,975	3,487	0	0
	Floating rate varying based on SIBOR	USD	15,851	6,340	6,340	3,171	0
	Fixed rates	RM	161,952	4,944	4,944	152,064	0
Secured:							
Term loans	Floating rates varying based on LIBOR	RM	167,385	27,897	37,197	102,291	0
Bank overdrafts	Floating rate varying based on prime lending rate	SGD	4,750	4,750	0	0	0
			1,474,700	142,906	131,968	580,026	619,800

13. ACCOUNTANTS' REPORT (cont'd)



The Board of Directors
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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

33 Borrowings (continued)

<u>At 31 December 2009</u>	<u>Interest rate terms</u>	<u>Currency exposure</u>	<u>Total carrying amount</u> RM'000	<u>Matrity profile</u>			
				<u>< 1 year</u> RM'000	<u>1-2 years</u> RM'000	<u>2-5 years</u> RM'000	<u>> 5 years</u> RM'000
<u>Group</u>							
<u>Unsecured:</u>							
Revolving credits	Floating rate varying based on cost of funds	RM	110,000	110,000	0	0	0
Term loans	Fixed rates by tranches	RM	150,000	50,000	50,000	50,000	0
	Floating rate varying based on cost of funds	RM	1,450,000	380,000	165,000	460,000	445,000
	Floating rate varying based on LIBOR	USD	68,927	68,927	0	0	0
	Floating rate varying based on SIBOR	USD	9,352	6,235	3,117	0	0
	Fixed rates	RM	157,008	4,944	152,064	0	0
Bank overdrafts	Floating rate varying based on base lending rate	RM	22,199	22,199	0	0	0
<u>Secured:</u>							
Term loans	Floating rates varying based on LIBOR	USD	700,929	124,630	323,943	252,356	0
Bank overdrafts	Floating rate varying based on prime lending rate	SGD	3,676	3,676	0	0	0
			<u>2,672,091</u>	<u>770,611</u>	<u>694,124</u>	<u>762,356</u>	<u>445,000</u>

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

33 Borrowings (continued)

At 31 December 2010	Interest rate terms	Currency	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
<u>Group</u>							
Unsecured:							
Revolving credits	Floating rate varying based on cost of funds	RM	55,941	55,941	0	0	0
	Floating rate varying based on London Interbank Offer Rate (LIBOR)	USD	154,255	154,255	0	0	0
Term loans	Fixed rates by tranches	RM	102,064	52,064	0	50,000	0
	Floating rate varying based on cost of funds	RM	1,070,000	70,000	95,000	460,000	445,000
	Floating rate varying based on Singapore Interbank Offer Rate (SIBOR)	USD	2,805	2,805	0	0	0
	Fixed rates	RM	150,000	150,000	0	0	0
Bridging Loans	Floating rate varying based on LIBOR	USD	145,925	145,925	0	0	0
	Floating rate varying based on cost of funds	RM	525,000	525,000	0	0	0

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

33 Borrowings (continued)

At 31 December 2010	Interest 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
<u>Group</u>							
Unsecured:							
Bank overdrafts	Floating rate varying based on base lending rate	RM	24,140	24,140	0	0	0
Secured:							
Term loans	Floating rates varying based on LIBOR	USD	962,725	189,900	215,283	403,019	154,523
	Floating rate based on cost of funds	RM	220,500	23,435	33,022	87,347	76,696
Bank overdrafts	Floating rate varying based on prime lending rate	SGD	4,281	4,281	0	0	0
			<u>3,417,636</u>	<u>1,397,746</u>	<u>343,305</u>	<u>1,000,366</u>	<u>676,219</u>

Note:

USD United States Dollar
SGD Singapore Dollar
RM Ringgit Malaysia

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

33 Borrowings (continued)

At 31 March 2011	Interest rate terms	Currency	Total carrying exposure amount RM'000	Maturity profile			
				< 1 year RM'000	1-2 years RM'000	2-5 years RM'000	> 5 years RM'000
<u>Group</u>							
Unsecured:							
Revolving credits	Floating rate varying based on cost of funds	RM	50,096	50,096	0	0	0
	Floating rate varying based on London Interbank Offer Rate (LIBOR)	USD	151,140	151,140	0	0	0
Term loans	Fixed rates by tranches	RM	100,828	50,828	0	50,000	0
	Floating rate varying based on cost of funds	RM	1,070,000	70,000	100,000	460,000	440,000
Bridging Loans	Floating rate varying based on LIBOR	USD	302,280	302,280	0	0	0
	Floating rate varying based on cost of funds	RM	675,000	300,000	375,000	0	0
Secured:							
Term loans	Floating rates varying based on LIBOR	USD	908,344	187,188	212,533	357,220	151,403
	Floating rate varying based on cost of funds	RM	220,500	23,435	33,022	87,348	76,695
			<u>3,478,188</u>	<u>1,134,967</u>	<u>720,555</u>	<u>954,568</u>	<u>668,098</u>

Note:

USD United States Dollar
SGD Singapore Dollar
RM Ringgit Malaysia

13. ACCOUNTANTS' REPORT (cont'd)



The Board of Directors
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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)**(b) Notes to the Consolidated Financial Statements (continued)****33 Borrowings (continued)**

The borrowings are secured as follows (either single security or combination of securities):

Term loans

- (i) Fixed charges over certain vessels in subsidiaries (Note 17).
- (ii) Assignment of insurance policies for the vessels charged in (i) above.
- (iii) Assignment of charter proceeds for the vessels charged in (i) above.
- (iv) Assignment of ship building contracts for the vessels charged in (i) above.
- (v) Corporate guarantee from the Company.
- (vi) Shares of a subsidiary are held as securities against borrowings.

Bank overdrafts

- (i) Fixed charge over the assets of a subsidiary.
- (ii) Corporate guarantee from the Company.

The term loans facilities were arranged to finance the construction of vessels of the Group.

13. ACCOUNTANTS' REPORT (cont'd)



The Board of Directors
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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

34 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 Statements of Financial Position:

	<u>31.12.2008</u>	<u>31.12.2009</u>	As at <u>31.12.2010</u>	As at <u>31.3.2011</u>
	Audited RM'000	Audited RM'000	Audited RM'000	Audited RM'000
Deferred tax assets				
- recoverable within next 12 months	1,485	1,660	4,175	0
- recoverable after more than 12 months	0	0	15	3,249
	<u>1,485</u>	<u>1,660</u>	<u>4,190</u>	<u>3,249</u>
Deferred tax liabilities				
- recoverable within next 12 months	(5,960)	(4,184)	0	0
- recoverable after more than 12 months	0	0	(1,786)	(3,523)
	<u>(5,960)</u>	<u>(4,184)</u>	<u>(1,786)</u>	<u>(3,523)</u>
	<u>(4,475)</u>	<u>(2,524)</u>	<u>2,404</u>	<u>(274)</u>

13. ACCOUNTANTS' REPORT (cont'd)



The Board of Directors
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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

34 Deferred taxation (continued)

	<u>31.12.2008</u> Audited RM'ooo	<u>31.12.2009</u> Audited RM'ooo	<u>As at</u> <u>31.12.2010</u> Audited RM'ooo	<u>As at</u> <u>31.3.2011</u> Audited RM'ooo
Subject to income tax:				
<u>Deferred tax assets</u>				
- Receivables	335	512	0	0
- Payables	2,327	3,704	7,007	5,724
- Tax losses	9	1,207	2,686	1,304
- Property, plant and equipment	0	4	0	0
- Unabsorbed capital allowances	16	16	1,314	1,467
	<u>2,687</u>	<u>5,443</u>	<u>11,007</u>	<u>8,495</u>
Offsetting	(1,202)	(3,783)	(6,817)	(5,246)
Deferred tax assets (after offsetting)	<u>1,485</u>	<u>1,660</u>	<u>4,190</u>	<u>3,249</u>
<u>Deferred tax liabilities</u>				
- Property, plant and equipment	(7,162)	(7,967)	(8,603)	(8,769)
Offsetting	1,202	3,783	6,817	5,246
Deferred tax liabilities (after offsetting)	<u>(5,960)</u>	<u>(4,184)</u>	<u>(1,786)</u>	<u>(3,523)</u>

13. ACCOUNTANTS' REPORT (cont'd)



The Board of Directors
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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

34 Deferred taxation (continued)

The movements during the financial year/period relating to deferred taxation are as follows:

	<u>31.12.2008</u> Audited RM'000	<u>31.12.2009</u> Audited RM'000	<u>As at</u> <u>31.12.2010</u> Audited RM'000	<u>As at</u> <u>31.3.2011</u> Audited RM'000
At 1 January	(12,730)	(4,475)	(2,524)	2,404
Credited/(charged) to profit or loss (Note 14)				
- Property, plant and equipment	6,996	(623)	(640)	(87)
- Tax losses	0	1,199	1,479	(1,382)
- Receivables	0	0	(512)	0
- Payables	784	1,443	3,303	(1,309)
- Unabsorbed capital allowances	0	0	1,298	9
- Others	475	(68)	0	91
	<u>8,255</u>	<u>1,951</u>	<u>4,928</u>	<u>(2,678)</u>
At 31 December/31 March	<u>(4,475)</u>	<u>(2,524)</u>	<u>2,404</u>	<u>(274)</u>

The amount of deductible temporary differences and unused tax losses (both of which have no expiry date) for which no deferred tax assets is recognised in the Statements 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:

	<u>31.12.2008</u> Audited RM'000	<u>31.12.2009</u> Audited RM'000	<u>As at</u> <u>31.12.2010</u> Audited RM'000	<u>As at</u> <u>31.3.2011</u> Audited RM'000
Deductible temporary differences	160	0	0	0
Tax losses	<u>2,200</u>	<u>845</u>	<u>0</u>	<u>6,348</u>

13. ACCOUNTANTS' REPORT (cont'd)



The Board of Directors
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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

35 Share capital

	<u>31.12.2008</u>	<u>31.12.2009</u>	<u>As at</u> <u>31.12.2010</u>	<u>As at</u> <u>31.3.2011</u>
	Audited	Audited	Audited	Audited
	RM'000	RM'000	RM'000	RM'000
Authorised:				
Ordinary shares at RM1.00 each:				
At 1 January	95,000	95,000	95,000	95,000
Reorganised from redeemable preference shares (Note 35(c))	0	0	0	5,000
Created in the financial year/period (Note 35(c))	0	0	0	356,840
	<u>95,000</u>	<u>95,000</u>	<u>95,000</u>	<u>456,840</u>
At 31 December/31 March				
Share split of 1 ordinary share of RM1.00 into 5 ordinary shares of RM0.20 each (Note 35(d))	<u>63,000</u>	<u>63,000</u>	<u>63,000</u>	<u>456,840</u>
Redeemable preference shares of RM1.00 each:				
At 1 January	5,000	5,000	5,000	5,000
Reorganised to ordinary shares (Note 35(c))	0	0	0	(5,000)
At 31 December/31 March	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>0</u>
Issued and fully paid-up:				
At 1 January	63,000	63,000	63,000	63,000
Issuance of shares from call options (Note 35(a))	0	0	0	7,500
Rights issue (Note 35(b))	0	0	0	5,640
Bonus issue (Note 35(c))	0	0	0	380,700
	<u>63,000</u>	<u>63,000</u>	<u>63,000</u>	<u>456,840</u>
At 31 December/31 March				
Share split of 1 ordinary share of RM1.00 each into 5 ordinary shares of RM0.20 each (Note 35(d))	<u>63,000</u>	<u>63,000</u>	<u>63,000</u>	<u>456,840</u>

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

35 Share capital (continued)

- (a) On 18 February 2011, the Company repaid the related company's term loan of RM150,000,000. Simultaneously, the call option written by the Company to its shareholder was also exercised whereby 7,500,000 new ordinary shares of RM1.00 each was issued for a total consideration of RM150,000,000. These new ordinary shares of RM1.00 each, were paid in cash and allotted on 21 February 2011 rank parri passu with the existing ordinary shares of the Company.
- (b) On 23 March 2011, the Company undertook a RM200,000,040 renounceable rights issue on the basis of 1 new ordinary share of RM1.00 each for every 12.5 existing ordinary shares of RM1.00 each held in the share capital of the Company at the issuance price of RM35.461 per ordinary share. These new ordinary shares rank parri passu with the existing ordinary shares.
- (c) On 30 March 2011, the Company reorganised its authorised ordinary share capital from RM100,000,000 comprising 95,000,000 ordinary shares of RM1.00 each and 5,000,000 redeemable preference shares of RM1.00 each to RM100,000,000 comprising 100,000,000 ordinary shares of RM1.00 each. Subsequently, the Company increased the authorised share capital of the Company to RM456,840,000 comprising 456,840,000 ordinary shares of RM1.00 each, by the creation of 356,840,000 new ordinary shares of RM1.00 each.
- Simultaneously, the Company issued 380,700,000 new ordinary shares of RM1.00 each on the basis of 5 new ordinary shares of RM1.00 each for every 1 existing ordinary share of RM1.00 in the Company. The bonus issue was effected by way of capitalising RM347,758,040 from the Company's share premium account and RM32,941,960 from its retained earnings. These new ordinary shares rank parri passu with the existing ordinary shares.
- (d) On 31 March 2011, the Company also reorganised and reclassified its authorised and paid-up share capital of RM456,840,000 from 456,840,000 ordinary shares of RM1.00 each to 2,284,200,000 ordinary shares of RM0.20 each.

The rights and privileges of the Redeemable Preference Shares ("RPS") are as follows:

- the right to receive notices of, the right to attend and speak at general meetings of the Company, but have no right to vote at such general meetings save for matters which deal with matters that affect the rights and privileges of the holders of the RPS as a class; and
- the right in the event of the winding up of the Company, to have the surplus assets applied first to in paying off the capital paid up on the RPS and secondly, in paying off the arrears, if any, of the fixed cumulative preferential dividend aforesaid whether earned or declared or not down to the commencement of the winding up.

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

36 Deposits, cash and bank balances

	<u>31.12.2008</u>	<u>31.12.2009</u>	<u>As at</u> <u>31.12.2010</u>	<u>As at</u> <u>31.3.2011</u>
	Audited	Audited	Audited	Audited
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	114,541	186,872	253,300	443,838
Deposits with licensed banks	246	110,815	24,384	7,384
	<u>114,787</u>	<u>297,687</u>	<u>277,684</u>	<u>451,222</u>

The annual weighted average interest rates of deposits with licensed banks that was effective as at the reporting dates are as follows:

	<u>31.12.2008</u>	<u>31.12.2009</u>	<u>As at</u> <u>31.12.2010</u>	<u>As at</u> <u>31.3.2011</u>
	Audited	Audited	Audited	Audited
	%	%	%	%
Deposits with licensed banks	<u>3.10</u>	<u>0.30</u>	<u>2.67</u>	<u>2.63</u>

Bank balances are deposits held at call with banks and earn no interest.

Included in deposits with licensed banks are RM7.37 million (31.12.2010: RM4.37 million, 31.12.2009: RM4.76 million and 31.12.2008: NIL) which have been designated by the Company for specific purposes.

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

37 Commitments

	31.12.2008	31.12.2009	As at 31.12.2010	As at 31.3.2011
	Audited	Audited	Audited	Audited
	RM'000	RM'000	RM'000	RM'000
(i) Capital expenditure for property, plant and equipment not provided for in the financial statements:				
- authorised and contracted	602,273	281,648	117,865	257,880
- authorised but not contracted	4,430	1,187,802	753,202	429,921
	<u>606,703</u>	<u>1,469,450</u>	<u>871,067</u>	<u>687,801</u>
(ii) Commitments for amounts payable under operating leases for rental of premises:				
Payable within one year	3,847	3,642	3,760	3,829
Payable later than one year and not later than five years	3,924	1,479	15,909	16,004
Payable later than five years	1,893	0	20,271	19,210
	<u>9,664</u>	<u>5,121</u>	<u>39,940</u>	<u>39,043</u>

The Group has entered into lease arrangements (classified as operating leases) for offices with durations varying from 1 to 12 years.

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

38 Significant Related Party Disclosures

The shareholders of Bumi Armada Berhad are set out below:

- (i) Objektif Bersatu Sdn Bhd ("OBSB")*
- (ii) Ombak Damai Sdn Bhd ("ODSB")*
- (iii) Wijaya Sinar Sdn Bhd ("WSSB")*
- (iv) Karisma Mesra Sdn Bhd ("KMSB")*
- (v) Wijaya Baiduri Sdn Bhd ("WBSB")*
- (vi) Mutu Saluran Sdn Bhd ("MSSB") (1)@
- (vii) Dato' Ahmad Fuad bin Md Ali (2)@
- (viii) Dato' Sri Haji Mahamad Fathil bin Dato' Mahmood (2)@
- (ix) Datuk Abdul Farish bin Abd Rashid (2)@
- (x) Saluran Abadi Sdn Bhd ("SASB") (3)@
- (xi) Farah Suhanah binti Ahmad Sarji (4)@
- (xii) Usaha Tegas Sdn Bhd ("UTSB") (5)@
- (xiii) Pacific States Investment Limited ("PSIL") (6)@
- (xiv) Excorp Holdings N.V. ("Excorp") (7)@
- (xv) PanOcean Management Limited ("PanOcean") (7)@
- (xvi) Ananda Krishnan Tatparanandam ("TAK") (8)@

Notes:

* Direct shareholders of the Company.

@ Substantial shareholders with indirect interest in the Company's shares.

- (1) Deemed interest pursuant to Section 6A of the Act by virtue of its direct shareholding in OBSB.
- (2) Deemed interest pursuant to Section 6A of the Act by virtue of their direct shareholding in ODSB.
- (3) Deemed interest pursuant to Section 6A of the Act by virtue of its shareholding in WSSB, KMSB and WBSB, collectively "SASB Subsidiaries". Each of the SASB Subsidiaries is a trustee of a discretionary trust for Bumiputera objects. As such, SASB does not have any economic interest in the ordinary shares in Bumi Armada held by the SASB Subsidiaries, as such interest is held subject to the terms of the discretionary trust for Bumiputera objects.
- (4) Deemed interest by virtue of her direct shareholding in SASB. However, she does not have any economic interest in the ordinary shares in Bumi Armada held via the SASB Subsidiaries as such interest is held subject to the terms of the discretionary trust for Bumiputera objects. See note (3) above for SASB's interest in the ordinary shares in Bumi Armada.

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

38 Significant Related Party Disclosures (continued)

- (5) UTSB is deemed to have an interest in all of the ordinary shares in Bumi Armada in which 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 (1) above for MSSB's deemed interest in the ordinary shares in Bumi Armada.
- (6) PSIL is deemed to have an interest in all of the ordinary shares in Bumi Armada 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 (5) above for UTSB's deemed interest in the ordinary shares in Bumi Armada.
- (7) The shares in PSIL are held by Excorp which is in turn held 100% by PanOcean. See note (6) above for PSIL's deemed interest in the ordinary shares in Bumi Armada. PanOcean is the trustee of a discretionary trust, the beneficiaries of which are members of the family of TAK and foundations including those for charitable purposes. Although PanOcean is deemed to have an interest in the ordinary shares in Bumi Armada, 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.
- (8) TAK is deemed to have an interest in the ordinary shares in Bumi Armada, by the virtue of his deemed interest in PanOcean. See note (7) above for PanOcean's deemed interest in the ordinary shares in Bumi Armada. Although TAK is deemed to have an interest in the ordinary shares in Bumi Armada, 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 (7) above.

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

	As at			As at	
	31.12.2008	31.12.2009	31.12.2010	31.3.2010	31.3.2011
	Audited	Audited	Audited	Unaudited	Audited
	RM'000	RM'000	RM'000	RM'000	RM'000
Related party transactions					
(a) Transaction with UTSB Management Sdn Bhd (UTSBM), a subsidiary of Usaha Tegas Sdn Bhd, the holding company of OBSB and a substantial shareholder of Bumi Armada					
- Reimbursable costs incurred in respect of an executive director	2,830	3,281	3,453	536	610
- Management fees	1,762	1,762	5,192	463	1,198

13. ACCOUNTANTS' REPORT (cont'd)



The Board of Directors
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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

38 Significant Related Party Disclosures (continued)

	31.12.2008		As at 31.12.2010		As at 31.3.2011	
	Audited RM'000	Audited RM'000	Audited RM'000	Unaudited RM'000	Audited RM'000	Audited RM'000
(b) Term loan from subsidiary of Usaha Tegas Sdn Bhd - Interest expense	468	5,610	5,610	1,403	701	
(c) Transaction with Maxis Bhd, the associate of Usaha Tegas Sdn Bhd, the holding company of OBSB - Telecommunication expenses	595	1,863	1,865	204	297	
(d) Rental expense paid to Malaysian Landed Property Sdn Bhd (MLP), a company controlled by PanOcean Management Limited, the ultimate holding company of Usaha Tegas Sdn Bhd	999	3,776	3,950	1,037	1,037	
(e) Transactions with Offshore Marine Ventures Sdn Bhd, a jointly controlled entity - Ship management fees	195	197	108	49	49	
(f) Transactions with Forbes Bumi Armada Ltd, a jointly controlled entity - Charter hire of vessel	0	20,699	0	0	0	
(g) Transactions with key management: Key management personnel compensation: - salaries, bonus and allowances	4,466	6,993	12,669	2,231	3,015	
- defined contribution plan	74	87	364	85	111	

	As at			As at	
	31.12.2008 Audited RM'000	31.12.2009 Audited RM'000	31.12.2010 Audited RM'000	31.3.2011 Audited RM'000	31.3.2011 Audited RM'000
Related party balances					
(h) Significant balances with related parties:					
- Term loan from subsidiary of Usaha Tegas Sdn Bhd	150,000	150,000	150,000		0
- MLP	0	381	80		436
- UTSBM	0	8,684	12,716		6,433
(i) Significant balances with key management: - accruals of bonus and allowances	552	3,000	6,594		8,000

13. ACCOUNTANTS' REPORT (cont'd)



The Board of Directors
Bumi Armada Berhad
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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

39 Fair values

The carrying amounts of financial assets and financial liabilities of the Group at the reporting dates approximated their fair values except as set out below:

	<u>31.12.2008</u>	<u>31.12.2009</u>	<u>As at</u> <u>31.12.2010</u>	<u>As at</u> <u>31.3.2011</u>
	Audited	Audited	Audited	Audited
	RM'000	RM'000	RM'000	RM'000
<u>Carrying value</u>				
Term loans (Note 33)	<u>371,952</u>	<u>157,008</u>	<u>102,064</u>	<u>100,828</u>
<u>Fair value</u>				
Term loans (Note 33)	<u>243,796</u>	<u>152,467</u>	<u>88,854</u>	<u>87,444</u>

The Group estimate the fair value of financial instruments by discounting future contractual cash flows at the current market interest rate available to the Group for similar financial instruments.

13. ACCOUNTANTS' REPORT (cont'd)



The Board of Directors
Bumi Armada Berhad
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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

40 Significant events after the reporting period

- (a) The Company had made an application to the Securities Commission for the initial public offering of up to 878,538,600 ordinary shares of RM0.20 each in the Company ("IPO") and listing of the Company on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia") ("Listing"). The IPO and Listing were approved by the Securities Commission on 20 June 2011. The Listing is pending the approval of Bursa Malaysia.
- (b) The Board of Directors of the Company had on 18 June 2011, approved the ESOS to make available new shares, not exceeding in aggregate 10% of the enlarged, issued and paid-up share capital of the Company during the subsistence of the ESOS, to be issued under the options granted under the ESOS to eligible employees of the Group and Executive Directors of the Company.
- (e) The shareholders had on 18 June 2011 granted an Executive Director a call option to require the shareholders to transfer 7,500,000 shares in the Company ("Shares") held by the shareholders to him. The call option is exercisable in 3 tranches as follows:
- (i) With respect to the first tranche of 2,500,000 Shares, the option period commences from 30 June 2011 and expires on the date which is 5 business days thereafter;
 - (ii) With respect to the second tranche of 2,500,000 Shares, the option period commences on the first anniversary of the listing date of the Company on the Main Market of Bursa Malaysia and expires 30 days thereafter; and
 - (iii) With respect to the third and final tranche of 2,500,000 Shares, the option period commences on the second anniversary of the listing date of the Company on the Main Market of Bursa Malaysia and expires 30 days thereafter.

The purchase price in respect of the Shares covered under the call option is RM2.25 per Share.

- (d) Bumi Armada Angola Servicos Limited, a newly incorporated subsidiary in Republic of Marshall Islands on was established on 25 April 2011, with an authorised share capital of USD50,000 of which USD10,000 comprising of 10,000 ordinary shares of USD1.00 each was issued and paid up.
- (e) Bumi Armada Offshore Contractor Limited, a newly incorporated subsidiary in Republic of Marshall Islands was established on 10 May 2011, with an authorised share capital of USD50,000 of which USD10,000 comprising of 10,000 ordinary shares of USD1.00 each was issued and paid up.

13. ACCOUNTANTS' REPORT (cont'd)



The Board of Directors
 Bumi Armada Berhad
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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

41 Effects of the adoption of FRS 139 and amendments to FRS 117

In the financial year ended 31 December 2010, the Group changed the following accounting policy upon adoption of new accounting standards, amendments and improvements to published standards and interpretations:

- FRS 101 (revised) "Presentation of Financial Statements"
- FRS 117 "Leases"
- FRS 139 "Financial Instruments: Recognition and Measurement"
- FRS 7 "Financial Instruments - Disclosures"

In addition, the Group has also adopted the following 2 accounting standards that introduced new presentation and disclosures requirements:

- FRS 101 (revised) "Presentation of Financial Statements" prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statements of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity in a statements of comprehensive income. As a result the Group presents in the consolidated statements of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the consolidated statements of comprehensive income. Comparative information has been re-presented so that it also is in conformity with the revised standard. As the change in accounting policy only impacts presentation aspects, there is no impact on earnings per share.
- FRS 7 "Financial instruments: Disclosures" introduces new disclosures relating to financial instruments and does not have any impact on the classification and valuation of the Group's financial instruments. FRS 7 does not require comparative disclosures when the standard is first applied.

In accordance with the transitional provisions for the first time adoption of FRS 139, the changes are applied prospectively and the comparatives as at 31 December 2009 are not restated. Instead, the effects arising from the adoption of this standard has been accounted for by adjusting the opening balances as follows:

13. ACCOUNTANTS' REPORT (cont'd)



The Board of Directors
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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

41 Effects of the adoption of FRS 139 and amendments to FRS 117 (continued)

Impact on the Group's statements of financial position:

	<u>Balances as at 31 December 2008</u>		
	<u>As previously reported</u> RM'000	<u>FRS 117</u> RM'000	<u>As restated</u> RM'000
Property, plant and equipment	2,031,372	846	2,032,218
Prepaid lease payments	846	(846)	0

	<u>Balances as at 31 December 2009</u>			<u>Balances as at 1 January 2010</u>	
	<u>As previously reported</u> RM'000	<u>FRS 117</u> RM'000	<u>As restated</u> RM'000	<u>FRS 139</u> RM'000	<u>As adjusted</u> RM'000
Property, plant and equipment	3,007,547	828	3,008,375	0	3,008,375
Prepaid lease payments	828	(828)	0	0	0
Derivative financial liabilities	0	0	0	3,463	3,463
Retained earnings	623,898	0	623,898	(3,463)	620,435

Increase/(decrease) to balances as at 31 December 2010

	<u>FRS 117</u> RM'000	<u>FRS 139</u> RM'000	<u>Total</u> RM'000
Property, plant and equipment	810	0	810
Prepaid lease payments	(810)	0	(810)
Derivative financial assets	0	12,126	12,126
Derivative financial liabilities	0	(5,236)	(5,236)
Retained earnings	0	7,144	7,144
Currency translation reserve	0	(254)	(254)

13. ACCOUNTANTS' REPORT (cont'd)



The Board of Directors
Bumi Armada Berhad
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III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

42 Financial instruments by category

At 31 December 2010	Loans and receivables RM'000	Assets at fair value through profit or loss RM'000	Total RM'000
Assets as per Statements of Financial Position			
Other investments	3,778	0	3,778
Trade receivables	189,643	0	189,643
Other receivables excluding prepayments	26,803	0	26,803
Derivative financial assets	0	12,126	12,126
Deposits with licensed banks	24,384	0	24,384
Cash and bank balances	253,300	0	253,300
	<u>497,908</u>	<u>12,126</u>	<u>510,034</u>
Liabilities as per Statements of Financial Position	Liabilities at fair value through profit or loss RM'000	Other financial liabilities at amortised costs RM'000	Total RM'000
Trade payables	0	257,753	257,753
Other payables	0	222,445	222,445
Borrowings	0	3,417,636	3,417,636
Hire purchase creditors	0	1,221	1,221
Derivative financial liabilities	8,699	0	8,699
	<u>8,699</u>	<u>3,899,055</u>	<u>3,907,754</u>

13. ACCOUNTANTS' REPORT (cont'd)



The Board of Directors
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22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

42 Financial instruments by category (continued)

At 31 March 2011	Loans and receivables RM'000	Assets at fair value through profit or loss RM'000	Total RM'000
Assets as per Statements of Financial Position			
Other investments	5,506	0	5,506
Trade receivables	265,904	0	265,904
Other receivables excluding prepayments	33,563	0	33,563
Derivative financial assets	0	17,405	17,405
Deposits with licensed banks	7,384	0	7,384
Cash and bank balances	443,838	0	443,838
	<u>756,195</u>	<u>17,405</u>	<u>773,600</u>
	Liabilities at fair value through profit or loss RM'000	Other financial liabilities at amortised costs RM'000	Total RM'000
Liabilities as per Statements of Financial Position			
Trade payables	0	230,798	230,798
Other payables	0	242,094	242,094
Borrowings	0	3,478,188	3,478,188
Hire purchase creditors	0	1,096	1,096
Derivative financial liabilities	6,577	0	6,577
	<u>6,577</u>	<u>3,952,176</u>	<u>3,958,753</u>

13. ACCOUNTANTS' REPORT (cont'd)



The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

42 Financial instruments by category (continued)

Fair values estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's assets and liabilities that are measured at fair value at 31 March 2011.

	<u>Level 1</u> RM'000	<u>Level 2</u> RM'000	<u>Level 3</u> RM'000	<u>Total</u> RM'000
Assets:				
Financial assets at fair value through profit or loss				
- Cross currency interest rate swaps	0	17,405	0	17,405
Liabilities:				
Financial liabilities at fair value through profit or loss				
- Interest rate swaps	0	6,577	0	6,577

43 Corresponding figures

The corresponding figures for statements of income, comprehensive income, cash flow and changes in equity and the related notes thereto for the 3 month financial period ended 31 March 2010 were not audited.

13. ACCOUNTANTS' REPORT (cont'd)



The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

44 Reclassification of prior year comparative

(a) Financial statements for the financial year ended 31 December 2008

Certain comparative figures have been reclassified due to realignment of business segment in 2009 and to disclose the effects of foreign revenue taxed at source. As a result, the following comparative figures and its respective notes to this report were reclassified to enhance comparability of results:

	As previously <u>reported</u> RM'000	Re- <u>classification</u> RM'000	As <u>restated</u> RM'000
Revenue	516,478	3,361	519,839
Selling and distribution cost	(26,317)	(36,058)	(62,375)
Administrative expenses	(72,463)	36,058	(36,405)
Taxation	(8,504)	(3,361)	(11,865)
Depreciation	106,319	18	106,337
Amortisation of prepaid lease rental	18	(18)	0
Allowance for doubtful debt written back	(2,641)	89	2,552
Doubtful debts written-off	89	(89)	0
Trade receivables	193,290	(96,505)	96,785
Accrued lease rental	0	96,505	96,505
	<u> </u>	<u> </u>	<u> </u>

13. ACCOUNTANTS' REPORT (cont'd)



The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

44 Reclassification of prior year comparative (continued)

(b) Financial statements for the financial year ended 31 December 2009

Certain comparative figures have been reclassified due to realignment of business segments in the current financial year and to disclose the effects of foreign revenue taxed at source. Amounts due from customers on contracts were reclassified from trade payables to enhance comparability. As a result, the following comparative figures were reclassified to enhance comparability of results.

	As previously <u>reported</u> RM'000	Re- <u>classification</u> RM'000	As <u>restated</u> RM'000
Revenue	725,664	6,426	732,090
Selling and distribution costs	(22,179)	(37,044)	(59,223)
Administrative expenses	(100,905)	37,044	(63,861)
Taxation	(60)	(6,426)	(6,486)
Amounts due to customers on contracts	0	34,378	34,378
Trade payables	270,618	(34,378)	236,240

Yours faithfully,

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants

TIANG WOON MENG
(No. 2927/05/12 (J))
Chartered Accountant

14. DIRECTORS' REPORT



BUMIARMADA

22 JUN 2011

The Shareholders
Bumi Armada Berhad

Registered office:

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

Dear Sir/Madam,

On behalf of the Board of Directors of Bumi Armada Berhad ("**Bumi Armada**"), I report after due inquiry that during the period from 31 March 2011 (being the date to which the last audited consolidated financial statements of Bumi Armada and its subsidiaries ("**Bumi Armada Group**") have been made up) to the date herein (being a date not earlier than 14 days before the issue of this Prospectus):

- (a) the business of the Bumi Armada Group has, in the opinion of the Directors, been satisfactorily maintained;
- (b) in the opinion of the Directors, no circumstances have arisen since the last audited financial statements of the Bumi Armada Group which have adversely affected the trading or the value of the assets of Bumi Armada or its subsidiaries;
- (c) the current assets of the Bumi Armada Group appear in the books at values which are believed to be realisable in the ordinary course of business;
- (d) save as disclosed in Section 12.2.15 of this Prospectus, there are no contingent liabilities by reason of any guarantee or indemnity given by Bumi Armada or its subsidiaries;
- (e) there has been, since the last audited financial statements of the Bumi Armada Group, no default or any known event that could give rise to a default situation, on payments of either interest and/or principal sums in respect of any borrowings; and
- (f) save as disclosed in Sections 12.4 and 12.5 of this Prospectus, there has been, since the last audited financial statements of the Bumi Armada Group, no material change in the published reserves or any unusual factor affecting the profits of the Bumi Armada Group.

Yours faithfully

For and on behalf of the Board of Directors of
BUMI ARMADA BERHAD



 SHAHARUL REZZA BIN HASSAN



 DATO' AHMAD FUAD BIN MD ALI

15. STATUTORY AND OTHER GENERAL INFORMATION

15.1 Share capital

- (i) Save as disclosed in this Prospectus, no securities will be allotted or issued or offered on the basis of this Prospectus later than 12 months after the date of the issue of this Prospectus.
- (ii) There is no founder, management or deferred share in our Company. As at the LPD, our Company has 1 class of shares, namely ordinary shares of RM0.20 each, all of which rank *pari passu* with one another.
- (iii) Save as disclosed in this Prospectus, no shares, stocks or debentures of our Group have been issued or proposed to be issued as fully or partly paid-up in cash or otherwise, within the 2 years preceding the LPD.
- (iv) Save as disclosed below, none of the share capital of our Company or any of our subsidiaries is under option, or agreed conditionally or unconditionally to be put under option:
 - (a) Mohd Rafael bin Mohd Shamsudin had on 8 June 2006 granted our Company a call option to require him to transfer 99,900 ordinary shares of RM1.00 each in BAE held by him to a person nominated by our Company. The call option shall subsist until exercised by our Company. Such exercise shall be over all of the shares under the call option, being the 99,900 ordinary shares of RM1.00 each of BAE. The purchase price in respect of the shares shall be set-off against the amount outstanding in respect of the RM1,998,000 loan granted by our Company to him. Our Company is the grantee of the option;
 - (b) Baharin bin Chik had on 19 January 2009 granted BAAI a call option to require him to transfer 100 ordinary shares of RM1.00 each in BAE held by him to a person nominated by BAAI in connection with a RM2,000 loan granted by BAAI to him. The call option shall subsist until exercised by BAAI. Such exercise shall be over all of the shares under the call option, being the 100 ordinary shares of RM1.00 each of BAE. The purchase price in respect of the shares shall be set-off against the amount outstanding on the RM2,000 loan granted by BAAI to him. BAAI is the grantee of the option; and
 - (c) OBSB, ODSB, WSSB, KMSB and WBSB (collectively, "Grantors") had on 18 June 2011 granted Hassan Assad Basma a call option to require the Grantors to transfer an aggregate of 7,500,000 Shares held by the Grantors to him. The call option is exercisable in 3 tranches as follows:
 - (aa) With respect to the first tranche of 2,500,000 Shares, the option period commences from the date of this Prospectus and expires on the date which is 5 business days thereafter;
 - (bb) With respect to the second tranche of 2,500,000 Shares, the option period commences on the first anniversary of the date of Listing and expires 30 days thereafter; and
 - (cc) With respect to the third and final tranche of 2,500,000 Shares, the option period commences on the second anniversary of the date of Listing and expires 30 days thereafter.

The purchase price in respect of the Shares covered under the call option is RM2.25 per Share. The call option has been granted to Hassan Assad Basma by the Grantors, our existing shareholders, in recognition of his services to our Group, since September 2005.

15. STATUTORY AND OTHER GENERAL INFORMATION (cont'd)

- (v) We have in place the ESOS under which we may grant Options to eligible employees of our Group and our executive Directors. Further information on the ESOS is set out in Section 15.4 of this Prospectus and Annexure D.
- (vi) Our Company does not have any outstanding convertible debt security as at the LPD.

15.2 Articles of Association

The following is extracted from our Company's Articles of Association and is qualified in its entirety by the remainder of the provisions of our Company's Articles of Association and by applicable law.

15.2.1 Variation of class rights**"24. Class rights may be modified**

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of shares of that class) may, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the holders of not less than three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting the provisions of these Articles relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least 2 persons holding or representing by proxy not less than one-tenth of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll. To every such special resolution the provisions of Section 152 of the Act shall, with such adaptations as are necessary, apply."

"25. Rights on creation or issue of further shares

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking as regards to participation in the profits or assets of the Company in some or in all respects *pari passu* therewith."

15.2.2 Remuneration of Directors**"121. Remuneration of Directors**

Unless otherwise determined by an ordinary resolution of the Company in general meeting, the total fees of all of the Directors in any year shall be a fixed sum not exceeding in aggregate RM3,000,000.00 and (unless otherwise determined by an ordinary resolution of the Company in general meeting) such fee shall be divisible among the Directors as they may agree, or, failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such fees are payable shall be entitled only to rank in such division for a proportion of the fee related to the period during which he has held office provided always that –

- (a) fees payable to non-executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover;

15. STATUTORY AND OTHER GENERAL INFORMATION (cont'd)

- (b) remuneration payable to Director(s) holding executive position(s) under Article 150(1) may not include a commission on or percentage of turnover;
- (c) fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting; and
- (d) any fee paid to an alternate Director shall be agreed upon between himself and the Director nominating him and shall be paid out of the remuneration of the latter."

15.2.3 Transfer of securities

"50. Form of Transfer

Subject to the provisions of the Act, these Articles, the Central Depositories Act and the Rules with respect to transfer of Deposited Security, all transfers of securities which are shares:-

- (a) to the Central Depository or its nominee company; or
- (b) prior to the listing and quotation of such shares on the Exchange,

may be effected by transfer in writing in the usual common form conforming with the Act and/or approved by the Exchange, or such form as may from time to time, be prescribed under the Act or approved by the Exchange. Subject to these Articles, there shall be no restriction on the transfer of fully paid-up shares except where required by law."

"51. Transfer of shares by book entry

The transfer of any Deposited Security shall be by way of book entry by the Central Depository in accordance with the Rules and, notwithstanding sections 103 and 104 of the Act, but subject to subsection 107C(2) of the Act and any exemption that may be made from compliance with subsection 107C(1) of the Act, the Company shall be precluded from registering and effecting any transfer of such Deposited Security."

"52. Transmission of securities from Foreign Register

(1) Where

- (a) the securities of the Company are listed on another stock exchange; and
- (b) the Company is exempted from compliance with Section 14 of the Central Depositories Act or Section 29 of the Securities Industry (Central Depositories) (Amendment) Act, 1998, as the case may be, under the Rules in respect of such securities,

the Company shall, upon request by a Depositor, permit a transmission of securities held by such Depositor from the Foreign Register to the Malaysian Register and vice versa provided that there shall be no change in the ownership of such securities.

- (2) For the avoidance of doubt, the Company shall not allow any transmission of securities from the Malaysian Register into the Foreign Register."

15. STATUTORY AND OTHER GENERAL INFORMATION (cont'd)

"53. Obligation to keep register not affected

Nothing in these Articles shall be construed as affecting the obligation of the Company to keep a Register under Section 158 of the Act and a register of option holders under Section 68A of the Act and to open them for inspection in accordance with the provisions of the Act except that the Company shall not be obliged to enter in such registers the names and particulars of Depositors who are deemed to be members or option holders."

"54. Instrument of Transfer

Subject to the Central Depositories Act and the Rules, the instrument of transfer of any Deposited Security lodged with the Company for registration must be signed by or on behalf of the transferor and transferee, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register."

"55. Restriction of Transfer

No share shall in any circumstances be transferred to any infant, bankrupt or person of unsound mind."

"56. Maintenance of Register of Transfers

Subject to Article 51, the Company shall maintain a book called "Register of Transfers" which shall be kept by the Secretary or such other person authorised by the Directors. Subject to the provisions of the Central Depositories Act and the Rules and Article 51, particulars of the transfer or transmission of every share shall be entered into the Register of Transfers."

"57. Directors may refuse registration of transfer

(1) With the exception of transfer in favour of the Central Depository and subject to the provisions of the Central Depositories Act and the Rules, the Directors may subject to Article 57(4) decline to register the transfer of any share (not being a fully paid share) and may also decline to register the transfer of any share on which the Company has a lien or if the registration of the transfer would result in a contravention of or failure to observe the provisions of a law in Malaysia.

(2) The Directors may decline to recognise any instrument of transfer, unless:

(a) Such fee, not exceeding Ringgit Malaysia Three (RM3.00) per transfer or such other sum as may be permitted by the Exchange plus the amount of the proper duty with which each certificate is chargeable under the law relating to stamp duty as the Directors may from time to time require, is paid to the Company in respect thereof; and

15. STATUTORY AND OTHER GENERAL INFORMATION (cont'd)

- (b) The instrument of transfer together with the certificate is deposited at the Office or at such other place (if any) as the Directors may appoint accompanied by such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and if the instrument of transfer is executed by some other person on his behalf, the authority of that person to do so.
- (3) All instruments of transfers which are registered may be retained by the Company or its agents.
- (4) Subject to the provisions of the Central Depositories Act and the Rules, if the Directors decline to register any transfer they shall within 10 Market Days (or such other period specified by the Exchange) after the date on which the transfer was lodged with the Company send to the transferor, lodging broker and to the transferee written notice of refusal and the precise reasons thereof. Any instrument of transfer which the Directors may decline to register shall be returned to the person who tendered the same for registration save and except in cases where the Directors suspect fraud."

"58. Suspension of registration of transfers

The registration of transfers may be suspended at such time and for such period as the Directors may from time to time determine, provided always that such registration shall not be suspended for more than 30 days in any year. At least 10 clear Market Days' (or such other period specified by the Exchange) notice of such closure shall be given to the Exchange stating the period and the purpose or purposes of such closure. In relation to such closure, the Company shall give notice, in accordance with the Central Depositories Act and the Rules, to the Central Depository to enable the Central Depository to prepare the appropriate Record of Depositors."

15.2.4 Voting and borrowing powers of Directors

"140. Directors may elect and remove a Chairman

The Directors may from time to time elect and remove a Chairman and Deputy Chairman of the Board and determine the period for which they are respectively to hold the office. The Chairman so elected, or in his absence the Deputy Chairman, shall preside at all meetings of the Directors but if no such Chairman or Deputy Chairman be elected, or if at any meeting the Chairman or Deputy Chairman be not present within 15 minutes after the time appointed for holding the same, the Directors present shall choose one of their number to act as Chairman of such meeting."

"142. Director not to vote in contracts where he has an interest

No Director may vote in respect of any other contract or proposed contract or arrangement in which he is directly or indirectly interested nor any contract or proposed contract or arrangement with any other company in which he is interested either as an officer of that company or as a holder of shares or other securities in that other company."

15. STATUTORY AND OTHER GENERAL INFORMATION (cont'd)

"144. Voting right of Director

A Director may be or become or continue to be a director, managing director, manager or other officer or member of or otherwise interested in any corporation promoted by the Company or in which the Company may be interested as shareholder or otherwise, or any corporation, which is directly or indirectly interested in the Company as shareholder or otherwise, and no such Director shall be accountable to the Company for any remuneration or other benefits received by him as a director, managing director, manager or other officer of or member of, or from his interest in, such corporation, whether as a nominee of the Company or otherwise, unless the Company otherwise directs at the time of his appointment. The Director may, provided that he has complied with Section 131 and all other relevant provisions of the Act and of these Articles, exercise the voting power conferred by the shares or other interest in any such other corporation held or owned by the Company, or exercisable by him as director of such other corporation in such manner and in all respects as he thinks fit but a Director may not vote in favour of the exercise of such voting rights in manner aforesaid, if he may be, or is about to be appointed, a director, managing director, manager or other officer of such corporation and as such is or may become interested in the exercise of such voting rights in manner aforesaid."

"126. Power of Directors to borrow money

- (1) The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertakings, property and uncalled capital, or any part thereof, and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.
- (2) The Directors shall cause a proper register to be kept in accordance with Section 115 of the Act of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of Section 108 of the Act in regard to the registration of mortgages and charges therein specified and otherwise.
- (3) If the Directors or any of them, or any other person, shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or persons so becoming liable as aforesaid from any loss in respect of such liability."

15.2.5 Voting rights

"100. Rights and votes of members

- (1) Subject to Article 59 and any special rights or restrictions for the time being attached to any class or classes of shares, at meetings of members or classes of members, each member shall be entitled to be present and to vote at any general meeting of the Company either personally or by proxy or by attorney and to be reckoned in a quorum in respect of shares fully paid and in respect of partly paid shares where calls are not due and unpaid.

15. STATUTORY AND OTHER GENERAL INFORMATION (cont'd)

- (2) Subject to Article 59 and any special rights or restrictions as to voting attached to any class or classes of shares by or in accordance with these Articles, on a show of hands every person present who is a member or a member's representative, or holder of preference shares or proxy or attorney shall have 1 vote and in the case of a poll every member present in person or by proxy or by attorney or other duly authorized representative shall have 1 vote for every share held by him upon which all calls due to the Company have been paid. A person entitled to more than 1 vote need not use all his votes or cast all the votes he uses on a poll in the same way. Subject to Article 59, the shares held or represented by a member present in person or by proxy or by attorney or other duly authorised representative shall, in relation to shares of a Depositor, be the number of shares entered against his name in the Record of Depositors.
- (3) Where the capital of the Company consists of shares of different monetary denominations, voting rights shall be prescribed in such manner that a unit of capital in each class, when reduced to a common denominator, shall carry the same voting power when such right is exercisable."

"101. Corporation as member

Any corporation which is a member of the Company may by resolution of its Directors or other governing body authorise such person as it thinks fit to act as its representative either at a particular meeting of the Company, or at all meetings of the Company or any class of members and the person so authorised shall, in accordance with his authority and until his authority is revoked by the corporation, be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company."

"102. Votes of joint holders

Subject to the Central Depositories Act and the Rules, when there are joint-holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto, and if more than one of such joint-holders be present at any meeting personally or by proxy, the person whose name stands first on the Register or to the extent permissible under the Central Depositories Act and the Rules, on the Record of Depositors in respect of such share shall alone be entitled to vote in respect thereof."

15.2.6 Limitation on the right to hold securities and/or exercise voting rights

"103. Votes of lunatic, deceased or bankrupt member

- (1) Any member being of unsound mind or whose person or estate is liable to be dealt with in any way under the law relating to mental disorder may vote by his committee, receiver curator bonis, or other legal guardian or such other person as properly has the management of his estate. Any one of such person may vote either personally or by proxy or by attorney Provided such evidence as the Directors may require of the authority of the person claiming to vote shall have been deposited at the Office not less than 4 days before the time appointed for holding the meeting.

15. STATUTORY AND OTHER GENERAL INFORMATION *(cont'd)*

- (2) The legal personal representative of a deceased member or the person entitled under the Articles 55 to 58 to any share in consequence of the death or bankruptcy of any member may vote at any general meeting in respect thereof in the same manner as if he was the registered holder of such shares provided that 48 hours at least before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote he shall satisfy the Directors of his right to any share in consequence of the death or bankruptcy of any member unless the Directors shall have previously admitted his right to vote in respect thereof."

"104. Member in default

No member shall be entitled to be present or to vote at any general meeting or to exercise any privilege as a member nor be counted as one of the quorum unless all calls or other sums immediately payable by him in respect of shares in the Company have been paid."

"105. Time for objection

No objection shall be raised as to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the Chairman at the meeting, whose decision shall be final and conclusive."

Save as disclosed above, there is no limitation on the right to own securities, including any limitation on the right of a non-resident or non-Malaysian shareholder to hold or exercise voting rights on such securities, which is imposed by Malaysian law or by the constituent documents of the Company.

15.2.7 Modification of rights

"23. Modification of rights

Notwithstanding Article 24 hereof, the repayment of preference share capital other than redeemable preference share capital, or any other alteration of preference shareholders' rights, shall only be made pursuant to a special resolution of the preference shareholders concerned PROVIDED ALWAYS that where the necessary majority for such special resolution is not obtained at the meeting, consent in writing if obtained from the holders of three-fourths of the preference shares concerned within 2 months of the meeting, shall be as valid and effectual as a special resolution carried at the meeting."

15. STATUTORY AND OTHER GENERAL INFORMATION (cont'd)

"24. Class rights may be modified

At at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of shares of that class) may, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the holders of not less than three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting the provisions of these Articles relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least 2 persons holding or representing by proxy not less than one-tenth of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll. To every such special resolution the provisions of Section 152 of the Act shall, with such adaptations as are necessary, apply."

"25. Rights on creation or issue of further shares

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking as regards to participation in the profits or assets of the Company in some or in all respects *pari passu* therewith."

15.2.8 Issue of Shares**"5. Issue of shares**

- (1) Subject to the Act, the Central Depositories Act, the Rules, the Listing Requirements and the conditions, restrictions and limitations expressed in these Articles, the Directors may allot, grant options over or otherwise dispose of the unissued share capital of the Company to such persons, at such time and on such terms as they think proper, PROVIDED ALWAYS THAT –
- (a) no shares shall be issued at a discount except in compliance with the provision of the Act;
 - (b) no shares shall be issued which shall have the effect of transferring a controlling interest in the Company without the prior approval of the members in general meeting;
 - (c) in the case of shares other than ordinary shares, no special rights shall be attached until the same have been expressed in these Articles;

15. STATUTORY AND OTHER GENERAL INFORMATION (cont'd)

- (d) subject to Article 5(2) and notwithstanding the existence of a resolution pursuant to Section 132D of the Act, no shares or convertible securities shall be issued if the nominal value of those shares or convertible securities, when aggregated with the nominal value of any such shares or convertible securities issued during the preceding 12 months, exceeds 10% of the nominal value of the issued and paid-up capital of the Company, except where the shares or convertible securities are issued with the prior approval of the members in general meeting of the precise terms and conditions of the issue;
 - (e) every issue of shares or options to Employees and/or Directors shall be approved by the members in general meeting and in relation to a Director such approval shall specifically detail the amount of shares or options to be issued to such Director.
- (2) Except in the case of an issue of securities on a pro rata basis to members, there shall be no issue of shares or other convertible securities to a Director, major shareholder, Chief Executive or person connected with any Director, major shareholder or Chief Executive (hereinafter referred to as "the interested Director", "interested major shareholder", "interested Chief Executive" or "interested person connected with a Director, major shareholder or Chief Executive" respectively) unless members in general meeting have approved of the specific allotment to be made to such aforesaid persons.
- (3) In a meeting to obtain members' approval in respect of the allotment referred to under Article 5(2) above:
- (a) the interested Director, interested major shareholder, interested Chief Executive or interested person connected with a Director, major shareholder or Chief Executive; and
 - (b) where the allotment is in favour of an interested person connected with a Director, major shareholder or Chief Executive, such Director, major shareholder or Chief Executive,
- must not vote on the resolution approving the said allotment. An interested Director, interested major shareholder or interested Chief Executive must ensure that persons connected with him abstain from voting on the resolution approving the said allotment.
- (4) The notice of the meeting referred to in Article 5(2) shall state:-
- (a) the number of securities to be allotted;
 - (b) the purpose of allotment;
 - (c) the precise terms and conditions of the allotment; and
 - (d) the identity and relationship of the persons connected with the Director, major shareholder or Chief Executive, where applicable.

15. STATUTORY AND OTHER GENERAL INFORMATION (cont'd)

- (5) In this Article, "major shareholder", "Chief Executive" and "person connected with any Director, major shareholder or Chief Executive" shall have the meaning ascribed thereto in the Listing Requirements."

15.2.9 Dividends**"158. Payment of dividends**

The profits of the Company available for dividend and determined to be distributed shall be applied in the payment of dividends to the members in accordance with their respective rights and priorities. The Company in general meeting may declare dividends accordingly."

"159. Amount of dividend

No dividend shall be paid otherwise than out of profits of the Company and no dividend shall be paid in excess of the amount recommended by the Directors."

"160. Apportionment of dividends

Subject to the rights of persons (if any) entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividends are paid, but any amount paid up on a share in advance of calls shall not, whilst carrying interest pursuant to Article 33, be treated for the purposes of this Article as paid up on the share. All dividends shall be apportioned and paid pro-rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividends are paid except that if any share is issued on terms providing that it shall rank for dividend as if paid up (in whole or in part) as from a particular date, such share shall rank for dividend accordingly."

"161. Interim dividends

The Directors may if they think fit from time to time pay to the members such interim dividends as appear to the Directors to be justified by the profits of the Company. If at any time the share capital of the Company is divided into different classes the Directors may pay such interim dividends in respect of those shares in the capital of the Company which confer on the holders thereof deferred or non-preferential rights as well as in respect of those shares which confer on the holders thereof preferential rights with regard to dividend and provided that the Directors act bona fide they shall not incur any responsibility to the holder of shares conferring any preferential rights for any damage that they may suffer by reason of the payment of an interim dividend on any shares having deferred or non-preferential rights. The Directors may also pay half-yearly or at other suitable intervals to be determined by them any dividend which may be payable at a fixed rate if they are of the opinion that the profits justify the payment."

15. STATUTORY AND OTHER GENERAL INFORMATION (cont'd)

15.2.10 Winding-up***188. Distribution of assets in specie**

If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company, divide amongst the members in specie or in kind the whole or any part of the assets of the Company (whether they consist of property of the same kind or not) and may for that purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how the division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of any such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, thinks fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability."

***189. Proportionate distribution of assets**

Save that this Article shall be without prejudice to the rights of holders of shares issued upon special terms and conditions the following provisions shall apply :

- (a) If the Company shall be wound up and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid up, or which ought to have been paid up at the commencement of the winding-up, on the shares held by them respectively; and
- (b) If in a winding-up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding-up, the excess shall be distributed among the members in proportion to the capital paid up, or which ought to have been paid up at the commencement of the winding up, on the shares held by them respectively."

15.2.11 Calls***26. Directors may make calls**

The Directors may from time to time make such calls upon the members as the Directors may think fit in respect of the amounts unpaid on their shares (whether on account of the nominal amount of the shares or by way of premium), and not by the conditions of allotment made payable at fixed times. Except in the case of calls payable at fixed times pursuant to the conditions of allotment, each member shall be entitled to receive at least 7 days' notice specifying the time or times and place of payment."

15. STATUTORY AND OTHER GENERAL INFORMATION (cont'd)

15.2.12 Acquisition of own Shares

"11. Purchase of own shares

- (1) Subject to the provisions of the Act and any regulations made thereunder and to any rights previously conferred on the holders of any class of shares and to any requirements imposed by the Exchange in respect of securities admitted to listing, and any rules or guidelines ("Rules and Guidelines") of any relevant authorities (whether having the force of law or not) issued from time to time whether by way of amendment, modification or variation or in replacement thereof (other than any such of the Rules and Guidelines compliance with which by the Company is waived by the relevant authority), the Company may purchase or may enter into a contract under which it will or may purchase any of its shares of any class, including any redeemable shares.
- (2) Neither the Company nor the Board shall be required to select the shares to be purchased rateably or in any other particular manner as between the holders of shares of the same class or as between them and the holders of shares of any other class or in accordance with the rights as to dividends or capital conferred by any class of shares."

15.3 Deposited securities and rights of Depositors

As our Shares are proposed for quotation on the Official List, such Shares must be prescribed as shares required to be deposited with Bursa Depository. Upon such prescription, a holder of our Shares must deposit his Shares with Bursa Depository on or before the date fixed, failing which our share registrar will be required to transfer the Shares to the Minister of Finance, and such Shares may not be traded on Bursa Securities.

Dealing in Shares deposited with Bursa Depository may only be effected by a person having a securities account with Bursa Depository ("Depositor") by means of entries in the securities account of that Depositor.

A Depositor whose name appears in the Record of Depositors maintained by Bursa Depository in respect of our Shares shall be deemed to be our shareholder and shall be entitled to all rights, benefits, powers and privileges and be subject to all liabilities, duties and obligations in respect of, or arising from, such Shares.

15.4 ESOS

As at the date of this Prospectus, save as disclosed below, there is no other scheme involving the employees of our Group in the share capital of our Company or our subsidiaries.

Pursuant to an ESOS which came into effect on 28 June 2011, we will make available new Shares, not exceeding in aggregate 10% of the enlarged issued and paid-up share capital of our Company during the subsistence of the ESOS, to be issued under the Options granted under the ESOS to eligible employees of our Group and our executive Directors.

The purpose of the ESOS is to promote ownership of Shares by eligible employees of our Group and our executive Directors, thereby reinforcing a mutual interest among our Group's employees and our executive Directors and the shareholders of our Company and to enable us to attract, retain, reward and motivate employees of our Group and our executive Directors by permitting them to participate in our Company's growth.

15. STATUTORY AND OTHER GENERAL INFORMATION (cont'd)

Prior to the Listing, our Board proposes to grant Options over up to 33,000,000 Shares to our 2 executive Directors and the eligible employees of our Group ("Initial Grant"), of which Options over up to 17,500,000 Shares and up to 4,000,000 Shares will be granted to Hassan Assad Basma and Shaharul Rezza bin Hassan, respectively. The actual number of Shares in the Options to be granted to Hassan Assad Basma, Shaharul Rezza bin Hassan and the eligible employees of our Group pursuant to the Initial Grant have yet to be determined at this juncture. The exercise price for the Options granted pursuant to the Initial Grant is the Final Retail Price.

In addition to the Initial Grant, our Board (or such other committee appointed by our Board to administer the ESOS) may, at its discretion, within the duration of the ESOS, make offers to grant Options to eligible employees of our Group and our executive Directors. An eligible employee or executive Director (as the case may be) who accepts an offer of Options shall pay a sum of RM1.00 as consideration for acceptance of that offer. An Option shall be exercisable at a price which is the weighted average of the market price quotation of the Shares for the 5 Market Days immediately preceding the date on which the Option is granted, rounded down to the nearest sen, or the par value of the Share, whichever is higher.

Unless otherwise determined by our Board (or such other committee appointed by our Board to administer the ESOS), each Option shall become exercisable, to the extent of one-third of the Shares covered thereby, on each of the first 3 anniversaries of the date of grant, if the holder of such Option shall have been in the continuous service of our Company and our subsidiaries that are not dormant throughout such period. No Option shall be exercisable if the exercise of such Option would violate any provision of applicable laws, nor shall any Option be exercisable more than 10 years from the date on which the ESOS becomes effective.

No Option shall be granted pursuant to the ESOS on or after the 10th anniversary of the date on which the ESOS becomes effective.

The new Shares issued upon the exercise of an Option will be subjected to all the provisions of our Memorandum and Articles of Association and shall rank *pari passu* in all respects with the then existing issued Shares, save that they will not entitle the holders thereof to receive any rights or bonus issue or dividends or distributions the entitlement date of which precedes the date of the issue of such new Shares.

15.5 General

- (i) Save as disclosed in Sections 4.9 and 15.1(iv) of this Prospectus, no commissions, discounts, brokerages or other special terms have been paid or is payable by our Group within the 2 years immediately preceding the LPD for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any share in or debenture of our Group and in connection with the issue or sale of any capital of our Group and no Director or promoter or expert is or are entitled to receive any such payment or any other benefits.
- (ii) During the last financial year and the current financial period up to the LPD, there were no:
 - (a) public take-over offers by third parties in respect of our Company's securities; and
 - (b) public take-over offers by our Company in respect of any other company's securities.

15. STATUTORY AND OTHER GENERAL INFORMATION (cont'd)

- (iii) The governmental laws, decrees, regulations or other requirements in the BVI, Marshall Islands, Singapore and India which may affect the repatriation of capital and the remittance of profit by or to our Company are as set out in the opinions from Conyers Dill & Pearman Pte. Ltd., Reeder & Simpson PC, WongPartnership LLP and Amarchand & Mangaldas & Suresh A. Shroff & Co., respectively, in Annexure C of this Prospectus.

15.6 Material contracts

Save as disclosed below, our Company and our subsidiaries have not entered into any material contract with parties outside of our Group which is not in the ordinary course of our Group's business during the 2 years preceding the LPD:

- (i) BAN had entered into a Memorandum of Agreement dated 20 October 2009 for the sale of Armada Tuah 106 to COOEC (HK) Ltd for a cash consideration of USD35,900,000. This sale was completed on 9 November 2009.
- (ii) BAN had entered into a Memorandum of Agreement dated 25 November 2009 for the sale of Armada Tuah 103 to COOEC (HK) Ltd for a cash consideration of USD35,900,000. This sale was completed on 9 December 2009.
- (iii) Our Company had entered into a shareholders' agreement with CESL on 14 April 2010 to regulate the conduct of the business and affairs of CBJV in relation to the provision by CBJV of offshore support vessels and multi-purpose support vessels and the O&M services to the offshore and marine industries in Nigeria. Pursuant to the terms of the shareholders' agreement, our Company had subscribed for 7,000,000 shares of NGN1 each in CBJV for a consideration of NGN7,000,000 whilst CESL had subscribed for 8,000,000 shares of NGN1 each in CBJV for a consideration of NGN8,000,000. No calls have been made by CBJV for payments in respect of these subscriptions and accordingly these shares remain unpaid. Further, pursuant to the terms of the shareholders' agreement, our Company had purchased 3,000,000 shares of NGN1 each in CBJV whilst CESL had purchased 7,000,000 shares of NGN1 each in CBJV. These shares were purchased at no consideration from Edward Keniwenimo Etete and Hassan Assad Basma who were shareholders of CBJV as at the date of the said agreement. These purchases resulted in the proportion of the shareholdings of our Company and CESL in CBJV becoming 40:60, respectively.
- (iv) Our Company had entered into a shareholders' agreement with CESL on 14 April 2010 to regulate the conduct of the business and affairs of ACL in respect of the provision by ACL of offshore support vessels and multi-purpose support vessels for shallow water operations in Nigeria. Pursuant to the terms of the shareholders' agreement, our Company, being the sole shareholder of ACL as at the date of the said agreement holding 100,000 shares of USD1 each in ACL, had transferred 49,000 shares of USD1 each in ACL to CESL for a cash consideration of USD2,664,375 resulting in the proportion of the shareholding of our Company and CESL in ACL becoming 51:49, respectively, pursuant to the said transfer.
- (v) Our Company had entered into a shareholders' agreement with BAN and the remaining shareholders of BAN, namely WBSB, WSSB and KMSB, on 25 March 2011 for purposes of regulating their relationship as shareholders of BAN and their respective responsibilities in the conduct of the business and affairs of BAN. Pursuant to the terms of the said shareholders' agreement, the parties had agreed that our Company shall determine and manage the operating and financial policy, and all of the operations and affairs of BAN.

15. STATUTORY AND OTHER GENERAL INFORMATION (cont'd)

- (vi) Our Company has entered into the Retail Underwriting Agreement with the Joint Managing Underwriters on 22 June 2011 for the Joint Managing Underwriters to underwrite 79,861,400 Issue Shares under the Retail Offering at an underwriting commission of 1.75% of the amount equal to the Retail Price multiplied by the Issue Shares underwritten pursuant to the Retail Offering.
- (vii) Our Company has entered a lock-up agreement with the Joint Global Co-ordinators and the Joint Malaysian Co-ordinators (being CIMB, Credit Suisse (Malaysia) Sdn Bhd and Maybank IB), respectively, on 21 June 2011. Under this agreement, our Company has agreed that, for a period beginning on the date of Listing and ending on, and including, the date that is 180 days after the date of Listing, our Company will not, without the prior written consent of the Joint Global Co-ordinators and the Joint Malaysian Co-ordinators, (i) issue, allot, sell, offer to sell, contract or agree to sell, hypothecate, pledge, mortgage, charge, assign, grant any option to purchase or security over, or otherwise dispose of or agree to dispose of, directly or indirectly, any Shares or any other securities of our Company that are substantially similar to the Shares (or any interest therein or in respect thereof), or any securities convertible into or exchangeable or exercisable for, or any warrants or other rights to purchase, the foregoing; (ii) enter into any swap, transaction or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Shares or any other securities of our Company that are substantially similar to Shares, or any securities convertible into or exchangeable or exercisable for, or any warrants or other rights to purchase, the foregoing, whether any such transaction is to be settled by delivery of Shares or such other securities, in cash or otherwise; or (iii) publicly announce an intention to effect any transaction specified in (i) or (ii), except, in all cases, pursuant to the IPO; or for the grant of any option (or allotment and/or issue of any Shares thereunder) to the executive Directors of our Company and the eligible employees of our Group under and pursuant to the terms of the ESOS.
- (viii) Our Company has entered into a master cornerstone placing agreement with the Cornerstone Investors on 20 June 2011 whereby the Cornerstone Investors have agreed to purchase, at the Institutional Price, an aggregate of 300,000,000 Shares, representing approximately 10.24% of the enlarged issued and paid-up share capital of our Company.

15.7 Material litigation

Save as disclosed below, as at the LPD, neither our Company nor our subsidiaries is involved in any material litigation or arbitration, either as plaintiff or defendant, which may have a material adverse effect on the business or financial position of our Group, and our Directors are not aware of any legal proceeding, pending or threatened, or of any fact likely to give rise to any legal proceeding which may have a material adverse effect on the business or financial position of our Group:

On 25 January 2011, our Company received a Notice of Termination from J. Ray McDermott S.A. ("JRM") on the shareholders' agreement dated 22 June 2001 between our wholly-owned subsidiary, BAN, JRM and Schematic Principle (M) Sdn Bhd on our associate, BMD dated 22 June 2001.

Our Group has sought legal counsel to ascertain the extent of our rights. BAN takes the view that the termination is unlawful and will take such legal steps as it deems necessary to protect its interests in BMD.

Notwithstanding BAN's rights with respect to its participation in BMD, the management of BAN has assessed and fully provided for BAN's investment in BMD of RM16,978,000.

15. STATUTORY AND OTHER GENERAL INFORMATION (cont'd)

15.8 Letters of consent

The written consents of our Joint Principal Advisers, Joint Global Co-ordinators, Joint Bookrunners, Joint Managing Underwriters, Lead Managers, Legal Advisers, Principal Bankers, Share Registrar and Issuing House as set out in the Corporate Directory of this Prospectus for the inclusion in this Prospectus of their names in the form and context in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.

The written consent of the Auditors and Reporting Accountants for the inclusion of its name, Accountants' Report, and Reporting Accountants' letter on our proforma consolidated statement of financial position as at 31 March 2011 in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

The written consent of ISL for the inclusion of its name, the Independent Market Research Report and all references in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

The written consents of Conyers Dill & Pearman Pte. Ltd, Reeder & Simpson PC, WongPartnership LLP and Amarchand & Mangaldas & Suresh A. Shroff & Co. for the inclusion of their respective legal opinions in the form and context in which they are contained in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn.

15.9 Documents available for inspection

Copies of the following documents may be inspected at our registered office at Level 21, Menara Perak, 24, Jalan Perak, 50450 Kuala Lumpur, Malaysia, during normal working hours for a period of 12 months from the date of this Prospectus:

- (i) Memorandum and Articles of Association of our Company;
- (ii) Reporting Accountants' letter on the proforma consolidated statement of financial position as included in Section 12.5 of this Prospectus;
- (iii) Accountants' Report referred to in Section 13 of this Prospectus;
- (iv) Directors' Report referred to in Section 14 of this Prospectus;
- (v) the letters of consent referred to in Section 15.8 of this Prospectus;
- (vi) material contracts referred to in Section 15.6 of this Prospectus;
- (vii) material agreements referred to in Section 7.21 of this Prospectus;
- (viii) the service agreement of the Executive Director referred to in Section 9.7(i) of this Prospectus;
- (ix) legal opinions from Conyers Dill & Pearman Pte. Ltd., Reeder & Simpson PC, WongPartnership LLP and Amarchand & Mangaldas & Suresh A. Shroff & Co. on any governmental laws, decrees, regulations or other requirements which may affect the repatriation of capital and the remittance of profit by or to our Company under the laws of BVI, Marshall Islands, Singapore and India, respectively;

15. STATUTORY AND OTHER GENERAL INFORMATION (cont'd)

- (x) audited consolidated financial statements of our Company for the 3 years ended 31 December 2008, 2009 and 2010, and the 3 months ended 31 March 2011;
- (xi) audited consolidated financial statements and audited financial statements of our subsidiaries for the 3 years ended 31 December 2008, 2009 and 2010; and
- (xii) Independent Market Researcher's Report as included in Section 8 of this Prospectus.

15.10 Responsibility statements

Our Directors, the Promoters and Selling Shareholders have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus. Having made all reasonable enquiries and to the best of their knowledge and belief, they confirm that there is no false or misleading statement or other facts which if omitted, would make any statement in this Prospectus false or misleading.

CIMB, Maybank IB and RHB as the Joint Principal Advisers, acknowledge that, based on all available information and to the best of their knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

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16. PROCEDURES FOR APPLICATION AND ACCEPTANCE

16.1 Opening and closing of applications

OPENING OF THE RETAIL OFFERING: 10.00 A.M., 30 JUNE 2011

CLOSING OF THE RETAIL OFFERING: 5.00 P.M., 7 JULY 2011

Our Directors and the Majority Joint Managing Underwriters may decide in their absolute discretion to extend the closing time and date for applications under the Retail Offering to any later date or dates. If they decide to extend the closing date for the applications, the Price Determination Date and dates for the balloting and allotment of the Issue Shares, transfer of the Offer Shares and our Listing may be extended accordingly. Any extension will be announced in widely circulated Bahasa Malaysia and English daily newspapers within Malaysia.

Late applications will not be accepted.

16.2 Methods of application and category of investors

16.2.1 Application for Issue Shares under the Retail Offering

Applications for the Issue Shares pursuant to the Retail Offering may be made using either of the following:

Type of application	Category of investors
PINK Application Form	Our Directors, and eligible employees and persons who have contributed to the success of our Group
WHITE Application Form or Electronic Share Application ⁽¹⁾ or Internet Share Application ⁽²⁾	Malaysian public

Notes:

- (1) Except for Affin Bank Berhad, a surcharge of RM2.50 per Electronic Share Application will be charged by the respective Participating Financial Institution.
- (2) The following processing fee per Internet Share Application will be charged by the respective Internet Participating Financial Institution:
- (i) CIMB (www.eipocimb.com) – RM2.00 for payment via CIMB Bank Berhad or RM5.00 for payment via Malayan Banking Berhad;
 - (ii) CIMB Bank Berhad (www.cimbclicks.com.my) – RM2.00 for applicants with CDS accounts held with CIMB and RM2.50 for applicants with CDS accounts with other ADAs;
 - (iii) Malayan Banking Berhad (www.maybank2u.com.my) – RM1.00;
 - (iv) RHB Bank Berhad (www.rhb.com.my) – RM2.50;
 - (v) Affin Bank Berhad (www.affinOnline.com) – No fees will be charged for application by their account holders; and
 - (vi) Public Bank Berhad (www.pbepbank.com) – RM2.00

An eligible employee and a person who has contributed to the success of our Group, and an eligible Director of our Company who has made an application using a PINK Application Form may still apply for the Issue Shares offered to the Malaysian public using the WHITE Application Form, Electronic Share Application or Internet Share Application.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)

However, applicants using the PINK and WHITE Application Forms are not allowed to submit multiple applications in the same category of application. Further, applicants who have submitted their applications using WHITE Application Forms are not allowed to make additional applications using the Electronic Share Applications and Internet Share Applications, and vice versa.

16.2.2 Application by investors under the Institutional Offering

Investors under the Institutional Offering (other than the Bumiputera institutional and selected investors approved by MITI) will be contacted directly by the Joint Global Co-ordinators, Joint Bookrunners and Lead Managers and should follow the instructions as communicated by the Joint Global Co-ordinators, Joint Bookrunners and Lead Managers. Bumiputera institutional and selected investors approved by MITI who have been allocated Offer Shares or Issue Shares will be contacted directly by MITI and should follow the instructions as communicated through MITI.

16.3 Procedures for application and acceptance

16.3.1 Application by our Directors, and eligible employees and persons who have contributed to the success of our Group (PINK Application Forms)

Application procedures and instructions will be separately contained in a letter to be issued by our Company to our Directors, and eligible employees and persons who have contributed to the success of our Group.

16.3.2 Application by the Malaysian public under the Retail Offering (WHITE Application Forms, Electronic Share Applications or Internet Share Applications)

Eligibility

You may apply for the Issue Shares if you fulfill all the following:

- (i) You must have a CDS account. If you do not have a CDS account, you may open a CDS account by contacting any of the ADAs listed in Section 17 of this Prospectus;
- (ii) You must be one of the following:
 - (a) a Malaysian citizen who is at least 18 years old as at the closing date of the Retail Offering with a Malaysian address; or
 - (b) a corporation/institution incorporated in Malaysia where there is a majority of Malaysian citizens on your board of directors/trustees and if you have a share capital, more than half of the issued share capital, excluding preference share capital, is held by Malaysian citizens; or
 - (c) a superannuation, co-operative, foundation or provident or pension fund established or operating in Malaysia.

We will not accept applications from trustees, persons under 18 years of age, sole proprietorships, partnerships or other incorporated bodies or associations, other than corporations/institutions referred to in (ii)(b) or (c) above or the trustees thereof; and

- (iii) You must not be a director or employee of the Issuing House or their immediate family members.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**16.4 Procedures for application by way of Application Forms**

Each application for the Issue Shares under the Retail Offering must be made on the correct Application Form for the relevant category of investors issued together with this Prospectus and must be completed in accordance with the notes and instructions printed therein. The Application Forms together with the notes and instructions shall constitute an integral part of this Prospectus. Applications which do not conform **STRICTLY** to the terms of this Prospectus or the respective category of Application Form or which are illegible may not be accepted at the absolute discretion of our Directors.

Full instructions for the application for the Issue Shares and the procedures to be followed are set out in the Application Forms. All applicants are advised to read the Application Forms and the notes and instructions therein carefully.

Step 1 : Obtain application documents

Obtain the relevant Application Form together with the Official "A" and "B" envelopes and this Prospectus.

The **WHITE** Application Form can be obtained subject to availability from the following:

- (i) CIMB;
- (ii) Maybank IB;
- (iii) RHB;
- (iv) Participating organisations of Bursa Securities;
- (v) Members of the Association of Banks in Malaysia;
- (vi) Members of the Malaysian Investment Banking Association; and
- (vii) the Issuing House.

Step 2 : Read the Prospectus

In accordance with Section 232(2) of the CMSA, this Prospectus is accompanied by the Application Form. You are advised to read and understand the Prospectus before making your application.

Step 3 : Complete the relevant Application Form

Complete the relevant Application Form legibly and **STRICTLY** in accordance with the notes and instructions printed on it and in this Prospectus.

(i) Personal particulars

You must ensure that your personal particulars submitted in your application are identical with the records maintained by Bursa Depository. You are required to inform Bursa Depository promptly of any changes to your personal particulars.

If you are an individual and you are not a member of the armed forces or police, the name and national registration identity card ("NRIC") numbers must be the same as:

- your NRIC;
- any valid temporary identity document issued by the National Registration Department from time to time; or

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (*cont'd*)

- your "Resit Pengenalan Sementara (JPN KP09)" issued pursuant to Peraturan 5(5), Peraturan-Peraturan Pendaftaran Negara 1990.

If you are a member of the armed forces or police, your name and your armed forces or police personnel number, as the case may be, must be exactly as that stated in your authority cards.

For corporations/institutions, the name and certificate of incorporation numbers must be the same as that stated in the certificate of incorporation or the certificate of change of name, where applicable.

If you are a non-Malaysian (in the case of PINK Forms), your name and passport number must be exactly as that stated in your passport.

(ii) CDS account number

You must state your CDS account number in the space provided in the Application Form. Invalid or nominee or third party CDS accounts will not be accepted.

(iii) Details of payment

You must state the details of your payment in the appropriate boxes provided in the Application Form.

(iv) Number of Issue Shares applied

Applications must be for at least 100 Issue Shares or multiples of 100 Issue Shares for applicants using the PINK and WHITE Application Forms.

Step 4 : Prepare appropriate form of payment

You must prepare the correct form of payment in RM for the FULL amount payable for the Issue Shares based on the Retail Price, which is RM3.15 per Issue Share.

Payment must be made out in favour of "MIH SHARE ISSUE ACCOUNT NO. 520" and crossed "A/C PAYEE ONLY" (excluding ATM statements) and endorsed on the reverse side with your name and address. Only the following forms of payment will be accepted:

- (i) banker's draft or cashier's order purchased within Malaysia only and drawn on a bank in Kuala Lumpur (differentiated by a special red band for Bumiputera applicants);
- (ii) money order or postal order (for applicants from Sabah and Sarawak only);
- (iii) Guaranteed Giro Order ("GGO") from Bank Simpanan Nasional Malaysia Berhad (differentiated by a special red band for Bumiputera applicants); or
- (iv) ATM statement obtained only from any of the following:
 - Affin Bank Berhad;
 - Alliance Bank Malaysia Berhad;
 - AmBank (M) Berhad;
 - CIMB Bank Berhad;
 - EON Bank Berhad;
 - Hong Leong Bank Berhad;
 - Malayan Banking Berhad;
 - Public Bank Berhad; or
 - RHB Bank Berhad.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)

Applications with excess or insufficient remittances or inappropriate forms of payment will not be accepted.

Step 5 : Finalise application

The Application Form with payment and a legible photocopy of your identification document (NRIC/valid temporary identity document issued by the National Registration Department/"Resit Pengenalan Sementara (JPN KP09)"/authority card for armed forces or police personnel/certificate of incorporation or certificate of change of name for corporate or institutional applicant or passport (where applicable)) must be inserted into Official "A" envelope. You must write your name and address on the outside of the Official "A" and "B" envelopes.

The name and address written must be identical to your name and address as per your NRIC/valid temporary identity document issued by the National Registration Department/"Resit Pengenalan Sementara (JPN KP09)"/authority card for armed forces or police personnel/certificate of incorporation or the certificate of change of name for corporate or institutional applicant or passport (where applicable).

Affix an 80 sen stamp on Official "A" envelope and insert Official "A" envelope into Official "B" envelope.

Step 6 : Submit application

Each completed Application Form, accompanied by the appropriate remittance and legible photocopy of the relevant documents, may be submitted using one of the following methods:

- (i) despatched by ORDINARY POST in the official envelopes provided, to the following address:

Malaysian Issuing House Sdn Bhd
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
P.O. Box 8269
Pejabat Pos Kelana Jaya
46785 Petaling Jaya

- (ii) **DELIVERED BY HAND AND DEPOSITED** in the Drop-In Boxes provided at the front portion of Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan,

so as to arrive not later than 5.00 p.m. on 7 July 2011, or such later date or dates as our Directors and the Majority Joint Managing Underwriters in their absolute discretion may decide.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (*cont'd*)

16.5 Procedures for application by way of Electronic Share Applications

Only Malaysian individuals may use the Electronic Share Application to apply for the Issue Shares made available to the Malaysian public.

16.5.1 Steps for Electronic Share Application through a Participating Financial Institution's ATM

- (i) You must have an account with a Participating Financial Institution and an ATM card issued by that Participating Financial Institution to access the account. An ATM card issued by one of the Participating Financial Institutions cannot be used to apply for Issue Shares at an ATM belonging to other Participating Financial Institutions;
- (ii) You must have a CDS account;
- (iii) You are advised to read and understand the Prospectus before making the application; and
- (iv) You may apply for the Issue Shares via the ATM of the Participating Financial Institution by choosing the Electronic Share Application option. Mandatory statements required in the application are set out in Section 16.5.3 of this Prospectus relating to the terms and conditions for Electronic Share Application. You are to submit the following information through the ATM, where the instructions on the ATM screen, require you to do so:
 - Personal Identification Number (PIN);
 - MIH Share Issue Account No. 520;
 - CDS account number;
 - Number of Issue Shares applied for and/or the RM amount to be debited from the account; and
 - Confirmation of several mandatory statements as set out in Section 16.5.3 of this Prospectus.

16.5.2 Participating Financial Institutions

Electronic Share Applications may be made through an ATM of the following Participating Financial Institutions and their branches:

- Affin Bank Berhad;
- AmBank (M) Berhad;
- Bank Muamalat Malaysia Berhad;
- CIMB Bank Berhad;
- EON Bank Berhad;
- HSBC Bank Malaysia Berhad;
- Malayan Banking Berhad;
- OCBC Bank (Malaysia) Berhad;
- Public Bank Berhad;
- RHB Bank Berhad; or
- Standard Chartered Bank Malaysia Berhad (at selected branches only).

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**16.5.3 Terms and Conditions of Electronic Share Applications**

The procedures for Electronic Share Applications at ATMs of the Participating Financial Institutions are set out on the ATM screens of the relevant Participating Financial Institutions ("Steps"), similar to the steps set out in Section 16.5.1 of this Prospectus. The Steps set out the actions that the applicant must take at the ATM to complete an Electronic Share Application. Please read carefully the terms of this Prospectus, the Steps and the terms and conditions for Electronic Share Applications set out below before making an Electronic Share Application.

You must have a CDS account to be eligible to use the Electronic Share Application.

Upon the completion of your Electronic Share Application transaction at the ATM, you will receive a computer-generated transaction slip ("Transaction Record"), confirming the details of your Electronic Share Application. The Transaction Record is only a record of the completed transaction at the ATM and not a record of the receipt of the Electronic Share Application or any data relating to such an Electronic Share Application by our Company or the Issuing House. The Transaction Record is for your retention and should not be submitted with any Application Form.

Upon the closing of the Retail Offering on 7 July 2011 at 5.00 p.m. ("Closing Date and Time"), the Participating Financial Institutions shall submit a magnetic tape containing their respective customers' applications for the Issue Shares to the Issuing House as soon as practicable but not later than 12.00 p.m. of the second business day after the Closing Date and Time.

You will be allowed to make only 1 application and shall not make any other application for the Issue Shares under the Retail Offering to the Malaysian public, whether at the ATMs of any Participating Financial Institution or using the WHITE Application Forms.

YOU MUST ENSURE THAT YOU USE YOUR OWN CDS ACCOUNT NUMBER WHEN MAKING AN ELECTRONIC SHARE APPLICATION. IF YOU OPERATE A JOINT ACCOUNT WITH ANY PARTICIPATING FINANCIAL INSTITUTION, YOU MUST ENSURE THAT YOU ENTER YOUR OWN CDS ACCOUNT NUMBER WHEN USING AN ATM CARD ISSUED TO YOU IN YOUR OWN NAME. YOUR APPLICATION WILL BE REJECTED IF YOU FAIL TO COMPLY WITH THE ABOVE.

The Electronic Share Application shall be made on, and subject to, the above terms and conditions as well as the terms and conditions appearing below and in Section 16.7 of this Prospectus:

- (i) The Electronic Share Application shall be made in relation to and subject to the terms of this Prospectus and the Memorandum and Articles of Association of our Company.
- (ii) You are required to confirm the following statements (by pressing predesignated keys (or buttons) on the ATM keyboard) and undertake that the following information given is true and correct:
 - (a) You have attained 18 years of age as at the Closing Date and Time;
 - (b) You are a Malaysian citizen residing in Malaysia;
 - (c) You have read the relevant Prospectus and understood and agreed with the terms and conditions of the application;
 - (d) This is the only application that you are submitting; and

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)

- (e) You hereby give consent to the Participating Financial Institution and Bursa Depository to disclose information pertaining to yourself and your account with the Participating Financial Institution and Bursa Depository to the Issuing House and other relevant authorities.

The application will not be successfully completed and cannot be recorded as a completed transaction at the ATM unless you complete all the steps required by the Participating Financial Institution. By doing so, you shall be deemed to have confirmed each of the above statements as well as giving consent in accordance with the relevant laws of Malaysia including Section 97 of the Banking and Financial Institutions Act, 1989 and Section 45 of the SICDA to the disclosure by the relevant Participating Financial Institution or Bursa Depository, as the case may be, of any of your particulars to the Issuing House, or any relevant regulatory bodies.

- (iii) You confirm that you are not applying for Issue Shares as a nominee of any other person and that the Electronic Share Application that you make is made by you as the beneficial owner. You shall only make 1 Electronic Share Application and shall not make any other application for the Issue Shares under the Retail Offering to Malaysian public, whether at the ATMs of any Participating Financial Institution or Internet Share Application or using the WHITE Application Forms.
- (iv) You must have sufficient funds in your account with the relevant Participating Financial Institution at the time the Electronic Share Application is made, failing which the Electronic Share Application will not be completed. Any Electronic Share Application, which does not strictly conform to the instructions set out on the screens of the ATM through which the Electronic Share Application is being made, will be rejected.
- (v) You agree and undertake to purchase and to accept the number of Issue Shares applied for as stated on the Transaction Record or any lesser number of Issue Shares that may be allotted to you in respect of the Electronic Share Application. In the event that our Company decides to allot a lesser number of such Issue Shares or not to allot any share to you, you agree to accept any such decision as final. If the Electronic Share Application is successful, the confirmation (by your action of pressing the predesignated keys (or buttons) on the ATM keyboard) of the number of Issue Shares applied for shall signify, and shall be treated as, your acceptance of the number of Issue Shares that may be allotted to you and to be bound by the Memorandum and Articles of Association of our Company.
- (vi) The Issuing House, on the authority of our Directors, reserves the right not to accept any Electronic Share Application or accept any Electronic Share Application in part only without assigning any reason therefor. Due consideration will be given to the desirability of allotting the Issue Shares to a reasonable number of applicants with a view to establishing an adequate market for the Issue Shares.
- (vii) Where an Electronic Share Application is not successful or successful in part only, the relevant Participating Financial Institution will be informed of the non-successful or partially successful application. If your Electronic Share Application is not successful, the relevant Participating Financial Institution will credit the full amount of the application monies without interest into your account with that Participating Financial Institution within 2 Market Days after the receipt of confirmation from the Issuing House. The Issuing House shall inform the Participating Financial Institutions of the non-successful or partially successful application within 2 Market Days after the balloting date. You may check your account on the fifth Market Day from the balloting date.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)

If your Electronic Share Application is accepted in part only, the relevant Participating Financial Institution will credit the balance of the application monies without interest into your account with the Participating Financial Institution within 2 Market Days after the receipt of confirmation from the Issuing House. A number of applications will, however, be held in reserve to replace any successfully balloted applications, which are subsequently rejected. For such applications, which are subsequently rejected, the application monies without interest will be refunded to applicants by the Issuing House by way of cheques issued by the Issuing House. The cheques will be issued to the applicants not later than 10 Market Days from the day of the final ballot of the application list.

Should you encounter any problems in your application, you may refer to the Participating Financial Institutions.

- (viii) You request and authorise us:
- (a) to credit the Issue Shares allotted to you into your CDS account; and
 - (b) to issue share certificate(s) representing such shares allotted in the name of Bursa Malaysia Depository Nominees Sdn Bhd and send the same to Bursa Depository.
- (ix) You acknowledge that your Electronic Share Application is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond the control of our Company, Issuing House, Bursa Depository or the Participating Financial Institution and irrevocably agree that if:
- (a) our Company or the Issuing House does not receive your Electronic Share Application; or
 - (b) the data relating to your Electronic Share Application is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to our Company or Issuing House,
- you shall be deemed not to have made an Electronic Share Application and shall not make any claim whatsoever against our Company, Issuing House or the Participating Financial Institution for the Issue Shares applied for or for any compensation, loss or damage.
- (x) All of your particulars in the records of the relevant Participating Financial Institution at the time of making the Electronic Share Application shall be deemed to be true and correct, and our Company, Issuing House and the relevant Participating Financial Institution shall be entitled to rely on the accuracy thereof.
- (xi) You shall ensure that your personal particulars as recorded by both Bursa Depository and the relevant Participating Financial Institution are correct and identical. Otherwise, your Electronic Share Application is liable to be rejected. You must inform Bursa Depository promptly of any change in address, failing which the notification letter of successful allotment will be sent to your registered address last maintained with Bursa Depository.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)

- (xii) By making and completing an Electronic Share Application, you agree that:
- (a) in consideration of our Company agreeing to allow and accept the making of any application for shares via the Electronic Share Application facility established by the Participating Financial Institutions at their respective ATMs, your Electronic Share Application is irrevocable;
 - (b) our Company, the Participating Financial Institutions, Bursa Depository and the Issuing House shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your Electronic Share Application due to a breakdown or failure of transmission or communication facilities or to any cause beyond their control;
 - (c) notwithstanding the receipt of any payment by or on behalf of our Company, the acceptance of your offer to subscribe for and purchase the Issue Shares for which the Electronic Share Application has been successfully completed shall be constituted by the issue of notices of allotment in respect of the said Issue Shares;
 - (d) you irrevocably authorise Bursa Depository to complete and sign on your behalf as transferee or renounee any instrument of transfer and/or other documents required for the issue or transfer of the Issue Shares allocated to you; and
 - (e) you agree that in relation to any legal action, proceedings or disputes arising out of or in relation to the contract between the parties and/or the Electronic Share Application and/or any terms herein, all rights, obligations and liabilities of the parties to the Retail Offering shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies of Malaysia and that you irrevocably submit to the jurisdiction of the Courts of Malaysia.
- (xiii) If you are successful in your application, our Directors reserve the right to require you to appear in person at the registered office of the Issuing House within 14 days of the date of the notice issued to you to ascertain your application is genuine and valid. Our Directors shall not be responsible for any loss or non-receipt of the said notice nor shall they be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.
- (xiv) The Issuing House, on the authority of our Directors, reserves the right to reject applications which do not conform to these instructions.
- (xv) Except for Affin Bank Berhad, a surcharge of RM2.50 per Electronic Share Application will be charged by the respective Participating Financial Institution.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**16.6 Procedures for application by way of Internet Share Applications**

Only Malaysian individuals may use the Internet Share Application to apply for the Issue Shares made available to the Malaysian public.

Please read carefully and follow the terms of this Prospectus, the procedures, terms and conditions for Internet Share Application and the procedures set out on the internet financial services website of the Internet Participating Financial Institution before making an Internet Share Application.

Step 1 : Set up of account

Before making an application by way of Internet Share Application, you **must have all** of the following:

- (i) an existing account with access to internet financial services with **CIMB** at www.eipocimb.com or **CIMB Bank Berhad** at www.cimbclicks.com.my or **Malayan Banking Berhad** at www.maybank2u.com.my or **RHB Bank Berhad** at www.rhb.com.my or **Affin Bank Berhad** at www.affinOnline.com or **Public Bank Berhad** at www.pbebank.com. You need to have your user identification and PIN/password for the internet financial services facility; and
- (ii) an individual CDS account registered in your name (and not in a nominee's name) and in the case of a joint account, an individual CDS account registered in your name which is to be used for the purpose of the application if you are making the application instead of a CDS account registered in the joint account holder's name.

Step 2 : Read the Prospectus

You are advised to read and understand the Prospectus before making your application.

Step 3 : Apply through internet

The following steps for an application of the Issue Shares via Internet Share Application have been set out for illustration purposes only.

PLEASE NOTE THAT THE ACTUAL STEPS FOR INTERNET SHARE APPLICATIONS CONTAINED IN THE INTERNET FINANCIAL SERVICES WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION MAY DIFFER FROM THE STEPS OUTLINED BELOW.

- (i) Connect to the internet financial services website of the Internet Participating Financial Institution with which you have an account;
- (ii) Log in to the internet financial services facility by entering your user identification and PIN/password;
- (iii) Navigate to the section of the website on applications in respect of IPO;
- (iv) Select the counter in respect of the Issue Shares to launch the Electronic Prospectus and the terms and conditions of the Internet Share Application;
- (v) Select the designated hyperlink on the screen to accept the abovementioned terms and conditions, having read and understood such terms and conditions;
- (vi) At the next screen, complete the online application form;

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)

- (vii) Check that the information contained in the online application form, such as the share counter, NRIC number, CDS account number, number of Issue Shares applied for and the account number to debit are correct, and select the designated hyperlink on the screen to confirm and submit the online application form;
- (viii) After selecting the designated hyperlink on the screen, you will have to confirm and undertake that the following mandatory statements are true and correct:
 - (a) You are at least 18 years of age as at the Closing Date and Time;
 - (b) You are a Malaysian citizen residing in Malaysia;
 - (c) You have, prior to making the Internet Share Application, received and/or have had access to a printed/electronic copy of the Prospectus, the contents of which you have read and understood;
 - (d) You agree to all the terms and conditions of the Internet Share Application as set out in this Prospectus and have carefully considered the risk factors set out in this Prospectus, in addition to all other information contained in this Prospectus, before making the Internet Share Application;
 - (e) The Internet Share Application is the only application that you are submitting for the Issue Shares under the offering to the Malaysian public;
 - (f) You authorise the financial institution with which you have an account to deduct the full amount payable for the Issue Shares from your account with the said financial institution ("**Authorised Financial Institution**");
 - (g) You give express consent in accordance with the relevant laws of Malaysia (including but not limited to Section 99 of the Banking and Financial Institutions Act, 1989 and Section 45 of the SICDA) to the disclosure by the Internet Participating Financial Institution, the Authorised Financial Institution and/or Bursa Depository, as the case may be, of information pertaining to you, the Internet Share Application made by you or your account with the Internet Participating Financial Institution, to the Issuing House and the Authorised Financial Institution, the SC and any other relevant authority;
 - (h) You are not applying for the Issue Shares as a nominee of any other person and the application is made in your own name, as beneficial owner and subject to the risks referred to in this Prospectus; and
 - (i) You authorise the Internet Participating Financial Institution to disclose and transfer to any person, including any government or regulatory authority in any jurisdiction, Bursa Securities or other relevant parties in connection with the Retail Offering, all information relating to you if required by any law, regulation, court order or any government or regulatory authority in any jurisdiction or if such disclosure and transfer is, in the reasonable opinion of the Internet Participating Financial Institution, necessary for the provision of the Internet Share Application services or if such disclosure is requested or required in connection with the Retail Offering. Further, the Internet Participating Financial Institution will take reasonable precautions to preserve the confidentiality of information furnished by you to the Internet Participating Financial Institution in connection with the use of the Internet Share Application services;

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)

- (ix) Upon submission of the online application form, you will be linked to the website of the Authorised Financial Institution to effect the online payment for the Retail Offering;
- (x) You must pay for the Issue Shares through the website of the Authorised Financial Institution, failing which the Internet Share Application is **not completed**, despite the display of the Confirmation Screen. "Confirmation Screen" refers to the screen which appears or is displayed on the internet financial services website, which confirms that the Internet Share Application has been completed and states the details of your Internet Share Application, including the number of Issue Shares applied for, which can be printed out by you for record purposes;
- (xi) As soon as the transaction is completed, a message from the Authorised Financial Institution pertaining to the payment status will appear on the screen of the website through which the online payment for the Issue Shares is being made. Subsequently, the Internet Participating Financial Institution shall confirm that the Internet Share Application has been completed, via the Confirmation Screen on its website; and
- (xii) You are advised to print out the Confirmation Screen for reference and retention.

16.7 Terms and conditions

- (i) You are required to pay the Retail Price of RM3.15 for each Issue Share applied for.
- (ii) You can submit only 1 application for the Issue Shares offered to the Malaysian public. For example, if you submit an application using a WHITE Application Form, you cannot submit an Electronic Share Application or Internet Share Application.

However, if you have made an application using the PINK Application Form, you may still apply for the Issue Shares offered to the Malaysian public using the WHITE Application Form, Electronic Share Application or Internet Share Application.

The Issuing House, acting under the authority of our Directors has the discretion to reject applications that appear to be multiple applications under each category of applicants. You are hereby cautioned that if you submit more than 1 application in your own name or by using the name of others, with or without their consent, you will be committing an offence under Section 179 of the CMSA and may be punished with a minimum fine of RM1,000,000 and a jail term of up to 10 years under Section 182 of the CMSA.

- (iii) Each application under the PINK and WHITE Application Forms, Electronic Share Application and Internet Share Application must be for at least 100 Issue Shares or multiples of 100 Issue Shares.
- (iv) Each application must be made in connection with and subject to this Prospectus and the Memorandum and Articles of Association of our Company. You agree to be bound by the Memorandum and Articles of Association of our Company should you be allotted any Shares.
- (v) Your submission of an application does not necessarily mean that your application will be successful. Any submission of application is irrevocable.
- (vi) Our Company or the Issuing House will not issue any acknowledgement of the receipt of your application or application monies.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)

(vii) You must ensure that your personal particulars submitted in your application and/or your personal particulars as recorded by the Internet Participating Financial Institution are correct and accurate and identical with the records maintained by Bursa Depository. Otherwise, your application is liable to be rejected. You will have to promptly notify Bursa Depository of any change in your address failing which the notification letter of successful allocation will be sent to your registered/correspondence addresses last maintained with Bursa Depository.

(viii) No application shall be deemed to have been accepted by reason of the remittances having been presented for payment.

Our acceptance of your application to subscribe for or purchase the Issue Shares shall be constituted by the issue of notices of allotment for the Issue Shares to the applicants.

(ix) Submission of your CDS account number in your application includes your authority/consent in accordance with Malaysian laws of the right of Bursa Depository, the Participating Financial Institution and Internet Participating Financial Institution (as the case may be) to disclose information pertaining to your CDS account and other relevant information to us, the Issuing House and any relevant authorities (as the case may be).

(x) You agree to accept our decision as final should we decide not to allot any Issue Share to you.

(xi) Additional terms and conditions for Electronic Share Application are as follows:

(a) You agree and undertake to subscribe for or purchase and to accept the number of Issue Shares applied for as stated in the Transaction Record or any lesser amount that may be allotted to you.

(b) Your confirmation by pressing the key or button on the ATM shall be treated as your acceptance of the number of Issue Shares allotted to you.

(c) Should you be allotted any Issue Shares, you shall be bound by the Memorandum and Articles of Association of our Company.

(d) You confirm that you are not applying for Issue Shares as a nominee of other persons and that your Electronic Share Application is made on your own account as a beneficial owner.

(e) You request and authorise us to credit the Issue Shares allotted to you into your CDS account and to issue share certificate(s) representing those Shares allotted in the name of Bursa Malaysia Depository Nominees Sdn Bhd and send them to Bursa Depository.

(f) You acknowledge that your application is subject to electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events which are not in the control of our Company, the Issuing House, the Participating Financial Institution or Bursa Depository. You irrevocably agree that you are deemed not to have made an application if we or the Issuing House do not receive your application or your application data is wholly or partially lost, corrupted or inaccessible to us or the Issuing House. You shall not make any claim whatsoever against us, the Issuing House, the Participating Financial Institution or Bursa Depository.

(g) You irrevocably authorise Bursa Depository to complete and sign on your behalf as transferee or renounee any instrument of transfer and/or other documents required for the transfer of our Issue Shares allotted to you.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)

- (h) You agree that in the event of legal disputes arising from the use of Electronic Share Applications, the mutual rights, obligations and liabilities of the parties to the Retail Offering shall be determined under the laws of Malaysia and be bound by decisions of the Courts of Malaysia.
- (xii) Additional terms and conditions for Internet Share Application are as follows:
 - (a) Your application will not be successfully completed and cannot be recorded as a completed application unless you have completed all relevant application steps and procedures for the Internet Share Application which would result in the internet financial services website displaying the Confirmation Screen. You are required to complete the Internet Share Application by the close of the Retail Offering mentioned in Section 16.1 of this Prospectus.
 - (b) You irrevocably agree and undertake to subscribe for or purchase and to accept the number of Issue Shares applied for as stated on the Confirmation Screen or any lesser amount that may be allotted to you. Your confirmation by clicking the designated hyperlink on the relevant screen of the website shall be treated as your acceptance of the number of Issue Shares allotted to you.
 - (c) You request and authorise us to credit the Issue Shares allotted to you into your CDS account and to issue share certificate(s) representing those Shares allotted in the name of Bursa Malaysia Depository Nominees Sdn Bhd and send them to Bursa Depository.
 - (d) You irrevocably agree and acknowledge that the Internet Share Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdowns, faults with computer software, problems occurring during data transmission, computer security threats such as viruses, hackers and crackers, fires, acts of God and other events beyond the control of our Company, the Issuing House, the Internet Participating Financial Institution and/or the Authorised Financial Institution. If, in any such event, our Company, the Issuing House and/or the Internet Participating Financial Institution and/or the Authorised Financial Institution do not receive your Internet Share Application and/or payment, or in the event that any data relating to the Internet Share Application or the tape or any other devices containing such data is wholly or partially lost, corrupted, destroyed or otherwise not accessible for any reason, you shall be deemed not to have made an Internet Share Application and you shall have no claim whatsoever against our Company, the Issuing House or the Internet Participating Financial Institution and the Authorised Financial Institution.
 - (e) You irrevocably authorise Bursa Depository to complete and sign on your behalf as transferee or renounee any instrument of transfer and/or other documents required for the transfer of the Issue Shares allotted to you.
 - (f) You agree that in the event of legal disputes arising from the use of Internet Share Application, the mutual rights, obligations and liabilities of the parties to the Retail Offering shall be determined under the laws of Malaysia and be bound by the decisions of the Courts of Malaysia.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)

- (g) You shall hold the Internet Participating Financial Institution harmless from any damages, claims or losses whatsoever, as a consequence of or arising from any rejection of your Internet Share Application by our Company, the Issuing House and/or the Internet Participating Financial Institution for reasons of multiple application, suspected multiple application, inaccurate and/or incomplete details provided by the applicant, or any other cause beyond the control of the Internet Participating Financial Institution.
 - (h) You are not entitled to exercise any remedy of rescission for misrepresentation at any time after we have accepted your Internet Share Application.
 - (i) In making the Internet Share Application, you have relied solely on the information contained in this Prospectus. Our Company, Promoters, Joint Principal Advisers, Joint Managing Underwriters and any other person involved in the Retail Offering shall not be liable for any information not contained in this Prospectus which may have been relied by you in making the Internet Share Application.
- (xiii) IN RESPECT OF INTERNET SHARE APPLICATION, THE TERMS AND CONDITIONS OUTLINED IN THIS SECTION 16.7 OF THIS PROSPECTUS SUPPLEMENT THE ADDITIONAL TERMS AND CONDITIONS FOR INTERNET SHARE APPLICATION CONTAINED IN THE INTERNET FINANCIAL SERVICES WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION. PLEASE REFER TO THE INTERNET FINANCIAL SERVICES WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION FOR THE EXACT TERMS AND CONDITIONS AND INSTRUCTIONS.

16.8 Authority of our Directors and the Issuing House

Applicants will be selected in a manner to be determined by our Directors. Due consideration will be given to the desirability of allotting our Issue Shares to a reasonable number of applicants with a view to establishing an adequate market for our Shares.

The Issuing House, on the authority of our Directors, reserves the right to:

- (i) reject applications which do not conform to the instructions in this Prospectus, Application Forms, Electronic Share Application and Internet Share Application (where applicable) or are illegible, incomplete or inaccurate;
- (ii) reject or accept any application, in whole or in part, on a non-discriminatory basis without assigning any reason therefor; and
- (iii) bank in all application monies (including those from unsuccessful/partially successful applicants) which would subsequently be refunded (where applicable) without interest by registered post.

If you are successful in your application, our Directors reserve the right to require you to appear in person at the registered office of the Issuing House within 14 days of the date of the notice issued to you to ascertain that your application is genuine and valid. Our Directors are not responsible for any loss or non-receipt of the said notice nor shall they be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE *(cont'd)***16.9 Over/Under-subscription**

In the event of over-subscription in the Retail Offering, the Issuing House will conduct a ballot in the manner approved by our Directors to determine the acceptance of applications in a fair and equitable manner. In determining the manner of balloting, our Directors will consider the desirability of distributing the Issue Shares to a reasonable number of applicants for the purpose of broadening the shareholding base of our Company and establishing an adequate market in the trading of our Shares. Pursuant to the Listing Requirements, we need to have a minimum of 25% of the Shares for which Listing is sought to be held by at least 1,000 public shareholders holding not less than 100 Shares each upon completion of this IPO and at the time of Listing. In the event that the above requirement is not met, we may not be allowed to proceed with the Listing. In the event thereof, monies paid in respect of all applications will be returned in full without interest.

In the event of an under-subscription, subject to the clawback and reallocation as set out in Section 4.3.3 of this Prospectus, all the Issue Shares not applied for under the Retail Offering will be subscribed by the Joint Managing Underwriters pursuant to the Retail Underwriting Agreement.

16.10 Unsuccessful/Partially successful applicants

Application monies in respect of the unsuccessful/partially successful applicants will be returned without interest in the following manner.

16.10.1 For applications by way of Application Forms

- (i) The application monies or the balance of it, as the case may be, will be returned to you via the self-addressed and stamped Official "A" envelope you provided by ordinary post (for fully unsuccessful applications) or by registered post to your last address maintained with Bursa Depository (for partially successful applications) within 10 Market Days from the date of the final ballot.
- (ii) If your application was rejected because you did not provide a CDS account number, your application monies will be sent to your address as stated in the NRIC or "Resit Pengenalan Sementara" (JPN KP09) or any valid temporary identity document issued by the National Registration Department from time to time at your own risk.
- (iii) The Issuing House reserves the right to bank in all application monies from unsuccessful applicants. These monies will be refunded within 10 Market Days from the date of the final ballot by registered post to your last address maintained with Bursa Depository or as per item (ii) above (as the case may be).

16.10.2 For applications by way of Electronic Share Application

- (i) The Issuing House shall inform the Participating Financial Institutions of the non-successful or partially successful applications within 2 Market Days after the balloting date. The application monies or the balance of it will be credited without interest into your account with the Participating Financial Institution within 2 Market Days after the receipt of confirmation from the Issuing House.
- (ii) You may check your account on the fifth Market Day from the balloting day.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)

- (iii) A number of applications will be reserved to replace any balloted applications which are rejected. The application monies relating to these applications which are subsequently rejected will be refunded without interest by the Issuing House by way of cheques by registered post. The cheques will be issued not later than 10 Market Days from the date of the final ballot. For applications that are held in reserve and are subsequently unsuccessful (or only partly successful), the Participating Financial Institution will credit the application money (or any part thereof) into your account without interest within 2 Market Days after the receipt of confirmation from the Issuing House.

16.10.3 For applications by way of Internet Share Application

- (i) The Issuing House shall inform the Internet Participating Financial Institutions of the non-successful or partially successful application within 2 Market Days after the balloting date. The Internet Participating Financial Institution will arrange with the Authorised Financial Institution to credit the application monies or the balance of it without interest into your account with the Authorised Financial Institution within 2 Market Days after the receipt of confirmation from the Issuing House.
- (ii) You may check your account on the fifth Market Day from the balloting day.
- (iii) A number of applications will be reserved to replace any balloted applications which are rejected. The application monies relating to these applications which are subsequently rejected will be refunded without interest by the Issuing House by way of cheques by registered post or ordinary post. The cheques will be issued not later than 10 Market Days from the date of the final ballot. For applications that are held in reserve and are subsequently unsuccessful (or only partly successful), the Internet Participating Financial Institution will credit the application money (or any part thereof) into your account without interest within 2 Market Days after the receipt of confirmation from the Issuing House.

16.11 Successful applicants

If you are successful in your application:

- (i) The Issue Shares allotted to you will be credited into your CDS account. No physical share certificates will be issued to you and you shall not be entitled to withdraw any deposited securities held jointly with Bursa Depository or its nominee as long as the Shares are listed on Bursa Securities.
- (ii) A notice of allotment will be despatched to you at the address last maintained with Bursa Depository, at your own risk, before the Listing. This is your only acknowledgement of acceptance of the application.
- (iii) In the event that the Final Retail Price is lower than the Retail Price, the difference will be refunded without any interest thereon. The refund in the form of cheques will be despatched by ordinary post to the address stated in the Application Form or to the address as stated in Bursa Depository's records for applications made via the Electronic Share Application and Internet Share Application, of the successful applicants, within 10 Market Days from the date of final ballot of application, at the successful applicants' own risk.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**16.12 Enquiries**

Enquiries in respect of the applications may be directed as follows:

Mode of application	Parties to direct the enquiries
Application Forms	Issuing House at telephone no. +603 7841 8000 or 7841 8289
Electronic Share Application	Participating Financial Institution
Internet Share Application	Internet Participating Financial Institution and Authorised Financial Institution

You may also check the status of your application on the Issuing House's website at www.mih.com.my, or by calling your respective ADA at the telephone number as stated in Section 17 of this Prospectus or the Issuing House at telephone no. +603 7841 8000 or 7841 8289 between 5 and 10 Market Days (during office hours only) after the balloting date.

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17. LIST OF ADAs

The list of ADAs and their respective addresses, telephone numbers and broker codes are as follows:

Name	Address and telephone number	Broker code
KUALA LUMPUR		
A.A. ANTHONY SECURITIES SDN BHD	N3, Plaza Damas 60, Jalan Sri Hartamas 1 Sri Hartamas 50480 Kuala Lumpur Telephone no.: +603 6201 1155	078-004
AFFIN INVESTMENT BANK BERHAD	Ground Mezzanine & 3rd Floor Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Telephone no. : +603 2143 8668	028-001
ALLIANCE INVESTMENT BANK BERHAD	17 th Floor, Menara Multi-Purpose Capital Square 8, Jalan Munshi Abdullah 50100 Kuala Lumpur Telephone no.: +603 2697 6333	076-001
AMINVESTMENT BANK BERHAD	15th Floor, Bangunan AmBank Group 55, Jalan Raja Chulan 50200 Kuala Lumpur Telephone no.: +603 2078 2788	086-001
BIMB SECURITIES SDN BHD	32 nd Floor, Menara Multi-Purpose Capital Square No. 8, Jalan Munshi Abdullah 50100 Kuala Lumpur Telephone no.: +603 2691 8887	024-001
CIMB INVESTMENT BANK BERHAD	9th Floor, Commerce Square Jalan Semantan, Damansara Heights 50490 Kuala Lumpur Telephone no.: +603 2084 9999	065-001
ECM LIBRA INVESTMENT BANK BERHAD	1st Floor, Wisma Genting Jalan Sultan Ismail 50250 Kuala Lumpur Telephone no.: +603 2178 1133	052-009
ECM LIBRA INVESTMENT BANK BERHAD	Bangunan ECM Libra 8, Jalan Damansara Endah Damansara Heights 50490 Kuala Lumpur Telephone no.: +603 2089 1888	052-001

17. LIST OF ADAs (cont'd)

Name	Address and telephone number	Broker code
KUALA LUMPUR (cont'd)		
HONG LEONG INVESTMENT BANK BERHAD	Level 8, Menara HLA No. 3, Jalan Kia Peng 50450 Kuala Lumpur Telephone no.: +603 2168 1168	066-001
HWANGDBS INVESTMENT BANK BERHAD	2nd Floor, Bangunan AHP No. 2, Jalan Tun Mohd Fuad 3 Taman Tun Dr. Ismail 60000 Kuala Lumpur Telephone no.: +603 7710 6688	068-009
HWANGDBS INVESTMENT BANK BERHAD	Nos. 34-5, 36-5, 38-5, 40-5, 42-5 & 44-5 5th Floor, Cheras Commercial Centre Jalan 5/101C Off Jalan KasKas, 5th Mile Cheras 56100 Kuala Lumpur Telephone no.: +603 9130 3399	068-012
HWANGDBS INVESTMENT BANK BERHAD	7th, 22nd, 23rd & 23A Floor Menara Keck Seng 203, Jalan Bukit Bintang 55100 Kuala Lumpur Telephone no.: +603 2711 6888	068-014
INTER-PACIFIC SECURITIES SDN BHD	West Wing, Level 13 Berjaya Times Square No. 1, Jalan Imbi 55100 Kuala Lumpur Telephone no.: +603 2117 1888	054-001
INTER-PACIFIC SECURITIES SDN BHD	Ground Floor, 7-0-8, Jalan 3/109F Danau Business Centre, Danau Desa 58100 Kuala Lumpur Telephone no.: +603 7984 7796	054-003
INTER-PACIFIC SECURITIES SDN BHD	Stesyen Minyak SHELL Jalan 1/116B, Off Jalan Kuchai Lama Kuchai Entrepreneur Park 58200 Kuala Lumpur Telephone no.: +603 7981 8811	054-005
JUPITER SECURITIES SDN BHD	7th-9th Floor, Menara Olympia 8, Jalan Raja Chulan 50200 Kuala Lumpur Telephone no.: +603 2034 1888	055-001
KAF-SEAGROATT & CAMPBELL SECURITIES SDN BHD	11th-14th Floor, Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Telephone no.: +603 2168 8800	053-001

17. LIST OF ADAs (cont'd)

<u>Name</u>	<u>Address and telephone number</u>	<u>Broker code</u>
KUALA LUMPUR (cont'd)		
KENANGA INVESTMENT BANK BERHAD	8th Floor, Kenanga International Jalan Sultan Ismail 50250 Kuala Lumpur Telephone no.: +603 2164 9080	073-001
MAYBANK INVESTMENT BANK BERHAD	5-13 Floor, Maybanlife Tower Dataran Maybank No. 1, Jalan Maarof 59000 Kuala Lumpur Telephone no.: +603 2297 8888	098-001
M & A SECURITIES SDN BHD	Level 1-2, No. 45 & 47 The Boulevard, Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur Telephone no.: +603 2282 1820	057-002
MERCURY SECURITIES SDN BHD	L-7-2, No. 2 Jalan Solaris Solaris Mont Kiara 50480 Kuala Lumpur Telephone no.: +603 6203 7227	093-002
MIDF AMANAH INVESTMENT BANK BERHAD	11th & 12th Floor, Menara MIDF 82, Jalan Raja Chulan 50200 Kuala Lumpur Telephone no.: +603 2173 8888	026-001
MIMB INVESTMENT BANK BERHAD	Level 18, Menara EON Bank 288, Jalan Raja Laut 50350 Kuala Lumpur Telephone no.: +603 2691 0200	061-001
OSK INVESTMENT BANK BERHAD	20th Floor, Plaza OSK Jalan Ampang 50450 Kuala Lumpur Telephone no.: +603 2333 8333	056-001
OSK INVESTMENT BANK BERHAD	No. 62 & 64, Vista Magna Jalan Prima, Metro Prima 52100 Kuala Lumpur Telephone no.: +603 6257 5869	056-028
OSK INVESTMENT BANK BERHAD	Ground Floor No. M3-A-7 & M3-A-8 Jalan Pandan Indah 4/3A Pandan Indah 55100 Kuala Lumpur Telephone no.: +603 4280 4798	056-054

17. LIST OF ADAs (cont'd)

<u>Name</u>	<u>Address and telephone number</u>	<u>Broker code</u>
KUALA LUMPUR (cont'd)		
OSK INVESTMENT BANK BERHAD	Ground, 1st, 2nd & 3rd Floor No. 55, Zone J4 Jalan Radin Anum Bandar Baru Seri Petaling 57000 Kuala Lumpur Telephone no.: +603 9058 7222	056-058
PM SECURITIES SDN BHD	Ground, Mezzanine, 1st & 10th Floor Menara PMI No. 2, Jalan Changkat Ceylon 50200 Kuala Lumpur Telephone no.: +603 2146 3000	064-001
PUBLIC INVESTMENT BANK BERHAD	27th Floor, Public Bank Building No. 6, Jalan Sultan Sulaiman 50000 Kuala Lumpur Telephone no.: +603 2031 3011	051-001
RHB INVESTMENT BANK BERHAD	Level 9, Tower One RHB Centre, Jalan Tun Razak 50400 Kuala Lumpur Telephone no.: +603 9287 3888	087-001
TA SECURITIES HOLDINGS BERHAD	Floor 13-16, 23, 28-30, 34 & 35 Menara TA One No. 22, Jalan P. Ramlee 50250 Kuala Lumpur Telephone no.: +603 2072 1277	058-003
SELANGOR DARUL EHSAN		
AFFIN INVESTMENT BANK BERHAD	2nd, 3rd & 4th Floor Wisma Amsteel Securities No. 1, Lintang Pekan Baru Off Jalan Meru 41050 Klang Selangor Darul Ehsan Telephone no.: +603 3343 9999	028-002
AFFIN INVESTMENT BANK BERHAD	Lot 229, 2nd Floor, The Curve No. 6, Jalan PJU 7/3 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Telephone no.: +603 7729 8016	028-003
AMINVESTMENT BANK BERHAD	4th Floor, Plaza Damansara Utama No. 2, Jalan SS21/60 47400 Petaling Jaya Selangor Darul Ehsan Telephone no.: +603 7710 6613	086-003

17. LIST OF ADAs (cont'd)

<u>Name</u>	<u>Address and telephone number</u>	<u>Broker code</u>
SELANGOR DARUL EHSAN (cont'd)		
ECM LIBRA INVESTMENT BANK BERHAD	35 (Ground & 1st Floor) Jalan Tiara 3 Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Telephone no.: +603 3348 8080	052-015
CIMB INVESTMENT BANK BERHAD	Ground Floor Tropicana City Office Tower 3, Jalan SS20/27 47400 Petaling Jaya Selangor Darul Ehsan Telephone no.: +603 7717 3319	065-009
HONG LEONG INVESTMENT BANK BERHAD	Level 10 1, First Avenue Bandar Utama 47800 Petaling Jaya Selangor Darul Ehsan Telephone no.: +603 7724 6888	066-002
HWANGDBS INVESTMENT BANK BERHAD	16th, 18th-20th Floor, Plaza Masalam No. 2, Jalan Tengku Ampuan Zabedah E9/E Section 9 40100 Shah Alam Selangor Darul Ehsan Telephone no.: +603 5513 3288	068-002
HWANGDBS INVESTMENT BANK BERHAD	East Wing & Centre Link Floor 3A, Wisma Consplant 2 No. 7, Jalan SS 16/1 47500 Subang Jaya Selangor Darul Ehsan Telephone no.: +603 5635 6688	068-010
JF APEX SECURITIES BERHAD	6th Floor, Menara Apex Off Jalan Semenyih, Bukit Mewah 43000 Kajang Selangor Darul Ehsan Telephone no.: +603 8736 1118	079-001
JF APEX SECURITIES BERHAD	15th & 16th Floor Menara Choy Fook On No. 1B, Jalan Yong Shook Lin 46050 Petaling Jaya Selangor Darul Ehsan Telephone no.: +603 7620 1118	079-002
KENANGA INVESTMENT BANK BERHAD	Ground – Fifth Floor East Wing, Quattro West No. 4, Lorong Persiaran Barat 46200 Petaling Jaya Selangor Darul Ehsan Telephone no.: +603 7862 6200	073-005

17. LIST OF ADAs (cont'd)

<u>Name</u>	<u>Address and telephone number</u>	<u>Broker code</u>
SELANGOR DARUL EHSAN (cont'd)		
KENANGA INVESTMENT BANK BERHAD	1st Floor, Wisma UEP Pusat Perniagaan USJ 10 Jalan USJ 10/1A 47620 Subang Jaya Selangor Darul Ehsan Telephone no.: +603 8024 1682	073-006
KENANGA INVESTMENT BANK BERHAD	Suite 7.02, Level 7, Menara ING Intan Millenium Square No. 68, Jalan Batai Laut 4 Taman Intan 41300 Klang Selangor Darul Ehsan Telephone no.: +603 3005 7550	073-007
KENANGA INVESTMENT BANK BERHAD	Lot 240, 2nd Floor, The Curve No. 6, Jalan PJU 7/3 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Telephone no.: +603 7725 9095	073-016
OSK INVESTMENT BANK BERHAD	24, 24M, 24A, 26M, 28M, 28A & 30 Jalan SS 2/63 47300 Petaling Jaya Selangor Darul Ehsan Telephone no.: +603 7873 6366	056-011
OSK INVESTMENT BANK BERHAD	No. 37, Jalan Semenyih 43000 Kajang Selangor Darul Ehsan Telephone no.: +603 8736 3378	056-045
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 15, Jalan Bandar Rawang 4 48000 Rawang Selangor Darul Ehsan Telephone no.: +603 6092 8916	056-047
OSK INVESTMENT BANK BERHAD	Ground & Mezzanine Floor No. 87 & 89, Jalan Susur Pusat Perniagaan NBC Batu 1½, Jalan Meru 41050 Klang Selangor Darul Ehsan Telephone no.: +603 3343 9180	056-048
OSK INVESTMENT BANK BERHAD	3 rd Floor, 1 A-D Jalan USJ 10/1A Pusat Perniagaan USJ 10 47610 UEP Subang Jaya Selangor Darul Ehsan Telephone no.: +603 8023 6518	056-063

17. LIST OF ADAs (cont'd)

<u>Name</u>	<u>Address and telephone number</u>	<u>Broker code</u>
SELANGOR DARUL EHSAN (cont'd)		
PM SECURITIES SDN BHD	No. 157 & 159, Jalan Kenari 23/A Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Telephone no.: +603 8070 0773	064-003
PM SECURITIES SDN BHD	No. 18 & 20, Jalan Tiara 2 Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Telephone no.: +603 3341 5300	064-007
SJ SECURITIES SDN BHD	Ground Floor, Podium Block Wisma Synergy Lot 72, Persiaran Jubli Perak Section 22 40200 Shah Alam Selangor Darul Ehsan Telephone no.: +603 5192 0202	096-001
TA SECURITIES HOLDINGS BERHAD	No. 2-1, 2-2, 2-3 & 4-2 Jalan USJ 9/5T Subang Business Centre 47620 UEP Subang Jaya Selangor Darul Ehsan Telephone no.: +603 8025 1880	058-005
TA SECURITIES HOLDINGS BERHAD	Damansara Utama Branch 2nd Floor, Wisma TA 47400 Petaling Jaya Selangor Darul Ehsan Telephone no.: +603 7729 5713	058-007
MELAKA		
CIMB INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 191, Taman Melaka Raya Off Jalan Parameswara 75000 Melaka Tel No : +606 2898 800	065-006
ECM LIBRA INVESTMENT BANK BERHAD	71A & 73A, Jalan Merdeka Taman Melaka Raya 75000 Melaka Telephone no.: +606 2881 720	052-008
ECM LIBRA INVESTMENT BANK BERHAD	22A & 22A-1 and 26 & 26-1 Jalan MP 10 Taman Merdeka Permai 75350 Batu Berendam Melaka Telephone no.: +606 3372 550	052-016

17. LIST OF ADAs (cont'd)

<u>Name</u>	<u>Address and telephone number</u>	<u>Broker code</u>
MELAKA (cont'd)		
MALACCA SECURITIES SDN BHD	No. 1, 3 & 5, Jalan PPM9 Plaza Pandan Malim (Business Park) Balai Panjang, P.O. Box 248 75250 Melaka Telephone no.: +606 3371 533	012-001
MERCURY SECURITIES SDN BHD	No. 81-B & 83-B, Jalan Merdeka Taman Melaka Raya 75000 Melaka Telephone no.: +606 2921 898	093-003
OSK INVESTMENT BANK BERHAD	579, 580 & 581 Taman Melaka Raya 75000 Melaka Telephone no.: +606 2825 211	056-003
PM SECURITIES SDN BHD	No. 11 & 13, Jalan PM2 Plaza Mahkota 75000 Melaka Telephone no.: +606 2866 008	064-006
RHB INVESTMENT BANK BERHAD	Lot 7-13 & 15, 1st Floor Tabung Haji Building Jalan Bandar Kaba 75000 Melaka Telephone no.: +606 2833 622	087-002
PERAK DARUL RIDZUAN		
A.A. ANTHONY SECURITIES SDN BHD	29G, Jalan Intan 2 Bandar Baru 36000 Teluk Intan Perak Darul Ridzuan Tel No : +605 6232 328	078-009
CIMB INVESTMENT BANK BERHAD	Ground, No. 8, 8A-C Persiaran Greentown 4C Greentown Business Centre 30450 Ipoh Perak Darul Ridzuan Telephone no.: +605 2082 688	065-010
ECM LIBRA INVESTMENT BANK BERHAD	No. 63, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Telephone no.: +605 2422 828	052-002
ECM LIBRA INVESTMENT BANK BERHAD	No. 7B-1, Jalan Laman Intan Bandar Baru Teluk Intan 36000 Teluk Intan Perak Darul Ridzuan Telephone no.: +605 6222 828	052-006

17. LIST OF ADAs (cont'd)

<u>Name</u>	<u>Address and telephone number</u>	<u>Broker code</u>
PERAK DARUL RIDZUAN (cont'd)		
ECM LIBRA INVESTMENT BANK BERHAD	Ground Floor No. 25 & 25A, Jalan Jaya2 Medan Jaya 32000 Sitiawan Perak Darul Ridzuan Telephone no.: +605 6939 828	052-014
HWANGDBS INVESTMENT BANK BERHAD	Ground, Level 1, 2 & 3 21, Jalan Stesen 34000 Taiping Perak Darul Ridzuan Telephone no.: +605 8066 688	068-003
HWANGDBS INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 22, Persiaran Greentown 1 Greentown Business Centre 30450 Ipoh Perak Darul Ridzuan Telephone no.: +605 2559 988	068-015
HONG LEONG INVESTMENT BANK BERHAD	51-53, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Telephone no.: +605 2530 888	066-003
MAYBANK INVESTMENT BANK BERHAD	B-G-04 (Ground Floor), Level 1 & 2 No.42, Persiaran Greentown 1 Pusat Perdagangan Greentown 30450 Ipoh Perak Darul Ridzuan Telephone no.: +605 2453 400	098-002
M & A SECURITIES SDN BHD	M & A Building 52A, Jalan Sultan Idris Shah 30000 Ipoh Perak Darul Ridzuan Telephone no.: +605 2419 800	057-001
OSK INVESTMENT BANK BERHAD	21-25, Jalan Seenivasagam Greentown 30450 Ipoh Perak Darul Ridzuan Telephone no.: +605 2415 100	056-002
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 17, Jalan Intan 2, Bandar Baru 36000 Teluk Intan Perak Darul Ridzuan Telephone no.: +605 6236 498	056-014
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 23 & 25, Jalan Lumut 32000 Sitiawan Perak Darul Ridzuan Telephone no.: +605 6921 228	056-016

17. LIST OF ADAs (cont'd)

<u>Name</u>	<u>Address and telephone number</u>	<u>Broker code</u>
PERAK DARUL RIDZUAN (cont'd)		
OSK INVESTMENT BANK BERHAD	Ground Floor, No. 40, 42 & 44 Jalan Berek 34000 Taiping Perak Darul Ridzuan Telephone no.: +605 8088 229	056-034
OSK INVESTMENT BANK BERHAD	72, Ground Floor Jalan Idris 31900 Kampar Perak Darul Ridzuan Telephone no.: +605 4651 261	056-044
OSK INVESTMENT BANK BERHAD	Ground Floor No. 2, Jalan Wawasan 4 Taman Wawasan 34200 Parit Buntar Perak Darul Ridzuan Telephone no.: +605 7170 888	056-052
TA SECURITIES HOLDINGS BERHAD	Ground, 1st & 2nd Floor Plaza Teh Teng Seng No. 227, Jalan Raja Permaisuri Bainun 30250 Ipoh Perak Darul Ridzuan Telephone no.: +605 2531 313	058-001
PULAU PINANG		
A.A. ANTHONY SECURITIES SDN BHD	1st, 2nd & 3rd Floor Bangunan Heng Guan 171 Jalan Burmah 10050 Pulau Pinang Telephone no.: +604 2299 318	078-002
A.A. ANTHONY SECURITIES SDN BHD	Ground & 1st Floor No. 2, Jalan Perniagaan 2 Pusat Perniagaan Alma 14000 Bukit Mertajam Pulau Pinang Telephone no.: +604 5541 388	078-003
ALLIANCE INVESTMENT BANK BERHAD	Suite 2.1 & 2.4, Level 2 Wisma Great Eastern No. 25, Lebuhraya Light 10200 Penang Telephone no.: +604 2611 688	076-015
AMINVESTMENT BANK BERHAD	Mezzanine Floor & Level 3 No. 37, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Telephone no.: +604 2261 818	086-004

17. LIST OF ADAs (cont'd)

<u>Name</u>	<u>Address and telephone number</u>	<u>Broker code</u>
PULAU PINANG (cont'd)		
CIMB INVESTMENT BANK BERHAD	Ground Floor Suite 1.01, Menara Boustead Penang 39, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Telephone no.: +604 2385 900	065-003
ECM LIBRA INVESTMENT BANK BERHAD	No. 111, Jalan Macalister 10400 Pulau Pinang Telephone no.: +604 2281 868	052-003
ECM LIBRA INVESTMENT BANK BERHAD	7th Floor, Menara Boustead Penang 39, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Telephone no.: +604 2283 355	052-010
HWANGDBS INVESTMENT BANK BERHAD	Level 2, 3, 4, 7 & 8, Wisma Sri Pinang 60, Green Hall 10200 Pulau Pinang Telephone no.: +604 2636 996	068-001
HWANGDBS INVESTMENT BANK BERHAD	No. 2 & 4, Jalan Perda Barat Bandar Perda 14000 Bukit Mertajam Pulau Pinang Telephone no.: +604 5372 882	068-006
INTER-PACIFIC SECURITIES SDN BHD	Ground, Mezzanine & 8th Floor Bangunan Mayban Trust No. 3, Penang Street 10200 Penang Telephone no.: +604 2690 888	054-002
KENANGA INVESTMENT BANK BERHAD	Lot 1.02, Level 1, Menara KWSP 38, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Telephone no.: +604 2106 666	073-013
MERCURY SECURITIES SDN BHD	Ground, 1st, 2nd & 3rd Floor Wisma UMNO Lorong Bagan Luar Dua 12000 Butterworth Pulau Pinang Telephone no.: +604 3322 123	093-001
MERCURY SECURITIES SDN BHD	2nd Floor, Standard Chartered Bank Chambers 2, Lebuhr Pantai 10300 Pulau Pinang Telephone no.: +604 2639 118	093-004

17. LIST OF ADAs (cont'd)

<u>Name</u>	<u>Address and telephone number</u>	<u>Broker code</u>
PULAU PINANG (cont'd)		
OSK INVESTMENT BANK BERHAD	64, Bishop Street 20E, 20F & 20G, Penang Street 10200 Penang Telephone no.: +604 2634 222	056-004
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 2677, Jalan Chain Ferry Taman Inderawasih 13600 Seberang Prai Pulau Pinang Telephone no.: +604 3900 022	056-005
OSK INVESTMENT BANK BERHAD	Ground & Upper Floor No. 11A, Jalan Keranji Off Jalan Padang Lallang 14000 Bukit Mertajam Pulau Pinang Telephone no.: +604 5402 888	056-015
OSK INVESTMENT BANK BERHAD	834, Jalan Besar, Sungai Bakap 14200 Sungai Jawi Seberang Perai Selatan Pulau Pinang Telephone no.: +604 5831 888	056-032
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 15-G-5, 15-G-6, 15-1-5 & 15-1-6 Medan Kampung Relau (Bayan Point) 11950 Pulau Pinang Telephone no.: +604 6404 888	056-042
PM SECURITIES SDN BHD	Level 25, Menara BHL 51, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Telephone no.: +604 2273 000	064-004
PERLIS INDRA KAYANGAN		
ALLIANCE INVESTMENT BANK BERHAD	2nd Floor, Podium Block KWSP Building 01000 Kangar Perlis Indra Kayangan Telephone no.: +604 9765 200	076-003
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 39, Taman Suriani Persiaran Jubli Emas 01000 Kangar Perlis Indra Kayangan Telephone no.: +604 9793 888	056-061

17. LIST OF ADAs (cont'd)

<u>Name</u>	<u>Address and telephone number</u>	<u>Broker code</u>
KEDAH DARUL AMAN		
A.A. ANTHONY SECURITIES SDN BHD	Lot 4, 5 & 5A 1st Floor EMUM 55 No. 55, Jalan Gangsa Kawasan Perusahaan Mergong 2 Seberang Jalan Putra 05150 Alor Setar Kedah Darul Aman Telephone no.: +604 7322 111	078-007
ALLIANCE INVESTMENT BANK BERHAD	2nd Floor, Wisma PKNK Jalan Sultan Badlishah 05000 Alor Setar Kedah Darul Aman Telephone no.: +604 7317 088	076-004
HWANGDBS INVESTMENT BANK BERHAD	No. 70 A, B, C, Jalan Mawar 1 Taman Pekan Baru 08000 Sungai Petani Kedah Darul Aman Telephone no.: +604 4256 666	068-011
OSK INVESTMENT BANK BERHAD	No. 112, Jalan Pengkalan Taman Pekan Baru 08000 Sungai Petani Kedah Darul Aman Telephone no.: +604 4204 888	056-017
OSK INVESTMENT BANK BERHAD	35, Ground Floor Jalan Suria 1, Jalan Bayu 09000 Kulim Kedah Darul Aman Telephone no.: +604 4964 888	056-019
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor 215-A & 215-B Medan Putra, Jalan Putra 05150 Alor Setar Kedah Darul Aman Telephone no.: +604 7209 888	056-021
NEGERI SEMBILAN DARUL KHUSUS		
ECM LIBRA INVESTMENT BANK BERHAD	1C-1 & 1D-1, First Floor Jalan Tunku Munawir 70000 Seremban Negeri Sembilan Darul Khusus Telephone no.: +606 7655 998	052-013
HWANGDBS INVESTMENT BANK BERHAD	Ground & 1st Floor 105, 107 & 109, Jalan Yam Tuan 70000 Seremban Negeri Sembilan Darul Khusus Telephone no.: +606 7612 288	068-007

17. LIST OF ADAs (cont'd)

<u>Name</u>	<u>Address and telephone number</u>	<u>Broker code</u>
NEGERI SEMBILAN DARUL KHUSUS (con'td)		
HWANGDBS INVESTMENT BANK BERHAD	No. 6, Upper Level Jalan Mahligai 72100 Bahau Negeri Sembilan Darul Khusus Telephone no.: +606 4553 188	068-013
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 33, Jalan Dato' Bandar Tunggal 70000 Seremban Negeri Sembilan Darul Khusus Telephone no.: +606 7641 641	056-024
OSK INVESTMENT BANK BERHAD	1st Floor, No. 3601, Jalan Besar 73000 Tampin Negeri Sembilan Darul Khusus Telephone no.: +606 4421 000	056-037
OSK INVESTMENT BANK BERHAD	1st & 2nd Floor No. 168, Jalan Mewah (Pusat Perniagaan UMNO Bahagian Jempol) 72100 Bahau Negeri Sembilan Darul Khusus Telephone no.: +606 4553 014	056-040
OSK INVESTMENT BANK BERHAD	Ground & Mezzanine Floor No. 346 & 347, Batu ½, Jalan Pantai 71000 Port Dickson Negeri Sembilan Darul Khusus Telephone no.: +606 6461 234	056-046
PM SECURITIES SDN BHD	1st, 2nd & 3rd Floor 19-21, Jalan Kong Sang 70000 Seremban Negeri Sembilan Darul Khusus Telephone no.: +606 7623 131	064-002
JOHOR DARUL TAKZIM		
A.A. ANTHONY SECURITIES SDN BHD	Level 6 & 7, Menara MSC Cyberport No. 5, Jalan Bukit Meldrum 80300 Johor Bahru Johor Darul Takzim Telephone no.: +607 3332 000	078-001
A.A. ANTHONY SECURITIES SDN BHD	42-8, Main Road Kulai Besar 81000 Kulai Johor Darul Takzim Telephone no.: +607 6637 398	078-005

17. LIST OF ADAs (cont'd)

<u>Name</u>	<u>Address and telephone number</u>	<u>Broker code</u>
JOHOR DARUL TAKZIM (cont'd)		
A.A. ANTHONY SECURITIES SDN BHD	No. 70, 70-01, 70-02 Jalan Rosmerah 2/17 Taman Johor Jaya 81100 Johor Bahru Johor Darul Takzim Telephone no.: +607 3513 218	078-006
A.A. ANTHONY SECURITIES SDN BHD	No. 171 (Ground Floor) Jalan Bestari 1/5 Taman Nusa Bestari 81300 Skudai Johor Darul Takzim Telephone no.: +607 5121 633	078-008
ALLIANCE INVESTMENT BANK BERHAD	No. 73, Ground & 1st Floor Jalan Rambutan 86000 Kluang Johor Darul Takzim Telephone no.: +607 7717 922	076-006
AMINVESTMENT BANK BERHAD	2nd & 3rd Floor, Penggaram Complex 1, Jalan Abdul Rahman 83000 Batu Pahat Johor Darul Takzim Telephone no.: +607 4342 282	086-002
AMINVESTMENT BANK BERHAD	18th & 31st Floor, Selesa Tower Jalan Dato' Abdullah Tahir 80300 Johor Bahru Johor Darul Takzim Telephone no.: +607 3343 855	086-006
ECM LIBRA INVESTMENT BANK BERHAD	No. 57, 59 & 61, Jalan Ali 84000 Muar Johor Darul Takzim Telephone no.: +606 9532 222	052-004
ECM LIBRA INVESTMENT BANK BERHAD	Ground Floor No. 234, Jalan Besar Taman Semberong Baru 83700 Yong Peng Johor Darul Takzim Telephone no.: +607 4678 885	052-005
HWANGDBS INVESTMENT BANK BERHAD	Level 7, Johor Bahru City Square (Office Tower) 106-108, Jalan Wong Ah Fook 80000 Johor Bahru Johor Darul Takzim Telephone no.: +607 2222 692	068-004

17. LIST OF ADAs (cont'd)

<u>Name</u>	<u>Address and telephone number</u>	<u>Broker code</u>
JOHOR DARUL TAKZIM (cont'd)		
INTER-PACIFIC SECURITIES SDN BHD	95, Jalan Tun Abdul Razak 80000 Johor Bahru Johor Darul Takzim Telephone no.: +607 2231 211	054-004
KENANGA INVESTMENT BANK BERHAD	Level 2, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Telephone no.: +607 3333 600	073-004
KENANGA INVESTMENT BANK BERHAD	No. 31, Lorong Dato' Ahmad Jalan Khalidi 84000 Muar Johor Darul Takzim Telephone no.: +606 9542 711	073-008
KENANGA INVESTMENT BANK BERHAD	Ground & Mezzanine Floor No. 34, Jalan Genuang 85000 Segamat Johor Darul Takzim Telephone no.: +607 9333 515	073-009
KENANGA INVESTMENT BANK BERHAD	No. 33 & 35 (Ground & 1st Floor A&B) Jalan Syed Abdul Hamid Sagaff 86000 Kluang Johor Darul Takzim Telephone no.: +607 7771 161	073-010
KENANGA INVESTMENT BANK BERHAD	Ground Floor No. 4, Jalan Dataran 1 Taman Bandar Tangkak 84900 Tangkak Johor Darul Takzim Telephone no.: +606 9782 292	073-011
MERCURY SECURITIES SDN BHD	Suite 17.1, Level 17, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Telephone no.: +607 3316 992	093-005
MIMB INVESTMENT BANK BERHAD	Suite 25.02, Level 25 Johor Bahru City Square (Office Tower) No. 106-108, Jalan Wong Ah Fook 80000 Johor Bahru Johor Darul Takzim Telephone no.: +607 2227 388	061-002

17. LIST OF ADAs (cont'd)

<u>Name</u>	<u>Address and telephone number</u>	<u>Broker code</u>
JOHOR DARUL TAKZIM (cont'd)		
OSK INVESTMENT BANK BERHAD	6th Floor, Wisma Tiong-Hua 8, Jalan Keris, Taman Sri Tebrau 80050 Johor Bahru Johor Darul Takzim Telephone no.: +607 2788 821	056-006
OSK INVESTMENT BANK BERHAD	53, 53-A & 53-B, Jalan Sultanah 83000 Batu Pahat Johor Darul Takzim Telephone no.: +607 4380 288	056-009
OSK INVESTMENT BANK BERHAD	No. 33-1, 1st & 2nd Floor Jalan Ali 84000 Muar Johor Darul Takzim Telephone no.: +606 9538 262	056-025
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 119 & 121 Jalan Sutera Tanjung 8/2 Taman Sutera Utama 81300 Skudai Johor Darul Takzim Telephone no.: +607 5577 628	056-029
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 3, Jalan Susur Utama 2/1 Taman Utama 85000 Segamat Johor Darul Takzim Telephone no.: +607 9321 543	056-030
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 17, Jalan Manggis 86000 Kluang Johor Darul Takzim Telephone no.: +607 7769 655	056-031
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 10, Jalan Anggerik 1 Taman Kulai Utama 81000 Kulai Johor Darul Takzim Telephone no.: +607 6626 288	056-035
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 343, Jalan Muar 84900 Tangkak Johor Darul Takzim Telephone no.: +606 9787 180	056-038

17. LIST OF ADAs (cont'd)

Name	Address and telephone number	Broker code
JOHOR DARUL TAKZIM (cont'd)		
OSK INVESTMENT BANK BERHAD	1st Floor, No. 2 & 4 Jalan Makmur Taman Sri Aman 85300 Labis Johor Darul Takzim Telephone no.: +607 9256 881	056-039
OSK INVESTMENT BANK BERHAD	Ground & 1st & 2nd Floor Nos. 21 & 23 Jalan Molek 1/30 Taman Molek 81100 Johor Bahru Johor Darul Takzim Telephone no.: +607 3522 293	056-043
PM SECURITIES SDN BHD	No. 41, Jalan Molek 2/4 Taman Molek 81100 Johor Bahru Johor Darul Takzim Telephone no.: +607 3513 232	064-005
PM SECURITIES SDN BHD	Ground & 1st Floor No. 43 & 43A, Jalan Penjaja 3 Taman Kim's Park, Business Centre 83000 Batu Pahat Johor Darul Takzim Telephone no.: +607 4333 608	064-008
PAHANG DARUL MAKMUR		
ALLIANCE INVESTMENT BANK BERHAD	A-397, A-399 & A-401 Jalan Beserah Taman Sri Kuantan III 25300 Kuantan Pahang Darul Makmur Telephone no.: +609 5660 800	076-002
CIMB INVESTMENT BANK BERHAD	Ground, 1 st & 2 nd No. A-27 (Aras G, 1 & 2), Jalan Dato' Lim Hoe Lek 25200 Kuantan Pahang Darul Makmur Telephone no. : +609 5057 800	065-007
ECM LIBRA INVESTMENT BANK BERHAD	A15, A17 & A19, Ground Floor Jalan Tun Ismail 2, Sri Dagangan 2 25000 Kuantan Pahang Darul Makmur Telephone no.: +609 5171 698	052-007

17. LIST OF ADAs (cont'd)

<u>Name</u>	<u>Address and telephone number</u>	<u>Broker code</u>
PAHANG DARUL MAKMUR (cont'd)		
OSK INVESTMENT BANK BERHAD	B2 & B34, Lorong Tun Ismail 8 Seri Dagangan II 25000 Kuantan Pahang Darul Makmur Telephone no.: +609 5171 698	056-007
OSK INVESTMENT BANK BERHAD	Ground Floor 98, Jalan Pasdec 28700 Bentong Pahang Darul Makmur Telephone no.: +609 2234 943	056-022
OSK INVESTMENT BANK BERHAD	Ground Floor No. 76-A, Persiaran Camelia 4 Tanah Rata 39000 Cameron Highlands Pahang Darul Makmur Telephone no.: +605 4914 913	056-041
KELANTAN DARUL NAIM		
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 3953-H, Jalan Kebun Sultan 15350 Kota Bharu Kelantan Darul Naim Telephone no.: +609 7430 077	056-020
TA SECURITIES HOLDINGS BERHAD	298, Jalan Tok Hakim 15000 Kota Bharu Kelantan Darul Naim Telephone no.: +609 7432 288	058-004
TERENGGANU DARUL IMAN		
ALLIANCE INVESTMENT BANK BERHAD	No. 1D, Ground & Mezzanine No. 1E, Ground & Mezzanine 1st & 2nd Floor, Jalan Air Jerneh 20300 Kuala Terengganu Terengganu Darul Iman Telephone no.: +609 6317 922	076-009
FA SECURITIES SDN BHD	No. 51 & 51A Ground, Mezzanine & 1st Floor Jalan Tok Lam 20100 Kuala Terengganu Terengganu Darul Iman Telephone no.: +609 6238 128	021-001
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor 9651, Cukai Utama Jalan Kubang Kurus 24000 Kemaman Terengganu Darul Iman Telephone no.: +609 8583 109	056-027

17. LIST OF ADAs (cont'd)

<u>Name</u>	<u>Address and telephone number</u>	<u>Broker code</u>
TERENGGANU DARUL IMAN (cont'd)		
OSK INVESTMENT BANK BERHAD	31A, Ground Floor 31A & 31B, 1st Floor Jalan Sultan Ismail 20200 Kuala Terengganu Terengganu Darul Iman Telephone no.: +609 6261 816	056-055
SARAWAK		
AMINVESTMENT BANK BERHAD	No. 164, 166 & 168 1st, 2nd & 3rd Floor Jalan Abell 93100 Kuching Sarawak Telephone no.: +6082 244 791	086-005
CIMB INVESTMENT BANK BERHAD	Level 1, Wisma STA 26, Jalan Datuk Abang Abdul Rahim 93450 Kuching Sarawak Telephone no.: +6082 358 606	065-004
CIMB INVESTMENT BANK BERHAD	No. 6A, Ground Floor Jalan Bako, Off Brooke Drive 96000 Sibu Sarawak Telephone no.: +6084 367 700	065-008
HWANGDBS INVESTMENT BANK BERHAD	Lot 328, Jalan Abell 93100 Kuching Sarawak Telephone no.: +6082 236 999	068-005
HWANGDBS INVESTMENT BANK BERHAD	No. 282, 1st Floor Park City Commercial Centre Phase 4, Jalan Tun Ahmad Zaidi 97000 Bintulu Sarawak Telephone no.: +6086 330 008	068-016
KENANGA INVESTMENT BANK BERHAD	Lot 2465, Jalan Boulevard Utama Boulevard Commercial Centre 98000 Miri Sarawak Telephone no.: +6085 435 577	073-002
KENANGA INVESTMENT BANK BERHAD	Level 5, Wisma Mahmud Jalan Sungai Sarawak 93100 Kuching Sarawak Telephone no.: +6082 338 000	073-003

17. LIST OF ADAs (cont'd)

Name	Address and telephone number	Broker code
SARAWAK (cont'd)		
KENANGA INVESTMENT BANK BERHAD	No. 11-12 (Ground & 1st Floor) Lorong Kampung Datu 3 96000 Sibul Sarawak Telephone no.: +6084 313 855	073-012
OSK INVESTMENT BANK BERHAD	Ground, 1 st & 6 th Floor Wisma Chinese Chambers Lot 357, Section 47, K.T.L.D. Jalan Bukit Mata Kuching 93100 Kuching Sarawak Telephone no.: +6082 422 252	056-008
OSK INVESTMENT BANK BERHAD	Lot 1268, 1 st & 2 nd Floor Lot 1269, 2 nd Floor Centre Point Commercial Centre Jalan Melayu 98000 Miri Sarawak Telephone no.: +6085 422 788	056-012
OSK INVESTMENT BANK BERHAD	101 & 102, Pusat Pedada Jalan Pedada 96000 Sibul Sarawak Telephone no.: +6084 329 100	056-013
OSK INVESTMENT BANK BERHAD	Ground & 1 st Floor No. 10, Jalan Bersatu 96100 Sarikei Sarawak Telephone no.: +6084 654 100	056-050
OSK INVESTMENT BANK BERHAD	Ground & 1 st Floor No. 221, Parkcity Commercial Square Phase III, Jalan Tun Ahmad Zaidi 97000 Bintulu Sarawak Telephone no.: +6086 311 770	056-053
TA SECURITIES HOLDINGS BERHAD	12G, H & I Jalan Kampong Datu 96000 Sibul Sarawak Telephone no.: +6084 319 998	058-002
TA SECURITIES HOLDINGS BERHAD	2 nd Floor, (Bahagian Hadapan) Bangunan Binamas, Lot 138 Section 54, Jalan Pandung 93100 Kuching Sarawak Telephone no.: +6082 236 333	058-006

17. LIST OF ADAs (cont'd)

<u>Name</u>	<u>Address and telephone number</u>	<u>Broker code</u>
SABAH		
CIMB INVESTMENT BANK BERHAD	1 st & 2 nd Floor Central Building No.28, Jalan Sagunting 88000 Kota Kinabalu Sabah Telephone no.: +6088 328 878	065-005
ECM LIBRA INVESTMENT BANK BERHAD	Aras 8, Wisma Great Eastern 68, Jalan Gaya 88000 Kota Kinabalu Sabah Telephone no.: +6088 236 188	052-012
HWANGOBS INVESTMENT BANK BERHAD	Suite 1-9-E1, 9th Floor, CPS Tower Centre Point Sabah No. 1, Jalan Centre Point 88000 Kota Kinabalu Sabah Telephone no.: +6088 311 688	068-008
INNOSABAH SECURITIES BERHAD	11, Equity House, Block K Sadong Jaya, Karamunsing 88100 Kota Kinabalu Sabah Telephone no.: +6088 234 090	020-001
OSK INVESTMENT BANK BERHAD	5th Floor, Wisma BSN Sabah Jalan Kemajuan, Karamunsing 88000 Kota Kinabalu Sabah Telephone no.: +6088 269 788	056-010
OSK INVESTMENT BANK BERHAD	Ground Floor, Block 2 Lot 4 & Lot 5, Bandar Indah, Mile 4 North Road 91000 Sandakan Sabah Telephone no.: +6089 229 286	056-057

ANNEXURE A: LIST OF PROPERTIES

The Board wishes to highlight that, to the best of their knowledge and belief, the properties stated below:

- (i) have not breached any of the land-use conditions/permissible land use; and
- (ii) comply with current statutory requirements, land rules or building requirements.

1. Properties owned or held under long-term lease

No.	Location	Registered owner/ Lessor/ Landlord	Description of property/ Existing use/ Tenure of land (years)	Land area/ Built-up area (square feet)	Age of building/ Date of issuance of Certificate of Fitness	Restriction in interest	Conditions and status of compliance	NBV as at 31 March 2011 RM (unless otherwise stated)
1.	Lot 704, Bintulu Industrial Estate Mile 2 ¼, Bintulu – Miri Road 97008 Bintulu Sarawak	BAN	2-storey office building /Office and showhouse use/ Leasehold (60 years) expiring 23.10.2043	12,809/12,809	27½ years/ 23.07.1984	(i) This land is to be used only for industrial purposes. (ii) The development or re-development of this land shall be in accordance with plans sections and elevations approved by the Superintendent of Lands and Surveys, Fourth Division. (iii) The erection of a building or buildings on this land shall be in accordance with detailed drawings and specifications approved by the Bintulu Development Authority and shall be completed within 2 years from the date of registration of this lease. (iv) No residential accommodation other than accommodation for a watchman with a maximum floor area of 37.2 square metres may be permitted on this land. (v) No subdivision or partition of this land may be effected without the consent in writing of the Director of Lands and Surveys. (vi) No dealing affecting this land may be effected without the consent in writing of the Director of Lands and Surveys.	Complied	232,927

¹ Rented to EON Berhad for a monthly rental of RM3,400.

ANNEXURE A: LIST OF PROPERTIES (cont'd)

No.	Location	Registered owner/ Lessor/ Landlord	Description of property/ Existing use/ Tenure of land (years)	Land area/ Built-up area (square feet)	Age of building/ Date of Issuance of Certificate of Fitness	Restriction in Interest	Conditions and status of compliance	NBV as at 31 March 2011 RM (unless otherwise stated)
2.	Lot 2395 Block 4 Mirri Concession Land District Piasau 98000 Mirri Sarawak	BAN	4-storey office building/Office use/ Leasehold (60 years) expiring 13.04.2059	11,755/11,755	5 years/ 18.11.2005	(i) This land is to be used only as a 4-storey detached building for commercial and office purposes in the manner following: (a) ground floor – commercial (b) first floor – office (c) second floor – office (d) third floor – office (ii) The development or redevelopment of this land shall be in accordance with plans, sections and elevations approved by the Superintendent of Lands and Surveys, Mirri Divisions. (iii) The erection of a building shall be in accordance with detailed drawings and specifications approved by the Mirri Municipal Council and shall be completed within 18 months from the date of registration of this lease. (iv) No transfer affecting this land may be effected without the consent in writing of the Director of Lands and Surveys.	Complied	1,609,841
3.	No. 84 Tuas Avenue 11 539098 Singapore	HASPL	2-storey office building/Office use/ Leasehold (60 years) expiring 13.04.2059	15,110/15,110	5 years/ 18.11.2005	Used only for industrial purpose.	Complied	SGD1,178,027 (or equivalent to about RM2,821,021*)

Note:

* Converted at RM2.3947 / SGD, being the closing rates as at 31 March 2011 based on Oanda's website at www.oanda.com.

ANNEXURE A: LIST OF PROPERTIES (cont'd)

2. Tenancy

No.	Location	Registered owner/ Lessor/Landlords	Description of property/ Existing use/Tenure of land (years)	Tenanted area (square feet)	Monthly rental RM (unless otherwise stated)
1.	Level 7, 19, 20 & 21, Menara Perak, No. 24, Jalan Perak, 50450 Kuala Lumpur	MLP	4 levels within a 24-storey office building Office use 3-year tenancy commencing 01.06.2011 and expiring 31.05.2014	44,750	308,775.00
2.	Country Lease 205377644 situated at Kg. Sungai Kelling, Labuan and also described as Lot 23 (formerly known as Lot A11), Manmohan's Warehouse, Jalan Patau-Patau, Federal Territory of Labuan	Manmohan's (Labuan) Sdn Bhd	2-storey warehouse Warehouse and office use 6-month tenancy commencing 01.05.2011 and expiring 31.10.2011	3,477	2,850.00
3.	Lot 2623, Block 2, Jalan Limau 2A, Taman Sevilla, Pujut 5, MCLD, 98000 Miri, Sarawak	Mdm. Ho Hui Hong	Detached single storey Residential purpose 1-year tenancy commencing 01.05.2011 and expiring 30.04.2012	Not available	1,000.00
4.	Lot No. CL 205001476 Kampung Sungai Kelling, Jalan Ranche-Ranche, Federal Territory of Labuan	Maju Universal Engineering Sdn Bhd	Open yard Storage purpose 2-year tenancy commencing 01.12.2009 and expiring 30.11.2011	10,764	2,500.00
5.	Lot 806, Block 4, Plasau Industrial Estate, 98000 Miri, Sarawak	Sarawak Slipways Sdn Bhd	Industrial warehouse/storage Storage purpose 3-year tenancy commencing 01.09.2009 and expiring 31.06.2012	2,400	2,000.00
6.	Unit No. A-19-09, MARC Serviced Residence Jalan Pinang, 50450 Kuala Lumpur	Khadija Rahman	1 service apartment within a 35-storey serviced residencia Residential purpose 1-year tenancy commencing 25.05.2011 and expiring 24.05.2012	Not available	4,300.00
7.	Level 22, Menara Perak, No. 24, Jalan Perak 50450 Kuala Lumpur	MLP	1 level within a 24-storey office building Office use 9-year tenancy commencing 01.03.2011 and expiring 28.02.2020	11,233	77,507.70

ANNEXURE A: LIST OF PROPERTIES (cont'd)

No.	Location	Registered owner/ Lessor/Landlord	Description of property/ Existing use/tenure of land (years)	Tenanted area (square feet)	Monthly rental RM (unless otherwise stated)
8.	Warehouse No. 32 (Door No.03 & 14) Kemaman Supply Base	Pangkalan Bekalan Kemaman Sdn Bhd	2-storey warehouse Storage purpose 1-year tenancy commencing 01.05.2011 and expiring 30.04.2012	372	4,092.00
9.	Lot 13841, Jalan Penghiburan, Mukim Cukai, 24000 Kemaman, Terengganu	Wang Chee Han	3-storey terrace/office lot Office use 2-year tenancy commencing 01.08.2009 and expiring 31.07.2011	1,400	2,100.00
10.	Lot 13840, Jalan Penghiburan, Mukim Cukai, 24000 Kemaman, Terengganu Darul Iman	Too Cheok Foo and Cheah Thin Yin	3-storey terrace/office lot Office use 1-year tenancy commencing 01.05.2011 and expiring 30.04.2012	4,200	4,255.00
11.	Ashgabat, 15, 1958 (Andalip Str.), office number 202 on the 2nd floor.	Diamond International SE	1 office unit within a 6-storey office building Office use 1-year tenancy commencing 01.01.2011 and expiring 01.01.2012	2,616	USD5,904.90 (or equivalent to about RM17,849*)

Note:

* Converted at RM3.0228/ USD, being the closing rates as at 31 March 2011 based on Oanda's website at www.oanda.com.

ANNEXURE B: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP, ASSOCIATED COMPANIES AND JOINTLY-CONTROLLED ENTITIES AS AT THE LPD

The Board has declared that, as at the LPD, all the vessels of the Bumi Armada Group:

- (i) are seaworthy, save for Armada Tuah 8, Armada Tuah 9, Armada Tuah 104, Armada Perwira and Armada Prima, all of which are currently under repair and/or refurbishment or are currently undergoing planned maintenance; and
- (ii) possess the necessary licences and certificates required for the vessels to be operated commercially, save and except for those vessels participating in the cabotage trade in Nigeria.

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licences	Date of grant/ renewal	Expiry date	Salient conditions	Status of compliance
1.	Armada Tuah 6	Domestic Shipping Licensing Board	0042/2011	Domestic Shipping Licence	18.01.2011	17.01.2012	Conditional ⁽¹⁾	Complied
2.	Armada Tuah 8	Domestic Shipping Licensing Board	0235/2011	Domestic Shipping Licence	20.03.2011	19.03.2012	Unconditional ⁽²⁾	Complied
3.	Armada Tuah 9	Domestic Shipping Licensing Board	0237/2011	Domestic Shipping Licence	20.03.2011	19.03.2012	Unconditional ⁽²⁾	Complied
4.	Armada Tuah 10	Domestic Shipping Licensing Board	2335/2009	Domestic Shipping Licence	22.07.2009	21.07.2011	Unconditional ⁽²⁾	Complied
5.	Armada Tuah 20	Domestic Shipping Licensing Board	2334/2009	Domestic Shipping Licence	20.06.2009	20.08.2011	Unconditional ⁽²⁾	Complied
6.	Armada Tuah 21	Domestic Shipping Licensing Board	0424/2010	Domestic Shipping Licence	16.03.2010	15.03.2012	Unconditional ⁽²⁾	Complied
7.	Armada Tuah 23	Domestic Shipping Licensing Board	0197/2010	Domestic Shipping Licence	25.02.2010	24.02.2012	Unconditional ⁽²⁾	Complied
8.	Armada Tuah 24	Domestic Shipping Licensing Board	0425/2010	Domestic Shipping Licence	04.05.2010	03.05.2012	Unconditional ⁽²⁾	Complied
9.	Armada Tuah 25	Domestic Shipping Licensing Board	0118/2011	Domestic Shipping Licence	14.01.2011	13.01.2013	Unconditional ⁽²⁾	Complied
10.	Armada Tuah 26	Domestic Shipping Licensing Board	2187/2010	Domestic Shipping Licence	28.06.2010	27.06.2012	Unconditional ⁽²⁾	Complied
11.	Armada Tuah 80	Domestic Shipping Licensing Board	0800/2011	Domestic Shipping Licence	26.03.2011	25.03.2013	Unconditional ⁽²⁾	Complied

ANNEXURE B: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP, ASSOCIATED COMPANIES AND JOINTLY-CONTROLLED ENTITIES AS AT THE LPD (cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of Licences	Date of grant/ renewal	Expiry date	Salient conditions	Status of compliance
12.	Armada Tuah 82	Domestic Shipping Licensing Board	0361/2010	Domestic Shipping Licence	24.02.2010	23.02.2012	Unconditional ⁽²⁾	Complied
13.	Armada Tuah 100	Domestic Shipping Licensing Board	3691/2009	Domestic Shipping Licence	22.11.2009	21.11.2011	Unconditional ⁽²⁾	Complied
14.	Armada Tuah 102	Domestic Shipping Licensing Board	0743/2011	Domestic Shipping Licence	14.04.2011	13.04.2012	Unconditional ⁽²⁾	Complied
15.	Armada Aman	Domestic Shipping Licensing Board	1746/2011	Domestic Shipping Licence	07.06.2011	06.06.2012	Unconditional ⁽³⁾	Complied
16.	Armada Mullara 2	Domestic Shipping Licensing Board	1913/2009	Domestic Shipping Licence	30.06.2009	29.06.2011	Unconditional ⁽²⁾	Complied
17.	Armada Mullara 3	Domestic Shipping Licensing Board	2385/2009	Domestic Shipping Licence	24.08.2009	23.08.2011	Unconditional ⁽²⁾	Complied
18.	Armada Mullara 4	Domestic Shipping Licensing Board	3798/2009	Domestic Shipping Licence	01.12.2009	30.11.2011	Unconditional ⁽²⁾	Complied
19.	Armada Topman	Domestic Shipping Licensing Board	2366/2010	Domestic Shipping Licence	17.07.2010	16.07.2011	Conditional ⁽¹⁾	Complied
20.	Armada Salman	Domestic Shipping Licensing Board	360/2011	Domestic Shipping Licence	26.02.2011	25.02.2012	Conditional ⁽¹⁾	Complied
21.	Armada Iman	Domestic Shipping Licensing Board	0335/2011	Domestic Shipping Licence	27.02.2011	26.02.2012	Unconditional ⁽³⁾	Complied
22.	Armada Firman	Domestic Shipping Licensing Board	1401/2010	Domestic Shipping Licence	21.04.2010	20.04.2012	Unconditional ⁽²⁾	Complied
23.	Armada Goodman	Domestic Shipping Licensing Board	2367/2010	Domestic Shipping Licence	15.07.2010	14.07.2011	Conditional ⁽¹⁾	Complied
24.	Ventures Tuah Satu	Domestic Shipping Licensing Board	1931/2010	Domestic Shipping Licence	27.06.2010	26.06.2012	Unconditional ⁽²⁾	Complied
25.	Ventures Tuah Due	Domestic Shipping Licensing Board	3320/2009	Domestic Shipping Licence	06.10.2009	07.10.2011	Unconditional ⁽²⁾	Complied
26.	Armada Tugas 2	Domestic Shipping Licensing Board	1292/2011	Domestic Shipping Licence	18.05.2010	17.05.2012	Conditional ⁽¹⁾	Complied
27.	Armada Tugas 3	Domestic Shipping Licensing Board	0041/2011	Domestic Shipping Licence	18.01.2011	17.02.2013	Unconditional ⁽²⁾	Complied

ANNEXURE B: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP, ASSOCIATED COMPANIES AND JOINTLY-CONTROLLED ENTITIES AS AT THE LPD (cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of Licences	Date of grant/ renewal	Expiry date	Sailort conditions	Status of compliance
28.	Armada Tuah 84	Domestic Shipping Licensing Board	0703/2011	Domestic Shipping Licence	04.03.2011	03.03.2012	Conditional ⁽³⁾	Complied
29.	Armada Tuah 85	Domestic Shipping Licensing Board	0923/2011	Domestic Shipping Licence	30.03.2011	29.03.2012	Unconditional*	Complied
30.	Mahakam	General Department of Merchant Navy, Republic of Congo	046/Digemar	Authorisation to Embark on Maritime Waters	12.01.2011	31.12.2011	The General Department of Merchant Navy authorises the ship Mahakam flying the flag of Panama, with a gross tonnage of 6,972 to carry out in Congolese maritime waters, an activity of Offshore Assistance on behalf of Eni-Congo/Express Afrique.	Complied
31.	Armada Firman 3	Merchant Navy General Management, Mexico	7.2.201.491.-0607	Navigation Permit	09.02.2011	Valid up to 2 years	In accordance with article 40 of the Navigation and Maritime Trade Law of Mexico, it is stated that the said vessel will be able to remain in national waters of Mexico for a maximum of only 2 years under the temporary navigation permit system, with the right to 7 renewals. If within that period the said vessel is not flagged and registered Mexican, once it is expired, a new permit will not be granted. Grounds for revocation of this permit: (a) failure to comply with its objective; (b) not exercising the rights conferred within the period of this permit; (c) not covering compensation for the damages that arise in connection with the provision of services; (d) execute acts that impede or tend to impede action from other service providers or licensees; (e) release, tax, trust or transfer all or part of the rights granted under this permit without authorization from the Ministry of Communications and Transport through the Merchant Navy General Management; (f) provide service with a vessel other than that authorised; (g) operate service in a route other than that authorised; (h) authorised route comprises of national ports in Mexico; (i) failure to comply with any of the obligations imposed in this permit; (j) not keeping valid crew insurance policies and third-party liability insurance; (k) repeatedly breach any of the terms or conditions established in the laws and regulations of Mexico.	Complied

* Armada Tuah 85 has been given a 1-year unconditional licence notwithstanding the fact that the ship is eligible for a 2-year licence because payment was only made for 1 year.

ANNEXURE B: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP, ASSOCIATED COMPANIES AND JOINTLY-CONTROLLED ENTITIES AS AT THE LPD (cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of Licences	Date of grant/ renewal	Expiry date	Salient conditions	Status of compliance
32.	Armada Tuah 105	Ministry of Popular Power for Transport and Communications, Bolivarian Republic of Venezuela	0051	Special Permit	02.03.2011	28.08.2011	<p>The approval is granted subject to compliance with the following requirements:</p> <p>(i) Documentary, physical and security verification of the vessel.</p> <p>(ii) In the case of missing requirements requested by other agencies or emergence of a national vessel providing the service, the permit may be revoked.</p> <p>(iii) Compliance with Article 5 No. 24 of Decree with Rank, Value and Force of the Aquatic Space Organic Law, in accordance with Article 9 of the General Law of Marine and Related Activities of the Bolivarian Republic of Venezuela, without prejudice to compliance with international law on this matter.</p> <p>(iv) Process the temporary admission to the National Integrated Customs and Tax Administration of the Bolivarian Republic of Venezuela.</p>	Complied
33.	Armada 5	ABS ⁽⁴⁾	8401771	*A1 ⁽⁵⁾ , (E) ⁽⁶⁾ , *AMS ⁽⁷⁾	29.11.2008	29.11.2013	<p>The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for noncompliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.</p>	Complied

ANNEXURE B: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP, ASSOCIATED COMPANIES AND JOINTLY-CONTROLLED ENTITIES AS AT THE LPD (cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licences	Date of grant/ renewal	Expiry date	Saillant conditions	Status of compliance
34.	Armada 6	ABS ⁽⁴⁾	8402464	#A1 ⁽⁵⁾ , (E) ⁽⁶⁾ , #AMS ⁽⁷⁾	21.02.2009	30.12.2013	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for non-compliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied
35.	Armada Tuah 6	ABS ⁽⁴⁾	9836799	#A1 ⁽⁵⁾ , Towing Vessel, (E) ⁽⁶⁾ , #AMS ⁽⁷⁾	04.12.2008	26.09.2013	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for non-compliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied
36.	Armada Tuah 8	ABS ⁽⁴⁾	0241521	#A1 ⁽⁵⁾ , Towing Vessel, Firefighting Vessel Class 1, Offshore Support Vessel AH, (E) ⁽⁶⁾ , #AMS ⁽⁷⁾	01.06.2007	31.03.2012	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for non-compliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied

ANNEXURE B: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP, ASSOCIATED COMPANIES AND JOINTLY-CONTROLLED ENTITIES AS AT THE LPD (cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licences	Date of grant/ renewal	Expiry date	Salient conditions	Status of compliance
37.	Armada Tuah 9	ABS ⁽⁴⁾	02113606	*A1 ⁽⁶⁾ , Towing Vessel, Firefighting Vessel Class 1, Offshore Support Vessel AH, (E) ⁽⁸⁾ , *AMS ⁽⁷⁾	15.12.2007	04.12.2012	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for non-compliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied
38.	Armada Tuah 10	ABS ⁽⁴⁾	03119276	*A1 ⁽⁶⁾ , Towing Vessel, Firefighting Vessel; Class 1, Offshore Support Vessel AH, (E) ⁽⁸⁾ , *AMS ⁽⁷⁾	30.10.2008	20.07.2013	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for non-compliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied
39.	Armada Tuah 20	ABS ⁽⁴⁾	04142671	*A1 ⁽⁶⁾ , Towing Vessel, Firefighting Vessel Class 1, Offshore Support Vessel AH, (E) ⁽⁸⁾ , *AMS ⁽⁷⁾	20.10.2009	10.09.2014	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for non-compliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied

ANNEXURE B: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP, ASSOCIATED COMPANIES AND JOINTLY-CONTROLLED ENTITIES AS AT THE LPD (cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licences	Date of grant/ renewal	Expiry date	Salient conditions	Status of compliance
40.	Armada Tuah 21	ABS ⁽⁴⁾	05150162	*A1 ⁽⁵⁾ , Towing Vessel, Firefighting Vessel Class 1, Offshore Support Vessel AH, (E) ⁽⁶⁾ , *AMS ⁽⁷⁾	27.03.2010	08.03.2015	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for noncompliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied
41.	Armada Tuah 22	ABS ⁽⁴⁾	05150163	*A1 ⁽⁵⁾ , Towing Vessel, Firefighting Vessel Class 1, Offshore Support Vessel AH, (E) ⁽⁶⁾ , *AMS ⁽⁷⁾	31.03.2011	06.07.2015	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for noncompliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied
42.	Armada Tuah 23	ABS ⁽⁴⁾	06158170	*A1 ⁽⁵⁾ , Towing Vessel, Firefighting Vessel Class 1, Offshore Support Vessel AH, (E) ⁽⁶⁾ , *AMS ⁽⁷⁾	30.03.2011	20.01.2016	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for noncompliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied

ANNEXURE B: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP, ASSOCIATED COMPANIES AND JOINTLY-CONTROLLED ENTITIES AS AT THE LPD (cont'd)

No.	Licenses/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licences	Date of grant/ renewal	Expiry date	Salient conditions	Status of compliance
43.	Armada Tuah 24	ABS ⁽⁴⁾	06158171	*A1 ⁽⁶⁾ , Towing Vessel, Firefighting Vessel Class 1, Offshore Support Vessel, (E) ⁽⁶⁾ , *AMS ⁽⁷⁾	27.07.2006	01.05.2011	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for non-compliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Armada Tuah 24 is currently dry-docked undergoing the required periodical and other surveys for the continuance of its classification under the ABS.
44.	Armada Tuah 25	ABS ⁽⁴⁾	08178507	*A1 ⁽⁶⁾ , Towing Vessel, Firefighting Vessel Class 1, Offshore Support Vessel A.H, (E) ⁽⁶⁾ , *AMS ⁽⁷⁾	15.04.2008	17.02.2013	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for non-compliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied
45.	Armada Tuah 26	ABS ⁽⁴⁾	08178508	*A1 ⁽⁶⁾ , Towing Vessel, Firefighting Vessel Class 1, Offshore Support Vessel A.H, (E) ⁽⁶⁾ , *AMS ⁽⁷⁾ , DPS-1	26.06.2008	17.03.2013	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for non-compliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied

ANNEXURE B: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP, ASSOCIATED COMPANIES AND JOINTLY-CONTROLLED ENTITIES AS AT THE LPD (cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licences	Date of grant/ renewal	Expiry date	Salient conditions	Status of compliance
46.	Armada Tuah 80	ABS ⁽⁴⁾	09191270	*A1 ⁽⁶⁾ , Towing Vessel, Firefighting Vessel Class 1, Offshore Support Vessel AH, (E) ⁽⁶⁾ , *AMS ⁽⁷⁾ , DPS-1	25.06.2009	17.02.2014	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for non-compliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys, Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied
47.	Armada Tuah 81	ABS ⁽⁴⁾	10186547	*A1 ⁽⁶⁾ , Towing Vessel, Firefighting Vessel Class 1, Offshore Support Vessel, (E) ⁽⁶⁾ , *AMS ⁽⁷⁾ , DPS1	22.07.2010	27.01.2015	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for non-compliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys, Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied
48.	Armada Tuah 82	ABS ⁽⁴⁾	09191271	*A1 ⁽⁶⁾ , Towing Vessel, Firefighting Vessel Class 1, Offshore Support Vessel, (E) ⁽⁶⁾ , *AMS ⁽⁷⁾ , DPS1	24.06.2010	29.12.2014	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for non-compliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys, Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied

ANNEXURE B: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP, ASSOCIATED COMPANIES AND JOINTLY-CONTROLLED ENTITIES AS AT THE LPD (cont'd)

No.	Licenses/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licences	Date of grant/ renewal	Expiry date	Salient conditions	Status of compliance
49.	Armada Tuah 100	ABS ⁽⁴⁾	07175529	Towing Vessel, Firefighting Vessel Class 1, Offshore Support Vessel AH, (E) ⁽⁶⁾ , *AMS ⁽⁷⁾ , DP2	18.10.2007	29.07.2012	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for non-compliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied
50.	Armada Tuah 101	ABS ⁽⁴⁾	07175528	Towing Vessel, Firefighting Vessel Class 1, Offshore Support Vessel, (E) ⁽⁶⁾ , *AMS ⁽⁷⁾ , DP2	27.03.2008	17.12.2012	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for non-compliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied
51.	Armada Tuah 102	ABS ⁽⁴⁾	09181149	Towing Vessel, Firefighting Vessel Class 1, Offshore Support Vessel, (E) ⁽⁶⁾ , *AMS ⁽⁷⁾ , DP2	23.07.2009	19.02.2014	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for non-compliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied

ANNEXURE B: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP, ASSOCIATED COMPANIES AND JOINTLY-CONTROLLED ENTITIES AS AT THE LPD (cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licences	Date of grant/ renewal	Expiry date	Salient conditions	Status of compliance
52.	Armada Tuah 104	ABS ⁽⁴⁾	09186606	#A1 ⁽⁵⁾ , Towing Vessel, Firefighting Vessel Class 1, Offshore Support Vessel, (E) ⁽⁶⁾ , #AMS ⁽⁷⁾ , DP2	19.11.2009	06.06.2014	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for non-compliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied
53.	Armada Tuah 105	ABS ⁽⁴⁾	09186609	#A1 ⁽⁵⁾ , Towing Vessel AH, Fire Fighting Vessel Class 1, Offshore support Vessel, (E) ⁽⁶⁾ , #AMS ⁽⁷⁾ , DPS-2	27.05.2010	15.11.2014	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for non-compliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied
54.	Armada Hydro	ABS ⁽⁴⁾	8801591	#A1 ⁽⁵⁾ , #AMS ⁽⁷⁾	17.08.2008	30.08.2013	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for non-compliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied

ANNEXURE B: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP, ASSOCIATED COMPANIES AND JOINTLY-CONTROLLED ENTITIES AS AT THE LPD (cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licences	Date of grant/ renewal	Expiry date	Salient conditions	Status of compliance
55.	Armada Aman	ABS ⁽⁹⁾	9734367	*A ⁽⁵⁾ , Towing Vessel, (E) ⁽⁶⁾ , *AMS ⁽⁷⁾	20.04.2007	31.03.2012	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for noncompliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied
56.	Armada Mullara 2	Bureau Veritas	SGP0/JEC/2 0090429155 047	*1 HULL MACH Sea-going Launch*	29.04.2009	06.02.2014	(i) It is incumbent upon the vessel owner to maintain the condition of the unit after surveys, to present the unit for surveys and to inform Bureau Veritas without delay of circumstances which may affect the given appraisalment or cause to modify its scope. (ii) The vessel owner is required to inform Bureau Veritas without delay of circumstances which may cause the date or the extent of the surveys to be changed.	Complied
57.	Armada Mullara 3	Bureau Veritas	SGP0/JEC/2 0090504134 927	*1 HULL MACH Sea-going Launch*	04.05.2009	19.02.2014	(i) It is incumbent upon the vessel owner to maintain the condition of the unit after surveys, to present the unit for surveys and to inform Bureau Veritas without delay of circumstances which may affect the given appraisalment or cause to modify its scope. (ii) The vessel owner is required to inform Bureau Veritas without delay of circumstances which may cause the date or the extent of the surveys to be changed.	Complied
58.	Armada Mullara 4	Bureau Veritas	SGP0/JEC/2 0090624111 908	*1 HULL MACH Sea-going Launch*	24.06.2009	16.04.2014	(i) It is incumbent upon the vessel owner to maintain the condition of the unit after surveys, to present the unit for surveys and to inform Bureau Veritas without delay of circumstances which may affect the given appraisalment or cause to modify its scope. (ii) The vessel owner is required to inform Bureau Veritas without delay of circumstances which may cause the date or the extent of the surveys to be changed.	Complied

ANNEXURE B: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP, ASSOCIATED COMPANIES AND JOINTLY-CONTROLLED ENTITIES AS AT THE LPD (cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licences	Date of grant/ renewal	Expiry date	Sailent conditions	Status of compliance
59.	Armada Topman	ABS ⁽⁴⁾	9200396	*A1 ⁽⁵⁾ , *AMS ⁽⁷⁾	15.01.2007	31.01.2012	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for noncompliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied
60.	Armada Salman	ABS ⁽⁴⁾	02113222	*A1 ⁽⁵⁾ , (E) ⁽⁶⁾ , *AMS ⁽⁷⁾	17.02.2009	28.02.2014	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for noncompliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied
61.	Armada Iman	ABS ⁽⁴⁾	9937515	*A1 ⁽⁵⁾ , *AMS ⁽⁷⁾	17.02.2009	28.02.2014	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for noncompliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied

ANNEXURE B: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP, ASSOCIATED COMPANIES AND JOINTLY-CONTROLLED ENTITIES AS AT THE LPD (cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licences	Date of grant/ renewal	Expiry date	Salient conditions	Status of compliance
62.	Armada Firman	ABS ⁽⁴⁾	04139020	*A1 ⁽⁵⁾ , (E) ⁽⁶⁾ , *AMS ⁽⁷⁾	08.07.2009	20.04.2014	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for non-compliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied
63.	Armada Firman 2	ABS ⁽⁴⁾	08187878	*A1 ⁽⁵⁾ , Offshore Support Vessel, (E) ⁽⁶⁾ , *AMS ⁽⁷⁾ , DPS-2	28.04.2009	09.12.2013	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for non-compliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied
64.	Armada Firman 3	ABS ⁽⁴⁾	09187879	*A1 ⁽⁵⁾ , Offshore Support Vessel, (E) ⁽⁶⁾ , *AMS ⁽⁷⁾ , DP-2	23.07.2009	02.03.2014	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for non-compliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied

ANNEXURE B: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP, ASSOCIATED COMPANIES AND JOINTLY-CONTROLLED ENTITIES AS AT THE LPD (cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licences	Date of grant/ renewal	Expiry date	Salient conditions	Status of compliance
65.	Armada Goodman	ABS ⁽⁴⁾	9200403	*A1 ⁽⁵⁾ , *AMS ⁽⁷⁾	15.04.2007	28.02.2012	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for noncompliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied
66.	Mahakam	ABS ⁽⁴⁾	03138181	*A1 ⁽⁵⁾ , Barge	14.12.2010	02.08.2015	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for noncompliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied
67.	Ventures Tush Satu	ABS ⁽⁴⁾	06170306	*A1 ⁽⁵⁾ , Towing Vessel, (Firefighting Vessel Capability), Offshore Support Vessel, (E) ⁽⁶⁾ , *AMS ⁽⁷⁾	29.03.2007	21.12.2011	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for noncompliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied

ANNEXURE B: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP, ASSOCIATED COMPANIES AND JOINTLY-CONTROLLED ENTITIES AS AT THE LPD (cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licences	Date of grant/ renewal	Expiry date	Salient conditions	Status of compliance
68.	Ventures Tuah Dua	ABS ⁽⁴⁾	07172285	*A1 ⁽⁶⁾ , Towing Vessel, (Firefighting Vessel Capability) . Offshore Support Vessel, (E) ⁽⁶⁾ , *AMS ⁽⁷⁾	28.07.2007	20.03.2012	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for non-compliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied
69.	Armada Tuges 1	ABS ⁽⁴⁾	03119798	*A1 ⁽⁶⁾ , Towing Vessel, (E) ⁽⁶⁾ , *AMS ⁽⁷⁾	24.08.2008	09.05.2013	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for non-compliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied
70.	Armada Tugas 2	ABS ⁽⁴⁾	03134522	*A1 ⁽⁶⁾ , Offshore Support Vessel, Oil Recovery Vessel Class 1, (E) ⁽⁶⁾ , *AMS ⁽⁷⁾	22.12.2008	22.11.2013	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for non-compliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied

ANNEXURE B: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP, ASSOCIATED COMPANIES AND JOINTLY-CONTROLLED ENTITIES AS AT THE LPD (cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licences	Date of grant/ renewal	Expiry date	Saillant conditions	Status of compliance
71.	Armada Tugas 3	ABS ⁽⁴⁾	05144721	*A1 ⁽⁵⁾ , Towing Vessel, (E) ⁽⁶⁾ , *AMS ⁽⁷⁾	25.01.2010	13.01.2015	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for non-compliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied
72.	Armada Tugas 4	Lloyd's Register Asia	LGS1000143	100*A1 ⁽⁵⁾ Tug, LMC	03.08.2010	21.03.2015	In accordance with the Rules and Regulations for the Classification of Special Service Craft, class will be automatically suspended and this certificate becomes invalid if not endorsed annually within three months of the due date of the Annual or Intermediate Surveys.	Complied
73.	Armada Perkasa	ABS ⁽⁴⁾	7525431-1953944-003	*A1 ⁽⁵⁾ , Floating Production Storage and Offloading System (FPSO), RFL (10) 2018, at Okoro Field, Nigeria	15.03.2011	28.03.2013	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for non-compliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied
74.	Armada Pardana	ABS ⁽⁴⁾	84201772-1750140-007	*A1 ⁽⁵⁾ , Floating Production Storage and Offloading System (FPSO), RFL (10) 2019, at Oyo Field, Nigeria	17.03.2011	02.09.2014	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for non-compliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied

ANNEXURE B: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP, ASSOCIATED COMPANIES AND JOINTLY-CONTROLLED ENTITIES AS AT THE LPD (cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licences	Date of grant/ renewal	Expiry date	Salient conditions	Status of compliance
75.	Armada Prima (formerly known as Griffin Venture)	Lloyd's Register	KLR 1100018	*OI 100 AT (1) Floating Production & Storage Installation for Service at Griffin Field OIWS, *LMC, UMS, IGS	21.02.2011	Renewal of class is to be done before deployment	The vessel is laid up at Labuan and the Classification Committee has agreed that the class will remain undisturbed, but all classification surveys and conditions of class are to be dealt with before deployment for maintenance of class.	Renewal of class is to be done before deployment
76.	Armada Tuah 83	ABS ⁽⁴⁾	10186548	*A1 ⁽⁵⁾ , Towing vessel, AH, Fire Fighting Vessel Class 1, Offshore Support Vessel, (E) ⁽⁶⁾ , *OPS-1	18.11.2010	13.07.2015	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for non-compliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied
77.	Armada Tuah 84	ABS ⁽⁴⁾	10191272	*A1 ⁽⁵⁾ , Towing vessel, AH, Fire Fighting Vessel Class 1, Offshore Support Vessel, (E) ⁽⁶⁾ , *DPS-1	18.11.2010	13.07.2015	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for non-compliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied
78.	Armada Tuah 85	ABS ⁽⁴⁾	10186667	*A1 ⁽⁵⁾ , Towing vessel, AH, Fire Fighting Vessel Class 1, Offshore Support Vessel, (E) ⁽⁶⁾ , *DPS-1	27.01.2011	03.10.2015	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for non-compliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied

ANNEXURE B: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP, ASSOCIATED COMPANIES AND JOINTLY-CONTROLLED ENTITIES AS AT THE LPD (cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licences	Date of grant/ renewal	Expiry date	Salient conditions	Status of compliance
79.	Aimada Installer	DNV	29664	*1A1 R1 Pipe Laying Barge HELOK	13.08.2010	11.08.2011	Certificate of Interim class This ship's class will be automatically suspended if the renewal survey is not completed or under completion before the expiry date of the Classification Certificate, unless the survey has been accepted postponed prior to the Certificate's expiry date. Furthermore, the ship's class will also be automatically suspended if the annual/intermediate surveys, required for retention of this Certificate, are not carried out within 3 months after the anniversary date of the Classification Certificate.	Complied
80.	BAE	Board of Engineers Malaysia (Lembaga Jurutera Malaysia)	1104-0000- BC-791	Permil for body corporate to practise as consulting engineers under section 7A of the Registration of Engineers Act 1967 (Branch of engineering: Chemical)	26.11.2010	31.12.2011	(i) The licensee is required to adopt the standard memorandum and articles of association prescribed by the Board of Engineers Malaysia. (ii) The board of directors of the licensee must comprise of persons who are Professional Engineers as defined under the Registration of Engineers Act 1967. (iii) The licensee's shares must be held solely by members of the board of directors who are Professional Engineers as defined under the Registration of Engineers Act 1967 or with any other persons who are Professional Engineers. (iv) The licensee must have minimum paid-up capital which shall be of an amount as prescribed by the Board of Engineers Malaysia. (v) The licensee is required to furnish to the Board of Engineers Malaysia a report in writing giving full particulars of any change in the composition of its board of directors or shareholders within 30 days of the occurrence of such change. (vi) The licensee may only provide professional engineering services in the branch or branches of engineering in which a member of the board of directors of the licensee is qualified to practise and as is shown in the register maintained by the Board of Engineers Malaysia.	Complied

ANNEXURE B: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP, ASSOCIATED COMPANIES AND JOINTLY-CONTROLLED ENTITIES AS AT THE LPD (cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licences	Date of grant/ renewal	Expiry date	Salient conditions	Status of compliance
81.	BAE	PETRONAS	L-263230-V	<p>Licence for the supply of equipment or provision of services to exploration companies and oil/gas producers in Malaysia pursuant to Regulation 3, Petroleum Regulations 1974 for the following categories:</p> <p>(i) Engineering design, arch. and draughting services – Engineering Design - Engineering conceptual design</p> <p>(ii) Engineering design, arch. and draughting services – Engineering design - Engineering detailed design - Detailed design (Subsea structure)</p> <p>(iii) Engineering design, arch. and draughting services – Engineering design - Engineering detailed design - Detailed design (Topsides and facilities) - Structural (Topsides and facilities) detailed design</p> <p>(iv) Engineering design, arch. and draughting services – Engineering design - Engineering detailed design - Detailed design (Topsides and facilities) - Pipeline detailed design</p>	31.07.2009	05.09.2011	<p>(i) The licensee must have a stable financial position, that is, its shareholders' funds must be at a positive level.</p> <p>(ii) The licensee is required to be registered with the Companies Commission of Malaysia as a private limited company or limited company.</p> <p>(iii) The licensee is required to have paid up capital in the form of ordinary shares of not less than RM100,000.00.</p> <p>(iv) The licensee is required to have a source of supply for each category of product supplied by the licensee.</p> <p>(v) For each service category applied by the licensee, the licensee must ensure that its management staff, skilled employees and equipment employed possess the requisite technical expertise.</p> <p>(vi) The licensee is required to have effective Bumiputera participation of at least 51% at its equity, board of directors, management and staff level. The top management functions, other significant management functions and the finance control of the licensee shall be executed by Bumiputera staff.</p> <p>(vii) The licensee is required to be registered with statutory bodies, professional bodies or government departments which are related to the categories set forth in the Standardised Work and Equipment Categories (SWEC) enclosure.</p> <p>(viii) The licensee is required to be registered with, or to obtain licence, permit or permission from, the relevant authorities for the operation of services or supply of equipment or materials which is required in connection with the operations or activities of the licensee.</p> <p>(ix) The licensee is required to comply with the Government's policy guidelines relating to the management, recruitment and use of local services and materials.</p> <p>(x) The licensee is required to inform PETRONAS of any change to its status such as equity ownership, board of directors and management staff within 14 days of the occurrence of such change.</p>	Complied

ANNEXURE B: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP, ASSOCIATED COMPANIES AND JOINTLY-CONTROLLED ENTITIES AS AT THE LPD (cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licences	Date of grant/ renewal	Expiry date	Salient conditions	Status of compliance
	BAE (cont'd)						<p>(xi) The licensee is not permitted to engage other companies as principal, agent, sub-contractor or vice versa for the offer of any service or the provision of any facility, equipment or instrument on its behalf without the prior written permission of PETRONAS.</p> <p>(xii) The licensee is required to use the local workforce and the engagement of foreign workers is only permitted if it is demonstrable that no local workforce is available to perform the requisite tasks.</p> <p>(xiii) Unless otherwise agreed by PETRONAS, the licensee is required to carry out its business activities in Malaysia and to use local amenities such as banks, insurance and other professional services which are operated by Malaysian citizens or companies or firms incorporated in Malaysia.</p> <p>(xiv) The licensee is required to submit its annual audited financial report for the year ended 31 December 2009 before 1 July 2010.</p> <p>(xv) The licensee is required to submit a copy of the registration certificate from the Board of Engineers Malaysia which has been renewed before 31 December 2009.</p>	
82.	BAN	Treasury Malaysia Sarawak (Perbendaharaan Malaysia Sarawak)	357- 30001080	Certificate of registration as contractor for the following supply or service areas: (i) Heavy machinery/ Vehicles/ Machinery (ii) Tugboat/Ferry/ Boat/Pilot boat (iii) Vessel Owner (iv) Salvage Boat/Vessel	22.09.2008	21.09.2011	<p>(i) The contractor is required to have a bank current account.</p> <p>(ii) The contractor is required to obtain valid licences for the requisite areas in accordance with the provisions of the relevant laws.</p> <p>(iii) As a vessel owner, the contractor is required to comply with the following special conditions: (a) to have accumulated paid-up capital of RM50,000.00; (b) to possess a Certificate of Malaysian Registry; and (c) to obtain Bumiputera status recognition, that is, its shareholdings, board of directors, management and staff must be controlled by or comprise of at least 51% Bumiputera;</p>	Complied

ANNEXURE B: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP, ASSOCIATED COMPANIES AND JOINTLY-CONTROLLED ENTITIES AS AT THE LPD (cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licences	Date of grant/ renewal	Expiry date	Salient conditions	Status of compliance
	BAN (cont'd)						<p>(iv) The contractor is required to notify Treasury Malaysia Sarawak of any change in the information which it had previously submitted to Treasury Malaysia Sarawak within 21 days of the occurrence of such change.</p> <p>(v) The contractor must ensure that the area which has been registered in this certificate does not overlap with other areas which have been approved in respect of the following companies:</p> <p>(a) having the same owner or same member of the board of directors and management; or</p> <p>(b) operating in the same premises.</p>	
83.	BAN	Sarawak Government	33546-P	Licence to conduct business as contractor under the Businesses, Professions and Trading Licensing Ordinance of Sarawak	26.05.2011	30.05.2012	<p>(i) Businesses operating in Sarawak require a trading licence. Businesses operating without a licence are subject to a fine.</p> <p>(ii) The Commissioner of Inland Revenue (the "Collector") shall, on application and upon payment of the licence by the proprietor/applicant, issue the appropriate trading licence.</p> <p>(iii) Failure to pay for the licence shall mean that the licence ceases to be in force and the respective business is operating without a licence.</p>	Complied

ANNEXURE B: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP, ASSOCIATED COMPANIES AND JOINTLY-CONTROLLED ENTITIES AS AT THE LPD (cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licences	Date of grant/ renewal	Expiry date	Saillant conditions	Status of compliance
B4.	BAN	Sarawak Government	2214/77	Licence to conduct business as vessel owner under the Businesses, Professions and Trading Licensing Ordinance of Sarawak	08.07.2010	15.07.2011	<p>(i) Businesses operating in Sarawak require a trading licence. Businesses operating without a licence are subject to a fine.</p> <p>(ii) The Collector shall, on application and upon payment of the licence by the proprietor/applicant, issue the appropriate trading licence.</p> <p>(iii) Failure to pay for the licence shall mean that the licence ceases to be in force and the respective business is operating without a licence.</p> <p>(iv) A separate licence is required for each place of business.</p> <p>(v) Whenever a separate licence is required in respect of any premises or in respect of any vessel, vehicle or other chattel, such licence shall be exhibited in a conspicuous place on such premises, vessel, vehicle or chattel.</p> <p>(vi) The Collector or any police officer may, for the purpose of inspecting the licence, demanding its production or determining its requirement enter upon any premises or board any vessel in respect of which a separate licence is required or is believed to be required.</p> <p>(vii) Any person who fails to exhibit his licence or refuses entry to the Collector or a police officer for inspection, production or determination is subject to a fine.</p>	Complied

ANNEXURE B: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP, ASSOCIATED COMPANIES AND JOINTLY-CONTROLLED ENTITIES AS AT THE LPD (cont'd)

No.	Licenses/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licences	Date of grant/ renewal	Expiry date	Salient conditions	Status of compliance
85.	BAN	Sarawak Government	2214/77	<p>Licence to conduct the following businesses under the Businesses, Professions and Trading Licensing Ordinance of Sarawak:</p> <p>(i) Rental and management of boat, ship and ferry; and</p> <p>(ii) Ship, salvage boat and hydrograph ship services.</p>	08.07.2010	15.07.2011	<p>(i) Businesses operating in Sarawak require a trading licence. Businesses operating without a licence are subject to a fine.</p> <p>(ii) The Collector shall, on application and upon payment of the licence by the proprietor/applicant, issue the appropriate trading licence.</p> <p>(iii) Failure to pay for the licence shall mean that the licence ceases to be in force and the respective business is operating without a licence.</p> <p>(iv) A separate licence is required for each place of business.</p> <p>(v) Whenever a separate licence is required in respect of any premises or in respect of any vessel, vehicle or other chattel, such licence shall be exhibited in a conspicuous place on such premises, vessel, vehicle or chattel.</p> <p>(vi) The Collector or any police officer may, for the purpose of inspecting the licence, demanding its production or determining its requirement enter upon any premises or board any vessel in respect of which a separate licence is required or is believed to be required.</p> <p>(vii) Any person who fails to exhibit his licence or refuses entry to the Collector or a police officer for inspection, production or determination is subject to a fine.</p>	Complied

ANNEXURE B: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP, ASSOCIATED COMPANIES AND JOINTLY-CONTROLLED ENTITIES AS AT THE LPD (cont'd)

No.	Licenses/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licences	Date of grant/ renewal	Expiry date	Sallent conditions	Status of compliance
86.	BAN	Sarawak State Government	221477	Licence to conduct the businesses of rental and management of heavy machinery or vehicles under the Businesses, Professions and Trading Licensing Ordinance of Sarawak	08.07.2010	15.07.2011	<p>(i) Businesses operating in Sarawak require a trading licence. Businesses operating without a licence are subject to a fine.</p> <p>(ii) The Collector shall, on application and upon payment of the licence by the proprietor/applicant, issue the appropriate trading licence.</p> <p>(iii) Failure to pay for the licence shall mean that the licence ceases to be in force and the respective business is operating without a licence.</p> <p>(iv) A separate licence is required for each place of business.</p> <p>(v) Whenever a separate licence is required in respect of any premises or in respect of any vessel, vehicle or other chattel, such licence shall be exhibited in a conspicuous place on such premises, vessel, vehicle or chattel.</p> <p>(vi) The Collector or any police officer may, for the purpose of inspecting the licence, demanding its production or determining its requirement enter upon any premises or board any vessel in respect of which a separate licence is required or is believed to be required.</p> <p>(vii) Any person who fails to exhibit his licence or refuses entry to the Collector or a police officer for inspection, production or determination is subject to a fine.</p>	Complied
87.	BAN	Federal Territory of Labuan, Malaysia	PL 30752	Trade licence to conduct the businesses of shipping, delivery and packing under the Commercial License Ordinance 1948 ("Ordinance")	21.12.2010	31.12.2011	<p>(i) Businesses operating in the Federal Territory of Labuan require a trading licence. Businesses operating without a licence are subject to a fine of 4 times the amount of the licence fee and to a further fine for each day or part of a day subsequent to a conviction during which contravention continues.</p> <p>(ii) A separate licence is required for each place of business.</p> <p>(iii) Trade licences in the Federal Territory of Labuan shall be issued by the Labuan Municipal Council.</p>	Complied

ANNEXURE B: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP, ASSOCIATED COMPANIES AND JOINTLY-CONTROLLED ENTITIES AS AT THE LPD (cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licences	Date of grant/ renewal	Expiry date	Sailent conditions	Status of compliance
	BAN (cont'd)						<p>(iv) Whenever a change is made or occurs in any of the particulars stated in any application every person whose name was disclosed on the original application shall be liable to file or cause to be filed within fourteen days of such change a statement in writing in a prescribed form specifying the nature and date of such change.</p> <p>(v) Every trading licence or certified copy thereof shall be exhibited in a conspicuous place on the premises in respect of which it is in force.</p> <p>(vi) Any administrative officer and any police officer may enter upon any premises required to be licensed under this Ordinance for the purpose of inspecting the licence relating to such premises or demanding its production.</p> <p>(vii) Any person who fails to exhibit his licence as required or refuses entry to any person authorised to enter for the purposes therein described or refuses to produce his licence to any such person, is guilty of an offence against this Ordinance.</p> <p>(viii) Any person who contravenes or fails to comply with any of the provisions of this Ordinance for which no penalty is specifically provided shall on conviction be liable to a fine.</p> <p>(ix) When any person is convicted of any offence under the provisions of this Ordinance or any offence in relation to the conduct of his business involving dishonesty or fraud or the use of false weights or measures, or in breach of any written law relating to price or food control the court may, in addition to any other penalty, cancel the trading licence of the person so convicted with effect from such date as the court may consider necessary to enable him to dispose of his existing stocks, and may debar him from obtaining another licence for such period as the court may determine.</p>	

ANNEXURE B: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP, ASSOCIATED COMPANIES AND JOINTLY-CONTROLLED ENTITIES AS AT THE LPD (cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licences	Date of grant/ renewal	Expiry date	Sallent conditions	Status of compliance
88.	BAN	PETRONAS	L-33546-P	<p>Licence for the supply of equipment or provision of services to exploration companies and oil/gas producers in Malaysia pursuant to Regulation 3, Petroleum Regulations 1974 for the following categories:</p> <p>(i) Marine transportation and support services - Marine/Ship repairs and maintenance - General ship repairs - Mechanical</p> <p>(ii) Marine transportation and support services - Marine/Ship repairs and maintenance - General ship repairs - Electrical and electronic</p> <p>(iii) Marine transportation and support services - Marine vessels - Anchor handling vessel/tug boat/supply vessel</p> <p>(iv) Marine transportation and support services - Marine vessels - Accommodation barge/vessel</p> <p>(v) Marine transportation and support services - Marine vessels - Safety standby vessel</p> <p>(vi) Marine transportation and support services - Marine vessels - Straight supply vessel</p> <p>(vii) Marine transportation and support services - Marine vessels - Land craft/tank</p> <p>(viii) Marine transportation and support services - Marine vessels - Survey vessel</p> <p>(ix) Marine transportation and support services - Marine vessels - General purpose vessel</p> <p>(x) Marine transportation and support services - Marine vessels - Tug mooring vessel</p>	05.10.2009	15.10.2011	<p>(i) The licensee must have a stable financial position, that is, its shareholders' funds must be at a positive level.</p> <p>(ii) The licensee is required to be registered with the Companies Commission of Malaysia as a private limited company or limited company.</p> <p>(iii) The licensee is required to have paid up capital in the form of ordinary shares of not less than RM100,000.00.</p> <p>(iv) The licensee is required to have a source of supply for each category of product supplied by the licensee.</p> <p>(v) For each service category applied by the licensee, the licensee must ensure that its management staff, skilled employees and equipment employed possess the requisite technical expertise.</p> <p>(vi) The licensee is required to have effective Bumiputera participation of at least 51% at its equity, board of directors, management and staff level. The top management functions, other significant management functions and the finance control of the licensee shall be executed by Bumiputera staff.</p> <p>(vii) The licensee is required to be registered with statutory bodies, professional bodies or government departments which are related to the categories set forth in the Standardised Work and Equipment Categories (SWEC) enclosure.</p> <p>(viii) The licensee is required to be registered with, or to obtain licence, permit or permission from, the relevant authorities for the operation of services or supply of equipment or materials which is required in connection with the operations or activities of the licensee.</p> <p>(ix) The licensee is required to comply with the Government's policy guidelines relating to the management, recruitment and use of local services and materials.</p> <p>(x) The licensee is required to inform PETRONAS of any change to its status such as equity ownership, board of directors and management staff within 14 days of the occurrence of such change.</p>	Complied

ANNEXURE B: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP, ASSOCIATED COMPANIES AND JOINTLY-CONTROLLED ENTITIES AS AT THE LPD (cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licences	Date of grant/ renewal	Expiry date	Sallent conditions	Status of compliance
	BAN (cont'd)			<p>(xi) Marine transportation and support services – Marine vessels – Utility vessel</p> <p>(xii) Marine transportation and support services – Marine vessels – Floating storage system – Floating production storage offloading (FPSO)</p> <p>(xiii) Marine transportation and support services – Marine vessels – Floating storage system – Floating storage offloading (FSO)</p> <p>(xiv) Marine transportation and support services – Marine vessels – Ship – Container</p> <p>(xv) Marine transportation and support services – Marine vessels – Ship – Ro-Ro/Car carrier</p> <p>Registration for the supply of equipment or provision of services for the following categories:</p> <p>(i) Marine transportation and support services – Marine vessels – Ship – Chemical tankers</p> <p>(ii) Marine transportation and support services – Marine vessels – Ship – Crude oil tankers</p> <p>(iii) Marine transportation and support services – Marine vessels – Ship – LNG tankers</p> <p>(iv) Marine transportation and support services – Marine vessels – Ship – LPG tankers</p> <p>(v) Marine transportation and support services – Marine vessels – Ship – Product tankers</p> <p>(vi) Marine transportation and support services – Marine vessels – Ship – Dry bulk</p>			<p>(xi) The licensee is not permitted to engage other companies as principal, agent, sub-contractor or vice versa for the offer of any service or the provision of any facility, equipment or instrument on its behalf without the prior written permission of PETRONAS.</p> <p>(xii) The licensee is required to use the local workforce and the engagement of foreign workers is only permitted if it is demonstrable that no local workforce is available to perform the requisite tasks.</p> <p>(xiii) Unless otherwise agreed by PETRONAS, the licensee is required to carry out its business activities in Malaysia and to use local amenities such as banks, insurance and other professional services which are operated by Malaysian citizens or companies or firms incorporated in Malaysia.</p> <p>(xiv) The licensee is required to submit its annual audited financial report for the year ended 31 December 2009 before 1 July 2010.</p>	

ANNEXURE B: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP, ASSOCIATED COMPANIES AND JOINTLY-CONTROLLED ENTITIES AS AT THE LPD (cont'd)

No.	Licensor/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licences	Date of grant/ renewal	Expiry date	Salient conditions	Status of compliance
89.	BMD	PETRONAS	L-512907-M	<p>Licence for the supply of equipment or provision of services to exploration companies and oil/gas producers in Malaysia pursuant to Regulation 3, Petroleum Regulations 1974 for the following categories:</p> <p>(i) Offshore facilities construction – Offshore construction – Transportation and installation of offshore facilities</p> <p>(ii) Offshore facilities construction – Offshore construction – Maintenance and repairs of offshore facilities</p> <p>(iii) Pipeline and associated services – Pipeline construction (Fabrication and installation) – Offshore pipeline construction – Pipelaying construction – Pipelay barge</p> <p>(iv) Pipeline and associated services – Pipeline construction (Fabrication and installation) – Offshore pipeline construction – Pipelaying construction – Tow, reeling and/or other methods</p> <p>(v) Pipeline and associated services – Pipeline maintenance – Pipeline cleaning, inspection and repair – External inspection and repair – Offshore pipeline inspection and repair</p>	31.10.2010	30.10.2011	<p>(i) The licensee is required to be registered with, or to obtain licence, permit or permission from, the relevant authorities for the operation of services or supply of equipment or materials which is required in connection with the operations or activities of the licensee.</p> <p>(ii) The licensee is required to comply with the Government's policy guidelines relating to the management, recruitment and use of local services and materials.</p> <p>(iii) The licensee is required to inform PETRONAS of any change to its status such as equity ownership, board of directors and management staff within 14 days of the occurrence of such change. Failure to do so shall result in cancellation of the licence.</p> <p>(iv) The licensee is not permitted to engage other companies as principal, agent, sub-contractor or vice versa for the offer of any service or the provision of any facility, equipment or instrument on its behalf without the prior written permission of PETRONAS.</p> <p>(v) The licensee is required to use the local workforce and the engagement of foreign workers is only permitted if it is demonstrable that no local workforce is available to perform the requisite tasks.</p> <p>(vi) Unless otherwise agreed by PETRONAS, the licensee is required to carry out its business activities in Malaysia and to use local amenities such as banks, insurance and other professional services which are operated by Malaysian citizens or companies or firms incorporated in Malaysia.</p> <p>(vii) The licensee is required to submit its annual audited financial report for the year ended 31 December 2010 before 1 July 2011.</p> <p>(viii) The licensee must have a stable financial position, that is, its shareholders' funds must be at a positive level.</p> <p>(ix) The licensee is required to be registered with the Companies Commission of Malaysia as a private limited company or limited company.</p> <p>(x) The licensee is required to have paid up capital in the form of ordinary shares of not less than RM100,000.00.</p>	<p>J. Ray McDermott S.A. ("JRM") had on 25 January 2011 issued a notice of termination of the shareholders' agreement dated 22 June 2001 between BAN, JRM and Schematic Principle (M) Sdn Bhd in respect of BMD, details of which are set out in Section 15.7 of this Prospectus. As such, we are unable to ascertain the status of compliance as the statutory and licensing information of BMD is under the purview of BMD.</p>

ANNEXURE B: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP, ASSOCIATED COMPANIES AND JOINTLY-CONTROLLED ENTITIES AS AT THE LPD (cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licences	Date of grant/ renewal	Expiry date	Salient conditions	Status of compliance
	BMD (cont'd)						<p>(xi) The licensee is required to have a source of supply for each category of product supplied by the licensee.</p> <p>(xii) For each service category applied by the licensee, the licensee must ensure that its management staff, skilled employees and equipment employed possess the requisite technical expertise.</p> <p>(xiii) The licensee is required to have effective Bumiputera participation of at least 51% at its equity, board of directors, management and staff level. The top management functions, other significant management functions and the finance control of the licensee shall be executed by Bumiputera staff.</p> <p>(xiv) The licensee is required to be registered with statutory bodies, professional bodies or government departments which are related to the categories set forth in the Standardised Work and Equipment Categories (SWEC) enclosure.</p>	

Notes:

- (1) Conditional licences which are valid up to 1 year are issued to Malaysian ships which have not fulfilled any one of the conditions required for an unconditional licence or have fulfilled all those conditions but are nevertheless more than 20 years old.
- (2) Unconditional licences which are valid up to 2 years are issued to Malaysian ships which have fulfilled all the following conditions: (1) Bumiputera participation of not less than 30% in terms of its equity, directors and employees; (2) at least 75% of the crew complement of the vessel must be Malaysian citizens; and (3) the age of the ship is less than 10 years.
- (3) Unconditional licences which are valid up to 1 year are issued to Malaysian ships which have all the following conditions: (1) Bumiputera participation of not less than 30% in terms of its equity, directors and employees; (2) at least 75% of the crew complement of the vessel must be Malaysian citizens; and (3) the age of the ship is more than 10 years but less than 19 years.
- (4) Classification is a representation by the ABS as to the structural and mechanical fitness for a particular use or service in accordance with its rules and standards.
- (5) Hull and equipment.
- (6) A classification symbol that signifies that the equipment of anchors and chain cables of the vessel is in compliance with the requirements of the Rules for Building and Classing Steel Vessels of ABS, or with the requirements corresponding to the service limitations noted in the vessel's classification which have been specifically approved for the particular service.
- (7) Machinery, boiler and systems.

ANNEXURE C: OPINION FROM CONYERS DILL & PEARMAN PTE. LTD., REEDER & SIMPSON PC, WONGPARTNERSHIP LLP AND AMARCHAND & MANGALDAS & SURESH A. SHROFF & CO. ON ANY GOVERNMENT LAW, DECREE, REGULATION OR OTHER REQUIREMENT WHICH MAY AFFECT THE REPATRIATION OF CAPITAL AND THE REMITTANCE OF PROFIT BY OR TO OUR COMPANY UNDER THE LAWS OF BVI, MARSHALL ISLANDS, SINGAPORE AND INDIA

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MOSCOW
SAO PAULO
SINGAPORE



Conyers Dill & Pearman

13 June 2011

Matter No.: 897839
Ref: GN/o/q/sindocs 65424

The Board of Directors
Bumi Armada Berhad
Level 21, Menara Perak,
24 Jalan Perak,
50450 Kuala Lumpur
Malaysia

Dear Sirs

Re: British Virgin Islands - Policies governing stamp duty and exchange control in and repatriation of capital and profits from the British Virgin Islands

We have acted as British Virgin Islands special legal counsel to Bumi Armada Berhad ("BAB"), a company incorporated in Malaysia, for the purpose of issuing this legal opinion in connection with an initial public offering of the shares in BAB and the listing and quotation of the entire issued and paid-up share capital of BAB on the Main Market of Bursa Malaysia Securities Berhad (the "Listing").

We have assumed that there is no provision of the law of any jurisdiction, other than the British Virgin Islands, which would have any implication in relation to the opinions expressed. We have made no investigation of and express no opinion in relation to the laws of any jurisdiction other than the British Virgin Islands. This opinion is to be governed by and construed in accordance with the laws of the British Virgin Islands and is limited to and is given on the basis of the current law and practice in the British Virgin Islands. This opinion is issued solely for your benefit (and the benefit of your advisers, namely, Kadir, Andri & Partners, CIMB Investment Bank Berhad, Maybank Investment Bank Berhad and RHB Investment Bank Berhad) and is not to be relied upon by any other person, firm or entity or in respect of any other matter, except that you may include a copy of this letter in the prospectus to be issued by BAB in connection with the Listing and provide a copy of this letter to Bursa Malaysia Securities Berhad and the Securities Commission of Malaysia, if so required in connection with the Listing.

ANNEXURE C: OPINION FROM CONYERS DILL & PEARMAN PTE. LTD., REEDER & SIMPSON PC, WONGPARTNERSHIP LLP AND AMARCHAND & MANGALDAS & SURESH A. SHROFF & CO. ON ANY GOVERNMENT LAW, DECREE, REGULATION OR OTHER REQUIREMENT WHICH MAY AFFECT THE REPATRIATION OF CAPITAL AND THE REMITTANCE OF PROFIT BY OR TO OUR COMPANY UNDER THE LAWS OF BVI, MARSHALL ISLANDS, SINGAPORE AND INDIA (cont'd)

Letter to the Board of Directors of Bumi Armada Berhad and others
13 June 2011
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Exchange Control

There are no exchange control restrictions in the British Virgin Islands.

Repatriation of Capital and Profits

There are no exchange control restrictions or sanctions currently in effect in the British Virgin Islands that would, in the ordinary circumstances, prevent the repatriation of funds (regardless of whether they are profits or capital in nature) in a foreign currency from the British Virgin Islands to any country by a British Virgin Islands business company.

There are no British Virgin Islands regulatory or legal restrictions against repatriation of capital paid on shares of a British Virgin Islands business company in a foreign currency or remittance of profits by way of dividends in a foreign currency, to a British Virgin Islands business company or by a British Virgin Islands business company to Malaysia.

Stamp duty

No stamp duty is payable in the British Virgin Islands on all instruments relating to (i) transfers of property to or by a British Virgin Islands business company, (ii) transactions in respect of the shares, debt obligations or other securities of a British Virgin Islands business company, and (iii) other transactions relating to the business of a British Virgin Islands business company. However, the foregoing does not apply to instruments relating to the transfer to or by a business company of an interest in land situated in the British Virgin Islands, and to transactions in respect of the shares, debt obligations or other securities of a land owning company. A company is a land owning company if it, or any of its subsidiaries, has an interest in any land in the British Virgin Islands.

Yours faithfully



Conyers Dill & Pearman Pte. Ltd.



ANNEXURE C: OPINION FROM CONYERS DILL & PEARMAN PTE. LTD., REEDER & SIMPSON PC, WONGPARTNERSHIP LLP AND AMARCHAND & MANGALDAS & SURESH A. SHROFF & CO. ON ANY GOVERNMENT LAW, DECREE, REGULATION OR OTHER REQUIREMENT WHICH MAY AFFECT THE REPATRIATION OF CAPITAL AND THE REMITTANCE OF PROFIT BY OR TO OUR COMPANY UNDER THE LAWS OF BVI, MARSHALL ISLANDS, SINGAPORE AND INDIA (cont'd)

**REEDER & SIMPSON PC
ATTORNEYS AT LAW**

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**Telephone: 011-692-625-3602
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r.simpson@simpson.gr**

The Board of Directors
Bumi Armada Berhad
Level 21, Menara Perak,
24 Jalan Perak, 50450
Kuala Lumpur
Malaysia

June 13, 2011

Re : Repatriation of capital and the remittance of profits of Armada TGT Ltd. (the "*Company*")

Thank you for your instructions to advise on the transaction in connection with an initial public offering of the shares in Bumi Armada Berhad ("BAB") and the listing and quotation of the entire issued and paid-up share capital of BAB on the Main Market of Bursa Malaysia Securities Berhad (the "*Listing*"). We understand that this opinion will be used for inclusion in the prospectus to be issued by BAB in relation to the Listing and further that the said prospectus will be submitted to the Securities Commission of Malaysia for its approval.

You have requested certain legal advice regarding the laws of the Republic of the Marshall Islands (the "*RMI*"), with respect to the Company, which is a RMI corporation, relating to the repatriation of capital and the remittance of profits of the Company from the RMI to Malaysia. We are lawyers qualified to practice law in the RMI and are members in good standing of the Bar of the RMI and are fully qualified to give the opinions set forth herein.

We have not reviewed the prospectus or any other documents in connection with the Listing.

We have reviewed the following RMI statutes contained in the Marshall Islands Revised Code and Regulations:

1. Banking and Financial Institutions Act 17 MIRC Ch. 1.;
2. Securities and Investment Act 18 MIRC Ch. 1.;
3. Unfair Business Practises Act 20 MIRC Ch. 3.;
4. Real and Personal Property Act 24 MIRC Ch. 1.;
5. Business Corporations Act 52 MIRC Ch. 1 Part 1.;
6. RMI Banking Regulations; and
7. RMI Corporations Regulations.

ANNEXURE C: OPINION FROM CONYERS DILL & PEARMAN PTE. LTD., REEDER & SIMPSON PC, WONGPARTNERSHIP LLP AND AMARCHAND & MANGALDAS & SURESH A. SHROFF & CO. ON ANY GOVERNMENT LAW, DECREE, REGULATION OR OTHER REQUIREMENT WHICH MAY AFFECT THE REPATRIATION OF CAPITAL AND THE REMITTANCE OF PROFIT BY OR TO OUR COMPANY UNDER THE LAWS OF BVI, MARSHALL ISLANDS, SINGAPORE AND INDIA (cont'd)

Whenever we have stated that we have assumed any matter, it is intended that we assume such matter without making any factual, legal, or other inquiry or investigation and without expressing any opinion or conclusion of any kind concerning such matter.

We express no opinion as to matters governed by or the effect or applicability of any laws of any jurisdiction other than the laws of the RMI which are in effect as of the date hereof. This opinion speaks as of the date hereof, and it should be recognized that changes may occur in the RMI laws we rely upon for our opinions after the date of this letter which may affect the opinion set forth herein.

This opinion is furnished solely for your benefit in connection with the Listing.

This opinion may not be used for any other purpose or relied upon by, nor copies delivered to, any person other than the parties to the Listing, without our prior written consent in each case, except that it may be provided to any Malaysian governmental authority including Bursa Malaysia Securities Berhad and the Securities Commission of Malaysia.

Based upon and subject to the assumptions, qualifications and limitations herein above mentioned and after review of each of the statutes and regulations set forth above, we of the opinion of and can hereby confirm to you that:

1. There are no statutory restrictions or prohibitions in the RMI that would prevent the repatriation of the Company's capital from the RMI to another jurisdiction including Malaysia.

2. There are no regulatory restrictions or prohibitions in the RMI that would prevent the repatriation of the Company's capital from the RMI to another jurisdiction including Malaysia.

3. There are no statutory restrictions or prohibitions in the RMI that would prevent the remitting of the Company's profits from the RMI to another jurisdiction including Malaysia.

4. There are no regulatory restrictions or prohibitions in the RMI that would prevent the remitting of the Company's profits from the RMI to another jurisdiction including Malaysia.

Sincerely,



Dennis J. Reeder
Reeder & Simpson PC

ANNEXURE C: OPINION FROM CONYERS DILL & PEARMAN PTE. LTD., REEDER & SIMPSON PC, WONGPARTNERSHIP LLP AND AMARCHAND & MANGALDAS & SURESH A. SHROFF & CO. ON ANY GOVERNMENT LAW, DECREE, REGULATION OR OTHER REQUIREMENT WHICH MAY AFFECT THE REPATRIATION OF CAPITAL AND THE REMITTANCE OF PROFIT BY OR TO OUR COMPANY UNDER THE LAWS OF BVI, MARSHALL ISLANDS, SINGAPORE AND INDIA (cont'd)

WONGPARTNERSHIP 王 律 师 事 务 所

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WongPartnership LLP
One George Street #20-01
Singapore 049145

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Website: www.wongpartnership.com
(A full partners' list is available upon request)

Date: 13 June 2011

Bumi Armada Berhad
Level 21, Menara Perak
24 Jalan Perak
50450 Kuala Lumpur
Malaysia

ATTENTION: THE BOARD OF DIRECTORS

Dear Sirs

MEMORANDUM ON THE REPATRIATION OF CAPITAL AND REMITTANCE OF PROFIT UNDER SINGAPORE LAWS

1. Introduction

- 1.1 You have requested for certain legal advice regarding the laws of Singapore, relating to the repatriation of capital and the remittance of profits of a company incorporated in Singapore to its parent company Bumi Armada Berhad ("BAB") which is incorporated in Malaysia.
- 1.2 We are issuing this memorandum in connection with an initial public offering of the shares in BAB and the listing and quotation of the entire issued and paid-up share capital of BAB on the Main Market of Bursa Malaysia Securities Berhad (the "Listing"). We understand that this memorandum will be used for inclusion in the prospectus to be issued by BAB in relation to the Listing and further that the said prospectus will be submitted to the Securities Commission of Malaysia for its approval.
- 1.3 Save for BAB and its advisers in relation to the Listing, namely Kadir Andri & Partners, CIMB Investment Bank Berhad, Maybank Investment Bank Berhad and RHB Investment Bank Berhad, Bursa Malaysia Securities Berhad and the Securities Commission of Malaysia and for the purpose of inclusion into the prospectus to be issued by BAB pursuant to the Listing, this memorandum is not to be transmitted to any other person nor is it to be relied upon by any other person for any other purpose or quoted or referred to in any public document or filed with any governmental, regulatory or other authorities without our consent.

ANNEXURE C: OPINION FROM CONYERS DILL & PEARMAN PTE. LTD., REEDER & SIMPSON PC, WONGPARTNERSHIP LLP AND AMARCHAND & MANGALDAS & SURESH A. SHROFF & CO. ON ANY GOVERNMENT LAW, DECREE, REGULATION OR OTHER REQUIREMENT WHICH MAY AFFECT THE REPATRIATION OF CAPITAL AND THE REMITTANCE OF PROFIT BY OR TO OUR COMPANY UNDER THE LAWS OF BVI, MARSHALL ISLANDS, SINGAPORE AND INDIA (cont'd)

WONGPARTNERSHIP LLP

13 June 2011

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1.4 We have prepared this memorandum for the sole purpose of setting out our advice regarding the issues set out in paragraph 1.1 above under Singapore law. This memorandum is confined solely to the law of general application of Singapore as at the date hereof and as currently applied by the Singapore courts, and is given on the basis that it will be governed by, and construed in accordance with, the laws of Singapore. We have made no investigation of, and do not express or imply any views on, the laws of any jurisdiction other than Singapore.

2. Foreign exchange control

2.1 Although foreign exchange control legislation in the form of the Exchange Control Act (Chapter 99 of Singapore) exists in Singapore, the applicability of the said Act has been held in abeyance since 1 June 1978 pursuant to the Monetary Authority of Singapore's Notice 754 dated 25 May 1978. As a result, there effectively are no foreign exchange and currency exchange control restrictions in Singapore and therefore, there is no approval required in Singapore for any payment, remittance or capital transfer in any currency or to any country.

2.2 Notwithstanding the above, pursuant to Section 48C of the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act (Chapter 65A of Singapore) persons who intend to move into or out of Singapore physical currency or bearer negotiable instruments the total value of which exceeds S\$30,000 (or its equivalent in a foreign currency) are required to complete a prescribed form referred to as the "Physical Currency and Bearer Negotiable Instruments Report (Traveller) form" (also known as the "NP727 form") and submit the NP727 form to the immigration officer upon arrival in Singapore or on departure from Singapore. Personal details such as full name, date of birth, permanent address as well as information on the physical currency of bearer negotiable instruments are to be set out in the NP727 form.

3. Capital Maintenance Rules

Any repatriation of capital by a company incorporated in Singapore needs to be viewed in light of the capital maintenance rules in Singapore. As a general rule, a company is required to maintain its capital and not return any assets to its members while it is a going concern except in the form of dividends paid out of available profits. This is intended to protect creditors of the company, who in providing credit to the company for the running of the company's business should not be made to bear the risk that the company will return part of its capital to its members. Nevertheless, under the Companies Act (Chapter 50 of Singapore) (the "Companies Act"), there are certain exceptions to the general rule against the return of capital and accordingly, in addition to the payment of dividends (which is further considered in paragraph 4 below), a distribution of the company's assets while it is a going concern can be effected through the prescribed manner permitted under the Companies Act via:

- (a) a capital reduction;
- (b) a share buyback; or

ANNEXURE C: OPINION FROM CONYERS DILL & PEARMAN PTE. LTD., REEDER & SIMPSON PC, WONGPARTNERSHIP LLP AND AMARCHAND & MANGALDAS & SURESH A. SHROFF & CO. ON ANY GOVERNMENT LAW, DECREE, REGULATION OR OTHER REQUIREMENT WHICH MAY AFFECT THE REPATRIATION OF CAPITAL AND THE REMITTANCE OF PROFIT BY OR TO OUR COMPANY UNDER THE LAWS OF BVI, MARSHALL ISLANDS, SINGAPORE AND INDIA (cont'd)

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- (c) any combination of the above.

These are considered further in paragraphs 5 and 6 below.

4. Dividends

4.1 A company may, in general meeting or by resolution of its members by written means, declare final dividends to its shareholders. The declaration of final dividends is subject to the following: (i) the specific provisions of the company's articles of association in relation to the same; (ii) the amount shall not exceed the amount recommended by the directors of the company; and (iii) under Section 403 of the Companies Act, no dividends shall be payable to the shareholders of a company except out of profits. Additional restrictions in relation to the declaration of dividends are set out in the following three (3) scenarios prescribed by the Companies Act:

- (a) subject to paragraph 4.1(b) below, any profits of a company applied towards the purchase or acquisition of its own shares in accordance to Sections 76B to 76G of the Companies Act (i.e. provisions in respect of share buybacks) shall not be payable as dividends to the shareholders of the company;
- (b) paragraph 4.1(a) shall not apply to any part of the proceeds received by the company as consideration for the sale or disposal of treasury shares which the company has applied towards the profits of the company; and
- (c) any gains derived by the company from the sale or disposal of treasury shares shall not be payable as dividends to the shareholders of the company.

4.2 With respect to interim dividends, the directors may be given the power to pay such dividends by the Articles of Association of the company. However, an interim dividend is wholly provisional and anticipates the profits to be disclosed in the final accounts. Accordingly, if at the end of the accounting period, no profits are disclosed, the interim dividends cannot be paid.

4.3 If a dividend (including an interim dividend) is paid when there are no profits available, every director or manager of the company who willfully paid or permitted the payment of the dividend is guilty of an offence.

5. Capital Reduction

5.1 A company may, either with or without court sanction, reduce its share capital according to the provisions set out in Division 3A of the Companies Act. Section 78A(1) of the Companies Act provides that a company may, unless prohibited or restricted under its Memorandum or Articles of Association¹, reduce its share capital in any way and, in particular, do all or any of the following:

¹ Section 78A(3) of the Companies Act

ANNEXURE C: OPINION FROM CONYERS DILL & PEARMAN PTE. LTD., REEDER & SIMPSON PC, WONGPARTNERSHIP LLP AND AMARCHAND & MANGALDAS & SURESH A. SHROFF & CO. ON ANY GOVERNMENT LAW, DECREE, REGULATION OR OTHER REQUIREMENT WHICH MAY AFFECT THE REPATRIATION OF CAPITAL AND THE REMITTANCE OF PROFIT BY OR TO OUR COMPANY UNDER THE LAWS OF BVI, MARSHALL ISLANDS, SINGAPORE AND INDIA (cont'd)

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13 June 2011

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- (a) extinguish or reduce the liability on any of its shares in respect of share capital not paid up;
- (b) cancel any paid-up share capital which is lost or unrepresented by available assets; or
- (c) return to shareholders any paid-up share capital which is more than it needs.

Capital Reduction without court sanction

- 5.2 In respect of a capital reduction without court sanction, in addition to passing a special resolution on capital reduction, the company has to, *inter alia*, meet the solvency requirements specified under the Companies Act.
- 5.3 Briefly, in order to meet the solvency requirements, all the directors of the company must make a solvency statement to the effect that they are of the opinion that²:
- (a) at the date of the statement, there is no ground on which a company could then be found to be unable to pay its debts;
 - (b) the company will be able to pay its debts as they fall due during the 12 months immediately following the date of the statement³; and
 - (c) the value of the company's assets is not less than the value of its liabilities (including contingent liabilities) and will not, after the proposed capital reduction, become less than the value of its liabilities (including contingent liabilities).

Capital Reduction by court sanction

- 5.4 The Companies Act provides an alternative method for a company limited by shares to reduce share capital without the requirement for a solvency statement. In order for this to be carried out, the company has to make an application under Section 78G(1) of the Companies Act for share capital to be reduced by a special resolution that is approved by an order of the court.

6. Share Buyback

- 6.1 An unlisted Singapore-incorporated company may buy back its own shares:
- (a) in accordance with an equal access scheme authorised in advance by general meeting of the company (Section 76C of the Companies Act);

² Section 7A(1) of the Companies Act

³ Assuming that it is not intended to wind up the company within 12 months following the date of the statement.

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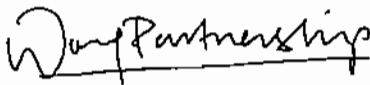
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13 June 2011

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- (b) in accordance with an agreement for a selective off-market purchase authorised in advance by special resolution where persons whose shares are to be acquired have abstained from voting (Section 76D of the Companies Act); or
 - (c) under a contingent purchase contract authorised in advance by a special resolution of the company (Section 76DA of the Companies Act).
- 6.2 The share buy-back is subject to various conditions pursuant to the relevant sections of the Companies Act, including:
- (a) the company must expressly be permitted to do so under its Articles of Association;
 - (b) the total number of ordinary shares purchased or acquired by the company during the relevant period (as defined in the Companies Act) does not exceed ten (10) per cent. of the total number of ordinary shares of the company in that class; and
 - (c) payment may be made out of the company's capital or profits so long as the company is solvent.

Yours faithfully



WONGPARTNERSHIP LLP

ANNEXURE C: OPINION FROM CONYERS DILL & PEARMAN PTE. LTD., REEDER & SIMPSON PC, WONGPARTNERSHIP LLP AND AMARCHAND & MANGALDAS & SURESH A. SHROFF & CO. ON ANY GOVERNMENT LAW, DECREE, REGULATION OR OTHER REQUIREMENT WHICH MAY AFFECT THE REPATRIATION OF CAPITAL AND THE REMITTANCE OF PROFIT BY OR TO OUR COMPANY UNDER THE LAWS OF BVI, MARSHALL ISLANDS, SINGAPORE AND INDIA (cont'd)



amarchand mangaldas

Ref: 6556

June 13, 2011

To:

The Board of Directors
 Bumi Armada Berhad
 Level 21, Menara Perak,
 24 Jalan Perak,
 50450 Kuala Lumpur
 Malaysia

Re: Repatriation of capital and remittance of profits from an Indian company to its non-resident parent company

Dear Sirs:

You have sought our opinion on the Indian laws and regulations relating to the repatriation of capital and remittance of profits from (i) Forbes Bumi Armada Limited ("FBAL"); and (ii) Forbes Bumi Armada Offshore Limited ("FBAOL"), companies incorporated in India, to their parent company, Bumi Armada Berhad ("BAB"), a company incorporated outside India.

We have acted as Indian legal counsel to BAB for the purpose of issuing this legal opinion in connection with an initial public offering of all the shares in BAB Berhad involving the listing and quotation of the same on the Main Market of Bursa Malaysia Securities Berhad (the "Listing"). We understand that an opinion on the terms set out herein but addressed solely to the Board of Directors of BAB will be used for inclusion in the prospectus to be issued by BAB in relation to the Listing and further that the said prospectus will be submitted to the Securities Commission of Malaysia for its approval.

1. FACTUAL BACKGROUND

We understand that:

- 1.1 BAB is a company incorporated under the laws of Malaysia having its registered office at Level 21, Menara Perak, 24 Jalan Perak, 50450 Kuala Lumpur, Malaysia. BAB is a 'person resident outside India', as defined in the Foreign Exchange Management Act, 1999 ("FEMA"), and is not registered as a foreign institutional investor with the Securities and Exchange Board of India.
- 1.2 FBAL is a company incorporated under the laws of India having its registered office at Forbes Building, Charanjit Rai Marg, Fort, Mumbai – 400 001. FBAL is an unlisted company, and its principal activities are to act and engage as ship owners, charterers, managers of ships and vessels, marine support and other services to the offshore oil and gas companies. FBAL is not engaged in the business of financial services (as defined under the Foreign Exchange

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advocates & solicitors

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ANNEXURE C: OPINION FROM CONYERS DILL & PEARMAN PTE. LTD., REEDER & SIMPSON PC, WONGPARTNERSHIP LLP AND AMARCHAND & MANGALDAS & SURESH A. SHROFF & CO. ON ANY GOVERNMENT LAW, DECREE, REGULATION OR OTHER REQUIREMENT WHICH MAY AFFECT THE REPATRIATION OF CAPITAL AND THE REMITTANCE OF PROFIT BY OR TO OUR COMPANY UNDER THE LAWS OF BVI, MARSHALL ISLANDS, SINGAPORE AND INDIA (cont'd)



amarchand mangaldas

Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("Security Regulations").

- 1.3 A wholly-owned subsidiary of BAB, incorporated in Singapore, namely Bumi Armada (Singapore) Pte. Ltd. ("BASPL"), holds 2,450,000 equity shares of Rs. 10 each of FBAL constituting 49% of the equity paid up share capital of FBAL, which were acquired by BASPL in accordance with Schedule I of the Security Regulations (Foreign Direct Investment Scheme).
- 1.4 FBAOL is a company incorporated under the laws of India having its registered office at Forbes Building, Charanjit Rai Marg, Fort Mumbai, Maharashtra, India 400001. FBAOL is an unlisted company, and its principal activities are to act and engage as ship owners, charterers and managers of ships and vessels, marine support and other services to the oil and gas industries. FBAOL is not engaged in the business of financial services (as defined under the Security Regulations).
- 1.5 BAB holds 49,999 equity shares of Rs. 10 each of FBAOL constituting 49.99% of the equity paid up share capital of FBAOL, which were acquired by BAB in accordance with Schedule I of the Security Regulations (Foreign Direct Investment Scheme).

2. OUR OPINION

- 2.1 The law relating to repatriation of capital and remittance of profits from a company incorporated in India to a company incorporated outside India is governed by and comprised in the FEMA and the rules and regulations made thereunder.
- 2.2 *Repatriation of capital and remittance of dividend from FBAL and FBAOL to their shareholders outside India*
- 2.2.1 Under Indian law, the capital of an Indian company held by an overseas shareholder of such company may be repatriated / remitted outside India in the following ways:
- Repatriation / remittance of sale proceeds by such shareholder, upon a sale of shares of the Indian company held by such shareholder (whether to a person resident in India or outside India);
 - Repatriation / remittance of amounts received by such shareholder upon a buyback of shares by the Indian company or a reduction of capital by the Indian company;
 - Repatriation / remittance of amounts received by such shareholder upon a distribution of capital on winding up of such Indian company; and

In addition, an Indian company may repatriate / remit dividends declared by it, to its shareholders.

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ANNEXURE C: OPINION FROM CONYERS DILL & PEARMAN PTE. LTD., REEDER & SIMPSON PC, WONGPARTNERSHIP LLP AND AMARCHAND & MANGALDAS & SURESH A. SHROFF & CO. ON ANY GOVERNMENT LAW, DECREE, REGULATION OR OTHER REQUIREMENT WHICH MAY AFFECT THE REPATRIATION OF CAPITAL AND THE REMITTANCE OF PROFIT BY OR TO OUR COMPANY UNDER THE LAWS OF BVI, MARSHALL ISLANDS, SINGAPORE AND INDIA (cont'd)



amarchand mangaldas

2.2.2 For the purposes of this opinion, we have examined below the relevant rules and regulations applicable to each of the above methods of repatriation / remittance of capital outside India in paragraphs 2.2.3, 2.2.4 and 2.2.5 below. Further we have examined the relevant rules and regulations applicable to the repatriation / remittance of dividends declared by an Indian company, outside India in paragraph 2.2.6 below.

2.2.3 Repatriation / remittance of sale proceeds upon a sale of shares of FBAL and FBAOL, by their shareholders outside India

2.2.3.1 Under the provisions of FEMA, the Reserve Bank of India ("RBI") has been granted the power *inter alia* to prohibit, restrict or regulate transfer or issue of any security of an Indian Company to a person resident outside India. In exercise of this power, the RBI has issued the Security Regulations, which read with the Master Circular on Foreign Investment in India dated July 1, 2010 ("Master Circular"), issued by the RBI, governs the transfer of shares of an Indian company and repatriation / remittance of sale proceeds therefrom outside India.

2.2.3.2 Regulation 10 B (2) of the Security Regulations provides as follows:

"A person resident outside India, may transfer share or convertible debenture of an Indian Company, without prior permission of the Reserve Bank, by way of sale, to a person resident in India subject to the adherence to pricing guidelines, documentation and reporting requirements for such transfers as may be specified by Reserve Bank from time to time."

In addition, the Master Circular provides as follows:

"General permission is also available for the transfer of shares / convertible debentures, by way of sale under private arrangement by a person resident outside India to a person resident in India, subject to the guidelines given in Annex 3."

In light of the above, BASPL and BAB are permitted to sell the shares held by them in FBAL and FBAOL, respectively, to a person resident in India, by way of private arrangement, provided it complies with the pricing guidelines, documentation and reporting requirements specified by the RBI, specified in Annexure A hereto.

2.2.3.3 Regulation 9(2)(i) of the Security Regulations reads as follows:

Transfer of shares and convertible debentures of an Indian company by a person resident outside India.

ANNEXURE C: OPINION FROM CONYERS DILL & PEARMAN PTE. LTD., REEDER & SIMPSON PC, WONGPARTNERSHIP LLP AND AMARCHAND & MANGALDAS & SURESH A. SHROFF & CO. ON ANY GOVERNMENT LAW, DECREE, REGULATION OR OTHER REQUIREMENT WHICH MAY AFFECT THE REPATRIATION OF CAPITAL AND THE REMITTANCE OF PROFIT BY OR TO OUR COMPANY UNDER THE LAWS OF BVI, MARSHALL ISLANDS, SINGAPORE AND INDIA (cont'd)



amarchand mangaldas

9. (2)(i) A person resident outside India, not being a non-resident Indian or an overseas corporate body, may transfer by way of sale or gift the shares or convertible debentures held by him or it to any person resident outside India.

In addition, the Master Circular provides as follows:

“A person resident outside India (other than NRI and OCB) may transfer by way of sale or gift, the shares or convertible debentures to any person resident outside India (including NRIs).”

In light of the above, BASPL and BAB are permitted to sell the shares held by them in FBAL and FBAOL, respectively, to a person resident outside India. Neither the Security Regulations nor the Master Circular prescribe any pricing guidelines or documentation and reporting requirements for a transfer of shares by a person resident outside India to another person resident outside India.

2.2.3.4 With regard to repatriation / remittance of sale proceeds of shares of an Indian company held by a person resident outside India, the Security Regulations and the Master Circular provide as under.

Regulation 11 of the Security Regulations provides as follows:

“Remittance of sale proceeds.

11. (1) *No remittance of sale proceeds of an Indian security held by a person resident outside India shall be made otherwise than in accordance with these Regulations and the conditions specified in the relevant Schedule.*
- (2) *An authorised dealer may allow the remittance of sale proceeds of a security (net of applicable taxes) to the seller of shares resident outside India:*

Provided –

- (a) *the security was held by the seller on repatriation basis;*
- (b) *either the security has been sold on a recognized stock exchange in India through a stock broker at the ruling market price as determined on the floor of the exchange, or the Reserve Bank's approval has been obtained in other cases for sale of the security and remittance of the sale proceeds thereof; and*
- (c) *a no objection/tax clearance certificate from the income-tax authority has been produced.”*

ANNEXURE C: OPINION FROM CONYERS DILL & PEARMAN PTE. LTD., REEDER & SIMPSON PC, WONGPARTNERSHIP LLP AND AMARCHAND & MANGALDAS & SURESH A. SHROFF & CO. ON ANY GOVERNMENT LAW, DECREE, REGULATION OR OTHER REQUIREMENT WHICH MAY AFFECT THE REPATRIATION OF CAPITAL AND THE REMITTANCE OF PROFIT BY OR TO OUR COMPANY UNDER THE LAWS OF BVI, MARSHALL ISLANDS, SINGAPORE AND INDIA (cont'd)



amarchand mangaldas

In addition, the Master Circular provides as follows:

“AD Category – I bank can allow the remittance of sale proceeds of a security (net of applicable taxes) to the seller of shares resident outside India, provided the security has been held on repatriation basis, the sale of security has been made in accordance with the prescribed guidelines and NOC / tax clearance certificate from the Income Tax Department has been produced.”

2.2.3.5 Upon a combined reading of the above, it can be stated that in the event BASPL or BAB sell their shares in FBAL or FBAOL, as the case may be, to a person resident in India, the sale proceeds of such sale are permitted to be remitted outside India by BASPL and / or BAB provided:

- (i) the remittance is made through an authorized dealer bank;
- (ii) the equity shares were held by BASPL and BAB, as the case may be, on repatriation basis;
- (iii) the sale of equity shares by BASPL and BAB, as the case may be, was in accordance with the prescribed guidelines; and
- (iv) a no-objection certificate or a tax clearance certificate has been obtained by BASPL and BAB, as the case may be, from the income tax authorities.

It is relevant to note that in the event BASPL and / or BAB sell the shares held by them in FBAL and FBAOL, as the case may be, to a person resident outside India, no repatriation / remittance of sale proceeds will need to be made from India, and therefore to that extent, the provisions of the FEMA, the Security Regulations and the Master Circular will not be applicable.

2.2.4 Repatriation / remittance of amounts received by BASPL and / or BAB upon a buyback of shares by FBAL or FBAOL, as the case may be, or a reduction of capital by FBAL or FBAOL, as the case may be

2.2.4.1 The law governing repatriation / remittance of capital upon a buyback of shares or a reduction of share capital by an Indian is contained in the Master Circular. The relevant provisions of the Master Circular are set out below:

“General permission is also available for the transfer of shares / convertible debentures, by way of sale under private arrangement by a person resident outside India to a person resident in India, subject to the guidelines given in Annex 3”

“The above General Permission also covers transfer by a resident to a nonresident of shares / convertible debentures of an Indian company, engaged in an activity earlier covered under the Government Route but now falling under Automatic Route of RBI, as well as transfer of shares by a non-resident to an Indian company under buyback and / or capital reduction scheme of the company.”

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2.2.4.2 In light of the above, BASPL and BAB are permitted to transfer their shares to FBAL and FBAOL, respectively, under a buyback or a capital reduction scheme of FBAL or FBAOL, as the case may be, provided that the pricing guidelines, documentation and reporting requirements specified by the RBI are complied with.

2.2.4.3 Neither the Security Regulations nor the Master Circular expressly deal with repatriation / remittance of proceeds received by a person resident outside India from an Indian company pursuant to a buyback of shares or a capital reduction scheme by such Indian company. However, given that a buyback of shares or capital reduction is treated akin to a transfer of shares by a person resident outside India to a person resident in India (in a buyback or a capital reduction, such person resident in India being the Indian company), the provisions in relation to repatriation / remittance of sale proceeds, detailed in paragraphs 2.2.3.4 and 2.2.3.5 will be applicable.

2.2.5 Repatriation / remittance of amounts received by BASPL and BAB upon a distribution of capital on winding up of FBAL or FBAOL, as the case may be

2.2.5.1 In relation to repatriation / remittance of capital upon a winding up of an Indian company, the provisions of the Foreign Exchange Management (Remittance of Assets) Regulations, 2000 ("Remittance Regulations") would apply.

2.2.5.2 Regulation 4 (4) of the Remittance Regulations provide as follows:

"An authorised dealer in India may, without approval from Reserve Bank, effect remittance of assets made by a person eligible under sub-regulation (2) or sub-regulation (3) as the case may be and also allow remittance out of the assets of Indian companies under liquidation under the provisions of the Companies Act, 1956, subject to the following conditions:

- (i) *Authorised Dealer shall ensure that the remittance is in compliance with the order issued by a court in India/order issued by the Official Liquidator or the liquidator in the case of voluntary winding up; and*
- (ii) *No remittance shall be allowed unless the applicant submits: -*
 - (a) *No objection or tax clearance certificate from Income-tax Authority for the remittance.*
 - (b) *Auditor's certificate confirming that all liabilities in India have been either fully paid or adequately provided for.*
 - (c) *Auditor's certificate to the effect that the winding up is in accordance with the provisions of the Companies Act, 1956.*
 - (d) *In case of winding up otherwise than by a court, an auditor's certificate to the effect that there is no legal proceedings pending in any court in India against the applicant*

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or the company under liquidation and there is no legal impediment in permitting the remittance.”

2.2.5.3 The Master Circular contains a similar provision and reads as follows:

“AD Category – I banks have been allowed to remit winding up proceeds of companies in India, which are under liquidation, subject to payment of applicable taxes. Liquidation may be subject to any order issued by the court winding up the company or the official liquidator in case of voluntary winding up under the provisions of the Companies Act, 1956. AD Category – I banks shall allow the remittance provided the applicant submits:

- (i) No objection or Tax clearance certificate from Income Tax Department for the remittance.*
- (ii) Auditor's certificate confirming that all liabilities in India have been either fully paid or adequately provided for.*
- (iii) Auditor's certificate to the effect that the winding up is in accordance with the provisions of the Companies Act, 1956.*
- (iv) In case of winding up otherwise than by a court, an auditor's certificate to the effect that there is no legal proceedings pending in any court in India against the applicant or the company under liquidation and there is no legal impediment in permitting the remittance.”*

Based on the aforesaid, AD Category - I banks are permitted to remit winding up proceeds of an Indian company to a person resident outside India upon (i) payment of applicable taxes; (ii) ensuring that the remittance is in compliance with the order issued by a court in India / order issued by the Official Liquidator or the liquidator in the case of voluntary winding up; and (iii) submission of the following documents by the non-resident to the AD Category-I bank:

- (a) a non-objection certificate or a tax clearance certificate from the department of Income Tax in India in respect of the remittance;
- (b) a certificate from the auditor of the Indian company confirming that all liabilities in India have been either fully paid or have been discharged;
- (c) a certificate of the auditor confirming that the winding up of the Indian company is in accordance with the provisions of the Companies Act, 1956; and
- (d) In the event the winding up of the Indian company is other than by a court procedure, a certificate from the auditor confirming that there is no legal proceeding pending in any court in India against the non-resident or the Indian company under liquidation and there is no legal impediment in permitting remittance out of India.

2.2.6 Remittance of profits / dividend from FBAL to BASPL or FBAOL to BAB, as the case may be

2.2.6.1 Section 5 of the FEMA provides as follows:

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"Any Person may sell or draw foreign exchange to or from an authorised person if such sale or drawal is a current account transaction."

Provided that the Central Government may, in public interest and in consultation with the Reserve Bank, impose such reasonable restrictions for current account transactions as may be prescribed."

2.2.6.2 The term "current account transaction" has been defined under Section 2(j) of FEMA as follows:

"Current account transaction" means a transaction other than a capital account transaction and without prejudice to the generality of the foregoing such transaction includes –

- (i) Payments due in connection with foreign trade, other current business, services, and short-term banking and credit facilities in the ordinary course of business,*
- (ii) Payments due as interest on loans and as net income from investments,*
- (iii) Remittances for living expenses of parents, spouse and children residing abroad, and*
- (iv) Expenses in connection with foreign travel, education and medical care of parents, spouse and children."*

Based on the above, declaration and payment of dividend by an Indian company would be considered as a current account transaction. Section 5 of the FEMA provides that unless specifically prohibited or restricted by the Central Government in consultation with the RBI, drawal of foreign exchange to or from an authorized dealer for a current account transaction is permitted without any prior approval of the RBI or the Government of India.

2.2.6.3 In exercise of the powers conferred by FEMA, the Central Government has issued the Foreign Exchange Management (Current Account Transaction) Rules, 2000 ("Current Account Rules") that provide a list of activities for which drawal of foreign exchange by a person is either prohibited or for which prior approval of the Government of India or the RBI is required. Payment of dividend by an Indian company to a non-resident entity is not one of the prohibited or restricted activities under the Current Account Rules. Therefore, on a combined reading of Section 5 of the FEMA and the Current Account Rules, it is clear that dividend can be freely repatriated / remitted by an Indian company without any approval of the RBI or the Government of India.

2.2.6.4 Provisions in relation to payment of dividend are also contained in Circular 1 of 2011 issued on March 31, 2011 by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("Circular"). The relevant provision of the Circular reads as follows:

"Repatriation of Dividend: Dividends are freely repatriable without any restrictions (net after Tax deduction at source or Dividend Distribution Tax, if any, as the case may be). The

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repatriation is governed by the provisions of the Foreign Exchange Management (Current Account Transactions) Rules, 2000, as amended from time to time."

2.2.6.5 Based on a combined reading of the FEMA, Current Account Rules and the Circular, any dividend declared and paid by FBAL or FBAOL to BASPL or BAB, as the case may be, may be repatriated / remitted by BASPL or BAB, as the case may be, outside India, subject to payment of applicable taxes in India.

3. Qualifications

3.1 Our opinion is subject to the following qualifications:

- (i) Our opinion has been rendered on the facts stated herein.
- (ii) Our opinion is confined solely to the laws of the Union of India in force as on the date of this opinion, in relation to the foreign exchange regulations applicable to the repatriation of capital and remittance of profits from India to a person resident outside India. Our opinion does not address or cover any other laws and regulations (including without limitation, company law) in relation to the return of capital or declaration of dividend. Our opinion does not extend to the laws of any other jurisdiction. To the extent the queries raised for the purposes of this opinion are affected by the laws of any other jurisdiction, separate legal advice should be sought in respect thereof.
- (iii) A certificate, determination, notification, opinion or the like will not be binding on an Indian court or any other governmental or statutory authority which would have to be independently satisfied of the legal provisions and the interpretations thereof in question.

This opinion is strictly limited to the matters expressly addressed herein and is addressed to you solely for your benefit in connection with the Listing, and may not be relied upon by any other person without our express written consent, except that it may be provided to any Malaysian governmental authority including Bursa Malaysia Securities Berhad and the Securities Commission of Malaysia in connection with the Listing.

Regards,
For Amarchand & Mangaldas & Suresh A. Shroff & Co.

Gurman Shah

Partner

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ANNEXURE A

I. Pricing

As per the Master Circular, the price of the shares of an Indian company, proposed to be transferred from a person resident outside India to a person resident in India, by of sale under a private arrangement, where the shares of the Indian company are not listed on a stock exchange, is not permitted to be more than the minimum price at which the transfer of shares can be made from a person resident in India to a person resident outside India.

As per the Master Circular, the price at which the transfer of shares from a person resident in India to a person resident outside India, by of sale under a private arrangement, where the shares of the Indian company are not listed on a stock exchange, is not permitted to be less than the fair value to be determined by a category I merchant banker registered with the Securities and Exchange Board of India or a chartered accountant, as per the discounted free cash flow method.

2. Documentation

Besides obtaining a declaration in form FC-TRS (in quadruplicate), the branch of the authorised dealer is required to arrange to obtain and keep on record the following documents in relation to sale of shares by a person resident outside India:

- (i) Consent letter duly signed by the seller and buyer or their duly appointed agent indicating the details of transfer i.e. number of shares to be transferred, the name of the investee company whose shares are being transferred and the price at which shares are being transferred.
- (ii) Where the consent letter has been signed by their duly appointed agent, the Power of Attorney Document authorizing the agent to purchase/sell shares by the seller/buyer. In case there is no formal Sale Agreement, letters exchanged to this effect may be kept on record.
- (iii) Certificate indicating fair value of shares from a chartered accountant.
- (iv) No objection / tax clearance certificate from income tax authority / a chartered account.
- (v) Undertaking from the buyer to the effect that the pricing guidelines have been adhered to.

3. Reporting requirements

- (i) Reporting of transfer of shares between residents and non-residents and vice versa is required to be done in Form FC-TRS. The form FC-TRS is required to be submitted to the authorised dealer Category – I bank, within 60 days from the date of receipt of the

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amount of consideration. The onus of submission of the form FC-TRS within the given timeframe is on the transferor / transferee, resident in India. The authorised dealer Category – I bank, is required to forward the same to its link office. The link office is required to consolidate the forms and submit a monthly report to the RBI.

- (ii) When the transfer is on private arrangement basis, on settlement of the transactions, the transferee / his duly appointed agent should approach the investee company to record the transfer in their books along with the certificate in the form FC-TRS from the authorised dealer branch that the remittances have been received by the transferor / payment has been made by the transferee. On receipt of the certificate from the authorised dealer, the company may record the transfer in its books.
- (iii) The actual inflows and outflows on account of such transfer of shares are required to be reported by the authorised dealer branch in the R-returns in the normal course.
- (iv) In addition the authorised dealer branch is required to submit two copies of the Form FC-TRS received from their constituents / customers together with the statement of inflows/outflows on account of remittances received / made in connection with transfer of shares, by way of sale, to international banking division / foreign exchange division / or the nodal office designated for the purpose by the bank in the enclosed proforma (which is to be prepared in MS-Excel format). The international banking division / foreign exchange division or the nodal office of the bank is in turn required to submit a consolidated monthly statement in respect of all the transactions reported by their branches together with copies of the FC-TRS forms received from their branches to Foreign Exchange Department, Reserve Bank of India, Foreign Investment Division, Central Office, Mumbai in soft copy (in MS- Excel) by e-mail to fdidata@rbi.org.in.
- (v) On receipt of statements from the authorised dealer, the RBI may call for such additional details or give such directions as required from the transferor / transferee or their agents, if need be.

ANNEXURE D: BY-LAWS GOVERNING THE ESOS

BY-LAWS OF BUMI ARMADA BERHAD**2011 EMPLOYEE SHARE OPTION SCHEME****1. PURPOSE**

The purpose of the Scheme is to promote ownership of Shares in Bumi Armada Berhad by employees of Bumi Armada Berhad and its Subsidiaries, thereby reinforcing a mutuality of interest among directors, employees and shareholders of Bumi Armada Berhad and to enable Bumi Armada Berhad and its Subsidiaries to attract, retain, reward and motivate employees by permitting them to share in its growth.

2. DEFINITIONS

As used in these By-Laws,

"Applicable Laws" means requirements relating to employee share option schemes under applicable Malaysian company and securities laws, the listing requirements, rules and regulations of Bursa Malaysia, any guidelines prescribed by any Malaysian regulatory authority having jurisdiction for the time being to regulate employee share option schemes and the applicable laws of any other country or jurisdiction where Options are granted under the Scheme, as such laws, rules, regulations, requirements and guidelines shall be in place from time to time.

"Authorised Nominee" has the meaning ascribed thereto in the Central Depositories Act.

"Board" means the board of directors of the Company and, to the extent of any delegation by the Board to a committee (or subcommittee thereof) pursuant to Clause 17 of these By-Laws, such committee (or subcommittee).

"Bursa Depository" means Bursa Malaysia Depository Sdn Bhd and its successors in title.

"Bursa Malaysia" means Bursa Malaysia Securities Berhad and its successors in title.

"Central Depositories Act" means the Securities Industry (Central Depositories) Act 1991, as amended from time to time and any re-enactment thereof.

"Change in Control" shall have the meaning assigned thereto by the Board from time to time.

"Closing Date" means the closing date for acceptance of Options as set out in the Acceptance Form described in Clause 6.5.

"Company" means Bumi Armada Berhad, a company incorporated in Malaysia, and any successor corporation.

"Depositor" means the holder of a Securities Account.

ANNEXURE D: BY-LAWS GOVERNING THE ESOS (cont'd)

"Employee" means an employee of a Group Company who has a written employment contract and any executive director of the Company.

"Eligible Employee" means an Employee who meets the criteria of eligibility to participate in the Scheme with regard to Options.

"Fair Market Value" in relation to a Share means:

- (a) in respect of a Share subscribed for upon the exercise of an Option which is an Initial Grant, the price at which a Share is purchased by a retail investor under the IPO; and
- (b) in respect of a Share subscribed for upon the exercise of an Option which is not an Initial Grant, a price which is the weighted average of the market price quotation of Shares for the five (5) Market Days immediately preceding the date on which the Option is granted rounded down to the nearest sen or the par value of a Share whichever is higher.

"Group Company" means any one of the Company and the Subsidiaries and "Group Companies" means any two or more of them.

"Holding Company" means a holding company of the Company as defined in Section 5 of the Companies Act 1965.

"Initial Grant" means the initial Option granted prior to the consummation of the IPO, on terms that exercise thereof is conditional upon such consummation.

"IPO" means the initial public offering of the Shares via a public issue by the Company.

"Listing Requirements" means the Main Market Listing Requirements of Bursa Malaysia, as amended from time to time.

"Market Day" means any day between Monday and Friday (both days inclusive) which is not a public holiday and on which Bursa Malaysia is open for trading of securities.

"Offer Date" means, in relation to an Option, the date of the written offer thereof to an Eligible Employee in accordance with the provisions of these By-Laws.

"Option" means a right to subscribe for a Share upon exercise of that Option granted pursuant to Clause 6 of these By-Laws.

"Option Commencement Date" means, in respect of an Option, the date fixed by the Board as the date from which that Option may be exercised by the Optionee in accordance with these By-Laws.

"Option Period" means, in relation to an Option, the period commencing from that Option's Option Commencement Date and expiring on that Option's Option Termination Date (both dates exclusive).

ANNEXURE D: BY-LAWS GOVERNING THE ESOS (cont'd)

"Option Price" means the subscription price payable per Share upon the exercise of an Option.

"Optionee" means the holder of an outstanding Option granted under this Scheme.

"Option Termination Date" means, in relation to an Option, the date from which that Option terminates, expires, lapses and/or otherwise ceases to be of any force and effect in accordance with these By-Laws.

"Persons Connected" has the same meaning as that in paragraph 1.01 of the Listing Requirements.

"Record of Depositors" means the record provided by Bursa Depository to the Company under Chapter 24.0 of the Rules of Bursa Depository.

"RM" or "Ringgit Malaysia" means the lawful currency of Malaysia.

"Rules of Bursa Depository" means the rules of Bursa Depository and any appendices thereto, as amended from time to time.

"Secretary" means any person or persons appointed to perform the duties of the Secretary of the Company and shall include a joint, temporary, assistant or deputy secretary.

"Scheme" means the 2011 Employee Share Option Scheme of the Company, as amended from time to time.

"Securities Account" means an account established by Bursa Depository for a Depositor for the recording of deposit of securities and for dealings in securities by the Depositor as permitted under the Central Depositories Act and/or Rules of Bursa Depository.

"Shares" means ordinary shares of par value RM0.20 (or such other sum as may be adjusted in accordance with Applicable Laws and the constituent documents of the Company) each in the capital of the Company.

"Subsidiary" means a subsidiary of the Company as defined in Section 5 of the Companies Act 1965, not being a dormant company.

"Substantial Shareholder" has the meaning ascribed thereto in Section 69D of the Companies Act 1965.

"Termination of Service" means the termination of service of an Optionee as an Employee for any reason (other than by reason of his death), with or without cause, which includes termination by resignation, removal or dismissal, failure to be re-elected, or retirement.

"Twenty Percent Holder" means an Employee who either singly or collectively with his Persons Connected owns twenty per cent (20%) or more of the issued and paid-up capital of the Company.

ANNEXURE D: BY-LAWS GOVERNING THE ESOS (cont'd)

3. SHARES AVAILABLE

- 3.1 The total number of Shares which may be issued under Options granted pursuant to this Scheme shall not exceed in aggregate 10% of the Company's issued and paid-up share capital at any time during the existence of the Scheme.
- 3.2 The total number of Shares which may be issued under Options granted under this Scheme to directors and members of senior management of the Company and its Subsidiaries shall not exceed in aggregate 50% of the total number of Shares to be issued under the Scheme.
- 3.3 The total number of Shares which may be issued under Options granted under this Scheme to Twenty Percent Holders shall not exceed in aggregate 10% of the total number of Shares to be issued under the Scheme.
- 3.4 Notwithstanding the provisions of Clause 3.1, if by reason of a purchase by the Company of its own shares or the implementation by the Company of any corporate proposal (each an "Event"), the total number of new Shares which may be issued on the exercise of Options granted pursuant to this Scheme shall exceed in the aggregate (10%) of the total issued and paid-up share capital of the Company, then all offers and Options granted prior to the relevant Event shall remain valid and exercisable in accordance with the provisions of this Scheme. However, no additional offers of Options shall be made nor shall any additional Options be granted unless the total number of Shares which may be issued under the Scheme shall fall below (10%) of the total issued and paid-up share capital of the Company.
- 3.5 The Company shall at all times keep available sufficient unissued Shares to satisfy all outstanding Options.

4. ELIGIBILITY

Subject to the discretion of the Board, any Employee shall be eligible to participate in the Scheme if, as at the Offer Date, the Employee has attained the age of eighteen (18) years.

5. BASIS OF ALLOCATION OF OPTIONS

Subject to the provisions of Clauses 3.2 and 3.3, the number of new Shares that may be offered under the Options to any one of the Eligible Employees shall be at the discretion of the Board after taking into consideration the performance of the Company and the performance, seniority and number of years of service of the Eligible Employee as well as his actual or potential contribution to the Group. In determining the number of years of service of an Eligible Employee, the Board may take into consideration any service provided by such Eligible Employee as a secondee to the Company and/or any of its Subsidiaries.

ANNEXURE D: BY-LAWS GOVERNING THE ESOS (cont'd)**6. OFFER AND ACCEPTANCE OF OPTIONS**

- 6.1 Subject to and in accordance with the provisions of these By-Laws, the Board may, within the duration of the Scheme, make offers to grant Options to Eligible Employees whom the Board may in its discretion select.
- 6.2 Offers in respect of Options to be comprised in the Initial Grant shall be made prior to the consummation of the IPO and on terms that exercise of such Options are conditional upon such consummation.
- 6.3 Offers in relation to Options (other than those comprised in the Initial Grant) may thereafter be made from time to time as the Board may determine in its discretion.
- 6.4 Each offer to grant Options shall:
- 6.4.1 be substantially in the form set out in Appendix A (subject to modification by the Board from time to time);
 - 6.4.2 specify the Option Price per share, which shall be the Fair Market Value thereof and the closing date for the acceptance of the offer (the "Closing Date");
 - 6.4.3 specify the type or types of Option(s) which forms the subject matter of the offer.
- 6.5 An Eligible Employee who accepts an offer of Options must return, on or before the Closing Date, the duly completed Acceptance Form (substantially in the form as set out in Appendix B, subject to modification by the Board from time to time) accompanied by a payment to the Company of the sum of RM1.00 as consideration for acceptance of that offer. If the offer is not accepted in such manner, the offer shall automatically lapse upon the Closing Date and shall then be null and void.
- 6.6 Successive grants may be made to the same Optionee whether or not any Options previously granted to such Optionee remain unexercised.

7. EXERCISE OF OPTIONS

- 7.1 Unless otherwise determined by the Board, all Options shall become exercisable:
- 7.1.1 to the extent of one-third (1/3rd) of the Shares covered thereby on each of the first three anniversaries of the date of grant, if the Optionee shall have been in the continuous service of the Company or any of its Subsidiaries throughout such period. For this purpose the service of an Employee shall not be considered to have been interrupted (and therefore ceasing to be continuous) by reason alone of any of the following:
 - (a) sick leave; or
 - (b) study leave for a period of not more than one (1) year; or

ANNEXURE D: BY-LAWS GOVERNING THE ESOS (cont'd)

- (c) any other leave of absence approved by the Company or Subsidiary to whom the Employee provides his services, provided that such leave shall be for a period of not more than ninety (90) days; or
 - (d) in the case of transfers between the Company and any Subsidiary and vice versa or between one Subsidiary and another Subsidiary;
- 7.1.2 on such date or dates as may be determined by the Board following a Change in Control; or
- 7.1.3 at the discretion of the Board, on such date or dates as may be determined by the Board, in the event of the Termination of Service of the Optionee under any of the circumstances described in Clause 9.2.
- 7.2 No Option shall be exercisable if the exercise thereof would violate any provision of Applicable Laws, nor shall any Option be exercisable more than 10 years from the date on which this Scheme shall become effective.
- 7.3 During the period within which an Option may be exercised as provided in Clause 7.1, an Optionee may exercise Options in whole or in part in multiples of and no less than 100 Shares only at such time in accordance with any guidelines as may be prescribed by the Board from time to time. To exercise an Option, an Optionee shall give written notice to the Company in the form set out in Appendix C subject to modification by the Board from time to time, specifying the number of Shares to be subscribed for and provide payment of the Option Price and shall further specify the number of the Securities Account of the Optionee or of the Optionee's Authorised Nominee and furnish any other documentation that may be required by the Company.
- 7.4 The Option Price shall be payable in cash which shall be remitted to the Company with the notice referred to in Clause 7.3 or, at the discretion of the Board, by such other form of consideration or in such other manner as may be acceptable to the Company, and permitted under Applicable Laws and, without limitation to the generality of the foregoing, any grant may at the discretion of the Board provide (to the extent permitted by Applicable Laws) for deferred payment of the Option Price from the proceeds of sale through a broker on a date satisfactory to the Company of some or all of the Shares to which such exercise relates.
- 7.5 Except as otherwise determined by the Board, no Option shall be transferable by the Optionee except by will or the laws of descent and distribution and the Optionee shall not create any charge, pledge, lien or other encumbrance whatsoever in respect of an Option or any part thereof. Except as otherwise determined by the Board and save as otherwise provided under Clause 9.3, Options shall be exercisable during the Optionee's lifetime only by the Optionee or, in the event of the Optionee's legal incapacity to do so, the Optionee's guardian or legal representative acting on behalf of the Optionee in a fiduciary capacity under Applicable Laws and any required court supervision.

ANNEXURE D: BY-LAWS GOVERNING THE ESOS (cont'd)

- 7.6 Subject to and in accordance with the provisions of the Articles of Association of the Company, the Central Depositories Act and the Rules of Bursa Depository, the Company shall within eight (8) Market Days of the receipt by the Company of the aforesaid notice referred to in Clause 7.3 and remittance from the Optionee, allot and issue the relevant number of Shares, despatch a notice of allotment stating the number of Shares to be credited into the Securities Account of the Optionee or the Optionee's Authorised Nominee with a copy to the Optionee, as the case may be, and make an application for the quotation of the Shares. No physical share certificate(s) will be issued to the Optionee.
- 7.7 Notwithstanding anything to the contrary, in the event of any take-over offer being made for the issued Shares of the Company or any other corporate proposal (including but not limited to a capital reduction exercise), being undertaken whereby all of the issued Shares of the Company is to be acquired (or all of the issued Shares of the Company ends up in the hands of one or more sponsors of such proposal or their nominees), whether by way of a general offer or otherwise, the Board may in its sole discretion unilaterally decide:
- (a) to alter any Option Period applicable in respect of an Option, whether by shortening or lengthening the same;
 - (b) to alter any Option Commencement Date and/or Option Termination Date;
 - (c) to fix any Option Commencement Date and/or Option Termination Date; and/or
 - (d) to alter the terms of any Option.
- 7.8 Subject to the discretion of the Board, in the event of any application being made to the court for approval of a compromise or arrangement between the Company and its members proposed for the purposes of, or in connection with, a scheme of arrangement and/or arrangement and reconstruction of the Company under Section 176 of the Companies Act 1965, or its amalgamation with any other company or companies under Section 178 of the Companies Act 1965, an Optionee may exercise all or any part of his Options that are exercisable but remain unexercised, at any time commencing from the date upon which the application is so made to the court and ending on the date immediately prior to the date on which the scheme is approved ("Approval Date") (or on any other date specified by the Board in its sole discretion). For the avoidance of doubt, any outstanding Options after the Approval Date (or on any other date specified by the Board in its sole discretion) shall automatically lapse and shall then be null and void.

ANNEXURE D: BY-LAWS GOVERNING THE ESOS (cont'd)

8. RIGHTS IN SHARES

- 8.1 Shares issued upon the exercise of an Option will be subjected to all the provisions of the Memorandum and Articles of Association of the Company and shall rank *pari passu* in all respects with the then existing issued Shares save that they will not entitle the holders thereof to receive any rights or bonus issues or dividends or distributions the entitlement date of which precedes the date of the issue of the Shares.
- 8.2 No Optionee shall be entitled to exercise any voting rights in respect of any Shares nor to receive any notice of general meetings of the Company unless such Shares have been credited into the Securities Account of the Optionee pursuant to the exercise of Options prior to the relevant record date for the despatch of such notice of general meeting of the Company and to vote thereat.

9. TERMINATION OF OPTIONS

- 9.1 All unexercised Options held by an Optionee shall forthwith lapse and cease to be exercisable in relation to any Shares in respect of which such Options have not been exercised upon the occurrence of one or more of the following events:
- 9.1.1 the Optionee's Termination of Service; or
 - 9.1.2 in the event of the liquidation of the Company; or
 - 9.1.3 in the event of bankruptcy of the Optionee.
- 9.2 In the event of the Termination of Service of an Optionee prior to the exercise of an Option, the Board may approve in writing the exercise or partial exercise of such Option by the Optionee upon such terms and conditions as may be set out by the Board in its discretion, if such cessation occurs by reason of:
- 9.2.1 retirement on attaining the retirement age under the Company's retirement policy;
 - 9.2.2 retirement before attaining the normal retirement age, but with the consent of the Board;
 - 9.2.3 redundancy;
 - 9.2.4 ill-health, injury, physical or mental disability; or
 - 9.2.5 any other circumstances which are acceptable to the Board.
- 9.3 If an Optionee dies before the expiration of the Option Period, and, as at the date of his/her death, held an Option or Options which has become exercisable in accordance with this Scheme but remains unexercised or partially exercised as at the date of the Optionee's death, such Option or Options may be exercised or partially exercised by the legal or personal representative of the Optionee, at any time not more than one year after the Optionee's death.

ANNEXURE D: BY-LAWS GOVERNING THE ESOS (cont'd)

- 9.4 If an Optionee dies before the expiration of the Option Period, and, as at the date of his/her death, held an Option or Options which has not otherwise become exercisable in accordance with this Scheme, the Board may at its discretion declare in writing that such Option or Options (or any part thereof) shall nevertheless be exercisable by the legal or personal representative of the Optionee, at any time not more than one year after the Optionee's death, whereupon such Option or Options shall become so exercisable by the legal or personal representative of the Optionee.

10. ADJUSTMENTS

- 10.1 The Board may make or provide for such adjustments in the Option Price and in the number of Shares covered by outstanding Options as the Board in its discretion may in good faith determine to be equitably required in order to prevent dilution or enlargement of the rights of Optionees that would otherwise result from any (a) share dividend, share split, combination of shares, recapitalisation, rights issue, bonus issue, capital reduction or other change in the capital structure of the Company, (b) merger, consolidation, separation, reorganisation, partial or complete liquidation, issuance of rights or warrants to purchase or subscribe for shares or (c) other corporate transaction or event having an effect similar to any of the foregoing. Moreover, in the event of any such transaction or event, the Board, in its discretion, may provide in substitution for any or all outstanding Options under this Scheme such alternative consideration as it, in good faith, may determine to be equitable in the circumstances and may require in connection therewith the surrender of all Options so replaced. Any adjustments made, other than an adjustment resulting from a bonus issue, shall be confirmed in writing by the external auditor of the Company. Unless otherwise determined by the Board, the adjustments pursuant to this clause shall be effective on the day immediately following the book closure date for the event giving rise to that adjustment.
- 10.2 Any adjustment in the number of Shares covered by outstanding Options shall comply with the requirements of Applicable Laws and shall give each Optionee the same proportion of the issued Shares of the Company as that to which he was previously entitled save and except for any adjustment in respect of a rights issue. In the case of a rights issue, any adjustments made shall ensure that the capital outlay to be incurred by the Optionee in exercising his Options remain unaffected.
- 10.3 Notwithstanding anything to the contrary, the provisions of this clause 10 shall not apply where the alteration in the capital structure of the Company arises from:
- (a) the issue of new Shares or other securities as consideration (or part consideration) for an acquisition of any other securities, assets or business;
 - (b) a special issue of new Shares or other securities to Bumiputera investors nominated by the Malaysian government and/or any other relevant authority of the Malaysian government to comply with the Malaysian government's policy on Bumiputera capital participation;
 - (c) a private placement or restricted issue of new Shares or other securities by the Company;

ANNEXURE D: BY-LAWS GOVERNING THE ESOS (cont'd)

- (d) the implementation of a Share buy-back arrangement by the Company under the Companies Act 1965;
- (e) any issue of warrants, convertible loan stocks or other instruments by the Company that gives a right of conversion into Shares or other securities, and any issue of new Shares or other securities arising from the exercise of any conversion rights attached to such convertible securities; or
- (f) any issue of new Shares upon the exercise of Options granted under this Scheme.

11. SHARE OPTION AGREEMENT

The Board may require that any Option be evidenced by a Share Option Agreement. The form of each Share Option Agreement shall be prescribed, and any Share Option Agreement evidencing an outstanding Option may with the concurrence of the affected Optionee be amended by the Board, provided that the terms and conditions of each Share Option Agreement and amendment are not inconsistent with this Scheme and that no amendment shall adversely affect the rights of the Optionee with respect to any outstanding Option without the Optionee's consent.

12. CANCELLATION OF OPTIONS

The Board may, (with the concurrence of the affected Optionee, if so required by Applicable Laws) cancel any Option granted under this Scheme. In the event of any such cancellation, the Board may authorise the granting of new Options (which may or may not cover the same number of Shares that had been the subject of any prior Option) in such manner, at such Option Price and subject to similar terms, conditions and discretion as would have been applicable under this Scheme had the cancelled Options not been granted.

13. WITHHOLDING

No later than the date as of which any amount first becomes includible in the gross income of an Optionee for any applicable income tax purposes with respect to any Option under this Scheme, the Optionee shall pay to the Company, or make arrangements satisfactory to the Board regarding the payment of, any national or local taxes of any kind required by law to be withheld with respect to such amount. If so determined by the Board, the minimum required withholding obligations may be settled with Shares, including Shares that are part of the award that gives rise to the withholding requirement. The obligations of the Company under this Scheme shall be conditional on such payment or arrangements, and the Company shall, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to the Optionee.

14. GOVERNING LAW

These By-Laws, this Scheme and all Options granted and actions taken thereunder shall be governed by and construed in accordance with the laws of Malaysia.

ANNEXURE D: BY-LAWS GOVERNING THE ESOS (cont'd)

15. FRACTIONAL SHARES

The Company shall not be required to issue any fractional Shares pursuant to this Scheme. The Board may provide for the elimination of fractions or for the settlement of fractions for cash.

16. MULTIPLE JURISDICTIONS

In order to facilitate the making of any grant under this Scheme, the Board may provide for such special terms for Options to Optionees who are employed by the Company or any Subsidiary in any particular jurisdiction, or who are nationals of any particular jurisdiction, as the Board may consider necessary or appropriate to accommodate differences in local law, tax policy or custom. Moreover, the Board may approve such supplements to or amendments, restatements or alternative versions of this Scheme as it may consider necessary or appropriate for such purposes, without thereby affecting the terms of this Scheme as in effect for any other purpose, and the Secretary or other appropriate officer of the Company may certify any such document as having been approved and adopted in the same manner as this Scheme. No such special terms, supplements, amendments or restatements, however, shall include any provisions that are inconsistent with the terms of this Scheme as then in effect unless this Scheme could have been amended to eliminate such inconsistency.

17. ADMINISTRATION

This Scheme shall be administered by the Board, which may from time to time delegate all or any part of its authority under this Scheme to a committee of not less than three of its members appointed by the Board. To the extent of any such delegation, references in this Scheme to the Board shall also refer to the committee. A majority of the members of the committee shall constitute a quorum, and any action taken by a majority of the members of the committee who are present at any meeting of the committee at which a quorum is present, or any action of the committee that are unanimously approved by the members of the committee in writing, shall be the acts of the committee. The Board or committee shall have the authority to delegate responsibility and authority for the operation and administration of this Scheme, appoint employees and officers of the Company to act on its behalf, and employ persons to assist in fulfilling their responsibilities under this Scheme.

ANNEXURE D: BY-LAWS GOVERNING THE ESOS (cont'd)

18. AMENDMENT

Subject to any approvals which may be required of Bursa Malaysia and any other relevant authorities, this Scheme may be amended from time to time by the Board; provided, however, that any amendment which must be approved by the shareholders of the Company in order to comply with Applicable Laws, shall not be effective unless and until such approval has been obtained. Presentation of this Scheme or any amendment hereof for shareholders' approval shall not be construed to limit the Company's authority to offer similar or dissimilar benefits under other plans or schemes or otherwise without shareholders' approval. Furthermore, no amendment or alteration of this Scheme shall be made which would impair the rights of an Optionee with respect to any outstanding Option under this Scheme without the Optionee's consent and no amendment or alteration of this Scheme shall be made, in relation to the definition of "Fair Market Value" in Clause 2 and Clauses 3, 4, 5, 6.4.2, 6.5, 7.1, 7.2, 7.3, 7.4, 8, 10.2 and 20 to the advantage of actual or prospective participants in the Scheme without the prior approval of the Company's shareholders in general meeting where such approval is required under Applicable Laws.

19. EFFECTIVE DATE

This Scheme shall be effective immediately upon its approval by the shareholders of the Company and its adoption by the Board; provided, however, that the Initial Grant shall be conditional on the consummation of the IPO and shall be void and of no further effect if the IPO is not consummated prior to March 31, 2012.

20. TERM

No Option shall be granted pursuant to this Scheme on or after the tenth anniversary of the date on which this Scheme shall become effective, and no awards granted prior to such tenth anniversary may extend beyond that.

21. AWARDS IN SUBSTITUTION FOR AWARDS GRANTED BY OTHER COMPANIES

21.1 To the extent not otherwise provided in this Scheme, Options may be granted under this Scheme in substitution for awards held by (i) employees of a company which is not a Group Company but which subsequently becomes a Group Company ("Previous Company") as a result of the acquisition, merger or consolidation of the Previous Company by or with the Company or a Subsidiary; or (ii) employees of any Substantial Shareholder of the Company who had provided services to the Company or any Subsidiary as secondees of such Substantial Shareholder and who subsequently become Employees.

21.2 The terms, provisions and benefits of the substitute awards so granted may vary from those set forth in or authorised by this Scheme to such extent as the Board at the time of the grant may deem appropriate to conform, in whole or in part, to the terms, provisions and benefits of awards in substitution for which they are granted.

ANNEXURE D: BY-LAWS GOVERNING THE ESOS (cont'd)

22. DIVESTMENT OF SUBSIDIARIES

If an Optionee is in the employment of a company which ceases to be a Group Company due to a subsequent disposal or divestment (in whole or in part) from the Group resulting in a subsequent holding of 50% or less of the equity of that company by another Group Company, then such Optionee:

- (a) will remain entitled to exercise all exercisable but unexercised Options which were granted to him under this Scheme within such time period determined by the Board, failing which the right of such Optionee to subscribe for that number of the new Shares or any part thereof granted under such exercisable but unexercised Options shall automatically lapse upon the expiration of the said time period and be null and void and of no further force and effect; and
- (b) shall not be eligible to any grant of further Options under this Scheme.

23. ACQUISITION OF SUBSIDIARIES

Notwithstanding anything to the contrary, but subject to Clause 21, in the case of an employee of a Previous Company, such an employee ("Affected Employee"):

- (a) will be entitled to continue to exercise all such unexercised rights or options that were granted to him under the Previous Company's employee share scheme or employee share option scheme in accordance with the by-laws of that Previous Company's employee share scheme or employee share option scheme, but he shall not, upon that Previous Company becoming a Group Company, be eligible to participate for further rights or options under such Previous Company's employee share scheme or employee share option scheme unless permitted by the Board;
- (b) (subject to the approval of the Board) may be eligible to participate in this Scheme only for the remaining duration of this Scheme; and
- (c) if the Affected Employee had participated in the Previous Company's employee share scheme or employee share option scheme, the number of new Shares to be offered to such Affected Employee under this Scheme shall be determined by the Board.

24. LIQUIDATION

Upon the commencement of the winding-up proceedings of the Company, all unexercised or partially exercised Options shall lapse and be null and void and of no further force and effect, and this Scheme shall terminate.

25. EARLY TERMINATION

Notwithstanding the provisions of Clause 20, the Company may with the prior approval of:

- 25.1 the Company's members in general meeting wherein at least a majority of the members present shall vote in favour of such approval; and

ANNEXURE D: BY-LAWS GOVERNING THE ESOS (cont'd)

- 25.2 all Optionees who have yet to exercise their Options, either in part or in whole, and whose approval must be in writing

terminate this Scheme prior to the expiry of the term specified in Clause 20.

26. NOT A TERM OF EMPLOYMENT

- 26.1 This Scheme shall not be construed as conferring upon the Optionees any right with respect to continuation of employment by the Company or any of its Subsidiaries, nor shall it interfere in any way with the right of the Company or any of its Subsidiaries to terminate such employment at any time, with or without cause. The terms of employment of an Employee shall not be affected by the execution of this Scheme. The Options granted under this Scheme shall not form a part of the terms of employment of an Employee nor entitle him to take into account the Options granted under this Scheme in calculating any benefits or payment whatsoever or compensation or damages during the course of his employment or on the termination of his employment for any reason.

- 26.2 In no circumstances whatsoever shall any Employee ceasing to hold office or employment by virtue of which he is or may be eligible to participate in this Scheme be entitled to any compensation for any loss of any right or benefit or prospective right or benefit under this Scheme which he might otherwise have enjoyed whether such compensation is claimed by way of damages for wrongful dismissal or other breach of contract or by way of compensation for loss of office or otherwise howsoever.

- 26.3 In the event an Optionee is subject to disciplinary proceedings (whether or not such disciplinary proceedings will give rise to a Termination of Service) the Board may, in its discretion, suspend and/or cancel the right of the Optionee to exercise his/her Option pending the outcome of such disciplinary proceedings. The Board may impose such terms and conditions as the Board shall deem appropriate having regard to the nature of the charges made or brought against the Optionee and the outcome of such disciplinary proceedings.

27. INSPECTION OF ACCOUNTS

All Employees are entitled to inspect the latest audited accounts of the Company and its Subsidiaries at the office of the Scheme Administrator, as may be designated by the Board from time to time, at Level 21, Menara Perak, 24 Jalan Perak, 50450 Kuala Lumpur, Malaysia, during normal office hours on Mondays to Fridays (public holidays excepted).

ANNEXURE D: BY-LAWS GOVERNING THE ESOS (cont'd)

APPENDIX A
Letter of Offer

Date:

PRIVATE AND CONFIDENTIAL

To : *Name*
Designation
Address

Dear Sir/Madam

We are pleased to inform you that you have been nominated by the Board of Bumi Armada Berhad ("Company") to participate in the Company's 2011 Employee Share Option Scheme ("Scheme").

Accordingly, an offer is hereby made to grant you options ("Options"), in consideration of the payment of a sum of RM1.00 as determined by the Board, to subscribe for and be allotted [] ordinary shares of par value [] per share in the capital of the Company, at a price of RM[] per ordinary share ("Share"). The Options shall be subject to the terms of this letter and the Scheme (as the same may from time to time be amended). You may refer to the following Scheme Administrator appointed by the Board for a copy of the By-Laws of the Scheme and any other relevant information and documents relating to the Scheme as may be determined from time to time by the Board:

Scheme Administrator:Name:
Designation:
Company:
Address:
Tel No:

If you wish to accept this offer, please sign and return to the Scheme Administrator at the above address, the enclosed Acceptance Form with a sum of RM1.00 by 4.00 pm Malaysian time on [] being the closing date for acceptance of the Options, failing which this offer shall forthwith lapse. Upon your acceptance of this offer, the Options are deemed to have been granted to you as of the date of this letter.

Please note that the Options are personal to you and you shall not transfer or assign to any other person or create any charge, lien or other encumbrances whatsoever in respect of the Options or any part thereof or any rights thereunder.

Yours faithfully

ANNEXURE D: BY-LAWS GOVERNING THE ESOS (cont'd)

APPENDIX B
Acceptance Form

The Company Secretary
Bumi Armada Berhad

C/o The Scheme Administrator
[Name and Address of Appointee]

Closing Date for acceptance of Options: (4.00 pm Malaysian time)

No. of Shares over which the Options are offered:

Option Price per Share:

I have read your letter of offer dated _____ ("Letter of Offer") and agree to be bound by the terms of the Bumi Armada Berhad 2011 Employee Share Option Scheme ("Scheme") and the Letter of Offer. I hereby accept the option to subscribe for the Shares specified above at the Option Price specified above and enclose a cheque for/cash* RM1.00, in payment for the Options.

I understand that I am not obliged to exercise the Options.

I confirm that as at the date hereof, I am not less than 18 years old or an undischarged bankrupt.

I acknowledge that you have not made any representation or warranty or given me any expectation of employment or continued employment to induce me to participate in the Scheme or accept the offer and that the terms of the Letter of Offer and this Acceptance Form constitute the entire agreement between us relating to the offer.

Please print in Block Letters

Name in Full :

Designation :

Address :

Nationality :

NRIC/Passport No :

Signature :

Date :

*Delete accordingly

ANNEXURE D: BY-LAWS GOVERNING THE ESOS (cont'd)

**APPENDIX C
Notice of Exercise of Options**

The Company Secretary
Bumi Armada Berhad

C/o The Scheme Administrator
[Name and Address of Appointee]

Total No of ordinary shares ("Shares") over which the Options were offered under the 2011 Employee Share Option Scheme ("Scheme"), on ("Offer Date")	:	
Number of Shares previously allotted under the Scheme	:	
Outstanding balance of Shares which may be allotted under the Scheme	:	
Number of Shares now to be subscribed	:	
Option Price per Share	:	
Option Period	:	A period commencing from the date, fixed by the Board, as the date that Options may be exercised and expiring on the date that Options terminate, lapse or cease to be in force in accordance with the By-Laws.

1. *[Please complete either (a)(i) or (a)(ii)]*

- (a) Pursuant to the Company's letter of offer under the Scheme to me on the above Offer Date, I hereby exercise Options to subscribe for Shares ("Subscription Shares") in Bumi Armada Berhad at RM per Share.

I/We request the Company to allot and issue the said Subscription Shares and credit the Subscription Shares as follows :-

- **(i)* in my/our name and to my/our direct securities account number
with []; or

ANNEXURE D: BY-LAWS GOVERNING THE ESOS (cont'd)

***(ii)** in the name of, my/our nominee, and to my/our nominee's securities account number with [.....].

The particulars of the said nominee are as follows :-

- aa. address :
- bb. registration number :
- cc. country of incorporation :

2. I/We enclose *cashier's order/bank draft no. for RM by way of subscription for the said Subscription Shares.
3. I agree that the subscription for the said Subscription Shares is subject to the terms of the grant of the Options, the Scheme (as amended from time to time) and the Memorandum and Articles of Association of the Company.
4. ***(a)** I declare that I am subscribing for the said Subscription Shares for myself and not as a nominee for any other person.

OR

***(b)** I declare that the nominee named in paragraph 1(a)(ii) above (as the case may be) is subscribing for the said Subscription Shares as my nominee.

OR

***(c)** I/We declare that I/we are subscribing for the Subscription Shares in my/our capacity as the legal personal representative(s) of the *[specify name of deceased employee]*.

*Delete accordingly

Please print in Block Letters

Name in Full :
 Designation :
 Address :

 Nationality :
 NRIC/Passport No :

 Signature :
 Date :

****NOTE** In the case of an exercise of Options by legal representative(s), please provide information relating to such legal representative(s).