NOT FOR DISTRIBUTION IN THE UNITED STATES OF AMERICA, CANADA OR JAPAN.

Unless otherwise stated, all abbreviations and defined names or expressions contained in this Abridged Prospectus are defined in the "Definitions" section of this Abridged Prospectus.

THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately. If you have sold or transferred all your Shares, you should hand this Abridged Prospectus, together with the NPA and the RSF (collectively, the "**Documents**") at once to the agent/broker through whom you effected the sale/transfer for onward transmission to the purchaser/transferee. All enquiries concerning the Rights Issue should be addressed to our Share Registrars, Symphony Share Registrars Sdn Bhd, at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

The Documents are despatched only to our shareholders whose names appear in our Record of Depositors as at 5.00 p.m. on 12 September 2014 who have a registered address in Malaysia or who have provided our Share Registrars with an address in Malaysia in writing on or before 5.00 p.m. on 12 September 2014. The Documents are not intended to be and should not be distributed, forwarded to or transmitted in or into countries or jurisdictions where to do so might constitute a violation of the securities laws or regulations of such countries or jurisdictions. No action has been or will be taken to ensure that either the Rights Issue or the Documents comply with the laws of any country or jurisdiction other than the laws of Malaysia. Entitled Shareholders and renouncees who are residents in countries or jurisdictions other than Malaysia should therefore immediately consult their legal advisers and/or other professional advisers as to whether the acceptance or renunciation (as the case may be) of all or any part of their Provisional Rights Shares, the application for the Excess Rights Shares, or the subscription, offer, sale, resale, pledge or other transfer of the Rights Shares would result in the contravention of any law of such countries or jurisdictions. None of Bumi Armada, the Joint Principal Advisers, the Joint Global Coordinators, the Joint Underwriters or the Co-Manager, or any of their respective directors and officers or affiliates will accept any responsibility or liability whatsoever to any party in the event that any acceptance or renunciation (as the case may be) of the Provisional Rights Shares, the application for the Excess Rights Shares or the subscription, offer, sale, resale, pledge or other transfer of the Rights Shares made by any Entitled Shareholder and renouncee is or shall become illegal, unenforceable, voidable or void in such countries or jurisdictions in which the said Entitled Shareholder and renouncee is a resident.

The Provisional Rights Shares and the Rights Shares have not been, and will not be, registered under the U.S. Securities Act or the laws of any state or jurisdiction of the United States, and as such, the Provisional Rights Shares may not be accepted, and the Rights Shares may not be offered, taken up, subscribed, acquired, sold, resold, pledged, transferred or delivered, directly or indirectly, within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. There is no intention to register any portion of the Provisional Rights Shares or the Rights Shares in the United States or to conduct a public offering of securities in the United States.

The approval from our shareholders for, among others, the Rights Issue was obtained at our EGM convened on 8 July 2014. The approval from Bursa Securities for, among others, the listing of and quotation for the Rights Shares on the Main Market of Bursa Securities was also obtained vide its letter dated 12 June 2014. However, this is not an indication that Bursa Securities recommends the Rights Issue. The listing of and quotation for the Rights Shares on the Main Market of Bursa Securities are in no way reflective of the merits of the Rights Issue and any investment in Bumi Armada. The listing of and quotation for the Rights Shares will commence after, among others, receipt of confirmation from Bursa Depository that all the Rights Shares have been duly credited into the CDS Accounts of the successful Entitled Shareholders and/or their renouncees (if applicable) and the notices of allotment have been despatched to them.

A copy of this Abridged Prospectus has been registered with the SC. The registration of this Abridged Prospectus should not be taken to indicate that the SC recommends the Rights Issue or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Abridged Prospectus. The SC has not, in any way, considered the merits of the securities being offered for investment. Copies of each of the Documents has also been lodged with the ROC who takes no responsibility for the contents of the Documents.

Our Board has seen and approved all the documentation relating to this Rights Issue including the Documents. They collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable inquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts which, if omitted, would make the statements in the Documents false or misleading.

CIMB and Maybank IB, being the Joint Principal Advisers for the Rights Issue, acknowledge that, based on all available information and to the best of their knowledge and belief, this Abridged Prospectus contains full and true disclosure of all material facts concerning the Rights Issue.

BUMIARMADA

BUMI ARMADA BERHAD
(Company No. 370398-X)
(Incorporated in Malaysia under the Companies Act, 1965)

RENOUNCEABLE RIGHTS ISSUE OF UP TO 1,479,238,150 NEW ORDINARY SHARES OF RM0.20 EACH IN BUMI ARMADA BERHAD ("SHARES") ("RIGHTS SHARES") ON THE BASIS OF 1 RIGHTS SHARE FOR EVERY 2 EXISTING SHARES HELD BY THE ENTITLED SHAREHOLDERS OF BUMI ARMADA BERHAD AS AT 5.00 P.M. ON 12 SEPTEMBER 2014, AT AN ISSUE PRICE OF RM1.35 PER RIGHTS SHARE

Joint Principal Advisers, Joint Global Coordinators and Joint Underwriters

CIMB
CIMB Investment Bank Berhad (18417-M)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Maybank Investment Bank
Maybank Investment Bank Berhad (15938-H)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Joint Global Coordinator

CREDIT SUISSE
Credit Suisse (Singapore) Limited
(Company Registration Number: 197702363D)

Joint Underwriters

CREDIT SUISSE
Credit Suisse Securities (Malaysia) Sdn Bhd
(Company Number: 499609-H)

UBS
UBS Securities Malaysia Sdn Bhd
(Company Number: 253825-X)

RHB
RHB Investment Bank Berhad
(19663-P)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

AmInvestment Bank
AmInvestment Bank Berhad (23742-V)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Co-Manager

OCBC Advisers
OCBC Advisers (Malaysia) Sdn Bhd
(Company Number: 743738-A)

IMPORTANT RELEVANT DATES AND TIMES

Entitlement Date	:	Friday, 12 September 2014 at 5.00 p.m.
Last date and time for the sale of the Provisional Rights Shares	:	Monday, 22 September 2014 at 5.00 p.m.
Last date and time for the transfer of the Provisional Rights Shares	:	Thursday, 25 September 2014 at 4.00 p.m.
Last date and time for acceptance of and payment for the Provisional Rights Shares	:	Tuesday, 30 September 2014 at 5.00 p.m.*
Last date and time for application and payment for the Excess Rights Shares	:	Tuesday, 30 September 2014 at 5.00 p.m.*

* *or any such later date and time as our Directors and the Majority Joint Underwriters may, at their absolute discretion, decide and announce, but not less than 2 Market Days before such stipulated date and time.*

This Abridged Prospectus is dated 12 September 2014

ALL TERMS USED ARE AS DEFINED IN THE "DEFINITIONS" SECTION OF THIS ABRIDGED PROSPECTUS.

THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE ON OUR PART AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS ABRIDGED PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS, AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS ABRIDGED PROSPECTUS.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE RIGHTS ISSUE AND ANY INVESTMENT IN OUR COMPANY. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

INVESTORS ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE OR MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS ABRIDGED PROSPECTUS ARE DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CMSA.

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE RIGHTS ISSUE FOR WHICH ANY OF THE PERSONS AS SET OUT IN SECTION 236 OF THE CMSA (SUCH AS OUR DIRECTORS AND ADVISERS) ARE RESPONSIBLE.

THE DISTRIBUTION OF THE DOCUMENTS IS SUBJECT TO MALAYSIAN LAWS. WE AND OUR ADVISERS ARE NOT RESPONSIBLE FOR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT TAKEN ANY ACTION TO PERMIT AN OFFERING OF OUR SECURITIES BASED ON THE DOCUMENTS OR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. THE DOCUMENTS MAY NOT BE USED FOR AN OFFER TO SELL OR AN INVITATION TO BUY OUR SECURITIES IN ANY COUNTRY OR JURISDICTION WHERE TO DO SO MIGHT CONSTITUTE A VIOLATION OF THE SECURITIES LAWS OR REGULATIONS OF SUCH COUNTRY OR JURISDICTION. WE AND OUR ADVISERS REQUIRE YOU TO INFORM YOURSELF OF AND TO OBSERVE SUCH RESTRICTIONS.

THE DOCUMENTS HAVE BEEN PREPARED AND ARE PUBLISHED SOLELY FOR THE RIGHTS ISSUE UNDER THE LAWS OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT AUTHORISED ANYONE TO PROVIDE YOU WITH INFORMATION WHICH IS NOT CONTAINED IN THE DOCUMENTS.

WE HAVE APPOINTED CIMB (ACTING THROUGH ITS AFFILIATES), CREDIT SUISSE (SINGAPORE) LIMITED AND MAYBANK IB (ACTING THROUGH ITS AFFILIATES) AS THE JOINT GLOBAL COORDINATORS FOR THE PURPOSE OF COORDINATING THE RIGHTS ISSUE OUTSIDE MALAYSIA (AND ALL SUCH ACTIVITIES WILL BE UNDERTAKEN BY SUCH JOINT GLOBAL COORDINATORS OUTSIDE MALAYSIA ONLY) AND CIMB AND MAYBANK IB AS THE JOINT GLOBAL COORDINATORS FOR THE PURPOSE OF COORDINATING THE RIGHTS ISSUE IN MALAYSIA (AND ALL SUCH ACTIVITIES WILL BE UNDERTAKEN BY SUCH JOINT GLOBAL COORDINATORS IN MALAYSIA ONLY). NONE OF THE JOINT GLOBAL COORDINATORS SHALL BE RESPONSIBLE WHATSOEVER FOR THE ACTIVITIES, WHETHER OUTSIDE OR IN MALAYSIA, OF ANY OF THE OTHER JOINT GLOBAL COORDINATORS.

THE DOCUMENTS ARE NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, CANADA OR JAPAN. THE RIGHTS ISSUE REFERRED TO IN THE DOCUMENTS IS NOT, AND UNDER NO CIRCUMSTANCES SHALL IT BE CONSTRUED AS AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITIES, NOR SHALL THERE BE ANY SALE OR PURCHASE OF SECURITIES IN ANY COUNTRY OR JURISDICTION IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF SUCH COUNTRY OR JURISDICTION.

THE PROVISIONAL RIGHTS SHARES AND THE RIGHTS SHARES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OR THE LAWS OF ANY STATE OR JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE U.S. STATE SECURITIES LAWS. ACCORDINGLY, THE PROVISIONAL RIGHTS SHARES AND THE RIGHTS SHARES ARE BEING OFFERED AND SOLD WITHIN THE UNITED STATES IN RELIANCE ON CERTAIN EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND OUTSIDE THE UNITED STATES IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S.

WITHIN THE UNITED STATES, THE PROVISIONAL RIGHTS SHARES MAY ONLY BE ACCEPTED, AND THE RIGHTS SHARES MAY ONLY BE OFFERED, TAKEN UP, SUBSCRIBED, ACQUIRED, SOLD, RESOLD, PLEDGED, TRANSFERRED OR DELIVERED, DIRECTLY OR INDIRECTLY, IN TRANSACTIONS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE U.S. STATE SECURITIES LAWS, BY OR TO, ENTITLED QIBS WHO HAVE EACH PROVIDED OUR COMPANY A SIGNED U.S. INVESTOR REPRESENTATION LETTER (AND SUCH U.S. INVESTOR REPRESENTATION LETTER HAS BEEN ACCEPTED BY OUR COMPANY) ON OR BEFORE THE CLOSING DATE (WITH A COPY TO THE JOINT GLOBAL COORDINATORS AND THE JOINT UNDERWRITERS). PLEASE REFER TO APPENDIX III OF THIS ABRIDGED PROSPECTUS ENTITLED "OFFERING, SELLING AND TRANSFER RESTRICTIONS" FOR FURTHER INFORMATION.

THE DOCUMENTS SHOULD NOT BE FORWARDED OR TRANSMITTED IN OR INTO THE UNITED STATES BY ANY PERSON AT ANY TIME. OUR COMPANY WILL NOT ACCEPT SUBSCRIPTIONS FROM ANY PERSON, OR PERSON ACTING ON BEHALF OF ANY PERSON, WHO APPEARS TO BE, OR WHO OUR COMPANY HAS REASON TO BELIEVE IS, LOCATED IN THE UNITED STATES AND TO WHOM AN OFFER, IF MADE, WOULD RESULT IN REQUIRING REGISTRATION OF THE DOCUMENTS, THE RIGHTS ISSUE, THE PROVISIONAL RIGHTS SHARES OR THE RIGHTS SHARES UNDER THE U.S. SECURITIES ACT OR THE LAWS OF ANY STATE OR JURISDICTION OF THE UNITED STATES.

NONE OF THE JOINT PRINCIPAL ADVISERS, THE JOINT GLOBAL COORDINATORS, THE JOINT UNDERWRITERS OR THE CO-MANAGER, OR ANY OF THEIR RESPECTIVE DIRECTORS AND OFFICERS OR AFFILIATES MAKE ANY REPRESENTATION, WARRANTY OR RECOMMENDATION WHATSOEVER AS TO THE MERITS OF THE RIGHTS ISSUE, OUR COMPANY OR ANY OTHER MATTER RELATED THERETO OR IN CONNECTION THEREWITH.

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DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Abridged Prospectus:

Abridged Prospectus	:	This abridged prospectus dated 12 September 2014 issued by our Company in relation to the Rights Issue
Act	:	Companies Act, 1965, as amended from time to time and any re-enactment thereof
Amendment to Memorandum	:	Amendment to our Memorandum as a consequence of the Increase in Authorised Share Capital
AmInvestment Bank	:	AmInvestment Bank Berhad (23742-V)
Apache	:	Apache Energy Limited (ACN 009 301 964)
BACM	:	Bumi Armada Capital Malaysia Sdn Bhd (1051626-X)
BACOL	:	Bumi Armada Capital Offshore Ltd (LL09677)
BAOHL	:	Bumi Armada Offshore Holdings Limited (41800)
Board	:	Board of Directors of our Company
Bonus Issue	:	Bonus issue of up to 1,479,238,150 Bonus Shares, on the basis of 1 Bonus Share for every 2 existing Shares held by our shareholders whose names appear in our Record of Depositors on the Entitlement Date
Bonus Shares	:	New Shares to be issued pursuant to the Bonus Issue
Bumi Armada or Company	:	Bumi Armada Berhad (370398-X)
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (165570-W)
Bursa Securities	:	Bursa Malaysia Securities Berhad (635998-W)
Business Day	:	Any day (other than a Saturday, Sunday or any other day which is a public holiday in Kuala Lumpur) on which Bursa Securities is open for trading in securities and banks are open for general banking business in Kuala Lumpur
CDS Account	:	A securities account established by Bursa Depository for a depositor for the recording of deposits and dealings in such securities by the depositor
CIMB	:	CIMB Investment Bank Berhad (18417-M)
Closing Date	:	30 September 2014 at 5.00 p.m., being the last date and time for the acceptance of and payment for the Provisional Rights Shares and the Excess Rights Shares or any such later date and time as our Directors and the Majority Joint Underwriters may, at their absolute discretion, decide and announce, but not less than 2 Market Days before such stipulated date and time
CMSA	:	Capital Markets and Services Act, 2007, as amended from time to time and any re-enactment thereof

DEFINITIONS *(Cont'd)*

Co-Manager	:	OCBC Advisers (Malaysia) Sdn Bhd (743738-A)
Corporate Exercises	:	Collectively, the Bonus Issue, the Rights Issue, the Increase in Authorised Share Capital and the Amendment to Memorandum
Credit Suisse	:	Credit Suisse Securities (Malaysia) Sdn Bhd (499609-H)
Documents	:	Collectively, this Abridged Prospectus and the accompanying NPA and the RSF
EGM	:	Extraordinary general meeting
EMTN Programme	:	A Multi Currency Euro Medium Term Note Programme with a programme size of USD1.5 billion (or its equivalent in other currencies)
Entitled QIBs	:	Qualified institutional buyers (as defined in Rule 144A under the U.S. Securities Act): (i) who are shareholders of our Company whose names appear in our Record of Depositors on the Entitlement Date; (ii) who are not Foreign Addressed Shareholders; and (iii) who have each provided our Company a signed U.S. Investor Representation Letter (and such U.S. Investor Representation Letter has been accepted by our Company) on or before the Closing Date (with a copy to the Joint Global Coordinators and the Joint Underwriters)
Entitled Shareholders	:	Our shareholders whose names appear in our Record of Depositors on the Entitlement Date, subject to Sections 2.3 and 11.8 of this Abridged Prospectus
Entitlement Date	:	12 September 2014 at 5.00 p.m., being the date and time on which the names of our shareholders must appear in our Record of Depositors, in order to be entitled to participate in the Bonus Issue and the Rights Issue
EPS	:	Earnings per share
ESOS	:	The 2011 Employee Share Option Scheme of our Company for the grant of the ESOS Options, which came into effect on 28 June 2011
ESOS Options	:	Options granted to the eligible employees of our Group and our Executive Directors to subscribe for new Shares pursuant to the ESOS
ETP	:	Economic Transformation Programme
Excess Rights Shares	:	Rights Shares which are not taken up or cannot be taken up or not validly taken up by the Entitled Shareholders and/or their renouncees (if applicable) by the Closing Date, including any fractional entitlements thereof
Excluded Parties	:	Such persons who are described in Section 2.3 of this Abridged Prospectus

DEFINITIONS *(Cont'd)*

Foreign Addressed Shareholders	:	Shareholders of our Company: (i) whose address in our Record of Depositors on the Entitlement Date is not a Malaysian address; or (ii) who failed to notify our Share Registrars of a mailing address in Malaysia, on or before the Entitlement Date
FPE	:	Financial period ended
FYE	:	Financial year ended/ending, as the case may be
Group	:	Collectively, our Company and our subsidiaries
Increase in Authorised Share Capital	:	Increase in the authorised share capital of our Company from RM800,000,000 comprising 4,000,000,000 Shares to RM2,000,000,000 comprising 10,000,000,000 Shares
Issue Price	:	The issue price of RM1.35 per Rights Share
Joint Global Coordinators	:	Collectively, CIMB, Credit Suisse (Singapore) Limited and Maybank IB
Joint Principal Advisers	:	Collectively, CIMB and Maybank IB
Joint Underwriters	:	Collectively, CIMB, Credit Suisse, Maybank IB, UBS, RHB Investment Bank and AmInvestment Bank
Kraken Field	:	The Kraken field located in the UK sector of the North Sea
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities, as amended from time to time
LPD	:	20 August 2014, being the latest practicable date prior to the date of this Abridged Prospectus
Majority Joint Underwriters	:	2 or more Joint Underwriters who have agreed to underwrite in aggregate more than 75% of the total Underwritten Shares
Market Day	:	Any day on which Bursa Securities is open for trading in securities
Maximum Scenario	:	Assuming all of the Outstanding Options are fully exercised prior to the Entitlement Date
Maybank IB	:	Maybank Investment Bank Berhad (15938-H)
Memorandum	:	Memorandum of Association of our Company
Minimum Scenario	:	Assuming none of the Outstanding Options are exercised prior to the Entitlement Date
NA	:	Net assets
NPA	:	Notice of provisional allotment of Rights Shares pursuant to the Rights Issue

DEFINITIONS *(Cont'd)*

NYMEX	:	New York Mercantile Exchange
OBSB	:	Objektif Bersatu Sdn Bhd (585367-A)
ONGC	:	Oil and Natural Gas Corporation Limited (L74899DL1993GOI054155)
Outstanding Options	:	The 25,341,600 ESOS Options, which comprise vested ESOS Options which have yet to be exercised as at the LPD, and unvested ESOS Options which will be vested (or are assumed to be vested) to the respective eligible employees of our Group and our Executive Directors by 31 December 2014 (not taking into account the ESOS Options that were forfeited after 30 April 2014)
Petronas	:	Petroliam Nasional Berhad (20076-K)
Placement	:	Placement of 215 million Shares undertaken on 27 August 2014 by OBSB via a book building exercise
Provisional Rights Shares	:	Rights Shares provisionally allotted to the Entitled Shareholders
Record of Depositors	:	A record of depositors established by Bursa Depository under the Rules of Bursa Depository
Regulation S	:	Regulation S under the U.S. Securities Act
RHB Investment Bank	:	RHB Investment Bank Berhad (19663-P)
Rights Issue	:	Renounceable rights issue of up to 1,479,238,150 Rights Shares, on the basis of 1 Rights Share for every 2 existing Shares held by the Entitled Shareholders on the Entitlement Date, at the Issue Price
Rights Shares	:	New Shares to be issued pursuant to the Rights Issue
ROC	:	Registrar of Companies, Malaysia
RSF	:	Rights subscription form pursuant to the Rights Issue
Rules of Bursa Depository	:	The rules of Bursa Depository as issued pursuant to the SICDA
SC	:	Securities Commission Malaysia
Share Registrars	:	Symphony Share Registrars Sdn Bhd (378993-D)
Shares	:	Ordinary shares of RM0.20 each in our Company
SICDA	:	Securities Industry (Central Depositories) Act, 1991, as amended from time to time and any re-enactment thereof
Sukuk Programme	:	An unrated Sukuk issuance programme of up to RM1.5 billion in nominal value under the Shariah principle of Murabahah (via a Tawarruq arrangement)
TEAP	:	Theoretical ex-all price after the Bonus Issue and the Rights Issue

DEFINITIONS *(Cont'd)*

U.S. Investor Representation Letter	:	An investor representation letter, in the form attached as **Appendix IX** of this Abridged Prospectus
U.S. Securities Act	:	United States Securities Act of 1933, and the rules and regulations of the United States Securities and Exchange Commission promulgated thereunder, as amended from time to time and any re-enactment thereof
UBS	:	UBS Securities Malaysia Sdn Bhd (253825-X)
Undertaking Extension Letter	:	A letter dated 28 August 2014 provided by OBSB to our Company to extend the expiry date of the Undertaking Letter, the details of which are set out in Section 3.1 of this Abridged Prospectus
Undertaking Letter	:	An irrevocable undertaking letter dated 22 May 2014 provided by OBSB to subscribe for the Undertaking Shares
Undertaking Shares	:	At least 511,500,000 Rights Shares to be subscribed by OBSB pursuant to the Undertaking Letter, representing 34.88% and 34.58% of the total issue size of the Rights Issue under the Minimum Scenario and Maximum Scenario, respectively
Underwriting Agreement	:	Underwriting agreement dated 1 June 2014 entered into between our Company and the Joint Underwriters in relation to the Rights Issue
Underwriting Extension Letter	:	A letter dated 28 August 2014 executed by the Joint Global Coordinators and our Company to extend the deadline for the issuance of this Abridged Prospectus pursuant to the terms of the Underwriting Agreement, the details of which are set out in Section 3.2 of this Abridged Prospectus
Underwritten Shares	:	Total number of Rights Shares to be allotted and issued pursuant to the Rights Issue less the Undertaking Shares which each of the Joint Underwriters has agreed to underwrite, in the manner and on the terms and conditions of the Underwriting Agreement
UTSB	:	Usaha Tegas Sdn Bhd (121062-M)
VWAMP	:	Volume-weighted average market price

COUNTRIES

Angola	:	The Republic of Angola
Australia	:	The Commonwealth of Australia
Brazil	:	The Federative Republic of Brazil
BVI	:	The British Virgin Islands
China	:	The People's Republic of China
Ghana	:	The Republic of Ghana
India	:	The Republic of India
Indonesia	:	The Republic of Indonesia

DEFINITIONS *(Cont'd)*

COUNTRIES *(Cont'd)*

Iraq	:	The Republic of Iraq
Marshall Islands	:	The Republic of The Marshall Islands
Nigeria	:	The Federal Republic of Nigeria
Russia	:	The Russian Federation
Singapore	:	The Republic of Singapore
UAE	:	United Arab Emirates
UK	:	United Kingdom
United States or U.S.	:	United States of America

CURRENCIES

AED	:	United Arab Emirates Dirham, the lawful currency of the UAE
AUD	:	Australian Dollar, the lawful currency of Australia
GBP	:	Great Britain Pounds, the lawful currency of the UK
GHC	:	Ghanaian Cedi, the lawful currency of Ghana
INR	:	Indian Rupee, the lawful currency of India
Kz	:	Kwanza, the lawful currency of Angola
NGN	:	Nigerian Naira, the lawful currency of Nigeria
R$	:	Brazilian Real, the lawful currency of Brazil
RM and sen	:	Ringgit Malaysia and sen, the lawful currency of Malaysia
Rp	:	Indonesian Rupiah, the lawful currency of Indonesia
RUB	:	Russian Rubles, the lawful currency of Russia
SGD	:	Singapore Dollar, the lawful currency of Singapore
USD	:	United States Dollar, the lawful currency of the United States

DEFINITIONS *(Cont'd)*

All references to "**our Company**" in this Abridged Prospectus mean Bumi Armada Berhad and references to "**our Group**" or "**Bumi Armada Group**" mean our Company and our subsidiaries. References to "**we**", "**us**", "**our**", "**ourselves**" mean our Company, or where the context otherwise requires, our Company and our subsidiaries. All references to "**you**" and "**your**" in this Abridged Prospectus mean the Entitled Shareholders, and/or should the context otherwise requires, the renouncees.

Words denoting the singular shall include the plural and vice versa, and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders, and vice versa. References to persons shall include corporations and vice versa.

Any reference to any enactment in this Abridged Prospectus is a reference to that enactment, as for the time being amended or re-enacted.

Any discrepancies in any table included in this Abridged Prospectus between the amounts listed, actual figures and the totals thereof are due to rounding adjustments.

Any reference to time of day in this Abridged Prospectus is a reference to Malaysian time, unless otherwise stated.

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NOTICE TO INVESTORS

The offering and sale of the Provisional Rights Shares and the Rights Shares are being made inside and outside of the United States in reliance upon exemptions from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. The Rights Issue has not been, and will not be, registered under the U.S. Securities Act or the laws of any state or jurisdiction in the United States. Accordingly, investors who are subscribing for or acquiring the Provisional Rights Shares or the Rights Shares in the Rights Issue should note that the Provisional Rights Shares and the Rights Shares may not be freely offered, taken up, subscribed for, acquired, sold, resold, pledged, transferred or delivered, directly or indirectly, within the United States except in accordance with Regulation S or another available exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Please refer to **Appendix III** of this Abridged Prospectus entitled "**Offering, Selling and Transfer Restrictions**".

This Abridged Prospectus includes forward-looking statements. All statements other than statements of historical facts included in this Abridged Prospectus, including, without limitation, those regarding our financial position, business strategies, prospects, plans and objectives of our Company for future operations, are forward-looking statements. There is no assurance that such forward-looking statements will materialise, be fulfilled or be achieved.

This Abridged Prospectus also includes statistical data provided by various third parties and cites third party projections regarding the global economy and the growth and performance of the industries in which we operate. In each such case, the source is acknowledged in this Abridged Prospectus. We believe that the statistical data and projections cited in this Abridged Prospectus are useful in helping you understand the major trends in the industries in which we operate. However, we, the Joint Principal Advisers, the Joint Global Coordinators, the Joint Underwriters, the Co-Manager and our and their respective directors and officers or affiliates have not independently verified these data and projections. We, the Joint Principal Advisers, the Joint Global Coordinators, the Joint Underwriters, the Co-Manager and our and their respective directors and officers or affiliates do not make any representation as to the correctness, accuracy or completeness of such data and projections and accordingly, you should not place undue reliance on such statistical data and projections cited in this Abridged Prospectus.

ENFORCEABILITY OF JUDGMENTS

Our Company is a public company with limited liability incorporated under the laws of Malaysia. Most of our Directors and officers and certain of the other parties named in this Abridged Prospectus reside outside the United States. All of our current operations are conducted outside the United States, and all or a substantial portion of our assets and the assets of the persons referred to in the preceding sentence are located outside the United States. As a result, you may have difficulty serving legal process within the United States upon us or any of these persons. You may also have difficulty enforcing, both in and outside the United States, judgments you may obtain in courts in the United States against us or any of such persons, including judgments based upon the civil liability provisions of U.S. federal or state securities laws.

GLOSSARY OF TECHNICAL TERMS

AHT	:	Anchor handling tug, used to support offshore barges in laying out their anchors and retrieving their anchors from location to location, serve as standby duty for the barges and able to tow them away in case of emergency. Equipped with powerful engines and winches, AHTs are a prime mover for barges and can tow drilling rigs, position and lift anchors, and deploy a range of equipment necessary for oil production
AHTS	:	Anchor handling towing support, used to provide logistic support to offshore oil rigs, production platforms and other offshore installations, to tow rigs, barges and mobile structures from location to location as well as making sure their anchors are well placed
AMO	:	Asset management and operations, covering asset maintenance, oil field operations, and offshore management
bareboat charter	:	A charter where the charterer is provided a vessel without a crew for a period of time, during which the charterer bears the operating costs of and responsibility for the vessel
bbl	:	Barrel, a unit of measure for oil and petroleum products. 1 barrel is equivalent to about 158.987 litres
bpd	:	Barrels per day, a measure of oil output, represented by the number of barrels of oil produced in a single day
Brent	:	Best known of the three benchmark crude oils (the other two are 'West Texas Intermediate' and 'Dubai') against which other crude oils are priced. It is a blend of UK's two North Sea oils: Shell Oil Company's Brent-field crude and British Petroleum Company's Ninian-field crude. Also called North Sea Brent crude
brownfield	:	An area that has been affected by previous projects and is likely to need redevelopment
crude oil	:	A mixture of naturally occurring hydrocarbons that has yet to be refined
cryogenic fluid	:	Cryogenic fluids are liquefied gases that are kept in their liquid state at very low temperatures
deepwater	:	Water depths of 300 metres and more
DLB	:	Derrick lay barge, a vessel (commonly a barge or ship) which has been installed with a crane for the lifting of heavy structures in the marine environment, as well as having flexible and/or rigid pipeline installation capabilities
downstream	:	Aspects of the O&G industry that relate to refining and distribution
DP	:	Dynamic positioning, a computer-controlled system to automatically maintain a vessel's position and heading by using its propellers and thrusters. The dynamic positioning level (e.g. DP2, DP3) indicates the degree and redundant systems built into the safety system to remove redundancy or failure of the system
drilling rig	:	A structure that has the capability to drill wells
E&P	:	Exploration and production

GLOSSARY OF TECHNICAL TERMS *(Cont'd)*

E&T	:	Engineering and technology, refers to services including concept studies, basic and front-end engineering design and detailed engineering (with complete engineering, procurement and construction management delivery capabilities) for O&G, turret and mooring systems, and floating systems
EOR	:	Enhanced oil recovery, a generic term for techniques used for increasing the amount of crude oil that can be extracted from an oil field. It is sometimes referred to as "improved oil recovery" or "tertiary recovery"
EPIC	:	Engineering, procurement, installation and commissioning, a form of contracting arrangement whereby the contractor will design the product, procure the necessary materials, construct and install the product in its planned location, either in-house or by subcontracting part of the work
FLNG	:	Floating LNG, floating structures above an offshore natural gas field that produce, liquefy, store and transfer LNG (and potentially LPG) and condensate at sea before carriers ship it directly to market
flowlines	:	The surface pipes through which oil travels from the well to the processing centre
fossil fuel	:	Hydrocarbon deposits that are formed in the earth from living matter and are used for fuel
FPSO	:	Floating production, storage and offloading system, an offshore system comprising a large tanker or similar vessel equipped with a high-capacity production facility. FPSOs are normally moored at the bow to the seabed to maintain a geo-stationary position, and serve as a fixed point for risers to connect subsea wellheads to on-board processing/production, storage and offloading systems. Produced oil is periodically offloaded to smaller shuttle tankers, which transport the oil to onshore facilities for further processing
FSO	:	Floating storage and offloading vessel, is similar to an FPSO, but the FSO is not designed and installed with the topsides to process hydrocarbons, but is only designed to store processed products in the offshore environment
FSRU	:	Floating storage and regasification unit, receives LNG from offloading LNG carriers, and the onboard regasification system provides natural gas exported to shore through risers and pipelines
gas field	:	A deposit which is rich in gas
harsh environment	:	Refers to the extreme sea and climatic conditions, such as 4 to 6 metre wave heights, as normally experienced in deepwater locations
HSE	:	Health, safety and environment
hull	:	The frame or body of a ship or boat exclusive of masts, yards, sails, and rigging
hydrocarbon	:	Any organic compound that contains only carbon and hydrogen. Examples include benzene and methane
intervention	:	The process of performing major maintenance or remedial treatments on an oil or gas well

GLOSSARY OF TECHNICAL TERMS *(Cont'd)*

IOC	:	International oil company, refers to large private or public oil companies that have upstream, midstream and downstream capabilities, such as Royal Dutch Shell plc and The Exxon Mobil Corporation
IRM	:	Inspection, repair and maintenance, refers to the function of carrying out maintenance activities of underwater infrastructure in the offshore environment
LNG	:	Liquefied natural gas; naturally occurring gas that has been cooled to a temperature of -160°C at normal atmospheric pressure in order to condense the gas into liquid, which can be more easily stored, handled and transported. 1 metric tonne of LNG is equivalent to 1,400 cubic metres of natural gas at normal temperature and pressure
local content	:	Describes the requirement for a certain proportion of the workload of a project to be undertaken within the country where such project is located, rather than being provided from the global market
LPG	:	Liquefied petroleum gas, propane and butanes liquefied under low pressure. LPG is a gaseous fuel stored under pressures at refineries and sold in pressurised cylinders for domestic and industrial uses
marginal-field	:	An oil field that may not be commercially viable due to relatively low hydrocarbon reserves, but could be commercially viable as a result of technical or economic developments or changes
midstream	:	Aspects of the O&G industry relating to transport and trading
MPSV	:	Multi-purpose support vessel
NOC	:	National oil company, an O&G company owned or controlled by a national government, typically having special rights or access to its local market
O&G	:	Oil and gas
O&M	:	Operations and maintenance
OFS	:	Oilfield services, refers to services required to maximise the extraction of hydrocarbons in the marginal-field and EOR business
oil field	:	A deposit which is rich in oil
OSV	:	Offshore support vessel, refers to any vessel, boat or ship whose main function is to support the offshore O&G operations, which includes movement of equipment of structures, as well as transportation of materials and personnel
production platform	:	A large structure with the capability to drill wells and subsequently extract and process hydrocarbons
PSV	:	Platform support vessel, designed to supply offshore oil platforms and used for transportation of goods and personnel to and from offshore oil platforms and other offshore structures
reserves	:	Total estimated amount of producible oil and/or gas in an oil reservoir that can be brought to the surface

GLOSSARY OF TECHNICAL TERMS *(Cont'd)*

reservoir	:	A porous and permeable subsurface rock formation that has accumulated producible hydrocarbons which are trapped by overlaying rock formations that have lower permeability and porosity
riser	:	A pipe or assembly of pipes used to transfer produced fluids from the seabed to the surface facilities or to transfer injection fluids, control fluids or lift gas from the surface facilities and the seabed
ROV	:	Remotely operated vehicle
shallow-water	:	Water depths of less than 300 metres
SURF	:	Subsea umbilicals, risers and flowlines, refers to the infrastructure required for oil and/or gas production in the offshore environment and found between the seabed and the waterline
T&I	:	Transportation and installation, refers to services provided in the combined activities of transporting and installing equipment offshore
time charter	:	A charter where the charterer is provided a vessel with a crew at its disposal for a period of time
topsides	:	Oil and/or gas production and processing related modules that are installed onto a floating structure (vessel, barge, etc)
ultra-deepwater	:	Water depths of generally 1,500 metres and more
umbilical	:	A control line with electric, hydraulic and/or chemical injection functions
upstream	:	Aspects of the O&G industry that relate to E&P
water depth	:	Units, given in metres, refers to the distance between the sea floor and the water surface
work-over	:	The repair or stimulation of an existing production well for the purpose of restoring, prolonging or enhancing the production of hydrocarbons

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CORPORATE DIRECTORY

BOARD OF DIRECTORS

Name	Address	Nationality	Profession
Tunku Ali Redhauddin ibni Tuanku Muhriz *(Independent Non-Executive Chairman)*	Istana Munarah Jalan Tun Dr. Ismail 70200 Seremban Negeri Sembilan Darul Khusus Malaysia	Malaysian	Company Director
Saiful Aznir bin Shahabudin *(Independent Non-Executive Director)*	8B-2-3A Sri Murni Condominium 8, Lorong Kota Empat Bukit Ledang 50480 Kuala Lumpur Malaysia	Malaysian	Company Director
Alexandra Elisabeth Johanna Maria Schaapveld *(Independent Non-Executive Director)*	Jacob Obrechtstraat 67 1071 KJ Amsterdam The Netherlands	Dutch	Company Director
Chan Chee Beng *(Non-Independent Non-Executive Director)*	3, Jalan TR 6/1 Tropicana Golf & Country Club 47410 Petaling Jaya Selangor Darul Ehsan Malaysia	Malaysian	Company Director
Maureen Toh Siew Guat *(Non-Independent Non-Executive Director)*	10-7 Sutramas, No. 3 Jalan Dutamas Melati Off Jalan Dutamas Raya Segambut 51200 Kuala Lumpur Malaysia	Malaysian	Group General Counsel of UTSB
Hassan Assad Basma *(Executive Director/Chief Executive Officer)*	A2-17-2 St Mary Residences Tower A No. 1, Jalan Tengah 50250 Kuala Lumpur Malaysia	Dutch	Executive Director
Shaharul Rezza bin Hassan *(Executive Director/Head of Offshore Support Vessels Business)*	No. 2, Jalan Puncak Kiara 3 Kiara View Desa Sri Hartamas 50480 Kuala Lumpur Malaysia	Malaysian	Executive Director

AUDIT COMMITTEE

Name	Designation	Directorship
Saiful Aznir bin Shahabudin	Chairman	Independent Non-Executive Director
Alexandra Elisabeth Johanna Maria Schaapveld	Member	Independent Non-Executive Director
Chan Chee Beng	Member	Non-Independent Non-Executive Director

CORPORATE DIRECTORY *(Cont'd)*

COMPANY SECRETARIES	:	Noor Hamiza binti Abd Hamid (MAICSA 7051227) 4C, Mahsuri Apartment Jalan Setiawangsa 13 Taman Setiawangsa 54200 Kuala Lumpur Malaysia Chew Ann Nee (MAICSA 7030413) C-15-3A, Casa Tropicana No. 5, Jalan Persiaran Tropicana PJU3 47410 Petaling Jaya Selangor Darul Ehsan Malaysia
REGISTERED OFFICE	:	Level 21, Menara Perak 24, Jalan Perak 50450 Kuala Lumpur Malaysia Tel. No.: +603 2171 5799 Fax. No.: +603 2163 5799
HEAD/MANAGEMENT OFFICE	:	Level 21, Menara Perak 24, Jalan Perak 50450 Kuala Lumpur Malaysia Tel. No.: +603 2171 5799 Fax. No.: +603 2163 5799 E-mail: bumiarmada@bumiarmada.com Website: www.bumiarmada.com
PRINCIPAL BANKERS	:	AmBank (M) Berhad Level 22, Bangunan AmBank Group 55, Jalan Raja Chulan 50200 Kuala Lumpur Malaysia Tel. No.: +603 2036 2633 CIMB Bank Berhad 13th Floor, Menara CIMB Jalan Stesen Sentral 2 Kuala Lumpur Sentral 50470 Kuala Lumpur Malaysia Tel. No.: +603 2261 8888 Malayan Banking Berhad 14th Floor, Menara Maybank 100, Jalan Tun Perak 50050 Kuala Lumpur Malaysia Tel. No.: +603 2070 8833

CORPORATE DIRECTORY *(Cont'd)*

PRINCIPAL BANKERS *(cont'd)*		OCBC Bank (Malaysia) Berhad Menara OCBC 18, Jalan Tun Perak 50050 Kuala Lumpur Malaysia Tel No.: 1300 88 7000 RHB Bank Berhad Level 10, Tower One RHB Centre Jalan Tun Razak 50400 Kuala Lumpur Malaysia Tel. No.: +603 9287 8888 Sumitomo Mitsui Banking Corporation Malaysia Berhad Level 51, Vista Tower The Intermark 348, Jalan Tun Razak 50400 Kuala Lumpur Malaysia Tel. No.: +603 2168 1500
AUDITORS AND REPORTING ACCOUNTANTS FOR THE RIGHTS ISSUE	:	PricewaterhouseCoopers Level 10, 1 Sentral Jalan Travers Kuala Lumpur Sentral 50710 Kuala Lumpur Malaysia Tel. No.: +603 2173 1188
LEGAL ADVISERS FOR THE RIGHTS ISSUE	:	*To our Company as to Malaysian law* Kadir Andri & Partners Level 10, Menara BRDB 285, Jalan Maarof Bukit Bandaraya 59000 Kuala Lumpur Malaysia Tel. No.: +603 2780 2888 *To our Company as to certain matters of U.S. federal law* Allen & Overy LLP 50 Collyer Quay #09-01 OUE Bayfront Singapore 049321 Tel. No.: +65 6671 6000

CORPORATE DIRECTORY *(Cont'd)*

LEGAL ADVISERS FOR THE RIGHTS ISSUE *(cont'd)*

To the Joint Global Coordinators and the Joint Underwriters as to Malaysian law
Zul Rafique & Partners
D3-3-8 Solaris Dutamas
No. 1, Jalan Dutamas 1
50480 Kuala Lumpur
Malaysia

Tel. No.: +603 6209 8228

To the Joint Global Coordinators and the Joint Underwriters as to certain matters of U.S. federal law
Linklaters Singapore Pte. Ltd.
One George Street #17-01
Singapore 049145

Tel. No.: +65 6692 5700

JOINT PRINCIPAL ADVISERS :

CIMB Investment Bank Berhad
17th Floor, Menara CIMB
Jalan Stesen Sentral 2
Kuala Lumpur Sentral
50470 Kuala Lumpur
Malaysia

Tel. No.: +603 2261 8888

Maybank Investment Bank Berhad
32nd Floor, Menara Maybank
100, Jalan Tun Perak
50050 Kuala Lumpur
Malaysia

Tel. No.: +603 2059 1888

JOINT GLOBAL COORDINATORS :

CIMB Investment Bank Berhad
17th Floor, Menara CIMB
Jalan Stesen Sentral 2
Kuala Lumpur Sentral
50470 Kuala Lumpur
Malaysia

Tel. No.: +603 2261 8888

Credit Suisse (Singapore) Limited
1, Raffles Link
#03/ #04-01 South Lobby
Singapore 039393

Tel. No.: +65 6212 2000

Maybank Investment Bank Berhad
32nd Floor, Menara Maybank
100, Jalan Tun Perak
50050 Kuala Lumpur
Malaysia

Tel. No.: +603 2059 1888

CORPORATE DIRECTORY *(Cont'd)*

JOINT UNDERWRITERS :

CIMB Investment Bank Berhad
17th Floor, Menara CIMB
Jalan Stesen Sentral 2
Kuala Lumpur Sentral
50470 Kuala Lumpur
Malaysia

Tel. No.: +603 2261 8888

Credit Suisse Securities (Malaysia) Sdn Bhd
Menara IMC
Suite 7.6, Level 7
8, Jalan Sultan Ismail
50250 Kuala Lumpur
Malaysia

Tel. No.: +603 2142 5199

Maybank Investment Bank Berhad
32nd Floor, Menara Maybank
100, Jalan Tun Perak
50050 Kuala Lumpur
Malaysia

Tel. No.: +603 2059 1888

UBS Securities Malaysia Sdn Bhd
Level 7, Wisma Hong Leong
18, Jalan Perak
50450 Kuala Lumpur
Malaysia

Tel. No.: +603 2781 1100

RHB Investment Bank Berhad
Level 10, Tower One
RHB Centre
Jalan Tun Razak
50400 Kuala Lumpur
Malaysia

Tel. No.: +603 9285 2233

AmInvestment Bank Berhad
Level 22, Bangunan AmBank Group
55, Jalan Raja Chulan
50200 Kuala Lumpur
Malaysia

Tel. No.: +603 2036 2633

CORPORATE DIRECTORY *(Cont'd)*

CO-MANAGER	:	OCBC Advisers (Malaysia) Sdn Bhd 10th Floor, Menara OCBC 18, Jalan Tun Perak 50050 Kuala Lumpur Malaysia Tel No.: +603 2034 5034
SHARE REGISTRARS	:	Symphony Share Registrars Sdn Bhd Level 6, Symphony House Pusat Dagangan Dana 1 Jalan PJU 1A/46 47301 Petaling Jaya Selangor Darul Ehsan Malaysia Tel. No.: +603 7849 0777 (Helpdesk) Fax. No.: +603 7841 8151/8152 E-mail: ssr.helpdesk@symphony.com.my
STOCK EXCHANGE LISTED AND LISTING SOUGHT	:	Main Market of Bursa Securities

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BUMIARMADA

BUMI ARMADA BERHAD
(Company No. 370398-X)
(Incorporated in Malaysia under the Companies Act, 1965)

Registered Office:

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

12 September 2014

Board of Directors

Tunku Ali Redhauddin ibni Tuanku Muhriz *(Independent Non-Executive Chairman)*
Saiful Aznir bin Shahabudin *(Independent Non-Executive Director)*
Alexandra Elisabeth Johanna Maria Schaapveld *(Independent Non-Executive Director)*
Chan Chee Beng *(Non-Independent Non-Executive Director)*
Maureen Toh Siew Guat *(Non-Independent Non-Executive Director)*
Hassan Assad Basma *(Executive Director/Chief Executive Officer)*
Shaharul Rezza bin Hassan *(Executive Director/Head of Offshore Support Vessels Business)*

To the Entitled Shareholders

Dear Sir/Madam,

RENOUNCEABLE RIGHTS ISSUE OF UP TO 1,479,238,150 RIGHTS SHARES ON THE BASIS OF 1 RIGHTS SHARE FOR EVERY 2 EXISTING SHARES HELD BY THE ENTITLED SHAREHOLDERS ON THE ENTITLEMENT DATE, AT THE ISSUE PRICE

1. INTRODUCTION

On 23 May 2014, on behalf of our Board, the Joint Principal Advisers announced that our Company intends to undertake, among others, the Bonus Issue and the Rights Issue.

The Bonus Issue entails an issuance of up to 1,479,238,150 Bonus Shares on the basis of 1 Bonus Share for every 2 existing Shares held by shareholders whose names appear in our Record of Depositors on the Entitlement Date. As the Bonus Issue is conditional on the Rights Issue, the Bonus Shares will be listed and quoted simultaneously with the Rights Shares on the Main Market of Bursa Securities. The Bonus Issue will be completed at the same time as the Rights Issue. Notwithstanding this, entitled shareholders who do not subscribe for the Rights Shares will still be entitled to the Bonus Shares. However, the renouncees of the entitlements under the Rights Issue will not be entitled to the Bonus Shares.

Subsequently, on 2 June 2014, on behalf of our Company, the Joint Principal Advisers announced that our Company and the Joint Underwriters had, on 1 June 2014, entered into the Underwriting Agreement. It was also announced that CIMB, Credit Suisse (Singapore) Limited and Maybank IB have been appointed as the Joint Global Coordinators for the Rights Issue. Details of the underwriting arrangement for the Rights Issue are set out in Section 3.2 of this Abridged Prospectus.

On 12 June 2014, on behalf of our Company, the Joint Principal Advisers announced that Bursa Securities had, vide its letter dated 12 June 2014, approved the listing of and quotation for the Bonus Shares and the Rights Shares to be issued pursuant to the Bonus Issue and the Rights Issue, respectively, on the Main Market of Bursa Securities, subject to the following conditions:

No.	Condition imposed	Status of compliance
(i)	Our Company and the Joint Principal Advisers must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Bonus Issue and the Rights Issue;	To be complied
(ii)	Our Company and the Joint Principal Advisers to inform Bursa Securities upon the completion of the Bonus Issue and the Rights Issue;	To be complied
(iii)	Our Company to furnish to Bursa Securities with a written confirmation of our Company's compliance with the terms and conditions of Bursa Securities' approval once the Bonus Issue and the Rights Issue are completed;	To be complied
(iv)	Our Company and the Joint Principal Advisers to furnish to Bursa Securities with a certified true copy of the relevant resolution passed by our shareholders in a general meeting approving the Bonus Issue and the Rights Issue; and	Complied
(v)	In respect of the Bonus Issue, our Company and the Joint Principal Advisers are required to make the relevant announcements pursuant to Paragraphs 6.35(2)(a) and (b), and 6.35(4) of the Listing Requirements	Complied in respect of Paragraphs 6.35(2)(a) and (b)/Not applicable in respect of Paragraph 6.35(4)

Further, Bursa Securities had also stated that the Bonus Shares must be listed and quoted simultaneously with the Rights Shares.

Our shareholders had, at our EGM convened on 8 July 2014, approved, among others, the Bonus Issue and the Rights Issue. A certified true copy of the extract of the ordinary resolutions pertaining to the Bonus Issue and the Rights Issue which were passed at the said EGM is set out in **Appendix I** of this Abridged Prospectus.

On 10 July 2014, the SC had granted our Company a waiver from making available for public inspection, the service contract of a Director of our Company ("**Service Contract**") in its original form, pursuant to Paragraph 8(d), Appendix 8 of Division 5: Abridged Prospectus in Part I of the Prospectus Guidelines issued by the SC. The approval for the said waiver was subject to a condition that a certified true copy of the Service Contract in its original form (without redaction) and the redacted copy of the Service Contract be submitted to the SC in the registration file for the registration of this Abridged Prospectus, which was complied with on 2 September 2014. The redacted copy of the Service Contract is made available for public inspection, as indicated in Section 7(x) of **Appendix VIII** of this Abridged Prospectus.

On 27 August 2014, on behalf of our Company, the Joint Principal Advisers announced that the Issue Price had been fixed at RM1.35 per Rights Share on 26 August 2014, including the basis and justification for determining the Issue Price and the justification for the discount applied of approximately 32.0% to the TEAP of our Shares, as further set out in Section 2.2 of this Abridged Prospectus.

On 28 August 2014, on behalf of our Company, the Joint Principal Advisers announced that:

(i) the Entitlement Date for the Rights Issue had been determined at 5.00 p.m. on 12 September 2014;

(ii) the Joint Global Coordinators and our Company had on 28 August 2014, executed the Underwriting Extension Letter, the details of which are set out in Section 3.2 of this Abridged Prospectus; and

(iii) OBSB had on 28 August 2014, provided our Company with the Undertaking Extension Letter, the details of which are set out in Section 3.1 of this Abridged Prospectus.

On 28 August 2014, on behalf of our Company, the Joint Principal Advisers also announced that our Company has been notified by OBSB that it has undertaken the Placement.

No person is authorised to give any information or make any representation not contained in the Documents in connection with the Rights Issue and if given or made, such information or representation must not be relied upon as having been authorised by us, the Joint Principal Advisers, the Joint Global Coordinators, the Joint Underwriters and/or the Co-Manager.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

2. DETAILS OF THE RIGHTS ISSUE

2.1 Details of the Rights Issue

Subject to the terms and conditions of the Documents, we shall provisionally allot up to 1,479,238,150 Rights Shares to the Entitled Shareholders on the basis of 1 Rights Share for every 2 existing Shares held on the Entitlement Date. For the avoidance of doubt, the basis of allotment of the Rights Shares is on the existing Shares and will not include the Bonus Shares.

The entitlements under the Rights Issue are renounceable in full or in part provided that any renunciation is done on or before the last day for the sale and transfer of the Provisional Rights Shares. Accordingly, the Entitled Shareholders can subscribe for and/or renounce their respective entitlements to the Rights Shares in full or in part. The entitled shareholders who do not subscribe for the Rights Shares will still be entitled to the Bonus Shares. However, the renouncees of the entitlements under the Rights Issue will not be entitled to the Bonus Shares.

The Rights Shares which are not taken up or cannot be taken up or not validly taken up by the Closing Date, including any fractional entitlements thereof, shall be made available for excess applications by the other Entitled Shareholders and/or their renouncees (if applicable), and thereafter (if applicable) shall be taken up by the Joint Underwriters. It is the intention of our Board to allot the Excess Rights Shares to other Entitled Shareholders and/or their renouncees, if any, in a fair and equitable manner, and in such manner as set out in Section 11.5 of this Abridged Prospectus.

In determining the entitlements of the Entitled Shareholders to the Rights Shares, any fractional entitlement of the Rights Shares arising from the Rights Issue shall be dealt with in such manner as our Board, at its absolute discretion, deems fit and expedient, and in the best interest of our Company (including, without limitation, to disregard such fractional entitlements, if any, and to include such fractional entitlements in the pool of the Excess Rights Shares to be made available for excess applications).

If you wish to accept the Provisional Rights Shares (in full or in part) as specified in the NPA and/or apply for the Excess Rights Shares, you may do so by completing the RSF.

2.2 Basis of and justification for determining the Issue Price

The Issue Price of RM1.35 per Rights Share represents a discount of approximately 32.0% to the TEAP of our Shares of RM1.98 per Share, based on the 5-day VWAMP of our Shares up to and including 25 August 2014, being the last trading day before the price-fixing date of the Rights Shares on 26 August 2014 ("**Price-Fixing Date**"), of RM3.29.

The Issue Price was jointly determined by our Board and the Joint Underwriters after taking into consideration, among others, the following:

(i) the funding requirements of our Group;

(ii) the prevailing market price of our Shares;

(iii) the TEAP of our Shares of RM1.98 per Share, based on the 5-day VWAMP of our Shares up to and including 25 August 2014, being the last trading day before the Price-Fixing Date, of RM3.29; and

(iv) the prevailing market conditions.

Our Board is of the opinion that the discount to the TEAP is reasonably attractive to the Entitled Shareholders to subscribe for the Rights Shares. This discount to the TEAP is also generally in line with the market discount rates of between 14.2% and 59.4% for major rights issue exercises implemented in Malaysia over the last 5 years (comprising comparable rights issue exercises with size of at least RM400 million and including a recent rights issue exercise of a similar industry player).

2.3 Excluded Parties

As the Documents will not be registered in or made to comply with the applicable securities legislation of any country or jurisdiction other than Malaysia, the Documents will not be sent to Foreign Addressed Shareholders.

Unless otherwise determined by our Board, the Rights Shares are only available for subscription by our shareholders whose names appear in our Record of Depositors on the Entitlement Date and/or their renouncees (if applicable), other than persons who are:

(i) Foreign Addressed Shareholders and/or renouncees purporting to subscribe for the Rights Shares otherwise than from within Malaysia (based on the address of the subscribing Entitled Shareholder and/or renouncees as stated in their RSFs);

(ii) persons located or residents in countries or jurisdictions outside Malaysia whereby our acceptance of their subscription under the Rights Issue would result in the contravention of the laws of such country or jurisdiction (whether in the absence of any necessary consent and/or compliance with any registration or other legal requirements or for any other reason); or

(iii) persons which, in the opinion of our Board (on the advice of legal counsel) would be necessary or expedient to exclude from participating in the Rights Issue due to legal or regulatory requirements of countries or jurisdictions outside Malaysia,

(collectively, "**Excluded Parties**").

The Excluded Parties shall have no rights or claims whatsoever against us or our affiliates, any of our Directors and officers, the Joint Principal Advisers, the Joint Global Coordinators, the Joint Underwriters, and the Co-Manager, or any of their respective directors and officers or affiliates, and/or any other persons involved in the Rights Issue in respect of their entitlements or any proceeds in respect of the Rights Issue. In addition, we or our affiliates, our Directors and officers, the Joint Principal Advisers, the Joint Global Coordinators, the Joint Underwriters, and the Co-Manager, or any of their respective directors and officers or affiliates, and/or any other persons involved in the Rights Issue shall not accept any responsibility or liability in the event that any offer, or subscription and/or excess application under the Rights Issue is or becomes illegal, unenforceable, voidable or void or contravenes the laws in any country or jurisdiction outside Malaysia.

The Foreign Addressed Shareholders may collect the Documents from our Share Registrars in Malaysia, in which event our Share Registrars are entitled to satisfy themselves as to the identity and authority of the person collecting the Documents. Notwithstanding any such collection of the Documents from our Share Registrars in Malaysia, no offer is made for, and we reserve the right to reject any acceptance of or application for, the Provisional Rights Shares or the Excess Rights Shares (as the case may be), where we believe or have reason to believe that such offer, acceptance and/or application may violate any applicable legislation of any country or jurisdiction. Save as provided herein, and for the avoidance of doubt, Entitled Shareholders (including renouncees) are not entitled to accept or apply for the Provisional Rights Shares or the Excess Rights Shares (as the case may be) unless such acceptance or application is made in Malaysia, on the basis of the address within Malaysia of the accepting or applying Entitled Shareholders (or renouncees, as the case may be) as stated in their respective RSFs. Notwithstanding anything to the contrary, we will not make or be bound to make any enquiry as to whether our shareholders (including renouncees, as the case may be) have addresses other than as stated in our Record of Depositors on the Entitlement Date, or other than as stated in their respective RSFs, and we will not accept or be deemed to accept any liability, whether or not any enquiry or investigation is made in connection therewith.

As we may have certain beneficial shareholders in the United States, we reserve the right to allow a limited number of such shareholders to participate in the Rights Issue, and in such event, we are limiting such participation to Entitled QIBs in order to comply with certain exemptions from the registration requirements under the U.S. Securities Act. Each such Entitled QIBs will be required to provide our Company a signed U.S. Investor Representation Letter on or before the Closing Date (with a copy to the Joint Global Coordinators and the Joint Underwriters). Our Company reserves absolute discretion in determining whether to allow such participation of the persons who may be allowed to do so.

Entitled Shareholders and/or renouncees (if applicable) are advised that they shall be solely responsible to seek their own advice as to the laws of any country or jurisdiction to which they may be subject. The participation of the Entitled Shareholders and/or renouncees (if applicable) in the Rights Issue shall be based on their warranty to us that they may lawfully so participate without resulting in our Company or affiliates, our Directors and officers, the Joint Principal Advisers, the Joint Global Coordinators, the Joint Underwriters, the Co-Manager, and any of their respective directors and officers or affiliates, and/or any other persons involved in the Rights Issue being in breach of or contravening the laws of any country or jurisdiction outside Malaysia.

By subscribing for all or part of the Provisional Rights Shares and/or applying for any Excess Rights Shares, the Entitled Shareholders and/or renouncees (if applicable) shall be deemed to have represented and warranted to our Company that they, and/or the beneficial owners for whom those Rights Shares are being subscribed or applied for, are not Excluded Parties.

2.4 Ranking of the Rights Shares

The Rights Shares shall, upon allotment and issuance, rank equally in all respects with our then existing Shares, save and except that they shall not be entitled to any dividend, right, allotment and/or other distribution which may be declared, made or paid to our shareholders, the entitlement date of which is prior to the date of allotment and issuance of the Rights Shares. However, the Rights Shares will not be entitled to the Bonus Shares to be issued pursuant to the Bonus Issue.

3. DETAILS OF THE UNDERTAKING AND UNDERWRITING ARRANGEMENT

The Rights Issue will be undertaken on a full subscription basis.

3.1 Undertaking

As at the LPD, OBSB, our major shareholder, held 1,239,144,000 Shares, representing 42.25% of our issued and paid-up share capital. Based on the number of Shares held by OBSB as at the LPD and the basis of entitlement of the Rights Issue, OBSB is entitled to subscribe for 619,572,000 Rights Shares, representing 42.25% and 41.88% of the total issue size of the Rights Issue under the Minimum Scenario and Maximum Scenario, respectively.

OBSB had, on 22 May 2014, provided to our Company the Undertaking Letter, undertaking to subscribe for the Undertaking Shares. In addition to the Undertaking Shares, OBSB may elect to subscribe for Excess Rights Shares. In the event that it elects to do so, based on its Undertaking Letter, OBSB will subscribe for such number of Excess Rights Shares only to the extent that such subscription does not give rise to any obligation on OBSB to undertake any take-over offer pursuant to the Malaysian Code on Take-Overs and Mergers, 2010.

On 3 June 2014, OBSB had informed us that it may sell a portion of its Shares (which Shares are not covered under the Undertaking Letter) to enhance the trading liquidity of our Shares on Bursa Securities and that in the event of any such sale, OBSB intends to use the aggregate net proceeds from such sale to subscribe and pay for the Undertaking Shares. Subsequently, on 27 August 2014, OBSB had notified us that it had undertaken the Placement. Following the Placement, the number of Shares held by OBSB has reduced to 1,024,144,000 Shares, representing 34.92% of our issued and paid-up share capital as at 3 September 2014. This would entitle OBSB to subscribe for 512,072,000 Rights Shares, representing 34.92% and 34.62% of the total issue size of the Rights Issue under the Minimum Scenario and Maximum Scenario, respectively.

Pursuant to the terms of the Undertaking Letter executed on 22 May 2014, the undertaking will terminate in the event the listing of and quotation for the Rights Shares on the Main Market of Bursa Securities do not take place on or before 9.00 a.m. on 2 September 2014 (or such later time as the parties to the Underwriting Agreement may agree, but not later than 30 September 2014) ("**Listing Deadline**").

On 28 August 2014, the Undertaking Extension Letter was executed to extend the Listing Deadline to 31 October 2014. Save for this extension, all other terms of the Undertaking Letter remain the same.

OBSB has confirmed via its Undertaking Letter that sufficient financial resources are available to enable it to subscribe and pay for the Undertaking Shares and the Joint Principal Advisers have verified that OBSB has the financial resources to fulfil its commitment pursuant to the Undertaking Letter.

3.2 Underwriting arrangement

Pursuant to the Underwriting Agreement, the Joint Underwriters have severally but not jointly agreed to act as underwriters, to underwrite and subscribe for and/or procure subscribers for the Underwritten Shares, which on a combined basis, is up to an aggregate of 967,738,150 Rights Shares, representing 65.42% of the total issue size of the Rights Issue under the Maximum Scenario, in the following agreed proportions ("**Agreed Proportions**"), subject to the terms and conditions of the Underwriting Agreement:

Name	No. of Underwritten Shares	Agreed Proportions
		%
CIMB	287,127,950	29.67
Credit Suisse	257,999,000	26.66
Maybank IB	257,999,000	26.66
UBS	96,773,800	10.00
RHB Investment Bank	38,709,500	4.00
AmInvestment Bank	29,128,900	3.01
Total	**967,738,150**	**100.00**

The underwriting commission payable by our Company is 1.50% of the total value of the Underwritten Shares based on the Issue Price. The underwriting commission payable to the Joint Underwriters shall be fully borne by our Company.

The obligations of each of the Joint Underwriters to underwrite the Underwritten Shares under the Underwriting Agreement shall be conditional on, among others, the fulfilment or waiver of each of the following conditions:

(i) the following approvals in relation to the Corporate Exercises having been obtained and remaining in full force and effect by the Closing Date, and none have been withdrawn, revoked, suspended or terminated or lapsed:

   (a) the approval of Bursa Securities for the listing of and quotation for the Bonus Shares and the Rights Shares on the Main Market of Bursa Securities, which approval was obtained on 12 June 2014; and

   (b) the approval of our shareholders for the Corporate Exercises, which was obtained on 8 July 2014; and

(ii) this Abridged Prospectus having been issued not later than 3 months after the date of the Underwriting Agreement ("**Issue Date Deadline**"), or such later date as the Joint Global Coordinators and our Company may, from time to time agree in writing. In this regard, the Joint Global Coordinators and our Company have executed the Underwriting Extension Letter on 28 August 2014 to extend the Issue Date Deadline to not later than 4 months after the date of the Underwriting Agreement.

Further, the Joint Underwriters may, if determined by not less than 2 Joint Underwriters who have agreed to underwrite in aggregate more than 51% of the total Underwritten Shares, in such manner as they shall reasonably determine by notice in writing to our Company by CIMB, in its capacity as coordinator of the Joint Underwriters in respect of the Rights Issue ("**Coordinator**"), given at any time before the Joint Underwriters are discharged or required to carry out their underwriting obligations under the Underwriting Agreement, terminate, cancel and withdraw their respective commitments under the Underwriting Agreement to underwrite the Underwritten Shares in accordance with their respective Agreed Proportions if:

(i) there is any breach by our Company of any of the representations, warranties or undertakings contained in Clause 9 of the Underwriting Agreement or which is contained in the certificate under or in connection with the Underwriting Agreement, which is not capable of remedy or, if capable of remedy, is not remedied within 15 days from receipt of the notice of such breach being given to our Company by the Coordinator or by the Closing Date, whichever is the earlier; or

(ii) there is a failure on our part to perform any of our obligations contained in the Underwriting Agreement and such obligations have not been complied with within 2 Business Days of the default and in any event before the Closing Date; or

(iii) there is withholding of information of material nature from the Joint Underwriters which is required to be disclosed pursuant to the Underwriting Agreement which, in the opinion of the Joint Underwriters, would have a material adverse effect on the business or operations of our Group or on the success of the Rights Issue; or

(iv) there shall have occurred or happened any material and adverse change in the business or financial condition of our Group, taken as a whole; or

(v) the Closing Date does not occur within 30 days from the issue date of this Abridged Prospectus, subject to such extension which may be agreed between our Company and the Majority Joint Underwriters; or

(vi) any of the following events shall have occurred:

(a) any material adverse change in national or international monetary, financial and capital markets (including stock market conditions and interest rates), political or economic conditions or exchange control or currency exchange rates which in the reasonable opinion of the Joint Underwriters, would reasonably be expected to have a material adverse effect (whether in the primary market or in respect of dealings in the secondary market) on the value or price of the Rights Shares or a material adverse effect on the Rights Issue. For the avoidance of doubt, and without prejudice to the foregoing, if the FTSE Bursa Malaysia KLCI Index ("**Index**") is, at the close of normal trading on Bursa Securities, on any Business Day:

(aa) on or after the date of the Underwriting Agreement; and

(bb) prior to the Closing Date,

lower than 85% of the level of the Index at the last close of normal trading on the relevant exchange on the Business Day immediately prior to the date of the Underwriting Agreement and remains at or below that level for at least 3 Business Days or any other adverse change in the market conditions which the parties mutually agree to be sufficiently material and adverse to render it to be a terminating event, it shall be deemed a material adverse change in the stock market condition; or

(b) any new law or change in law, regulation, directive, policy or ruling in any jurisdiction, interpretation or application by the court/authorities which has or could reasonably be expected to have material adverse effect on our Group, as a whole; or

(c) any force majeure event which is any event or series of events beyond the reasonable control of the Joint Underwriters, including (without limitation) acts of government, acts of God (including, without limitation, the occurrence of a tsunami and/or earthquakes), acts of terrorism, strikes, national disorder, declaration of a state of emergency, lock-outs, fire, explosion, flooding, landslide, civil commotion, sabotage, acts of war, diseases or accidents which has or is likely to have the effect of making any material part of the Underwriting Agreement incapable of performance in accordance with its terms or which prevents the processing of applications and/or payments pursuant to the Rights Issue or pursuant to the underwriting of the Underwritten Shares; or

(d) any imposition of moratorium, suspension or material restriction on trading of securities on Bursa Securities for a period exceeding 3 consecutive Business Days whether due to exceptional financial circumstances or otherwise; or

(e) any government requisition or occurrence of any other nature whatsoever which is likely to have a material and adverse effect on the business and/or financial position of our Group taken as a whole, or the success of the Rights Issue; or

(vii) the Rights Issue is withdrawn or not procured or procured but subject to conditions not acceptable to the Coordinator (acting reasonably); or

(viii) the SC or any other relevant regulatory authority issues an order pursuant to Malaysian laws such as to make it, in the reasonable opinion of the Majority Joint Underwriters, impracticable to market the Rights Issue or to enforce contracts to sell the Rights Shares.

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4. UTILISATION OF PROCEEDS

Based on the Issue Price, the Rights Issue is expected to raise gross proceeds of up to RM1,997.0 million, which are proposed to be utilised in the following manner:

	Estimated timeframe for utilisation upon listing of the Rights Shares	Minimum Scenario	Maximum Scenario
		RM mil	**RM mil**
Capital expenditure[(1)]	Within 24 months	1,760.0	1,760.0
General working capital[(2)]	Within 24 months	164.9	182.0
Estimated expenses for the Corporate Exercises[(3)]	Within 3 months	55.0	55.0
Total gross proceeds		**1,979.9**	**1,997.0**

Notes:

(1) *This is part of our Group's expected capital expenditure of RM6.0 billion over the next 12 to 18 months, which will be funded via a combination of cashflow from operations, existing cash balances, contractual down payments, proceeds from the Rights Issue and new debt.*

The details of the expected utilisation of proceeds from the Rights Issue for our Group's capital expenditure requirements are as follows:

Business unit	***Details of proposed utilisation***	***RM mil***
FPSO	*Subject to award over the next 24 months, contribution to capital expenditure for at least 1 new FPSO project in Asia, Africa or Latin America. This includes expenditure for FPSO conversion and deployment. Any FPSO for such project is expected to have a production capacity of approximately 70,000 bpd or more*	*1,400.0*
OSV	*To build or purchase at least 2 vessels to expand our Group's deepwater capability and offering with premium new vessels aligned to the latest customer and regulatory requirements*	*80.0*
T&I	*To build or purchase at least 2 SURF vessels to establish and expand our Group's SURF fleet*	*200.0*
OFS	*To build or purchase subsea well intervention equipment for EOR activities*	*80.0*
Total capital expenditure		***1,760.0***

Any variation to the amounts allocated to any one of the above business units will be adjusted against the amount allocated to the other business units.

Any variation to the total allocation for capital expenditure will be adjusted against the amount allocated for general working capital.

Notes *(cont'd):*

(2) *The general working capital requirements of our Group include, among others, payment to trade creditors, selling and distribution costs and administrative expenses. Selling and distribution costs include, among others, sales, business development and staff related expenses. The administrative expenses of our Group include, among others, corporate and statutory expenses.*

The amount of proceeds to be allocated for each of the general working capital requirement mentioned above cannot be finalised at this juncture as it is dependent on the operating requirements of our Group at the time of utilisation.

(3) *Include estimated professional fees of RM10 million, estimated underwriting commission of RM35 million, and estimated fees to the authorities, printing costs as well as other estimated incidental and miscellaneous expenses in relation to the Corporate Exercises amounting to an aggregate of RM10 million. Any variation to the amount of estimated expenses to be incurred in relation to the Corporate Exercises will be adjusted against the amount allocated for general working capital.*

The actual gross proceeds to be raised from the Rights Issue would depend on the actual number of Rights Shares to be issued. Any variation between the expected gross proceeds and the actual gross proceeds to be raised from the Rights Issue will be adjusted against the amount allocated for general working capital.

Pending utilisation of the proceeds from the Rights Issue for the purposes as set out above, the proceeds will be placed in interest-bearing deposits with financial institutions or short term money market instruments. The interest derived from the deposits with financial institutions or any gains arising from the short term money market instruments will be used for general working capital.

5. RATIONALE FOR THE RIGHTS ISSUE

After due consideration of the various options available, as well as the capital structure of our Group, our Board is of the view that the Rights Issue is the most optimal means of raising funds for our Company, as the Rights Issue will:

(i) enable our Group to raise funds for capital expenditure, which is expected to contribute positively to the earnings potential of our Group in the future. We expect to utilise a significant portion of the proceeds raised from the Rights Issue for our Group's capital expenditure requirement as described in Section 4 of this Abridged Prospectus;

(ii) raise equity capital for our Company and strengthen our capital base;

(iii) enable our Company to raise funds without incurring interest expenses as compared to bank borrowings;

(iv) improve our liquidity and financial flexibility as well as optimise our Group's capital structure by strengthening our financial position; and

(v) provide the Entitled Shareholders with an opportunity to further increase their equity participation in our Company via the subscription of the Rights Shares without diluting their respective existing equity interest, provided that such Entitled Shareholders fully subscribe for their respective entitlements to the Rights Shares.

6. RISK FACTORS

Before subscribing for the Rights Shares, you should pay particular attention to the fact that our Group, and to a large extent our operations, are governed by the legal, regulatory and business environment in Malaysia and other countries in which we operate, whether presently or in the future. Our business is subject to a number of factors, many of which are outside our control. Prior to making an investment decision, you should carefully consider, along with the other matters set forth in this Abridged Prospectus, the risks and investment considerations below. You should note that the following list is not an exhaustive list of all the risks that we face or risks that may develop in the future. Additional risks, whether known or unknown, may in the future have a material and adverse effect on our operations, financial condition and/or prospects, and/or on our Shares.

6.1 Risks relating to the industry in which we operate

6.1.1 We are dependent on the offshore O&G industry

As our customers operate mainly in the offshore O&G industry, our operations are dependent on the level of activity in the exploration, development and production of oil and natural gas, including the level of capital spending in the offshore O&G industry. Such activities are affected by factors such as volatility in demand for and supply of oil, fluctuations in current and future oil prices, the number, size and locations of oil fields, the demand for and supply of alternative fuels or energy, the prices of alternative fuels or energy, changes in capital expenditure by customers in the offshore O&G industry and general economic, social and political conditions. These activities are also affected by laws, regulations, policies and directives relating to energy, investment and taxation and other laws and regulations promulgated by the various governments from whom we must obtain licences and permits in order to continue to operate.

In the event that there is deterioration in the offshore O&G industry and/or the offshore support services industry or in global or regional economic and political conditions, O&G companies may defer or reduce their planned E&P expenditure which may reduce demand for our vessels and services. This may result in a decrease in our business activities and consequently, our results of operations and financial condition may be materially and adversely affected.

6.1.2 The offshore O&G industry is subject to government regulations

The extraction and transport of O&G at sea is subject to inherent risks, such as blow-outs, equipment defects, discharge of pollutants and oil spills, malfunctions, failures and misuses that could cause significant environmental damage, personal injury or loss of life and commercial damage. The offshore O&G industry is subject to regulations which aim to limit and control these risks and to govern the removal and clean up of pollutants that may harm the environment.

The laws and regulations applicable to the offshore O&G industry, including us, have generally become more stringent and penalties and potential liability have increased and may increase further in the future. Any additional regulations could increase the cost of our operations or those of our customers and reduce the area of operations for the offshore O&G industry. This could, in turn, materially and adversely affect our business, financial condition, results of operations and prospects by reducing demand for our services.

6.2 Risks relating to our business and operations

6.2.1 Our business is subject to compliance with and changes in regulations and local and international laws

Our operations are subject to local and international regulations in jurisdictions where our vessels operate, as well as in the countries in which our vessels are registered.

We are required by our customers as well as by government and regulatory agencies, to maintain HSE standards in the course of providing our services. These regulations govern, among others, workers' health and safety, manning, construction and the operations of our vessels. In the event of any change in these standards, we may have to incur additional expenses to comply with such changes. Any failure to maintain such standards may result in the cancellation of our present contracts, failure to win new contracts or regulatory authorities imposing fines, penalties or sanctions on us, revocation of our licences and/or permits or prohibition from continuing our operations, each of which could have a material and adverse effect on our business. Failure to maintain HSE standards could also result in injuries, death, damage to property and to the environment resulting in potential liability from such events, as well as damage to our reputation.

In addition, our vessels require certain licences, permits, registrations and certifications to operate. If we fail to comply with the requirements of any applicable laws, rules or regulations pertaining to such licenses, permits, registrations and certifications, we could be subject to substantial administrative, civil and criminal penalties, the imposition of remedial obligations, the issuance of injunctive relief or the non-renewal or revocation of our business and operational licences, permits, registrations and certifications. Further, a certain number of our licences, permits, registrations and certifications are subject to annual renewal. There can be no assurance that our existing licences, permits, registrations and certifications will be renewed in the future, despite the submission of relevant documentation.

Changes to current laws and regulations, the introduction of new laws or regulations by local or international bodies or the imposition of additional conditions with respect to our licences, permits, registrations and certifications could cause us to incur significant additional compliance costs. Furthermore, if we are unable to comply with the new laws and regulations or additional conditions imposed on our licences, permits, registrations and certifications or should any of our licences, permits, registrations or certifications be suspended, revoked or not renewed, our vessels may be suspended from operating and our contracts may be terminated and consequently, our operations, financial position and financial results may be materially and adversely affected.

6.2.2 We may be subject to environmental risks and liabilities

We are subject to environmental regulations pursuant to a variety of international conventions and state and municipal laws and regulations. Compliance with such regulations can require significant expenditure and a breach thereof may result in the imposition of fines and penalties, or our vessels being suspended or prohibited from operating, which may have a material and adverse effect on our business. Environmental regulations are evolving in a manner expected to result in stricter standards and enforcement, larger fines and liabilities and potentially increased capital expenditures and operating costs. Compliance with environmental regulations may result in a material increase in our costs of operating our fleet or otherwise materially and adversely affect our financial condition, operations and/or prospects.

The discharge of pollutants into the air or water may give rise to liabilities to governmental authorities and third parties and may require us to incur costs to clean up such discharge. Changes in environmental regulations may also expose us to liability for the conduct of, or conditions caused by others, or for acts which were in compliance with all applicable laws at the time such actions were taken. Furthermore, some environmental regulations provide for joint and several strict liabilities for the environmental containment of releases of hazardous substances which could result in liability for environmental damage without regard to negligence or fault.

6.2.3 We are subject to weather and natural hazards

Our operations are subject to weather and natural hazards. Adverse changes in weather and natural hazards such as the occurrence of typhoons, tsunamis and other extreme natural conditions in the areas where we operate may cause damage to our vessels and delays or suspensions in our operations. Our operations may experience disruption if any of our vessels and/or our equipment suffer significant downtime as a result of such damage, delays or suspensions. This may have a material adverse impact on our revenue and profits and our financial position.

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6.2.4 We are affected by price escalations and our ability to obtain timely access to resources and yard space and, as such, may face delay in the completion and delivery of projects including the conversion of FPSOs

In many cases, our projects involve significant procurement of equipment and supplies and extensive construction management and other activities conducted over extended time periods. Any procurement difficulties, equipment performance failures or other factors may result in actual revenues or costs being significantly different from our original estimation. Some of these risks include the following:

- we may encounter difficulties related to the procurement of materials, or due to schedule disruptions, equipment performance failures or other factors that may result in additional costs to us, reductions in revenue, claims or disputes;

- we may not have access to the labour and human resources required to continue to successfully execute our business strategy and operations;

- we may not have access to yard space in order to implement our conversion or construction projects;

- we may face difficulties in engaging third party subcontractors, equipment manufacturers or materials suppliers or failures by third party subcontractors, equipment manufacturers or materials suppliers could result in project delays and cause us to incur additional costs; and

- we are exposed to increases in labour costs and escalations in the prices of key materials (such as steel and fabrication materials) from the time we execute these types of contracts to the time we place our order for the relevant materials.

As a result of the above and other factors, we may face delays in the completion and delivery of our projects, or increased costs in the completion and delivery of our projects. A significant delay in the completion and delivery of our projects or a significant performance deficiency could have a material adverse effect on our business, results of operations and financial condition. Furthermore, the consequent damage to our reputation resulting from significant delays in the delivery of our projects or any significant performance deficiency may affect our ability to secure future contracts. These events and the losses associated with them, to the extent that they are not adequately covered by contractual remedies or insurance, could materially and adversely affect our results of operations and financial condition.

In the case of certain projects, where such delays are due to third party yards or suppliers, we may seek to impose penalties on them. There can, however, be no assurance that we will recover such penalties or in such amounts sufficient to cover any related losses.

6.2.5 We are subject to a number of contractual and project execution risks

We are engaged in a highly competitive industry and have contracted, and continue to contract, for a number of projects on a fixed-price basis, subject to specific terms and conditions, and (where applicable) for agreed time periods. In addition, some of our contracts specify minimum performance requirements. These risks are generally inherent in the industry in which we operate and may result in reduced profitability or losses on projects, which in turn may materially and adversely affect our financial condition and results of our operations.

Some of these risks include:

- delays or poor quality in construction and project management associated with the execution of our projects and maintenance of our operations;
- cost overruns associated with our fixed-price contracts that have limited price escalation provisions and where we bear all, or at least a portion of, any increased costs;
- inability to meet the delivery performance requirements of our contracts which may result in termination of our contracts, or potential penalties or liquidated damages. For example, if we are unable to achieve our contractual availability and/or uptime, the related contracts generally provide for a reduction or suspension in payment of the daily charter rate; and
- inability to obtain compensation for additional work we perform or expenses we incur as a result of customer change orders or faulty equipment or materials.

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6.2.6 Our charter contracts may be terminated upon the occurrence of certain events

Our charter contracts are entered into for varying terms. In line with industry practice, our charter contracts customarily contain clauses which could, among others, give the customer a right of early termination. Some of our charter contracts provide for early termination for convenience under specified conditions with compensation as well as termination for cause, with or without compensation (depending on the circumstances) upon the occurrence of certain events such as non-performance, events of force majeure, loss or seizure of our vessels or non-availability of our vessels due to various reasons such as confiscation or requisition by the government of the jurisdiction under which our vessels are registered and/or operate.

The termination of existing charter contracts and the inability to secure a replacement contract within a reasonable timeframe or the renewal of such charter contracts on less favourable terms, will reduce our revenue and may have a material adverse impact on the results of our operations.

As such, there can be no assurance that the contracts in our orderbook will be performed and will generate revenue. The value of the contracts that make up our firm orderbook as at 31 July 2014 amounted to RM21.4 billion. In addition, optional extensions, if fully exercised by customers, may amount to an additional revenue of up to RM11.5 billion. Given the forward-looking nature of our orderbook, the amount stated therein is not necessarily indicative of our future earnings. For example, we may not achieve our expected margin or we may suffer losses on one or more of these contracts, causing our income to be reduced. Any operational issues, termination, delays in relation to the performance of our contracts, or non-renewal of optional extensions, could materially and adversely affect our business, financial condition and results of operations.

6.2.7 Our FPSO business is subject to significant operating risks

Our FPSO vessels are designed and equipped according to specifications from our customers. Our contracts are usually structured to secure an acceptable return on the investment within the fixed contract periods. There can be no assurance that our vessels will achieve the returns expected from them due to technical risks, unforeseen operational problems, unexpectedly high operating costs, additional capital expenditure, penalty payments, accidents including those caused by human error, weather conditions, faulty construction and other risks. We may be subject to further risks as a result of our intention to enter the FLNG, FSRU and gas processing sectors due to the handling of cryogenic fluids from construction and operational aspects being novel to us.

The probability of FPSO contract extension options being exercised, existing contracts being extended or new contracts being obtained, as well as the terms of new contracts, may be negatively impacted by factors such as reductions in O&G reservoir reserves, changes in vessel specifications and lower O&G prices generally. When our contracts expire or are terminated early, we may encounter difficulties redeploying our FPSO vessels at the same rate levels or without incurring significant conversion costs, or redeploying our FPSO vessels at all. In the event that we do not achieve adequate financial returns during our contract periods, our contracts are not extended or our FPSO vessels cannot be re-deployed, our operations and financial condition may be materially and adversely affected.

6.2.8 A small number of our vessels and customers contribute a significant proportion of our revenue

We are dependent on a small number of high-value vessels to provide our FPSO, T&I and OFS services to the offshore O&G industry. These vessels operate in a hazardous marine environment, often in jurisdictions with complex legal and regulatory requirements. In the event of a service disruption or damage to our vessels, we may incur losses which may in turn materially and adversely affect our financial condition and results of operations. For example, there can be no assurance that changes in the regulatory environment in the offshore O&G industry may not require us to undertake modifications to our existing vessels which could result in disruption to our services.

In addition, historically, a limited number of customers have contributed to a substantial portion of our revenues. Our top 3 customers contributed to 38% of our revenue for the FYE 31 December 2013 while our top 3 customers contributed to 41% of our revenue for the 6-month FPE 30 June 2014. The loss of a key customer, if not replaced, could materially and adversely affect our financial condition and the results of operations, as could factors that could have the effect of slowing our customers' sales. In particular, a reduction in any of our customers' sales prices or overall sales volumes may lead to decreased production by such customers, resulting in lower demand for our services. Any cancellation or other termination in the future by any of our major customers could have a material adverse effect on our business, prospects, results of operations, cash flows and financial condition.

6.2.9 We have significant borrowings and expect to continue to require additional capital in the future, exposing us to the risks inherent in capital funding

We have and will continue to have a significant amount of borrowings. As at 31 July 2014, our total borrowings stood at RM4,779.8 million (excluding RM0.2 million of hire purchase), out of which RM1,592.6 million is secured. Our ability to service our debts and other contractual obligations will depend on our future operations and cash flow generation, which in turn will be affected by various factors, many of which are beyond our control.

As we operate in a capital-intensive industry, we have historically required capital to acquire or carry out refurbishment or improvement work on vessels and may require additional capital in the future to fund the acquisitions, construction or refurbishment of additional vessels. Generally, expenditures necessary for maintaining a vessel in good operating condition increase with the age of the vessel, but are difficult to predict with precision. In addition, unanticipated changes in governmental regulations and HSE or other equipment standards may require unanticipated expenditures for alterations or the addition of new equipment to older vessels. As a consequence, we may need to take our vessels out of service for longer periods of time or more often than planned in order to perform necessary repairs or modifications in order to meet such regulations and standards. There can be no assurance that our vessels will not require extensive repairs or modifications which would result in significant expenses and extended periods of time during which, these vessels would be out of service. Such occurrence could have a material adverse effect on our business, financial condition and results of operations.

Our access to debt financing for new projects and acquisitions (including vessels) and to refinance maturing debt is subject to many factors, some of which are outside of our control. Failure to raise the required capital in the future, whether in the form of equity or debt, on acceptable terms, or at all, may limit our expansion and growth which in turn may affect our ability to execute our growth strategies and compete in the offshore support services industry. In addition, if we have difficulty servicing our debt or meeting other contractual obligations in the future, we may be forced to take actions such as reducing or delaying capital expenditures, reducing costs, selling off assets, refinancing or reorganising our debt or other obligations, seeking additional equity capital or any combination of the above. We may not be able to take or may be restricted from taking any of these actions on satisfactory terms or at all due to, among others, restrictive covenants within our financing agreements which prohibit or hamper our ability to dispose of or invest in any assets, change our scope of business and/or change the shareholding structure of our Company.

As a result of our borrowings, 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 July 2014, RM4,725.8 million of our total borrowings bore a variable rate of interest out of which we have entered into interest rate swap and currency swap agreements in respect of RM1,373.2 million of borrowings. As a result, as at 31 July 2014, 70% of our total borrowings was exposed to interest rate risk without the protection of interest rate swaps. The finance costs arising from our total borrowings amounted to RM50.2 million for the 7-month period ended 31 July 2014. To the extent that the variable interest rates remain unhedged, changes in economic conditions could result in higher interest rates thereby increasing our interest expense and reducing our profitability and funds available to meet capital and operational expenditure or other purposes.

Our ability to meet our debt obligations and to fund planned capital expenditure will depend on the success of our business strategy and our ability to generate sufficient revenues and cash flow from our operations to satisfy the debt obligations which are subject to many uncertainties and contingencies beyond our control, including those as set out in this Abridged Prospectus.

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6.2.10 Our results of operations and financial condition may be adversely affected by conditions in financial markets and the global economy

Our activities and financial results are substantially affected by international, regional and domestic economic conditions. In particular, there are concerns that the debt crisis in Europe and the United States will impinge upon the health of the global financial system. Any continued uncertainties in global financial markets and economic conditions may in turn adversely affect our financial performance, increase our currency and interest rate risks, and negatively affect our profitability and cash flow.

Continued uncertainty and contraction in the credit markets may negatively impact our ability to access additional debt financing on reasonable terms and will affect our cost of borrowing, our ability to refinance existing borrowings and to expand our business. A prolonged downturn in the credit markets may potentially cause us to seek alternative sources of financing that are less attractive and may require us to adjust our business plan accordingly.

6.2.11 Maintenance and repair for our vessels and equipment may require substantial expenditure

We are required to maintain our vessels and/or our equipment to certain standards and to maintain the certification of such vessels and/or certain equipment. Such maintenance may involve substantial costs which may materially and adversely affect our results of operations.

Our operations are dependent on the operating efficiency and reliability of our vessels and/or our equipment in terms of operational and HSE worthiness. Any unexpected breakdown or non-performance of vessels and/or equipment is difficult to predict and in the event of downtime, additional costs and losses may be incurred by our customers arising from the disruption of their workflow and scheduled activities and some of these costs may be passed on to us. Rectification of the breakdown or non-performance, depending on its severity, may also require replacement or repair of key components and there may be long lead times required in the procurement of these components. Such rectification on the affected vessels and/or equipment may require us to incur significant costs and may result in such vessels and/or equipment being out of service and unable to generate revenue over extended periods of time. In addition, we may be required to charter third party vessels as replacement at our own cost. In such an event, we may be unable to meet our contractual obligations with our customers which in turn may materially and adversely affect our reputation as well as our results of operations and financial condition.

6.2.12 We face competition from existing offshore support service providers and new entrants in the markets in which we operate

The offshore support services industry is a competitive industry comprising a diversified group of players ranging from large multinational companies to small-sized and medium-sized enterprises. As such, we face competition from existing and new domestic and international offshore support service providers in the markets in which we operate. We also face competition from foreign vessel suppliers which have joint venture arrangements with local licensed vessel suppliers that provide various maritime services to oil field operators.

The principal competitive factors in the markets that we serve include price, quality of service, safety track record, reputation of vessel operators and crew and the quality and availability of the type of vessels required by the customers. Our competitors may have longer operating histories and greater financial, technical, marketing and other resources than us. We have expanded our services to cover OFS and gas processing which have required us to bid competitively to break into such new services.

Should our existing or new competitors offer services at a lower cost or engage in aggressive pricing in order to increase their market share, our revenue may decline if we are unable to match their costs or aggressive pricing. We may, therefore, have to provide more competitive pricing in order to attract new customers or to retain our existing customers. A reduction in our pricing without any corresponding cost reduction could materially and adversely affect our profitability and financial condition. As a result, there can be no assurance that we will be able to compete successfully against our competitors as well as new market entrants in the future. Our failure to remain competitive may adversely affect our business and growth and could have a material adverse impact on our results of operations and financial condition.

6.2.13 We are subject to political risks inherent in conducting our business internationally

We are active in a number of regions that are subject to political instability. A substantial number of our vessels operate in international waters and we are therefore subject to a number of risks inherent in any business operating in foreign countries, especially in developing nations. These risks include, among others, political instability, expropriation, nationalisation or detention of vessels, import and export quotas and other forms of public and governmental regulations, foreign currency fluctuations, problems arising from collections from customers, restrictions on repatriation of funds and terrorist attacks.

In addition, as we expand internationally, most of our operations will be subject to international regulations, including foreign laws. We may be required to procure a local partner or otherwise restructure our operations to comply with such regulations or may be required to cease operations in these areas. Furthermore, a government could seize one or more of our vessels for title or for hire. Requisition for title occurs when a government takes control of a vessel and becomes its owner. Requisition for hire occurs when a government takes control of a vessel and effectively becomes its charterer at dictated charter rates. Generally, requisitions occur during a period of war or emergency.

Although our business and operations have so far not been materially and adversely affected by any such events, we are unable to predict whether we can remain unaffected by the consequences of any such events in the future. If any of these events or other similar events occur in the future, it may have a material impact on our operations and consequently, materially and adversely affect our financial condition and results.

6.2.14 We may be exposed to acts of piracy

Acts of piracy have historically occurred in areas where we operate, such as the west coast of Africa, and there is a risk that acts of piracy will continue to occur in these areas, as well as in other regions. Although our risk could be mitigated through the utilisation of third party security and intelligence contractors, and insurance coverage, such arrangements may be unavailable or may only be available at significant costs or may prove to be insufficient. In addition, crew costs could also increase if piracy continues to be a risk. Detention hijacking as a result of an act of piracy against our vessels or an increase in the cost or unavailability of insurance for our vessels could have a material adverse impact on our business, financial condition and results of operations. Although our business and operations have not been significantly affected by acts of piracy, there can be no assurance that we will not be significantly affected by such acts in the future.

6.2.15 We are exposed to technological risks

The offshore O&G industry is a highly technical and technology-based industry. As our customers move their offshore operations into deeper waters, they may demand vessels equipped with greater technological capabilities and larger capacities to support their operations. In addition, we may also need to improve our technical know-how and technological understanding associated with large and complex projects or new businesses such as FLNG and OFS. If we are unable to meet such requirements, this may affect customers' confidence in us and hence our revenue and profitability could be materially and adversely affected.

We continually seek to stay on top of new technologies and to implement new technologies into our major projects in a safe and cost-competitive way. However, there is a risk that such new technologies may not function as expected and thus, result in modifications or delays which could have a material adverse impact on our business, financial condition, results of operations and prospects.

There can be no assurance that we will be successful in managing any future technological change and innovation to avoid any material adverse effect on our operations.

6.2.16 We are dependent on our key management and key technical personnel as well as our ability to hire and retain skilled and specialist employees

We believe that our continued success and future performance depends to a large extent upon the skills, abilities, experience, competency and continuous efforts of our key management and on our ability to hire and retain qualified and skilled personnel. The experience, knowledge and expertise of our key management are pivotal to our success. While we have made efforts to nurture and maintain good relationships with our key management, there can be no assurance that the loss of any of our key management personnel can be avoided or would not materially and adversely affect our business, operating results and financial condition.

Our business units are dependent on the application of highly advanced technology and knowledge. The number of people with the required expertise and experience is small whilst competition for their services is usually intense in the offshore O&G industry.

As such, we could experience difficulties in attracting, recruiting and retaining the appropriate number of specialists for our business needs. We may be required to increase our remuneration package to attract and retain such specialists. As our future performance will depend on the continued services of these specialists, a sudden loss of our key technical personnel or the inability to manage the attrition rate in different employee categories could adversely affect the quality of our services, the growth of our business and result in increased costs and, consequently, materially and adversely affect our business, results of operations and financial condition.

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6.2.17 We are exposed to risks relating to growth and expansion

Our future operating results will depend on our ability to manage our growth, which includes recruiting and retaining qualified employees, controlling costs and expanding our fleet of vessels and facilities, and their expanding capacity utilisation in complementary services. As part of our future plans, we intend to expand our business, both geographically and operationally. Any such expansion carries with it inherent risks and uncertainties and requires significant management attention and company resources and may not yield the results we expect.

The expansion of our international operations and services will expose us to risks relating to investments in certain foreign countries. Any future international expansion may also fail due to other difficulties inherent in foreign operations, including, but not limited to:

- unexpected changes in international and foreign regulatory requirements and tariffs;
- political risks;
- difficulties in staffing and managing foreign operations;
- potential adverse tax consequences;
- cultural differences;
- new technologies;
- price controls or other restrictions on foreign currency; and
- difficulties in obtaining export and import licences.

There is no assurance that our business expansion will be successful or lead to an increase in our profits. Our expansion could also result in an increase in the costs of our operations. Our ability to maintain or increase our profitability will continue to depend, in part, on our ability to increase revenues and to maintain or increase the utilisation rates of our facilities and vessels. In addition, the growth of our operations will place additional demands on our management team, our in-house design and technical production teams and our procurement, financial reporting and information technology teams and systems. The expansion of our operations will also require significant attention from our management and other personnel and may divert such resources from other aspects of our business. We may also not be able to find qualified high-level management to oversee our expansion into new markets or to find managers who will understand and be able to integrate into our corporate culture.

In addition, we will have to integrate all of our reporting, logistics, accounting, financial and fulfilment systems or functions across the various different geographical locations we operate in. If we do not manage such integration effectively, our business, financial condition and results of operations could be materially and adversely affected.

6.2.18 We may have inadequate insurance coverage

The operation of our vessels involves inherent risks such as oil spills, damage to and loss of vessels and cargo sustained in collisions, property loss and interruptions to operations caused by adverse weather and environmental conditions, mechanical failures, crew negligence and navigation errors.

The occurrence of any of these events may result in damage to or loss of our vessels and our vessels' cargo or other property and injury to personnel or persons on board. Such occurrences may also result in a significant increase in operating costs or liabilities to third parties. In addition, concerns about other factors (including hijacks, piracy or terrorist attacks) have caused significant increases in the cost of insurance coverage and may result in higher insurance charges and in turn higher operating costs in the future.

In the event of an oil spill or damaged or lost cargo, we may incur liability for containment, clean-up, salvage costs and other damage that may arise as a result. We may also be liable for damage sustained in collisions and/or wreck removal charges arising from the operation of our vessels. Moreover, our customers may become subject to penalties, fines or insurance claims and attempt to pass on part or all of these costs to us. In addition, we may be liable for substantial fines and penalties imposed by the authorities of the relevant jurisdictions. Any such events will disrupt our business and lead to a reduction in revenue and profits and increase our cost of operations.

Currently, we believe that our vessels are sufficiently covered by, among others, hull and machinery insurance and protection and indemnity insurance, which is in line with industry practice. Further, we have not made any material insurance claims in the past. However, there can be no assurance that all risks can be adequately insured at all times against all potential liabilities and losses or that any insured sum will be paid. In the event of damage or losses in excess of the insurance coverage taken up, we may be required to make material compensation payments. As such, our financial condition may be materially and adversely affected.

Furthermore, events such as wars, piracy or terrorist attacks may result in substantial increases in our insurance premiums, thereby affecting our financial performance.

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6.2.19 Our cash flow may be adversely affected by delays in collection or non-recoverability of trade receivables

We may experience cash flow constraints due to delays in collection or non-recoverability of trade receivables. This may affect our ability to pay our suppliers, potentially delaying our project implementation and consequently adversely affecting our financial condition.

In some circumstances, it is possible that our customers may delay or default in their payments to us, for various reasons. For example, during economic downturns, our customers may be materially and adversely affected financially and the possibility of defaults in payment to us may be greater. As a result, we may experience payment delays or, in more severe cases, non-recovery of debts from our customers. We would then have to make provisions for doubtful debts or incur debt write-offs, which may have a material adverse impact on our financial results.

6.2.20 We may be adversely affected by any change in the current taxation regulations in the jurisdictions in which we operate

Any changes in the current tax regime and/or laws, rules and regulations pertaining to the taxation of companies or the interpretation thereof, whether in Malaysia or in any other jurisdictions in which we operate, which have a retrospective, current and/or prospective effect, will affect the tax paid or payable by us arising from a tax re-assessment on our financial results.

6.2.21 We are exposed to risks arising from foreign exchange fluctuations

Our customer contracts, capital expenditure and operating costs are generally denominated in USD, with a small portion denominated in RM and other foreign currencies. We also have foreign currency denominated assets and liabilities. In particular, we have borrowings primarily denominated in USD.

However, we report our consolidated financial results in RM. As a result, our assets and liabilities are subject to translation risk due to foreign exchange fluctuations.

We are also exposed to foreign exchange fluctuations in the event of mismatches between the amounts and timing of receipts and payments in foreign currencies. To the extent that there are any such mismatches, for example due to credit terms given to our customers and by our suppliers, we may incur foreign exchange losses. In addition, to the extent that the borrowing currencies does not match the receipts in the same currencies, foreign exchange fluctuations may adversely expose us to foreign exchange losses which are attributable to variability in the foreign exchange.

Although we enter into hedging transactions such as forward foreign exchange contracts and cross currency interest rate swap contracts to manage foreign exchange exposures arising from all known material foreign currency denominated commitments and to hedge against movements in exchange rates where we deem appropriate, there can be no assurance that exchange rate fluctuations will not materially and adversely affect our financial performance.

6.2.22 There may be conflicts of interest between our Group and our related parties

We have entered into various transactions with companies directly or indirectly controlled by or connected with our related parties. In addition, we expect that we will in the future enter into other transactions with related parties. Further, some of our substantial shareholders, Directors or key management could have engaged and may in the future engage in businesses carrying on a similar trade as ours or businesses which are the customers or suppliers of ours, from which potential conflicts of interest may arise.

There can be no assurance that competition between our businesses and the businesses of our substantial shareholders and companies associated with our substantial shareholders or with our Directors or key management will not arise or that there will not be any other direct or indirect competition and conflicts of interest between our Group and our substantial shareholders and companies associated with our substantial shareholders, Directors or key management. Also, there can be no assurance that direct or indirect competition will not arise in the future between our Group and our substantial shareholders and companies associated with our substantial shareholders, Directors and key management. This may adversely affect our business, results of operations and financial condition.

6.2.23 Control by our major shareholder

As disclosed in Section 3 of **Appendix II** of this Abridged Prospectus, OBSB, by virtue of its shareholding in our Company will be able to exercise significant control of more than 33% of our Shares. The direct and indirect substantial shareholders of OBSB are set out in Section 3 of **Appendix II** of this Abridged Prospectus. As the largest shareholder of our Company, other than in respect of transactions which involve its interest, direct or indirect, as a related party which it must abstain from voting under the Listing Requirements, OBSB will be able to influence the election of our Directors, and the approval of any corporate proposals or transactions requiring the approval of our shareholders.

The interests of OBSB may differ from or conflict with the interests of other shareholders of our Company.

6.2.24 An adverse judgment or settlement could have an adverse effect on our financial condition and the results of our operations

The operation of our vessels involves the risk of accidents and other incidents that may lead to claims against our Group. An adverse judgment or settlement against our Group may lead to our being liable to pay a substantial judgment or settlement sum as well as negative publicity which may adversely affect our reputation and customers' perception of our safety record, as well as have a material and adverse effect on our cash flow, financial condition and results of operations.

6.3 Risks relating to the Rights Issue

6.3.1 There could be a delay in or cancellation of the Rights Issue

There is a risk that the Rights Issue may be delayed or cancelled in the event a material adverse change of events or circumstances, which is beyond the control of our Company, the Joint Principal Advisers, the Joint Global Coordinators, the Joint Underwriters or the Co-Manager, arises prior to the completion of the Rights Issue.

As disclosed in Section 3.1 of this Abridged Prospectus, OBSB has provided the Undertaking Letter, undertaking to subscribe for the Undertaking Shares. The remaining Rights Shares that are not covered under the Undertaking Letter are fully underwritten by the Joint Underwriters. The successful implementation of the Rights Issue is dependent upon the fulfillment by OBSB and the Joint Underwriters of their obligations under the Undertaking Letter and Underwriting Agreement, respectively.

In addition, the Underwriting Agreement allows the Joint Underwriters, if determined by not less than 2 Joint Underwriters who have agreed to underwrite in aggregate more than 51% of the total Underwritten Shares, to terminate their commitments under certain circumstances. The termination events of the Underwriting Agreement are set out in Section 3.2 of this Abridged Prospectus.

There can be no assurance that the abovementioned factors or events will not cause a delay in or cancellation of the Rights Issue. In the event that the Rights Issue is cancelled, we will repay in full, without interest, all monies received by us in respect of any application for subscription of the Rights Shares (including the Excess Rights Shares), or, with interest, if the monies are not refunded within 14 days after our Company becomes liable to repay the same pursuant to Section 243(2) of the CMSA.

In the event that the Rights Issue is cancelled and the Rights Shares have been validly allotted to the Entitled Shareholders and/or their renouncees (if applicable), a return of monies to the Entitled Shareholders and/or their renouncees (if applicable) can only be achieved by way of cancellation of our share capital as provided under the Act. Such cancellation requires the approval of our shareholders by way of a special resolution in a general meeting, consent of our creditors (unless dispensation with such consent has been granted by the High Court of Malaya) and the confirmation of the High Court of Malaya. There can be no assurance that such monies can be recovered within a short period of time or at all under such circumstances.

6.3.2 Potential dilution

Entitled Shareholders who do not or are unable to accept their Provisional Rights Shares will have their proportionate ownership and voting interests in our Company reduced, and the percentage of our enlarged issued and paid-up share capital represented by their shareholdings in our Company will also be reduced accordingly.

6.4 Risks relating to our Shares

6.4.1 Our Share price and trading volume may be volatile

The market price of our Shares is influenced by, among others, variations in the liquidity of the market for our Shares, the prevailing market sentiments, the demand and supply of our Shares for trading purposes, the volatility of the equity markets, changes in analysts' recommendations or projections, movements in interest rates, our financial performance, changes in regulatory requirements or economic and market conditions and announcements of developments relating to our business. The market price of our Shares is also susceptible to developments in the offshore O&G industry, including new developments or technology advancements within the offshore O&G industry, the operating and share price performance of other companies in the O&G industry, corporate exercises, acquisitions or strategic alliances by our competitors or customers.

Over the past few years, the Malaysian, regional and global equity markets have experienced significant price and volume volatility that have affected the share price of many companies. Share prices of many companies have experienced wide fluctuations that have often been unrelated to the operating performance of those companies. There can be no assurance that the price and trading of our Shares will not be subject to such fluctuations in the future.

In view of the foregoing, there can be no assurance that the Rights Shares will trade at or above the TEAP after completion of the Rights Issue (together with the Bonus Issue).

6.4.2 We may not be able to pay dividends or realise dividends from our subsidiaries

Dividend payments are not guaranteed and our Board may decide, at its sole and absolute discretion, at any time and for any reason, not to pay dividends. If we do not pay dividends, or pay dividends at levels lower than that anticipated by investors, the market price of our Shares may be negatively affected and the value of any investment in our Shares may be reduced.

Any payment of dividends may adversely affect our ability to fund unexpected capital expenditures as well as our ability to make principal repayments and interest payments on our debt. As a result, we may be required to borrow additional money or raise capital by issuing equity securities, which may not be possible or may not be on favourable terms or at all. Further, in the event we incur new borrowings, we may be subject to covenants restricting our ability to pay dividends.

We are an investment holding company and conduct substantially all of our operations through our subsidiaries. Accordingly, an important source of our income, and consequently an important factor in our ability to pay dividends on our Shares, is dividends and other distributions received from our subsidiaries. Our subsidiaries' ability to pay dividends or make other distributions to us in the future is subject to them having sufficient funds and distributable profits after setting aside funds required for their operations, other obligations or business plans. Our subsidiaries' ability to pay dividends or make other distributions may also be restricted by the terms contained in the shareholders' agreements governing those subsidiaries and financing agreements entered into by them. Terms of the financing agreements typically only allow for dividends to be declared provided that no event of default and/or material and adverse effect to the business of these subsidiaries would result from such dividend declaration and/or payment. Further, as our Company is a shareholder of our subsidiary and/or operating companies, our claims as such will generally rank junior to all other creditors and claimants against our subsidiary and/or operating companies. In the event of a subsidiary and/or an operating company's liquidation, there may not be sufficient assets for our Company to recoup our investment.

6.4.3 Future issues or sales of Shares could adversely affect our Share price

Any future issue or sale of Shares can have a downward pressure on the market price of our Shares. The sale of a substantial number of Shares on Bursa Securities or the perception that such sales may occur, could materially and/or adversely affect the market price of our Shares. To the extent further new Shares are issued, there may be dilution to existing shareholders' shareholdings. These factors may also affect our ability to undertake future equity fund-raising.

It is also possible that substantial shareholders of our Company may dispose some or all of their Shares pursuant to their own investment objectives. The market price of our Shares could be materially and/or adversely affected by any sale of a substantial amount of our Shares by any substantial shareholder.

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6.5 Other risks

6.5.1 We may be materially and adversely affected by possible outbreaks of infectious diseases

We, as well as our customers and suppliers, operate in countries which may be affected by the outbreak or re-emergence of severe acute respiratory syndrome ("**SARS**"), avian influenza, Influenza A (H1N1), Ebola virus disease or other infectious diseases. The World Health Organization ("**WHO**") and other agencies issue warnings of a potential avian influenza pandemic if there are sustained human-to-human transmissions or concerns of future possible outbreaks (including, for example, the announcement by the WHO in August 2014 regarding the Ebola virus disease outbreak).

An outbreak of SARS, avian influenza, Influenza A (H1N1), Influenza A (H7N9), Ebola virus disease or other contagious disease, the perception that such an outbreak may occur, or the measures taken by the governments of affected countries against such potential outbreaks could seriously disrupt our operations or those of our customers and suppliers and negatively impact economic conditions globally, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

6.5.2 Forward-looking statements are subject to uncertainties and contingencies

Certain statements in this Abridged Prospectus are based on historical data, which may not be reflective of our future results. Other statements, including, without limitation, those regarding our financial position, business strategies, prospects, plans and objectives of our Company for future operations, which are forward-looking in nature, are subject to uncertainties and contingencies. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, there can be no assurance that such expectations will subsequently materialise. Their inclusion in this Abridged Prospectus should not be regarded as a representation or warranty by our Company, the Joint Principal Advisers, the Joint Global Coordinators, the Joint Underwriters and the Co-Manager or any other advisers that the plans and objectives of our Group will be achieved.

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7. INDUSTRY OVERVIEW AND PROSPECTS

7.1 Overview and prospects of the global economy

Global economic activity expanded at a moderate pace in the second quarter of 2014. Economic conditions in most advanced economies registered gradual improvements, with the recovery in the U.S. resuming after the unusual weather-related weakness in the first quarter. However, growth in Japan was affected by the implementation of the consumption tax increase in April. In Asia, economic activity continued to expand, albeit at a more moderate pace in most economies. Global monetary conditions remained accommodative, despite some divergence in the direction of monetary policy in the advanced economies.

The Brent crude oil price rose to an average of USD110 per bbl (1Q 2014: USD108 per bbl) during the quarter. Prices remained elevated during the quarter, driven mainly by concerns over potential supply disruptions arising from geopolitical tensions in Eastern Europe and the Middle East, as well as increasing demand from PR China, where oil consumption increased to 10.2 million bbls per day (1Q 2014: 10 million bbls per day). On 18 June 2014, escalating tensions in Iraq, the second largest oil producer in the Organization of Petroleum Exporting Countries, led to prices reaching the highest level in 2014 (USD115 per bbl). Nevertheless, as there were no actual supply disruptions to Iraqi oil supply, the Brent crude oil price moderated to USD112 per bbl by the end of the quarter.

Going forward, the global economy is expected to continue on a moderate growth path. Recent improvements in economic activity suggest that a cyclical recovery remains underway in some advanced economies. This will continue to benefit international trade activity. In Asia, domestic demand is expected to remain supportive of growth. Nevertheless, country-specific developments may affect the overall pace of growth in these economies. The overall balance of risks for the global economy thus remains biased towards the downside due to uncertainty over policy adjustments in the key economies as well as geopolitical developments. Persistent geopolitical tensions in Eastern Europe and the Middle East could heighten financial market volatility and weigh down on the ongoing global economic recovery.

(Source: Quarterly Bulletin Second Quarter 2014, Bank Negara Malaysia)

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7.2 Overview and prospects of the O&G industry

Global E&P capital expenditure in 2014 is expected to increase by 8% from 2013 as the focus shifts from discretionary spending on potential oil plays to focus more on cash flow as production growth has failed to pick up materially *(Source: E&P Survey 2013, Pareto Securities Research, August 2013)*. We believe that one of the key drivers behind this increasing trend is that oil is no longer found in relatively easily accessible locations (either on-shore or shallow-water offshore), and increasingly being found in isolated and difficult to access locations. In the offshore O&G market, sites are being located at greater distances from the shore, at increasing water depths and in harsher environments with respect to weather and sea conditions. These projects require increased levels of technology and larger, more robust and more capable assets and services in order to operate efficiently and safely.

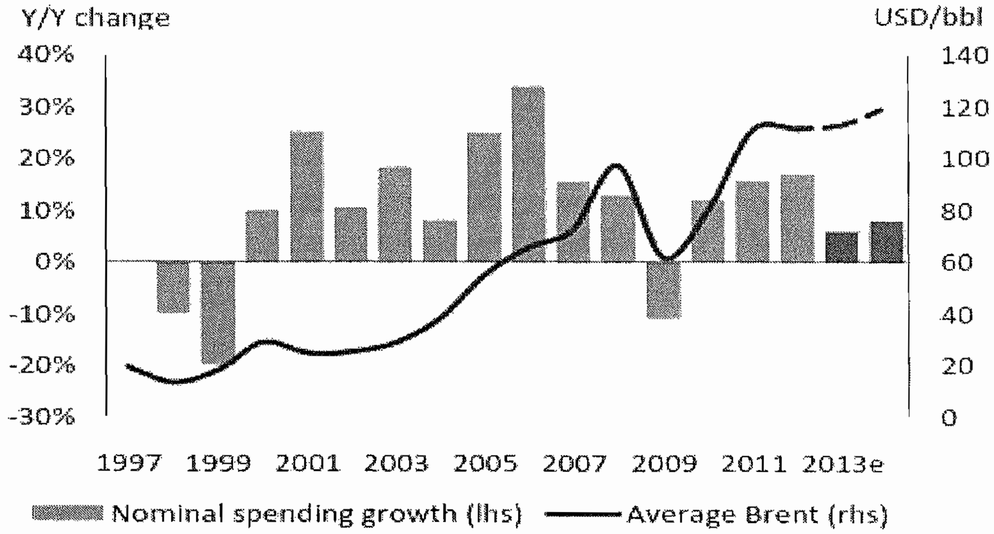
The shift of focus by E&P companies to return to cash flow growth is a marked change from the previous years which have seen global E&P spending increase around 40% from the previous peak in 2008 *(Source: E&P Survey 2013, Pareto Securities Research, August 2013)*. Due to a spate of cost overruns and disappointing cash returns, investors are now demanding capital constraints from IOCs in their capital expenditure budgets. IOCs are now focusing on targeted capital investments to bring key projects to production status in order to improve cash flow growth. These dynamics, coupled with increased social pressure from oil producing countries to safeguard their oil wealth, should see NOCs further exacerbating their growing dominance in the O&G landscape. An emerging trend is for NOCs to expand beyond their home markets and compete alongside IOCs on a global scale. This has given rise to NOCs being responsible for over half of global O&G production today.

E&P capital spending to expand in tandem with total capital expenditure in the O&G industry

There is evidence of a positive correlation between oil price trend and E&P spending level, as strong oil prices and positive fundamental demand/supply dynamics drive better economic returns for E&P activities, especially in the offshore oilfield development. With energy demand forecasted to register strong growth over the long term and more discoveries of hydrocarbons being made in increasingly isolated and less accessible locations, oil prices are expected to remain stable due to more capital expenditures required to develop and launch new E&P projects.

Spending growth will likely be driven by international offshore spending as it continues to grow at a high rate (10% – 15%) as this market is more exposed towards Brent oil price and oil indexed gas contracts supporting E&P company's cash flows at higher levels. Also, the main drivers forcing capital into international exploration activity are the major E&P companies' push into more remote, frontier regions. Over the recent 2 years, increasing activity levels in East Africa, South America (ex. Brazil), Arctic regions and the Barents Sea have been observed *(Source: E&P Survey 2013, Pareto Securities Research, August 2013)*.

Figure 1: Historical development in E&P spending and average Brent oil prices



(Source: E&P Survey 2013, Pareto Securities Research, August 2013)

Increasing reliance on deepwater offshore O&G production

Offshore oilfield development has been undergoing a shift from the 1990s where shallow water offshore production was extensive. Offshore discoveries that are made in shallow water these days are generally smaller than some of the huge discoveries that were made in the latter half of the 20th century. The smaller discoveries and dwindling reserves have resulted in E&P companies focusing on achieving 'last drop of oil'. This means that E&P companies are increasing spending in order to achieve their desired oil reserve recovery targets and sometimes only just able to maintain it at current levels. Technological advancement in identifying deepwater reservoirs and improved drilling has made deepwater discoveries increasingly important as it allows E&P companies to achieve their oil reserve recovery targets by developing these deepwater fields economically.

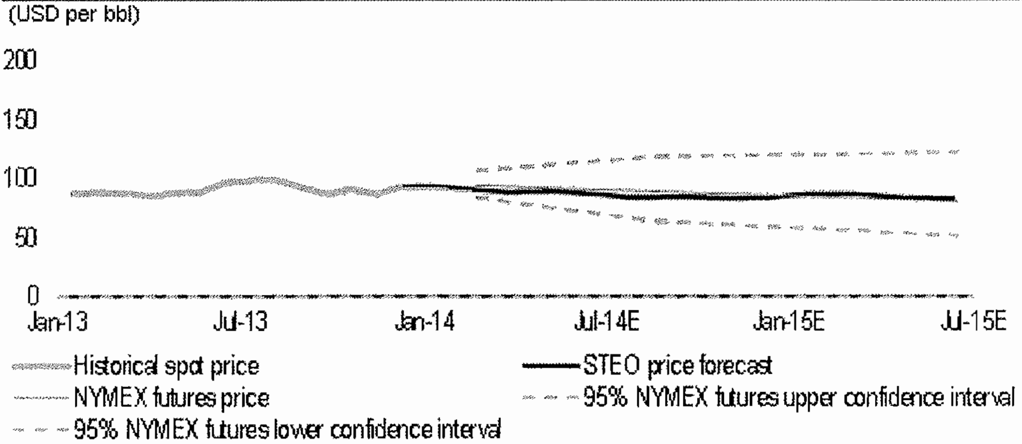
Therefore, as conventional onshore and shallow-water oil production growth declines, O&G companies have begun exploration in deepwater offshore sites as a means to supplement reserves and to "lock-in" security of supply for the NOCs. In certain markets, the bulk of the hydrocarbon reservoirs are found offshore, such as in West Africa and Latin America. In Brazil, for example, the focus of E&P activity is on the huge offshore reservoirs located in the Santos Basin. These huge offshore reservoirs, usually found in deepwater, are increasing the share of offshore and deepwater segments in global oil production.

As such, market analysts expect that more O&G companies' capital expenditure will be focused on offshore, deeper waters, more remote fields and in improving the amount of oil and/or gas recovered from existing fields.

Oil price trend – the leading indicator of the offshore O&G industry

Changes in global oil demand and supply dynamics, and/or expectations of changes in these dynamics can cause oil prices to fluctuate. Oil price fluctuation and volatility, as well as fundamental demand/supply dynamics, provide an important guideline for the future direction of oil prices. Oil prices are the key leading indicator for the offshore O&G industry as the oil price outlook and forecast are the main drivers behind planning future E&P capital expenditure by O&G companies. If oil prices drop below an economic feasibility threshold for developing and operating an oilfield for a sustained period, O&G companies' development plans may be deferred or delayed. Therefore, oil price expectations provide a major assumption for future capital spending on offshore oilfield development, which is typically more costly than conventional onshore development.

Figure 2: West Texas Intermediate (WTI) crude oil price



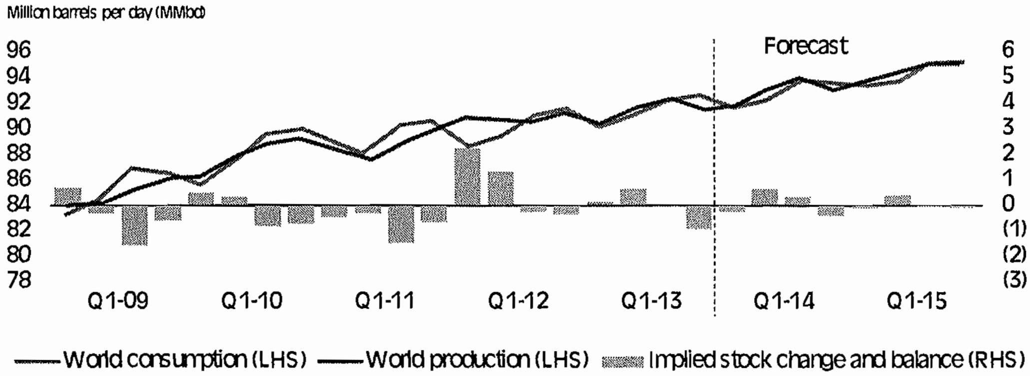
(Source: Short Term Energy Outlook (STEO), U.S. Energy Information Administration, March 2014)

Note:

Confidence interval derived from options market information for the 5 trading days ending March 6, 2014. Intervals not calculated for months with sparse trading in near-the-money options contracts.

Oil prices have been on a long term upward trend, fed by a combination of robust global oil demand, security of supply (both at national levels and as a consequence of geo-political events in key supply markets), tight capacity levels, as well as increasing production costs per bbl. Market analysts expect oil prices to remain steady, with an average price of approximately USD100 per bbl in 2014 *(Source: Brent crude oil consensus as of 25 August 2014 by Bloomberg)*. It is expected that the increasing global demand for oil will support at least the medium term price of crude oil, which should provide a strong backdrop for offshore oilfield development.

Figure 3: World liquid fuels production and consumption balance



(Source: Short Term Energy Outlook (STEO), U.S. Energy Information Administration, March 2014)

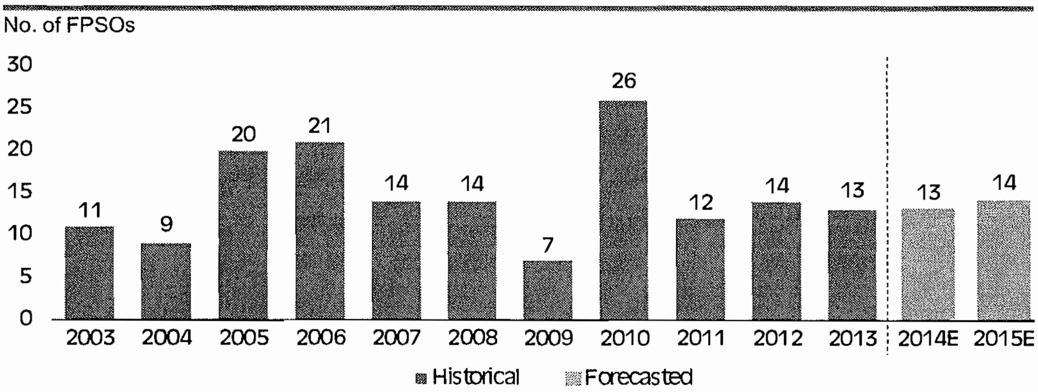
The long term crude oil price will be driven by both the demand for O&G as well as the development of cheaper alternative fuels. The U.S. Energy Information Administration projects that world petroleum and other liquids supply will increase by 1.3 million bpd in both 2014 and 2015, with most of the growth coming from countries outside of the Organisation of the Petroleum Exporting Countries (OPEC). Projected world liquid fuels consumption grows by an annual average of 1.2 million bpd in 2014 and 1.4 million bpd in 2015 *(Source: Short Term Energy Outlook (STEO), U.S. Energy Information Administration, March 2014).*

7.3 Overview and prospects of the FPSO industry

The FPSO industry forms one of the key components of the offshore O&G value chain, with FPSOs serving as production and storage units in an oilfield development. Due to FPSOs' direct exposure to offshore oil production, the underlying drivers for the O&G market significantly affect the level of activity in the FPSO industry. Increased global oil demand, buoyant oil prices, strong E&P spending appetite of oil companies and the increasing level of deepwater exploration activities suggest a robust outlook for the FPSO industry. To keep up with future O&G demand, E&P capital spending by oil companies is required to continue to grow and expected to result in a sustained level of future FPSO contract awards. As the era of "easy oil" winds down, FPSOs will continue to become the preferred floating production solution over other methods due to FPSOs' deepwater and harsh environment operating capabilities and ability to offer a field storage solution where pipelines to shore are not accessible. FPSOs currently make up approximately 61% of the entire floating production systems market, and its market share is expected to continue to increase going forward *(Source: Floating Production Systems Outlook Report 2014 - 2018, Energy Maritime Associates Pte Ltd, January 2014).*

The FPSO industry saw considerable restructuring and consolidation during 2009 and 2010 as a result of the financial crisis which led to the changes in the overall FPSO market dynamics and competitive environment. During this period, O&G companies reduced the level of their balance sheet commitment to E&P projects due to the volatility of oil prices and lack of visibility in market direction, leading to the exit from the FPSO market of some smaller FPSO operators, leaving only established FPSO operators with substantial track record and strong financial standing. Due to the changing economics in the market, leasing an FPSO from an FPSO operator instead of owning an FPSO when developing an oilfield has become a more attractive option to many oil companies when pursuing E&P projects. As a result, FPSO operators with a strong balance sheet and project execution track record have been well-positioned to be awarded new contracts. Since 2010, the FPSO industry has steadily recovered and seen a stabilisation of market conditions.

Figure 4: FPSO orders and forward estimate



(Source: Floating Production Systems Outlook Report 2014 - 2018, Energy Maritime Associates Pte Ltd, January 2014)

According to Energy Maritime Associates Pte Ltd, between 65 and 93 FPSO awards are expected to be made between 2014 and 2018, with demand predominantly driven by West African, Asian and Latin American markets. Provided that FPSO operators engage in contracts that are sustainable and feasible, the FPSO industry is expected to experience steady levels of growth over the medium term.

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7.4 Overview and prospects of the OSV industry

The OSV industry is commoditised, multi-regional and fragmented with a few true global owners. A large number of OSV orders for newbuilds were placed prior to the recent financial crisis, which has resulted in a supply and demand imbalance. However, some of the new orders placed during that period were part of the fleet renewal efforts of OSV operators and do not truly represent an increase in the number of vessels in service.

Demand for low-end vessels has stagnated and is confined to shallow-water markets, whereas high-end vessels have been experiencing growth in demand and increased utilisation rates. These high-end vessels are no longer confined to operation in the North Sea, and the push for deepwater offshore exploration off the coast of South America and West Africa has resulted in increased demand for the high-end vessels which are able to withstand the harsh deepwater environment. These high-end vessels will need to be large, DP2/3 capable, fuel efficient and able to offer a multitude of other offshore services such as ROV support. Consequently, OSV operators with larger and more advanced vessels are able to command better daily charter rates and utilisation.

Brazil and West Africa are the main drivers for global OSV, particularly PSV, demand. Petróleo Brasileiro S.A. (Petrobras) has historically had a high share of all PSV contract fixtures and is the largest single user of PSVs. As rig activity in Brazil is expected to increase long term (flattish next ~ 2 years, increase from 2016) and the installed base of production facilities continues upwards, demand for OSVs in Brazil will continue to grow. The West African market has also been a considerable source of vessel absorption in recent years. Drilling activity has been high throughout the west coast, and also the east coast has seen considerable demand as vessel intensive drilling campaigns (large distances to infrastructure) have been conducted in Mozambique, Tanzania and Kenya. Increased field development activity coupled with increasing rig count in the African region will see PSV demand continuing up. The PSV fleet is expected to grow by around 9% per annum going forward *(Source: E&P Survey 2013, Pareto Securities Research, August 2013)*.

7.5 Overview and prospects of the T&I industry

The T&I industry offers subsea services such as pipelay, installation, SURF and IRM activities along the offshore O&G value chain. The T&I industry is a highly technical part of the offshore service industry, as major T&I activities such as SURF cover services spanning across installation, maintenance and decommissioning of complex subsea infrastructure over an entire field development. The SURF industry has been dominated mainly by European players with long operating histories and is currently under-represented in Asia as not many Asian offshore companies have acquired the high level of expertise required to provide subsea services. The overall subsea service industry has seen strong growth over the course of 2011 to 2013, with major SURF operators achieving record levels of orders. This growth is expected to continue as medium to long term market drivers, including deepwater drilling and subsea equipment orders, are experiencing strong demand. Similar to the OSV market, all parts of the subsea value chain will benefit positively from the large influx of ultra-deepwater drilling rigs and floating production units entering the market that will require installation and IRM services.

The increased E&P activities by E&P companies will continue to drive the demand for the award of SURF contracts. The pipeline of major SURF projects due for award over the next 3 years is estimated to be over USD25 billion *(Source: E&P Survey 2013, Pareto Securities Research, August 2013)*. Growth will primarily come from operations in West Africa, North Sea, Brazil and Asia.

7.6 Overview and prospects of the OFS industry

The rapid growth in subsea assets will increase demand for regular well intervention and work-over services. Subsea growth has been fuelled by a significant increase in the deepwater drilling rig market but has not been matched by the well services market that is supported by well intervention vessels. Following the drilling and completion of deepwater wells, well intervention work is required to maintain and/or increase production levels. Oil companies are realising the large cost savings that are possible through the adoption of relatively new well intervention technology and use of well intervention vessels.

With the decline of new oil discoveries, oil companies are ever more determined to maximise available oil resources. The marginal-field development plans under the Malaysian ETP to develop and produce the oil held in smaller, marginal-field clusters, driven by co-ordination between the Government of Malaysia and Petronas, is one such example.

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8. PROSPECTS OF OUR GROUP

Our Group's future plans are as set out below:

(i) Further penetration in existing markets and expansion into selected new markets

Our Group intends to continue to increase our business presence in existing markets as well as to selectively seek opportunities to expand our business geographically and enter into new markets in Latin America, Africa and Asia, either on a strategic or opportunistic basis by leveraging off our Group's global execution capabilities, local content development skills and long term market view. The expansion of new business is underpinned by the move to "Further, Deeper, Harsher" markets which are progressively becoming the key drivers in offshore O&G activity and demand.

(ii) Continue to grow our FPSO business

Our Group aims to be the 4th largest FPSO player in the world by fleet size by the end of 2015, focusing on larger and more complex projects. Accordingly, our Group's expansion plans entail a continued focus on Africa, Asia and opportunities in other markets such as Latin America and the North Sea by capitalising on our Group's existing operations and footprints in these areas. In order to facilitate expansion, our Group intends to leverage our branding and reputation, which we believe have been successfully established over the last few years.

Over the longer term, our Group believes that, with the emergence of new technologies and developments, there will be new solutions required in the FPSO market, particularly in respect of new processing systems, applications and regulations. Our Group recognises that offshore/FLNG solutions will be important for our future growth, with the FSRU and FLNG segments seeing strong demand, in the order of 12 to 20 FSRU project awards and 7 to 15 FLNG project awards forecasted over the next 5 years *(Source: Floating Production Systems Outlook Report 2014 - 2018, Energy Maritime Associates Pte Ltd, January 2014)*. Our Group has created a small unit to pursue this market. While some solutions to these new developments may be engineered in-house, there will be others that our Group expects to be unable to completely provide and these capabilities may be acquired through licensing and/or partnership agreements. To meet these demands successfully and with a commercially competitive solution, our Group expects that strategic alliances, collaborations and partnerships with key specialist technology providers will be a critical future step for the growth of our Group's FPSO business.

Over the next 12 to 18 months, we expect to allocate between RM5.0 billion and RM5.4 billion for FPSO projects.

(iii) Upscale our OSV fleet and service offerings

The OSV segment has historically been the principal contributor to our Group's profitability and our Group expects it to remain one of our core businesses for the foreseeable future. Our Group believes that our OSV business needs to develop several critical capabilities in order to continue to be successful in expanding both our operational fleet as well as our global footprint in South East Asia, West Africa, Latin America and the Middle East. These capabilities are:

- continue to optimise our fleet size via the "Steel on Water 2" fleet expansion, focusing on larger, higher specification, greener, cleaner, safer and more efficient vessels to service broader geographies and cater to high end markets;
- promoting enhanced service offerings to customers off the "steel platform" of the vessel, such as ROV, IRM or light installation services;
- a sustainable and expandable local content programme;
- formalisation of a clear main equipment/third party support structure; and
- building operational excellence that is centered around local content development.

Over the next 12 to 18 months, we expect to allocate between RM300 million and RM400 million to build or purchase vessels to expand our Group's deepwater capability and offering with premium new vessels aligned to the latest customer and regulatory requirements.

(iv) Grow our T&I capacity with increased SURF capabilities

Our T&I business was originally created as an additional offering to our Group's FPSO clients. Once an FPSO contract was secured, our Group would also offer the installation of the FPSO into the field. This strategy allowed our Group to maximise the scope of work and revenue opportunities with the client for the FPSO and to also ensure delivery and hook up of the FPSO into the field under our Group's control and not be dependent on a third party.

Moving forward, our Group is observing a two-pronged approach in the growth strategy of our T&I business. The first is to ensure high utility of our DLB, the *Armada Installer*, a main revenue generator of this business unit, in the Caspian Sea. The second is to add new medium to deepwater capable SURF vessels, targeting the Asian, African and South American markets.

Increased offshore O&G developments have created more installation and SURF jobs for subsea contractors with the right assets. Our Group plans to pursue mid-size installation and SURF opportunities with other clients as we move to expand our SURF capabilities beyond working on installation jobs for our own FPSOs. The boom in offshore O&G infrastructure developments has also resulted in the demand for life of field type services. As the offshore O&G infrastructure begins to age, our T&I business unit is also targeting to offer IRM services to customers. This along with other life of field type services will underpin future expansion of our T&I business unit. As such, the nature of our T&I business continues to be asset intensive and we generally expect to continue to acquire or build appropriate vessels for potential projects.

Over the next 12 to 18 months, we expect to allocate between RM200 million and RM300 million to build or purchase vessels to establish and expand our Group's capabilities, including SURF.

(v) Continue to build our OFS platform

The OFS business was established by our Group in response to a growing demand for well intervention/work-over services, marginal oilfield development and brownfield production such as EOR in our Group's key operating locations and with our key customers. With the rapid growth in subsea assets in these markets comes the requirement for regular intervention and work-over services. This subsea growth has been fuelled by a significant increase in the deepwater drilling rig market but has not been matched in the well services market.

Our OFS business unit plans to pursue opportunities in the Atlantic corridor (West Africa and Brazil) where the up cycle of drilling activity in those regions in recent years has yielded the need for regular well intervention work utilising light well intervention vessels. In order to capture this market in the most capital effective manner, our OFS business unit plans to deploy an 'asset light' strategy focusing mainly on offering services (i.e. slickline, wireline, ROV, safety integrity level) while exploring synergistic options with our Group's OSV and T&I assets as a platform to deliver these services.

In addition to the well services offering, our OFS business unit is also looking to offer EOR solutions locally for the marginal-field development plans under the Malaysian ETP, which was sparked by the Government of Malaysia and Petronas, to develop and produce the oil held in smaller, marginal-field clusters. This comes as offshore field owners and operators look to maximise their oil recovery for the existing reserve. We see this as a service that has a market in any country which has existing offshore fields which have been produced past their peak via traditional production methods (such as Malaysia, Indonesia, Vietnam and Mexico).

Over the next 12 to 18 months, we expect to allocate between RM100 million and RM150 million to build or purchase well intervention and/or work over equipment for brownfield and EOR activities.

In view of the foregoing, we remain confident in the underlying fundamentals of our business over the long term.

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9. EFFECTS OF THE RIGHTS ISSUE

As the Bonus Issue is conditional on the Rights Issue and as the Bonus Shares will be listed and quoted simultaneously with the Rights Shares, the proforma effects of the Bonus Issue have also been included herein to illustrate its proforma effects together with the proforma effects of the Rights Issue as follows:

9.1 Issued and paid-up share capital

The proforma effects of the Bonus Issue and the Rights Issue on our issued and paid-up share capital are as follows:

Minimum Scenario

	No. of Shares	Share capital
	000	RM 000
Issued and paid-up share capital as at the LPD	2,933,135	586,628
To be issued pursuant to the Bonus Issue	1,466,567	293,313
To be issued pursuant to the Rights Issue	1,466,567	293,313
Enlarged issued and paid-up share capital	**5,866,269**	**1,173,254**

Maximum Scenario

	No. of Shares	Share capital
	000	RM 000
Issued and paid-up share capital as at the LPD	2,933,135	586,628
Assuming full exercise of all the Outstanding Options	25,341	5,067
	2,958,476	591,695
To be issued pursuant to the Bonus Issue	1,479,238	295,848
To be issued pursuant to the Rights Issue	1,479,238	295,848
Enlarged issued and paid-up share capital	**5,916,952**	**1,183,391**

9.2 NA per Share and gearing

Based on our latest audited consolidated statement of financial position as at 31 December 2013, the proforma effects of the Bonus Issue and the Rights Issue on the NA per Share and gearing of our Group are as follows:

Minimum Scenario

		(I)	(II)
	Audited as at 31 December 2013	**After adjusting for the exercise of ESOS Options[1]**	**After (I), the Bonus Issue and the Rights Issue[2],[3]**
	RM 000	**RM 000**	**RM 000**
Share capital	586,318	586,627	1,173,254
Share premium	1,764,614	1,770,311	3,118,550
Foreign exchange reserve	51,713	51,713	51,713
Other reserves	(7,786)	(7,786)	(7,786)
Share option reserve	30,633	29,049	29,049
Hedging reserve	(10,355)	(10,355)	(10,355)
Retained earnings	1,941,522	1,941,900	1,931,900
Equity/NA attributable to owners of our Company	**4,356,659**	**4,361,459**	**6,286,325**
Non-controlling interests	23,576	23,576	23,576
Total equity/NA	**4,380,235**	**4,385,035**	**6,309,901**
No. of Shares in issue (000)	2,931,591	2,933,135	5,866,269
NA per Share (RM)[4]	1.49	1.49	1.07
Total borrowings (RM 000)[5]	3,777,314	3,777,314	3,777,314
Total deposits, cash and bank balances (RM 000)	634,538	639,338	2,564,204
Gearing ratio (times)[6]	0.87	0.87	0.60
Net gearing ratio (times)[7]	0.72	0.72	0.19

Notes:

(1) For the period commencing from 1 January 2014 and up to the LPD, 1,374,000 ESOS Options and 169,800 ESOS Options have been exercised at the exercise price of RM3.03 and RM3.75, respectively, whilst 718,620 ESOS Options have been forfeited.

(2) The effects of the Bonus Issue and the Rights Issue are collectively illustrated as the Bonus Issue is conditional on the Rights Issue.

(3) Based on the Issue Price and after deducting the estimated expenses of RM55.0 million to be incurred in relation to the Corporate Exercises.

(4) Calculated as NA attributable to owners of our Company divided by number of Shares in issue.

(5) Comprises interest-bearing borrowings (including hire purchase payables).

(6) Calculated as total borrowings divided by equity/NA attributable to owners of our Company.

(7) Calculated as total borrowings less total deposits, cash and bank balances divided by equity/NA attributable to owners of our Company.

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Maximum Scenario

	Audited as at 31 December 2013	(I) After adjusting for the exercise of ESOS Options[1]	(II) After (I) and assuming full exercise of the Outstanding Options[2]	(III) After (II), the Bonus Issue and the Rights Issue[3],[4]
	RM 000	**RM 000**	**RM 000**	**RM 000**
Share capital	586,318	586,627	[5]588,410	1,176,820
Share premium	1,764,614	1,770,311	1,805,807	3,158,282
Foreign exchange reserve	51,713	51,713	51,713	51,713
Other reserves	(7,786)	(7,786)	(7,786)	(7,786)
Share option reserve	30,633	29,049	23,265	23,265
Hedging reserve	(10,355)	(10,355)	(10,355)	(10,355)
Retained earnings	1,941,522	1,941,900	1,941,900	1,931,900
Equity/NA attributable to owners of our Company	**4,356,659**	**4,361,459**	**4,392,954**	**6,323,839**
Non-controlling interests	23,576	23,576	23,576	23,576
Total equity/NA	**4,380,235**	**4,385,035**	**4,416,530**	**6,347,415**
No. of Shares in issue (000)	2,931,591	2,933,135	[5]2,942,052	5,884,104
NA per Share (RM)[6]	1.49	1.49	1.49	1.07
Total borrowings (RM 000)[7]	3,777,314	3,777,314	3,777,314	3,777,314
Total deposits, cash and bank balances (RM 000)	634,538	639,338	670,833	2,601,718
Gearing ratio (times)[8]	0.87	0.87	0.86	0.60
Net gearing ratio (times)[9]	0.72	0.72	0.71	0.19

Notes:

(1) *For the period commencing from 1 January 2014 and up to the LPD, 1,374,000 ESOS Options and 169,800 ESOS Options have been exercised at the exercise price of RM3.03 and RM3.75, respectively, whilst 718,620 ESOS Options have been forfeited.*

(2) *For the purposes of proforma (II), only the Outstanding Options which have been vested to the eligible employees of our Group and our Executive Directors as at 31 December 2013 are taken into account and excluding any Outstanding Options which were vested after 31 December 2013.*

(3) *The effects of the Bonus Issue and the Rights Issue are collectively illustrated as the Bonus Issue is conditional on the Rights Issue.*

(4) *Based on the Issue Price and after deducting the estimated expenses of RM55.0 million to be incurred in relation to the Corporate Exercises.*

(5) *Assuming 2,782,500 Outstanding Options, 3,809,910 Outstanding Options, 1,950,000 Outstanding Options and 375,000 Outstanding Options which have been vested as at 31 December 2013 but have yet to be exercised as at the LPD, are exercised at the exercise price of RM3.03, RM3.75, RM3.77 and RM3.80, respectively.*

(6) *Calculated as NA attributable to owners of our Company divided by number of Shares in issue.*

(7) *Comprises interest-bearing borrowings (including hire purchase payables).*

(8) *Calculated as total borrowings divided by equity/NA attributable to owners of our Company.*

(9) *Calculated as total borrowings less total deposits, cash and bank balances divided by equity/NA attributable to owners of our Company.*

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9.3 Earnings and EPS

The Bonus Issue and the Rights Issue are not expected to have any material effect on the earnings of our Group for the FYE 31 December 2014 as they are only expected to be completed by the fourth quarter of 2014.

However, upon completion of the Bonus Issue, the EPS of our Group will be immediately diluted proportionately as a result of the increase in the number of Shares in issue, assuming that the earnings of our Group remain unchanged and before taking into consideration the effect of the Rights Issue.

Moving forward, the Rights Issue is expected to contribute positively to the earnings of our Group for ensuing financial years, when the benefits from the utilisation of proceeds for capital expenditure, as set out in Section 4 of this Abridged Prospectus, are realised. However, there may be a corresponding dilution in our Group's EPS as a result of the increase in the number of Shares in issue upon completion of the Rights Issue.

10. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS

10.1 Working capital

Our Board is of the opinion that, after taking into consideration the funds generated from our operations, the banking facilities available to our Group including the Sukuk Programme and the EMTN Programme, as well as the proceeds to be raised from the Rights Issue, our Group will have sufficient working capital available for a period of 12 months from the date of this Abridged Prospectus.

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10.2 Borrowings

As at 31 July 2014, the total outstanding borrowings of our Group (all of which are interest-bearing) are set out below:

Statement of total outstanding borrowings	Interest rate terms	Currency USD 000	Currency RM 000	Total[(1)] RM 000
Short-term borrowings				
• Term loans - secured	Floating rate	102,711	31,980	360,215
• Term loans - unsecured	Floating rate/Fixed rate	94,872	227,337	530,519
• Revolving credits - unsecured	Floating rate	150,000	-	479,355
• Hire purchase	Fixed rate	-	139	139
Long-term borrowings				
• Term loans - secured	Floating rate	359,636	83,063	1,232,350
• Term loans - unsecured	Floating rate	376,000	672,271	1,873,854
• Bridging loans - unsecured	Floating rate	94,965	-	303,479
• Hire purchase	Fixed rate	-	64	64
Total borrowings				**4,779,975**

Note:

(1) Converted at RM3.196/USD, being the closing rate on 31 July 2014 from Bloomberg.

Our Group has not defaulted on payments of either interest and/or principal sums on any of our borrowings for the FYE 31 December 2013 and the subsequent financial period up to the LPD.

10.3 Contingent liabilities

The contingent liabilities of our Group as 31 July 2014 are as follows:

	RM 000
Bank guarantees extended to third parties	672,561

Save as disclosed above, there are no contingent liabilities of our Group as at 31 July 2014 which, upon becoming enforceable, may have a material effect on our Group's financial position.

10.4 Material commitments

The material commitments contracted or known to be contracted by our Group as at 31 July 2014 are as follows:

	RM 000
Capital expenditure for property, plant and equipment not provided for in our unaudited consolidated financial statements as at 31 July 2014:	
- authorised and contracted	559,467
- authorised but not contracted	7,673,690
	8,233,157
Commitments for amounts payable under operating leases for rental of premises:	
- payable within 1 year	8,591
- payable later than 1 year and not later than 5 years	37,464
- payable later than 5 years	2,940
	48,995

Save as disclosed above, there are no material commitments contracted or known to be contracted by our Group as at 31 July 2014 which may have a material effect on our Group's financial position.

The above capital expenditure and commitments are expected to be funded by proceeds from the Rights Issue, existing cash balances, contractual down payments, internally-generated funds and/or borrowings.

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11. INSTRUCTIONS FOR ACCEPTANCE, PAYMENT, SALE/TRANSFER AND EXCESS APPLICATION

As an Entitled Shareholder, your CDS Account will be duly credited with the number of the Provisional Rights Shares which you are entitled to subscribe for, in full or in part, in accordance with the terms and conditions of the Rights Issue. You will find enclosed with this Abridged Prospectus, an NPA notifying you of the crediting of such Provisional Rights Shares into your CDS Account and an RSF to enable you to subscribe for such Provisional Rights Shares allotted to you, as well as to apply for the Excess Rights Shares, if you choose to do so.

The following procedures are applicable to Entitled Shareholders in Malaysia. For Entitled Shareholders located outside Malaysia, additional procedures and restrictions apply. Please refer to **Appendix III** of this Abridged Prospectus entitled "**Offering, Selling and Transfer Restrictions**".

Full instructions for the acceptance of and payment for the Provisional Rights Shares, application for the Excess Rights Shares and the procedures to be followed should you and/or your renouncees (if applicable) wish to sell or transfer all or any part of your/their entitlement are set out in this Abridged Prospectus and the accompanying RSF. You and/or your renouncees (if applicable) are advised to read this Abridged Prospectus, the RSF and the notes and instructions contained in the RSF carefully. In accordance with the CMSA, the RSF must not be circulated unless accompanied by this Abridged Prospectus.

You may obtain additional copies of this Abridged Prospectus and the RSF from your stockbroker, our Share Registrars or Bursa Securities' website at http://www.bursamalaysia.com.

11.1 NPA

The Provisional Rights Shares are prescribed securities pursuant to Section 14(5) of the SICDA and therefore, all dealings in such Provisional Rights Shares will be by book entries through CDS Accounts and will be governed by the SICDA and the Rules of Bursa Depository. As an Entitled Shareholder, you and/or your renouncees (if applicable) are required to have valid and subsisting CDS Accounts when making the applications to subscribe for the Rights Shares.

11.2 Procedures for acceptance and payment

Acceptance of and payment for the Provisional Rights Shares must be made in accordance with the RSF enclosed with this Abridged Prospectus. The RSF must be completed strictly in accordance with the notes and instructions contained in the RSF. Acceptances and/or payments which do not conform strictly to the terms of this Abridged Prospectus, the RSF and the notes and instructions contained in the RSF or which are illegible may not be accepted at the absolute discretion of our Board. Our Share Registrars will not contact you and/or your renouncees (if applicable) for acceptances which do not strictly conform to the terms and conditions of this Abridged Prospectus or the RSF or the notes and instructions contained in these documents, or which are illegible.

If you wish to accept the Provisional Rights Shares, either in full or in part, please complete **Parts I and III** of the RSF strictly in accordance with the notes and instructions contained in the RSF. Each completed and signed RSF with the relevant payment must be despatched **BY ORDINARY POST, COURIER or DELIVERED BY HAND** (at your own risk) to our Share Registrars at the following address:

Symphony Share Registrars Sdn Bhd
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia

Tel. No.: +603 7849 0777 (Helpdesk)
Fax. No.: +603 7841 8151/8152
E-mail: ssr.helpdesk@symphony.com.my

so as to arrive **by the Closing Date**.

1 RSF must be used for acceptance of the Provisional Rights Shares standing to the credit of 1 CDS Account. Separate RSFs must be used for the acceptance of the Provisional Rights Shares standing to the credit of more than 1 CDS Account. The Rights Shares accepted by you in accordance with the notes and instructions contained in the RSF will be credited into the respective CDS Accounts where the Provisional Rights Shares have been credited, in accordance with the procedures as set out in the RSF.

The minimum number of Rights Shares that can be accepted is 1 Rights Share. However, you should take note that a trading board lot comprises 100 Shares. Fractions of a Rights Share will be dealt with in such manner as our Board, at its absolute discretion, deems fit and expedient, and in the best interest of our Company.

A reply envelope is enclosed with this Abridged Prospectus. To facilitate the processing of the RSFs by our Share Registrars, you are advised to use 1 reply envelope for each completed RSF.

Each completed RSF must be accompanied by the appropriate remittance in RM for the **FULL** and **EXACT** amount payable for the Rights Shares accepted, in the form of **Banker's Draft or Cashier's Order or Money Order or Postal Order** drawn on a bank or post office in Malaysia and made payable to "**BUMI ARMADA RIGHTS ACCOUNT**", crossed "**ACCOUNT PAYEE ONLY**" and endorsed on the reverse side with your name, address and CDS Account number in block letters to be received by our Share Registrars **by the Closing Date**. The payment must be made for the **FULL** and **EXACT** amount payable for the Rights Shares accepted. Any excess or insufficient payment may be rejected at the absolute discretion of our Board. Cheques or other modes of payment not prescribed herein are not acceptable. **Details of the remittances must be filled in the appropriate boxes provided in the RSF.**

If you lose, misplace or for any other reasons require another copy of the RSF, you may obtain additional copies from your stockbroker, our Share Registrars or Bursa Securities' website at http://www.bursamalaysia.com.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR THE APPLICATION MONIES WILL BE MADE BY OUR COMPANY OR OUR SHARE REGISTRARS IN RESPECT OF THE RIGHTS SHARES. HOWEVER, IF YOUR APPLICATION IS SUCCESSFUL, YOU WILL BE ALLOTTED WITH YOUR RIGHTS SHARES, AND A NOTICE OF ALLOTMENT WILL BE ISSUED AND DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS AS SHOWN ON OUR RECORD OF DEPOSITORS (AT YOUR OWN RISK) WITHIN 8 MARKET DAYS FROM THE CLOSING DATE OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED OR ALLOWED BY BURSA SECURITIES.

YOU SHOULD NOTE THAT ALL RSF AND REMITTANCES SO LODGED WITH OUR SHARE REGISTRARS WILL BE IRREVOCABLE AND CANNOT SUBSEQUENTLY BE WITHDRAWN.

APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT. OUR BOARD RESERVES THE RIGHT AT ITS ABSOLUTE DISCRETION NOT TO ACCEPT ANY APPLICATION OR TO ACCEPT ANY APPLICATION IN PART ONLY WITHOUT ASSIGNING ANY REASON THEREFOR.

IN RESPECT OF UNSUCCESSFUL OR LATE APPLICATIONS OR PARTIALLY SUCCESSFUL APPLICATIONS, THE FULL AMOUNT OR THE SURPLUS APPLICATION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED WITHOUT INTEREST BY ORDINARY POST TO THE ADDRESS AS SHOWN ON OUR RECORD OF DEPOSITORS (AT YOUR OWN RISK) WITHIN 15 MARKET DAYS FROM THE CLOSING DATE.

ALL RIGHTS SHARES TO BE ISSUED PURSUANT TO THE RIGHTS ISSUE WILL BE ALLOTTED BY WAY OF CREDITING THE RIGHTS SHARES INTO THE CDS ACCOUNTS OF THE ENTITLED SHAREHOLDERS AND/OR THEIR RENOUNCEES (IF APPLICABLE). NO PHYSICAL SHARE CERTIFICATES WILL BE ISSUED.

If the acceptance of and payment for the Provisional Rights Shares allotted to you (whether in full or in part) are not received by our Share Registrars **by the Closing Date**, the Provisional Rights Shares to you or remainder thereof (as the case may be) will be deemed to have been declined and will be cancelled. Proof of time of postage shall not constitute proof of time of receipt by our Share Registrars.

Our Board will then have the right to allot such Rights Shares not taken up or cannot be taken up or not validly taken up to applicants applying for the Excess Rights Shares in the manner as set out in Section 11.5 of this Abridged Prospectus.

11.3 Procedures for part acceptance

You are always entitled to accept part of your entitlement to the Provisional Rights Shares PROVIDED ALWAYS that:

(i) the minimum number of Rights Shares that may be accepted is 1 Rights Share; and

(ii) any part acceptances shall be in the multiple of 1 Rights Share.

You must complete both **Part I** of the RSF by specifying the number of Provisional Rights Shares which you are accepting (in the stipulated multiples) and **Part III** of the RSF and deliver the completed and signed RSF together with the relevant payment to our Share Registrars in the same manner as set out in Section 11.2 of this Abridged Prospectus.

YOU ARE ADVISED TO READ AND ADHERE STRICTLY TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF.

11.4 Procedures for the sale or transfer of the Provisional Rights Shares

Subject to the restrictions on the offering, selling and transfer applicable to the Provisional Rights Shares and the Rights Shares as set out in **Appendix III** of this Abridged Prospectus, as well as the provisions of Section 11.8 of this Abridged Prospectus, as the Provisional Rights Shares are prescribed securities, should you wish to sell or transfer, all or part of your entitlement to the Provisional Rights Shares to 1 or more persons, you may do so through your stockbroker for the period up to the last date and time for the sale or transfer of the Provisional Rights Shares (in accordance with the Rules of Bursa Depository) without first having to request for a split of the Provisional Rights Shares standing to the credit of your CDS Account. You may sell such entitlement on Bursa Securities for the period up to the last date and time for the sale of the Provisional Rights Shares (in accordance with the Rules of Bursa Depository) or transfer such entitlement to such persons as may be allowed under the Rules of Bursa Depository for the period up to the last date and time for the transfer of the Provisional Rights Shares (in accordance with the Rules of Bursa Depository).

YOU ARE ADVISED TO READ AND ADHERE STRICTLY TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF. IN SELLING OR TRANSFERRING ALL OR PART OF YOUR PROVISIONAL RIGHTS SHARES, YOU ARE NOT REQUIRED TO DELIVER ANY DOCUMENT, INCLUDING THE RSF, TO ANY STOCKBROKER. YOU ARE HOWEVER ADVISED TO ENSURE THAT YOU HAVE SUFFICIENT NUMBER OF PROVISIONAL RIGHTS SHARES STANDING TO THE CREDIT OF YOUR CDS ACCOUNT BEFORE SELLING OR TRANSFERRING.

If you have sold or transferred only part of the Provisional Rights Shares, you may still accept the balance of the Provisional Rights Shares not sold or transferred by completing **Parts I and III** of the RSF and forwarding the RSF together with the appropriate remittance in RM for the **FULL** and **EXACT** amount payable for the balance of the Provisional Rights Shares accepted, to our Share Registrars in accordance with the instructions as set out in Section 11.2 of this Abridged Prospectus.

YOU SHOULD NOTE THAT ALL RSF AND REMITTANCES SO LODGED WITH OUR SHARE REGISTRARS WILL BE IRREVOCABLE AND CANNOT SUBSEQUENTLY BE WITHDRAWN.

11.5 Procedures for application for the Excess Rights Shares

If you are an Entitled Shareholder, you and/or your renouncees (if applicable) may apply for the Excess Rights Shares in addition to your Provisional Rights Shares. If you wish to do so, please complete **Part II** of the RSF (in addition to **Parts I and III**) and forward it (together with a **separate remittance** made in RM for the **FULL** and **EXACT** amount payable in respect of the Excess Rights Shares applied for) using the envelope provided (at your own risk) to our Share Registrars at the address as set out in Section 11.2 of this Abridged Prospectus, so as to arrive **by the Closing Date**.

Payment for the Excess Rights Shares applied for should be made in the same manner described in Section 11.2 of this Abridged Prospectus, except that the **Banker's Draft or Cashier's Order or Money Order or Postal Order** drawn on a bank or post office in Malaysia be made payable to "**BUMI ARMADA EXCESS RIGHTS ACCOUNT**", crossed "**ACCOUNT PAYEE ONLY**" and endorsed on the reverse side with your name, address and CDS Account number in block letters to be received by our Share Registrars **by the Closing Date**. The payment must be made for the **FULL** and **EXACT** amount payable for the Excess Rights Shares applied for. Any excess or insufficient payment may be rejected at the absolute discretion of our Board. Cheques or other modes of payment not prescribed herein are not acceptable. **Details of the remittances must be filled in the appropriate boxes provided in the RSF.**

It is the intention of our Board to allot the Excess Rights Shares, if any, in a fair and equitable manner to the Entitled Shareholders and/or their renouncees (if applicable) who have applied for the Excess Rights Shares in the following order of priority:

(i) firstly, to minimise the incidence of odd lots; and

(ii) thereafter, on a pro-rata basis to the Entitled Shareholders and/or their renouncees (if applicable) (save for the Excluded Parties) who have applied for the Excess Rights Shares, based on their entitlements (including those Provisional Rights Shares purchased by or transferred to the renouncees for the period up to the last date and time for the sale and transfer of the Provisional Rights Shares) on a board lot basis (subject to the number of Excess Rights Shares applied for).

Nevertheless, our Board reserves the right to allot any Excess Rights Shares applied for in such manner as it deems fit and expedient, and in the best interest of our Company, subject always to such allocation being made on a fair and equitable basis, and that the intention of our Board as set out in the basis of allotment of the Excess Rights Shares above is achieved. Our Board also reserves the right at its absolute discretion to accept any application for the Excess Rights Shares, in full or in part, without assigning any reason therefor.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR THE APPLICATION MONIES WILL BE MADE BY OUR COMPANY OR OUR SHARE REGISTRARS IN RESPECT OF THE EXCESS RIGHTS SHARES. HOWEVER, IF YOUR APPLICATION IS SUCCESSFUL, YOU WILL BE ALLOTTED WITH THE EXCESS RIGHTS SHARES, AND A NOTICE OF ALLOTMENT WILL BE ISSUED AND DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS AS SHOWN ON OUR RECORD OF DEPOSITORS (AT YOUR OWN RISK) WITHIN 8 MARKET DAYS FROM THE CLOSING DATE OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED OR ALLOWED BY BURSA SECURITIES.

APPLICATIONS FOR THE EXCESS RIGHTS SHARES SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT. OUR BOARD RESERVES THE RIGHT AT ITS ABSOLUTE DISCRETION NOT TO ACCEPT ANY SUCH APPLICATION OR TO ACCEPT ANY SUCH APPLICATION IN PART ONLY WITHOUT ASSIGNING ANY REASON THEREFOR.

IN RESPECT OF UNSUCCESSFUL OR LATE APPLICATIONS OR PARTIALLY SUCCESSFUL APPLICATIONS FOR THE EXCESS RIGHTS SHARES, THE FULL AMOUNT OR THE SURPLUS APPLICATION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED WITHOUT INTEREST BY ORDINARY POST TO THE ADDRESS AS SHOWN ON OUR RECORD OF DEPOSITORS (AT THE APPLICANT'S OWN RISK) WITHIN 15 MARKET DAYS FROM THE CLOSING DATE.

11.6 Procedures for acceptance by renouncees

The procedures applicable to renouncees for acceptance, selling and/or transferring of the Provisional Rights Shares, applying for the Excess Rights Shares, payment and/or CDS Account are the same as those which are applicable to the Entitled Shareholders as described in Sections 11.2, 11.3, 11.4, 11.5 and 11.7 of this Abridged Prospectus and in the RSF. Please refer to the relevant sections for the procedures to be followed.

If you wish to obtain a copy of this Abridged Prospectus and/or accompanying RSF, you may obtain for the same from your stockbroker, our Share Registrars or Bursa Securities' website at http://www.bursamalaysia.com.

RENOUNCEES ARE ADVISED TO READ AND ADHERE STRICTLY TO THIS ABRIDGED PROSPECTUS AND THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF.

11.7 CDS Account

Bursa Securities has already prescribed our Shares listed on the Main Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the Rights Shares are prescribed securities and as such, all dealings in the Rights Shares will be by book entry through a CDS Account and shall be governed by the SICDA and the Rules of Bursa Depository. You must have a valid and subsisting CDS Account in order to subscribe for the Rights Shares. Failure to comply with these specific instructions for application or inaccuracy in the CDS Account number may result in your application being rejected.

Your subscription for the Rights Shares shall constitute consent to receive such Rights Shares as prescribed securities which will be credited directly into your CDS Account. No physical share certificates will be issued to you.

Any person who intends to subscribe for the Rights Shares as a renouncee by purchasing the Provisional Rights Shares from an Entitled Shareholder will have his Rights Shares credited directly as prescribed securities into his CDS Account.

All Excess Rights Shares, if allotted to the successful applicants who apply for the Excess Rights Shares, will be credited directly into the CDS Accounts of the successful applicants.

If you have multiple CDS Accounts into which the Provisional Rights Shares have been credited, you cannot use a single RSF to apply for all these Provisional Rights Shares. Separate RSFs must be used for separate CDS Accounts. If successful, the Rights Shares that you applied for will be credited into the respective CDS Accounts into which the Provisional Rights Shares have been credited.

11.8 Procedures for acceptance and application by the Foreign Addressed Shareholders and shareholders and renouncees who are subject to the laws of foreign countries or jurisdictions

The Documents have not been, and will not be made to, comply with the laws of any country or jurisdiction other than Malaysia, and have not been, and will not be, lodged, registered or approved pursuant to or under any applicable securities or equivalent legislation (or with or by any regulatory authority or other relevant body) of any country or jurisdiction other than Malaysia.

The distribution of the Documents, as well as the acceptance of the Provisional Rights Shares, the application for the Excess Rights Shares and the subscription for or the acquisition of the Rights Shares may be restricted or prohibited (either absolutely or subject to various relevant securities requirements, whether legal or administrative, being complied with) in certain countries or jurisdictions under the relevant laws of those countries or jurisdictions.

The Documents are not intended to be, and will not be, issued, circulated or distributed, and the Rights Issue will not be made or offered or deemed made or offered, in any country or jurisdiction other than Malaysia or to persons who are or may be subject to the laws of any country or jurisdiction other than the laws of Malaysia. The Rights Issue to which this Abridged Prospectus relates is only available to persons receiving the Documents within Malaysia.

As a result, the Documents have not been, and will not be, sent to our Foreign Addressed Shareholders. However, the Foreign Addressed Shareholders may collect the Documents from our Share Registrars in Malaysia, Symphony Share Registrars Sdn Bhd, at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia, who is entitled to request such evidence as they deem necessary to satisfy themselves as to the identity and authority of the person collecting the Documents.

If you are a shareholder outside Malaysia, you are eligible to accept or apply for the Rights Shares only if you are not an Excluded Party (as defined in Section 2.3 of this Abridged Prospectus), and our Company will not make or be bound to make any enquiry as to whether you have an address or address for service in Malaysia other than as stated in our Record of Depositors on the Entitlement Date or other than as stated in the RSF, and will not accept or be deemed to accept any liability whether or not any enquiry or investigation is made in connection therewith.

To the extent you accept your Provisional Rights Shares and/or apply for the Excess Rights Shares, your acceptance of the terms thereof will be deemed to be in compliance with the Rights Issue and not in breach of the laws of any country or jurisdiction. To the extent you accept your Provisional Rights Shares and/or apply for the Excess Rights Shares, you will be deemed to have accepted the Rights Issue in Malaysia and be subject to the laws of Malaysia with respect thereto.

Any Entitled Shareholder (and in particular any Foreign Addressed Shareholder) and/or his renouncees (if applicable) may only accept or renounce all or any part of his entitlements and exercise any other rights in respect of the Rights Issue if he is not an Excluded Party (as defined in Section 2.3 of this Abridged Prospectus), and provides us with his Malaysian address in the RSF to the extent that it would be lawful to do so under the laws of any country or jurisdiction, and to the extent that we or our affiliates, our Directors and officers, the Joint Principal Advisers, the Joint Global Coordinators, the Joint Underwriters, and the Co-Manager, or any of their respective directors and officers or affiliates, and/or any other persons involved in the Rights Issue (collectively, the "**Parties**"), would not, in connection with the Rights Issue, be in breach of the laws of any country or jurisdiction to which that Foreign Addressed Shareholder and/or his renouncees (if applicable) is or might be subject. All Entitled Shareholders and/or their renouncees (if applicable) shall be solely responsible to seek advice from their legal and/or professional advisers as to the laws of the countries or jurisdictions to which they are or might be subject. The Parties shall not accept any responsibility or liability whatsoever in the event any acceptance or renunciation made by any Entitled Shareholder and/or his renouncees (if applicable) is or shall become illegal, unenforceable, voidable or void in any such country or jurisdiction. Such Entitled Shareholders and/or their renouncees (if applicable) will also have no claims whatsoever against the Parties in respect of their entitlements or to any proceeds thereof.

We reserve the right, at our absolute discretion, to treat any acceptance as invalid, if we believe or have reason to believe that such acceptance may violate applicable legal or regulatory requirements in any country or jurisdiction outside Malaysia. The Provisional Rights Shares relating to any acceptance which is treated as invalid will be included in the pool of the Excess Rights Shares available for excess application by other Entitled Shareholders and/or their renouncees (if applicable). Shareholders outside Malaysia are also advised to take note of the "**Offering, Selling and Transfer Restrictions**" as set out in **Appendix III** of this Abridged Prospectus for further information.

Any envelope containing an RSF from an accepting shareholder, renouncee or subscribing applicant and post-marked from the United States may not be accepted unless we have received a signed U.S. Investor Representation Letter on or before the Closing Date (with a copy to the Joint Global Coordinators and the Joint Underwriters) from such persons, subject to the terms and conditions for acceptance as set out in this Section. Similarly, any RSF in which the accepting shareholder, renouncee or subscribing applicant requests for the Rights Shares to be issued in registered form, or credited into a securities account and which gives an address in the United States, will not be accepted. Any payment made in respect of any RSF that does not meet the foregoing criteria will be returned without interest by ordinary post to the address as shown on our Record of Depositors (at the applicant's own risk) within 15 Market Days from the Closing Date.

No shareholder or person acting for the account or benefit of any such person, or any other person, shall have any claims whatsoever against any of the Parties.

In addition, each person, by accepting the delivery of the Documents, accepting any Provisional Rights Shares by signing any of the forms accompanying this Abridged Prospectus, or subscribing for or acquiring the Rights Shares, will be deemed to have represented, warranted, acknowledged and agreed in favour of (and which representations, warranties, acknowledgements and agreements will be relied upon by) the Parties as follows:

(i) the Parties would not, by acting on the acceptance or renunciation in connection with the Rights Issue, be in breach of the laws of any country or jurisdiction to which the Entitled Shareholder and/or his renouncees (if applicable) are or may be subject;

(ii) that person is not an Excluded Party (as defined in Section 2.3 of this Abridged Prospectus), and has complied with the laws to which he and/or his renouncees (if applicable) is or may be subject to in connection with the acceptance or renunciation;

(iii) that person is not a nominee or agent of a person in respect of whom the Parties would, by acting on the acceptance or renunciation, be in breach of the laws of any country or jurisdiction to which that person is or may be subject to;

(iv) that person is aware that his Provisional Rights Shares can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;

(v) that person has obtained a copy of this Abridged Prospectus and understands the contents of this Abridged Prospectus, and had relied on his own evaluation to assess the merits and risks of the investment; and

(vi) that person has sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing for or purchasing the Rights Shares, and is and will be able, and is prepared to bear the economic and financial risks of investing in and holding the Rights Shares.

Notwithstanding the foregoing, the Right Issue is not, and under no circumstances is to be construed as an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale or purchase of securities in any country or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such country or jurisdiction.

The Provisional Rights Shares and the Rights Shares have not been and will not be registered under the U.S. Securities Act or the laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, within the United States the Provisional Rights Shares may only be accepted, and the Rights Shares may only be offered, taken up, subscribed, acquired, sold, resold, pledged, transferred or delivered, directly or indirectly, in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws, by or to, Entitled QIBs who have provided our Company a signed U.S. Investor Representation Letter (and such U.S. Investor Representation Letter has been accepted by our Company) on or before the Closing Date (with a copy to the Joint Global Coordinators and the Joint Underwriters). Please refer to **Appendix III** of this Abridged Prospectus entitled "**Offering, Selling and Transfer Restrictions**" for further information. Our Company reserves absolute discretion in determining whether to allow such participation as well as the identity of the persons who may be allowed to do so.

NOTWITHSTANDING ANYTHING HEREIN, THE SHAREHOLDERS OUTSIDE MALAYSIA AND ANY OTHER PERSON HAVING POSSESSION OF THIS ABRIDGED PROSPECTUS AND/OR ITS ACCOMPANYING DOCUMENTS ARE ADVISED TO INFORM THEMSELVES OF AND TO OBSERVE ANY LEGAL REQUIREMENTS APPLICABLE THERETO. NO PERSON IN ANY COUNTRY OR JURISDICTION OUTSIDE OF MALAYSIA RECEIVING THIS ABRIDGED PROSPECTUS AND/OR ITS ACCOMPANYING DOCUMENTS MAY TREAT THE SAME AS AN OFFER, INVITATION OR SOLICITATION TO SUBSCRIBE FOR OR ACQUIRE ANY RIGHTS SHARES UNLESS SUCH OFFER, INVITATION OR SOLICITATION COULD LAWFULLY BE MADE WITHOUT COMPLIANCE WITH ANY REGISTRATION OR OTHER REGULATORY OR LEGAL REQUIREMENTS IN SUCH COUNTRY OR JURISDICTION.

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12. OTHER CORPORATE EXERCISES APPROVED BUT PENDING COMPLETION

Save as disclosed below and save for the Bonus Issue and the Rights Issue, there are no other corporate exercises which have been approved by regulatory authorities but are pending completion as at the LPD:

(i) On 26 March 2014, we announced that our wholly-owned subsidiary, BACM, received authorisation from the SC for the establishment of the Sukuk Programme and the issuance of Sukuk Murabahah thereunder.

Further, on 12 June 2014, we announced that BACM and our Company had, on even date, entered into documentation for the establishment of the Sukuk Programme.

BACM intends to use the proceeds raised from the Sukuk Programme for Shariah compliant purposes; (a) to finance the capital expenditure, working capital, general funding and financing requirements and general corporate purposes of our Group, including start-up and investment costs for our Group's projects; (b) to refinance our Group's indebtedness (including Islamic financing); and (c) to finance profit, fees and expenses relating to the Sukuk Programme and the Sukuk Murabahah.

The Sukuk Programme will provide BACM with the flexibility to raise funds via the issuance of Sukuk Murabahah from time to time, with varying tenors to meet the requirements of our Group as set out above. As at the LPD, no Sukuk Murabahah has been issued yet under the Sukuk Programme; and

(ii) On 13 August 2013, we announced that our wholly-owned subsidiary, BACOL, had on 6 August 2013, entered into documentation for the establishment of the EMTN Programme.

An application has been made to the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for permission to deal in, and for quotation of, any medium term notes ("**Notes**") that may be issued pursuant to the EMTN Programme and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. An application may also be submitted to Bursa Securities for listing of the Notes under the Exempt Regime. The Notes to be issued under the EMTN Programme may be listed on Bursa Securities and, if so listed, will not be quoted for trading. As at the LPD, no Notes have been issued yet under the EMTN Programme.

13. TERMS AND CONDITIONS

The issuance of the Rights Shares pursuant to the Rights Issue is governed by the terms and conditions as set out in the Documents.

14. FURTHER INFORMATION

You are advised to refer to the attached appendices for further information.

Yours faithfully
for and on behalf of the Board of
Bumi Armada Berhad

Hassan Assad Basma
Executive Director/Chief Executive Officer

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CERTIFIED TRUE COPY OF THE EXTRACT OF THE ORDINARY RESOLUTIONS PERTAINING TO THE BONUS ISSUE AND THE RIGHTS ISSUE PASSED AT OUR EGM CONVENED ON 8 JULY 2014

BUMIARMADA

BUMI ARMADA BERHAD (370398-X)

(Incorporated in Malaysia)

CERTIFIED TRUE EXTRACT OF MINUTES OF EXTRAORDINARY GENERAL MEETING OF THE COMPANY HELD ON 8 JULY 2014 AT CONFERENCE HALL 2, LEVEL 3, KUALA LUMPUR CONVENTION CENTRE, KUALA LUMPUR CITY CENTRE, 50088 KUALA LUMPUR

RESOLVED:

Ordinary Resolution 1 - Proposed increase in the authorised share capital of Bumi Armada Berhad ("Bumi Armada" or "Company") from RM800,000,000 comprising 4,000,000,000 ordinary shares of RM0.20 each in Bumi Armada ("Shares") to RM2,000,000,000 comprising 10,000,000,000 shares ("Proposed IASC")

Proposed amendment to the Memorandum of Association of Bumi Armada ("Proposed Amendment")

THAT, the authorised share capital of the Company be increased from RM800,000,000 comprising 4,000,000,000 Shares to RM2,000,000,000 comprising 10,000,000,000 Shares;

THAT, Clause 6 of the Memorandum of Association of the Company shall be amended to read as "The share capital of the Company is **RM2,000,000,000.00** divided into **10,000,000,000** ordinary shares of RM0.20 each. The shares in the original or any increased capital may be divided into several classes and there may be attached thereto respectively any preferential, deferred or other special rights, privileges or conditions or restrictions as to dividends, capital, voting or otherwise." in substitution for the existing Clause 6 of the Memorandum of Association of the Company;

AND THAT, authority be and is hereby given to the Directors of the Company to sign and execute on behalf of the Company all necessary documents and to do all things and acts as may be required to give full effect to the Proposed IASC and the Proposed Amendment with full power to assent to any condition, variation, modification and/or amendment in any manner as may be required or permitted by the relevant authorities and to deal with all matters relating thereto and to take all such steps and to do all such acts and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the Proposed IASC and the Proposed Amendment.

Ordinary Resolution 2 – Proposed Bonus Issue of up to 1,479,238,150 new ordinary shares of RM0.20 each in Bumi Armada Berhad ("Bumi Armada" or "Company") ("Shares") ("Bonus Shares") on the basis of one (1) bonus share for every two (2) existing shares held by the entitled shareholders of Bumi Armada, on an entitlement date to be determined and announced later ("Proposed Bonus Issue")

THAT, subject to the passing of Ordinary Resolutions 1 and 3, the approval of Bursa Malaysia Securities Berhad ("**Bursa Securities**") for the listing of and quotation for the Bonus Shares on the Main Market of Bursa Securities and the approvals of any other relevant authorities and/or parties (if required), approval and authority be and is hereby given for and to the Directors of the Company ("**Directors**") to capitalise up to RM295,847,630 from the Company's share premium account for the purpose of the Proposed Bonus Issue;

CERTIFIED TRUE COPY OF THE EXTRACT OF THE ORDINARY RESOLUTIONS PERTAINING TO THE BONUS ISSUE AND THE RIGHTS ISSUE PASSED AT OUR EGM CONVENED ON 8 JULY 2014 *(Cont'd)*

BUMIARMADA

THAT, the Directors are hereby authorised to apply such capitalised sums to pay for in full the nominal value of RM0.20 per Bonus Share for up to 1,479,238,150 Bonus Shares and for such Bonus Shares to be allotted, issued and credited as fully paid-up, to the Entitled Shareholders (as defined in the Circular to shareholders of the Company dated 23 June 2014) on the basis of one (1) Bonus Share for every two (2) existing Shares held;

THAT, any fractional entitlements of the Bonus Shares arising from the Proposed Bonus Issue shall be dealt with in such manner as the Directors in their absolute discretion think fit and expedient, and in the best interest of the Company;

THAT, the Bonus Shares shall, upon allotment and issuance, rank equally in all respects with the then existing Shares, save and except that the Bonus Shares shall not be entitled to any dividend, right, allotment and/or other distribution which may be declared, made or paid to the shareholders of Bumi Armada, the entitlement date of which is prior to the date of allotment and issuance of the Bonus Shares;

AND THAT, authority be and is hereby given to the Directors to sign and execute on behalf of the Company all necessary documents and to do all things and acts as may be required to give full effect to the Proposed Bonus Issue with full power to assent to any condition, variation, modification and/or amendment in any manner as may be required or permitted by the relevant authorities and to deal with all matters relating thereto and to take all such steps and to do all such acts and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the Proposed Bonus Issue.

Ordinary Resolution 3 – Proposed Renounceable Rights Issue of up to 1,479,238,150 new ordinary shares of RM0.20 each in Bumi Armada Berhad ("Bumi Armada" or "Company") ("Shares") ("Rights Shares") on the basis of one (1) Rights Share for every two (2) existing shares held by the entitled shareholders of Bumi Armada, on an entitlement date to be determined and announced later ("Proposed Rights Issue")

"**THAT**, subject to the passing of Ordinary Resolution 1, the approval of Bursa Malaysia Securities Berhad ("**Bursa Securities**") for the listing of and quotation for the Rights Shares on the Main Market of Bursa Securities and the approvals of any other relevant authorities and/or parties (if required), the Directors of the Company ("**Directors**") be and are hereby authorised to offer, allot (whether provisionally or otherwise) and/or issue by way of a renounceable rights issue of up to 1,479,238,150 Rights Shares, to the Entitled Shareholders (as defined in the Circular to shareholders of the Company dated 23 June 2014 ("**Circular**")) and/or their renouncees, on the basis of one (1) Rights Share for every two (2) existing Shares held, at an issue price to be determined later (which shall not be lower than the Company's par value of RM0.20 each);

THAT, any fractional entitlements of the Rights Shares arising from the Proposed Rights Issue shall be dealt with in such manner as the Directors in their absolute discretion think fit and expedient, and in the best interest of the Company (including, without limitation, to disregard such fractional entitlements, if any, and to include such fractional entitlements in the pool of excess Rights Shares to be made available for excess applications);

BUMIARMADA

THAT, the Rights Shares shall, upon allotment and issuance, rank equally in all respects with the then existing Shares, save and except that the Rights Shares shall not be entitled to any dividend, right, allotment and/or other distribution which may be declared, made or paid to the shareholders of Bumi Armada, the entitlement date of which is prior to the date of allotment and issuance of the Rights Shares;

THAT, the Directors be and are hereby authorised to make available Rights Shares which are not taken up or cannot be taken up or not validly taken up, including any fractional entitlements thereof, for excess applications in such manner as the Directors in their absolute discretion deem fit and expedient and in a fair and equitable manner, and thereafter (if applicable) for such excess Rights Shares to be taken up by the underwriters participating in the Proposed Rights Issue;

THAT, approval be and is hereby given for the proceeds for the Proposed Rights Issue to be utilised by the Company for the purposes as set out in Section 2.2.6 of the Circular, and the Directors be and are hereby authorised with full powers to vary the manner, timing and/or purpose of utilisation of such proceeds in such manner as the Directors shall in their absolute discretion think fit and in the best interest of the Company;

AND THAT, authority be and is hereby given to the Directors to sign and execute on behalf of the Company all necessary documents and to do all things and acts as may be required to give full effect to the Proposed Rights Issue with full power to assent to any condition, variation, modification and/or amendment in any manner as may be required or permitted by the relevant authorities and to deal with all matters relating thereto and to take all such steps to enter into all agreements, arrangements, undertakings, indemnities, transfers, assignments and guarantees with any party or parties and to do all such acts and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the Proposed Rights Issue.

CERTIFIED TRUE COPY

CHEW ANN NEE
Joint Company Secretary
MAICSA 7030413

DATED THIS 14 JULY 2014

INFORMATION ON OUR COMPANY

1. HISTORY OF OUR BUSINESS AND PRINCIPAL ACTIVITIES

Our Company was incorporated on 12 December 1995 as a public company limited by shares under the Act and was previously listed on 25 June 1997 on the then Main Board of the Kuala Lumpur Stock Exchange. We were subsequently delisted on 18 April 2003 following a mandatory take-over offer by OBSB. Our Company was subsequently relisted on the Main Market of Bursa Securities on 21 July 2011.

Our principal activities are investment holding and the provision of management services whilst our subsidiaries are principally involved in the provision of marine transportation, FPSO operations, vessel construction, engineering and maintenance services to offshore O&G companies.

We presently have operations in 18 countries across 5 continents, namely, Asia, Africa, South America, Europe and Australia.

Our firm orderbook as at 31 July 2014 amounted to RM21.4 billion. In addition, optional extensions, if fully exercised by customers, may amount to an additional revenue of up to RM11.5 billion. This excludes our Madura project for which the letter of intent was received from Husky-CNOOC Madura Limited ("**HCML**") dated 8 August 2014, which has an indicative contract value of RM3.8 billion with respect to the firm and option contract periods.

Main business units

We provide offshore O&G services via 4 main business units.

FPSO

We provide FPSO units, which are vessels (generally converted oil tankers) that are used for receiving and processing hydrocarbons and associated reservoir impurities sourced from remote offshore oil fields. According to the Floating Production Systems Outlook Report 2014 - 2018 issued by Energy Maritime Associates Pte Ltd in January 2014, we are the 5th largest FPSO operator globally. Details of our FPSO fleet as at the LPD are as follows:

FPSO name	Contract
Armada Perkasa	Currently deployed at the Okoro-Setu Field, Nigeria with contracted period until 30 June 2016 and annual extension options until 30 June 2018.
Armada Perdana	Currently deployed at the Oyo Field, Nigeria with minimum contracted period until 31 December 2020, with 2 annual extension options through to 2022.
Armada TGT 1	Currently deployed at the Te Giac Trang Field, Vietnam with minimum contracted period until July 2018 and annual extension options until 2026.
Armada Sterling	Currently deployed at the ONGC D1 field, offshore Mumbai, India, with minimum contracted period until April 2020 and annual extension options until April 2026.
Armada Claire	Currently deployed at the Balnaves field, offshore North West Australia, with minimum contracted period of 4 years with 4 annual extension options until 2022.
Armada Sterling II	Currently under conversion and will be deployed at the Cluster-7 field located on the west coast of Mumbai, offshore India, with minimum contracted period of 9 years with 7 annual extension options.
Armada Kraken	Currently under conversion and will be deployed at the Kraken Field, with minimum contracted period of 8 years with 17 annual extension options.

FPSO name	Contract
To be determined	Will convert an FPSO for deployment at Block 15/06, East Hub located offshore Angola, with minimum contracted period of 12 years with 8 annual extension options.
To be determined	Received a letter of intent from HCML dated 8 August 2014 and upon execution of a definitive contract, our Company will convert an FPSO for deployment at the Madura BD Field, located offshore Indonesia, with expected minimum contract period of 10 years with 5 annual extension options.

We have created a Gas Development and Technology unit to pursue opportunities in FSRU and FLNG solutions premised on the growing demand for such solutions globally.

OSV

We own and operate a modern fleet of 51 vessels making us one of the largest OSV owners and operators in South East Asia. Our fleet operates across Asia, the Middle East, West Africa and Latin America, providing AHTS/AHTs, MPSV/PSVs, accommodation vessels as well as other types of support vessels. As at 30 June 2014, our fleet has an average age of approximately 7 years. Our OSV fleet had a utilisation level of approximately 72% over the 3-month period from 1 April 2014 to 30 June 2014.

T&I

Our T&I business unit provides rigid/flexible pipelay, heavy lift, subsea installation, floater installation, mooring installation and marine spread support services. We own and operate a DLB, the Armada Installer, which has been under an 8-year contract to Petronas Carigali in the Caspian Sea off Turkmenistan since the second quarter of 2010. We have also added the Armada Hawk and the Armada Condor, both being DP2 MPSVs, and the Armada KP1 pipe-laying barge to our T&I fleet which expands our T&I services and capabilities.

OFS

OFS entails the provision of various specialised services required in the offshore production and mature/brownfield markets. These include, among others, well intervention services to increase asset recovery as well as brownfield and marginal field production solutions such as EOR.

Support units

In addition to our 4 main business units, we have 3 support units, namely, Major Projects, E&T and AMO.

Recent developments, milestones and key achievements

Since our initial public offering in 2011, some of our significant business milestones and achievements are as follows:

Year	Achievements/Milestones
2014	• OSV - Received letters of award from Interoil Angola Limitada, for the charter of 2 PSVs, Armada Tuah 306 and Armada Tuah 302, respectively. • FPSO - Execution of a time charter contract for an FPSO to be deployed at Block 15/06, East Hub located offshore Angola. • FPSO - Received a letter of intent from HCML wherein HCML has stated its intention to award a contract for the supply of an FPSO, to a consortium comprising BAOHL, our wholly-owned subsidiary and PT Armada Gema Nusantara for deployment at the Madura BD Field, located offshore Indonesia.
2013	• OSV - Awarded charter party contracts by OOO Lukoil-Niznevolzhskneft for the provision of 3 new built ice class vessels to service offshore platforms in the Filanovsky field in the Russian sector of the Caspian Sea. • FPSO - Execution of a bareboat charter contract and the O&M contract for an FPSO to be deployed at the Kraken Field. • FPSO - SP Armada Oil Exploration Private Limited (a joint venture between our Company and Shapoorji Pallonji and Company Limited) secured an FPSO Charter Contract from ONGC for Cluster-7 field located on the west coast of Mumbai, offshore India. • FPSO - Secured an extension of contracts for the bareboat charter and the O&M of FPSO Armada Perkasa in the Okoro-Setu field, Nigeria from Afren Energy Resources Limited.
2012	• T&I - Awarded an EPIC contract valued at approximately USD200 million by OAO Lukoil through its subsidiary, OOO Lukoil-Niznevolzhskneft for the Filanovsky field development in the Russian sector of the Caspian Sea. • OSV - Issued a letter of intent to Nam Cheong Dockyard Sdn Bhd to build 4 units of diesel-electric DP2 MPSV with an option to build 4 additional units at an approximate cost of USD130 million (excluding owner furnished equipment) under our Group's new build programme - Steel on Water 2.
2011	• FPSO - Secured a time charter contract from Apache for the development of an FPSO for the Balnaves field, offshore North West Australia.

2. SHARE CAPITAL

2.1 Authorised and issued and paid-up share capital

The authorised and issued and paid-up share capital of our Company as at the LPD are as follows:

	No. of Shares	Par value	Total
		RM	RM
Authorised share capital	10,000,000,000	0.20	2,000,000,000
Issued and paid-up	2,933,134,700	0.20	586,626,940

2.2 Changes in authorised and issued and paid-up share capital

The authorised share capital of our Company was increased from RM800,000,000 comprising 4,000,000,000 Shares to RM2,000,000,000 comprising 10,000,000,000 Shares on 8 July 2014.

Save as disclosed above, there has been no change in the authorised share capital of our Company for the past 3 years preceding the LPD.

The changes in the issued and paid-up share capital of our Company for the past 3 years preceding the LPD are as follows:

Date of allotment	No. of Shares alloted	Par value	Consideration	Cumulative issued and paid-up share capital
		RM		RM
19.07.2011	644,261,600	0.20	Cash pursuant to the initial public offering exercise	585,692,320
25.07.2012 to 20.08.2014	4,673,100	0.20	Cash pursuant to exercise of ESOS Options	586,626,940

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3. SUBSTANTIAL SHAREHOLDERS

For illustrative purposes, the proforma effects of the Bonus Issue and the Rights Issue on our substantial shareholders' shareholdings are set out below:

Minimum Scenario

	Existing as at 3 September 2014#				(I) After the Bonus Issue				(II) After (I) and the Rights Issue[9]			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
Name	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
OBSB	1,024,144,000	34.92	-	-	1,536,216,000	34.92	-	-	2,048,288,000	34.92	-	-
Ombak Damai Sdn Bhd ("**ODSB**")	225,277,700	7.68	-	-	337,916,550	7.68	-	-	450,555,400	7.68	-	-
Karisma Mesra Sdn Bhd ("**KMSB**")	157,519,100	5.37	-	-	236,278,650	5.37	-	-	315,038,200	5.37	-	-
Dato' Sri Mahamad Fathil bin Dato' Mahmood	750,000	0.03	(1)225,277,700	7.68	1,125,000	0.03	(1)337,916,550	7.68	1,500,000	0.03	(1)450,555,400	7.68
Dato' Ahmad Fuad bin Md Ali	300,000	0.01	(1)225,277,700	7.68	450,000	0.01	(1)337,916,550	7.68	600,000	0.01	(1)450,555,400	7.68
Datuk Abdul Farish bin Abd Rashid	125,000	*	(1)225,277,700	7.68	187,500	*	(1)337,916,550	7.68	250,000	*	(1)450,555,400	7.68
Saluran Abadi Sdn Bhd ("**SASB**")	-	-	(2)180,001,300	6.14	-	-	(2)270,001,950	6.14	-	-	(2)360,002,600	6.14
Farah Suhanah binti Ahmad Sarji	32,700	*	(3)180,001,300	6.14	49,050	*	(3)270,001,950	6.14	65,400	*	(3)360,002,600	6.14
Mutu Saluran Sdn Bhd ("**MSSB**")	-	-	(4)1,024,144,000	34.92	-	-	(4)1,536,216,000	34.92	-	-	(4)2,048,288,000	34.92
UTSB	-	-	(5)1,024,144,000	34.92	-	-	(5)1,536,216,000	34.92	-	-	(5)2,048,288,000	34.92
Pacific States Investment Limited ("**PSIL**")	-	-	(6)1,024,144,000	34.92	-	-	(6)1,536,216,000	34.92	-	-	(6)2,048,288,000	34.92

INFORMATION ON OUR COMPANY *(Cont'd)*

					(I)				(II)			
	Existing as at 3 September 2014#				After the Bonus Issue				After (I) and the Rights Issue(9)			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
Name	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Excorp Holdings N.V. ("**Excorp**")	-	-	(7)1,024,144,000	34.92	-	-	(7)1,536,216,000	34.92	-	-	(7)2,048,288,000	34.92
PanOcean Management Limited ("**PanOcean**")	-	-	(7)1,024,144,000	34.92	-	-	(7)1,536,216,000	34.92	-	-	(7)2,048,288,000	34.92
Ananda Krishnan Tatparanandam ("**TAK**")	-	-	(8)1,024,144,000	34.92	-	-	(8)1,536,216,000	34.92	-	-	(8)2,048,288,000	34.92
Employees Provident Fund Board	253,812,700	8.65	-	-	380,719,050	8.65	-	-	507,625,400	8.65	-	-
AmanahRaya Trustees Berhad - Skim Amanah Saham Bumiputera	217,003,800	7.40	-	-	325,505,700	7.40	-	-	434,007,600	7.40	-	-

Notes:

The separate illustrations for proforma (I) and proforma (II) are for ease of reference only. The Bonus Issue is conditional on the Rights Issue and as such, the Bonus Issue will be completed at the same time as the Rights Issue.

\# *Based on our Company's Register of Substantial Shareholders as at 3 September 2014.*

* *Negligible.*

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

(2) *Deemed interested by virtue of its shareholdings in the SASB subsidiaries, namely KMSB and Wijaya Baiduri Sdn Bhd (collectively, "**SASB Subsidiaries**") pursuant to Section 6A of the Act. The Shares held via the SASB Subsidiaries are held under discretionary trusts for Bumiputera objects. As such, SASB does not have any economic interest in the Shares held by the SASB Subsidiaries, as such interest is held subject to the terms of such discretionary trusts.*

INFORMATION ON OUR COMPANY *(Cont'd)*

***Notes** (cont'd):*

(3) Deemed interested 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 the SASB Subsidiaries, as such interest is held subject to the terms of the discretionary trusts for Bumiputera objects. See Note (2) above for SASB's deemed interest in the Shares.

(4) Deemed interested 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 all the Entitled Shareholders subscribe in full for their respective entitlements to the Rights Shares.

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Maximum Scenario

	Existing as at 3 September 2014#				(I) Assuming full exercise of all the Outstanding Options			
	Direct		Indirect		Direct		Indirect	
Name	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
OBSB	1,024,144,000	34.92	-	-	1,024,144,000	34.62	-	-
ODSB	225,277,700	7.68	-	-	225,277,700	7.61	-	-
KMSB	157,519,100	5.37	-	-	157,519,100	5.32	-	-
Dato' Sri Mahamad Fathil bin Dato' Mahmood	750,000	0.03	(1)225,277,700	7.68	750,000	0.03	(1)225,277,700	7.61
Dato' Ahmad Fuad bin Md Ali	300,000	0.01	(1)225,277,700	7.68	300,000	0.01	(1)225,277,700	7.61
Datuk Abdul Farish bin Abd Rashid	125,000	*	(1)225,277,700	7.68	125,000	*	(1)225,277,700	7.61
SASB	-	-	(2)180,001,300	6.14	-	-	(2)180,001,300	6.08
Farah Suhanah binti Ahmad Sarji	32,700	*	(3)180,001,300	6.14	32,700	*	(3)180,001,300	6.08
MSSB	-	-	(4)1,024,144,000	34.92	-	-	(4)1,024,144,000	34.62
UTSB	-	-	(5)1,024,144,000	34.92	-	-	(5)1,024,144,000	34.62
PSIL	-	-	(6)1,024,144,000	34.92	-	-	(6)1,024,144,000	34.62
Excorp	-	-	(7)1,024,144,000	34.92	-	-	(7)1,024,144,000	34.62
PanOcean	-	-	(7)1,024,144,000	34.92	-	-	(7)1,024,144,000	34.62
TAK	-	-	(8)1,024,144,000	34.92	-	-	(8)1,024,144,000	34.62
Employees Provident Fund Board	253,812,700	8.65	-	-	253,812,700	8.58	-	-
AmanahRaya Trustees Berhad - Skim Amanah Saham Bumiputera	217,003,800	7.40	-	-	217,003,800	7.33	-	-

Maximum Scenario *(cont'd)*

	(II)				(III)			
	After (I), and the Bonus Issue				After (II), and the Rights Issue[9]			
	Direct		Indirect		Direct		Indirect	
Name	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
OBSB	1,536,216,000	34.62	-	-	2,048,288,000	34.62	-	-
ODSB	337,916,550	7.61	-	-	450,555,400	7.61	-	-
KMSB	236,278,650	5.32	-	-	315,038,200	5.32	-	-
Dato' Sri Mahamad Fathil bin Dato' Mahmood	1,125,000	0.03	[1]337,916,550	7.61	1,500,000	0.03	[1]450,555,400	7.61
Dato' Ahmad Fuad bin Md Ali	450,000	0.01	[1]337,916,550	7.61	600,000	0.01	[1]450,555,400	7.61
Datuk Abdul Farish bin Abd Rashid	187,500	*	[1]337,916,550	7.61	250,000	*	[1]450,555,400	7.61
SASB	-	-	[2]270,001,950	6.08	-	-	[2]360,002,600	6.08
Farah Suhanah binti Ahmad Sarji	49,050	*	[3]270,001,950	6.08	65,400	*	[3]360,002,600	6.08
MSSB	-	-	[4]1,536,216,000	34.62	-	-	[4]2,048,288,000	34.62
UTSB	-	-	[5]1,536,216,000	34.62	-	-	[5]2,048,288,000	34.62
PSIL	-	-	[6]1,536,216,000	34.62	-	-	[6]2,048,288,000	34.62
Excorp	-	-	[7]1,536,216,000	34.62	-	-	[7]2,048,288,000	34.62
PanOcean	-	-	[7]1,536,216,000	34.62	-	-	[7]2,048,288,000	34.62
TAK	-	-	[8]1,536,216,000	34.62	-	-	[8]2,048,288,000	34.62
Employees Provident Fund Board	380,719,050	8.58	-	-	507,625,400	8.58	-	-
AmanahRaya Trustees Berhad - Skim Amanah Saham Bumiputera	325,505,700	7.33	-	-	434,007,600	7.33	-	-

INFORMATION ON OUR COMPANY *(Cont'd)*

Notes:

The separate illustrations for proforma (II) and proforma (III) are for ease of reference only. The Bonus Issue is conditional on the Rights Issue and as such, the Bonus Issue will be completed at the same time as the Rights Issue.

\# *Based on our Company's Register of Substantial Shareholders as at 3 September 2014.*

* *Negligible.*

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

(2) *Deemed interested by virtue of its shareholdings in the SASB Subsidiaries pursuant to Section 6A of the Act. The Shares held via the SASB Subsidiaries are held under discretionary trusts for Bumiputera objects. As such, SASB does not have any economic interest in the Shares held by the SASB Subsidiaries, as such interest is held subject to the terms of such discretionary trusts.*

(3) *Deemed interested 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 the SASB Subsidiaries, as such interest is held subject to the terms of the discretionary trusts for Bumiputera objects. See Note (2) above for SASB's deemed interest in the Shares.*

(4) *Deemed interested 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 all the Entitled Shareholders subscribe in full for their respective entitlements to the Rights Shares.*

4. DIRECTORS

4.1 Particulars of Directors

The details of our Directors as at the LPD are as follows:

Name	Address	Age	Nationality	Profession
Tunku Ali Redhauddin ibni Tuanku Muhriz *(Independent Non-Executive Chairman)*	Istana Munarah Jalan Tun Dr. Ismail 70200 Seremban Negeri Sembilan Darul Khusus Malaysia	37	Malaysian	Company Director
Saiful Aznir bin Shahabudin *(Independent Non-Executive Director)*	8B-2-3A Sri Murni Condominium 8, Lorong Kota Empat Bukit Ledang 50480 Kuala Lumpur Malaysia	54	Malaysian	Company Director
Alexandra Elisabeth Johanna Maria Schaapveld *(Independent Non-Executive Director)*	Jacob Obrechtstraat 67 1071 KJ Amsterdam The Netherlands	55	Dutch	Company Director
Chan Chee Beng *(Non-Independent Non-Executive Director)*	3, Jalan TR 6/1 Tropicana Golf & Country Club 47410 Petaling Jaya Selangor Darul Ehsan Malaysia	58	Malaysian	Company Director
Maureen Toh Siew Guat *(Non-Independent Non-Executive Director)*	10-7 Sutramas, No. 3 Jalan Dutamas Melati Off Jalan Dutamas Raya Segambut 51200 Kuala Lumpur Malaysia	48	Malaysian	Group General Counsel of UTSB
Hassan Assad Basma *(Executive Director/Chief Executive Officer)*	A2-17-2 St Mary Residences Tower A No. 1, Jalan Tengah 50250 Kuala Lumpur Malaysia	58	Dutch	Executive Director
Shaharul Rezza bin Hassan *(Executive Director/Head of Offshore Support Vessels Business)*	No. 2, Jalan Puncak Kiara 3 Kiara View Desa Sri Hartamas 50480 Kuala Lumpur Malaysia	43	Malaysian	Executive Director

4.2 Directors' shareholdings

As at the LPD, the proforma effects of the Bonus Issue and the Rights Issue on our Directors' shareholdings are set out below:

Minimum Scenario

					(I)				(II)			
	Existing as at the LPD[(1)]				After the Bonus Issue				After (I) and the Rights Issue[(2)]			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
Name	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Tunku Ali Redhauddin ibni Tuanku Muhriz	10,000	*	-	-	15,000	*	-	-	20,000	*	-	-
Saiful Aznir bin Shahabudin	813,000	0.03	-	-	1,219,500	0.03	-	-	1,626,000	0.03	-	-
Alexandra Elisabeth Johanna Maria Schaapveld	600,000	0.02	-	-	900,000	0.02	-	-	1,200,000	0.02	-	-
Chan Chee Beng	750,000	0.03	-	-	1,125,000	0.03	-	-	1,500,000	0.03	-	-
Maureen Toh Siew Guat	-	-	-	-	-	-	-	-	-	-	-	-
Hassan Assad Basma	9,000,000	0.31	-	-	13,500,000	0.31	-	-	18,000,000	0.31	-	-
Shaharul Rezza bin Hassan	-	-	-	-	-	-	-	-	-	-	-	-

Notes:

* *Negligible.*

(1) *Based on our Company's Register of Directors' Shareholdings.*

(2) *Assuming all our Directors subscribe in full for their respective entitlements to the Rights Shares.*

INFORMATION ON OUR COMPANY *(Cont'd)*

Maximum Scenario

					(I)				(II)				(III)			
	Existing as at the LPD[1]				Assuming full exercise of all the Outstanding Options				After (I) and the Bonus Issue				After (II) and the Rights Issue[2]			
	Direct		Indirect		Direct		Indirect		Direct		Indirect		Direct		Indirect	
Name	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Tunku Ali Redhauddin ibni Tuanku Muhriz	10,000	*	-	-	10,000	*	-	-	15,000	*	-	-	20,000	*	-	-
Saiful Aznir bin Shahabudin	813,000	0.03	-	-	813,000	0.03	-	-	1,219,500	0.03	-	-	1,626,000	0.03	-	-
Alexandra Elisabeth Johanna Maria Schaapveld	600,000	0.02	-	-	600,000	0.02	-	-	900,000	0.02	-	-	1,200,000	0.02	-	-
Chan Chee Beng	750,000	0.03	-	-	750,000	0.03	-	-	1,125,000	0.03	-	-	1,500,000	0.03	-	-
Maureen Toh Siew Guat	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Hassan Assad Basma	9,000,000	0.31	-	-	18,400,000	0.62	-	-	27,600,000	0.62	-	-	36,800,000	0.62	-	-
Shaharul Rezza bin Hassan	-	-	-	-	3,150,000	0.11	-	-	4,725,000	0.11	-	-	6,300,000	0.11	-	-

Notes:

* *Negligible.*

(1) *Based on our Company's Register of Directors' Shareholdings.*

(2) *Assuming all our Directors subscribe in full for their respective entitlements to the Rights Shares.*

5. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATED COMPANY

Our subsidiaries and joint ventures as at the LPD are as follows:

Name	Date and country of incorporation	Issued and paid-up share capital	Our effective interest	Principal activities
			%	
Our direct subsidiaries				
Armada Balnaves Pte Ltd	18.02.2011 Singapore	SGD2	100.00	Ship owners, charterers, managers of ships and vessels, marine support and other services to offshore O&G companies
Armada Floating Solutions Limited	10.05.2007 BVI	USD10,000	100.00	Bareboat charter of an FPSO unit
Armada Mahakam Limited	03.05.2005 BVI	USD10,000	100.00	Ship owners, charterers, managers of ships and vessels, marine support and other services to offshore O&G companies
Armada Marine Contractors Caspian Ltd ("**AMCC**")	25.09.2008 BVI	USD10,000	100.00	Ship owners, charterers, managers of ships and vessels, marine support and other services to offshore O&G companies
Armada Offshore DMCEST	26.02.2008 Dubai, UAE	AED1,000,000	100.00	Dormant
Armada Oyo Ltd	04.03.2008 BVI	USD10,000	100.00	Bareboat charter of an FPSO unit
Armada Ship Management (S) Pte Ltd	01.12.2010 Singapore	SGD2	100.00	Ship owners, charterers, managers of ships and vessels, marine support and other services to offshore O&G companies
Armada TGT Ltd	28.10.2009 Marshall Islands	USD10,000	100.00	Ship owners, charterers, managers of ships and vessels, marine support and other services to offshore O&G companies
Armada Kamelia Sdn Bhd ("**AKSB**")	23.08.2011 Malaysia	RM2	100.00	Investment holding
Bumi Armada (Labuan) Ltd	10.08.2007 Federal Territory of Labuan, Malaysia	USD1	100.00	Leasing of vessels on time charter basis
Bumi Armada (Singapore) Pte Ltd ("**BASPL**")	21.12.2004 Singapore	SGD50,000	100.00	Chartering and O&M of FPSO

INFORMATION ON OUR COMPANY *(Cont'd)*

Name	Date and country of incorporation	Issued and paid-up share capital	Our effective interest	Principal activities
			%	
Bumi Armada Automation International Sdn Bhd	05.11.1987 Malaysia	RM1,600,000 ordinary shares; RM160,000 redeemable cumulative preference shares	100.00	Investment holding and provision of management services to its holding and related companies
Bumi Armada Engineering Sdn Bhd	03.05.1993 Malaysia	RM100,000	100.00	Provision of engineering consultancy services
Bumi Armada Navigation Sdn Bhd ("**BAN**")	24.06.1977 Malaysia	RM10,220,000 ordinary shares; RM900,000 redeemable preference shares	94.80	Provision of marine transportation, and support services to offshore O&G companies and vessel construction
BAOHL	17.06.2010 Marshall Islands	USD10,000	100.00	Ship owners, charterers, managers of ships and vessels, marine support and other services to offshore O&G companies
Bumi Armada Russia Holdings Limited	04.10.2011 Marshall Islands	USD10,000	100.00	Dormant
Tera Sea Limited	18.08.2010 Marshall Islands	USD10,000	100.00	Ship owners, charterers, managers of ships and vessels, marine support and other services to offshore O&G companies
Bumi Armada Holdings Labuan Ltd	03.09.2012 Federal Territory of Labuan, Malaysia	USD1	100.00	Provision of loans, advances and other facilities, and cash and debt management services, investment and financial risk management, and other treasury management services to our Group
Offshore Marine Ventures Sdn Bhd	22.07.2005 Malaysia	RM7,500,001	100.00	Provision of integrated service solutions for the supply, O&M of support vessels and logistics and maritime transportation services to the O&G industry
BACOL	13.05.2013 Federal Territory of Labuan, Malaysia	USD1	100.00	Obtaining non-ringgit financing and providing cash and debt management services, investment and financial risk management services and other treasury management services to our Group

Name	Date and country of incorporation	Issued and paid-up share capital	Our effective interest	Principal activities
			%	
BACM	26.06.2013 Malaysia	RM2	100.00	Providing and obtaining financing and other facilities, and providing cash and financial management services, investment and financial risk management services and other treasury management services to our Group
Subsidiary of AMCC				
Armada Marine Contractors Caspian Pte Ltd	13.03.1996 Singapore	SGD2,000,000	100.00	Charter hire of Armada Installer, a purpose built DLB for operations in the Caspian Sea
Subsidiaries of BAN				
Armada Indah Sdn Bhd	26.12.1992 Malaysia	RM500,000	94.80	Dormant
Armada Tankers Sdn Bhd ("**ATSB**")	03.12.1994 Malaysia	RM1,500,000	94.80	Dormant
Bumi Armada Ship Management Sdn Bhd	07.02.1998 Malaysia	RM2	94.80	Managers of ships and vessels, marine support and other services to the offshore O&G industry
Bumi Care Offshore Production Sdn Bhd	19.11.1996 Malaysia	RM1,000,000	56.88	Dormant
Bumi Armada Navigation Labuan Limited	28.09.2012 Federal Territory of Labuan, Malaysia	USD1	94.80	Leasing vessels on bareboat or time charter basis
Bumi Armada Navigation Labuan International Limited	28.09.2012 Federal Territory of Labuan, Malaysia	USD1	94.80	Leasing vessels on bareboat or time charter basis
Subsidiaries of BAOHL				
Armada TLDD Limited	06.07.2011 Marshall Islands	USD10,000	100.00	Dormant
Bumi Armada Angola Servicos Limited	25.04.2011 Marshall Islands	USD10,000	100.00	Dormant

Name	Date and country of incorporation	Issued and paid-up share capital	Our effective interest	Principal activities
			%	
Bumi Armada Australia Pty Ltd	12.12.2011 Australia	AUD10	100.00	Ship owning, charterers and managers of ships and vessels, marine support and other services to O&G companies
Bumi Armada Do Brasil Servicos Maritimos Ltda	07.05.2011 Brazil	R$17,000	100.00	Dormant
Bumi Armada Offshore Contractor Limited ("**BAOCL**")	10.05.2011 Marshall Islands	USD10,000	100.00	Ship owners, charterers, managers of ships and vessels, marine support and other services to offshore O&G companies
Armada Blue LLC	02.04.2012 United States	-(1)	100.00	Dormant
Armada Offshore OSV Limited	23.04.2012 Marshall Islands	USD10,000	100.00	Ship owners, charterers, managers of ships and vessels, marine support and other services to offshore O&G companies
Armada Offshore MPSV Limited	12.07.2012 Marshall Islands	USD10,000	100.00	Ship owners, charterers, managers of ships and vessels, marine support and other services to offshore O&G companies
Bumi Armada UK Limited	05.10.2012 UK	GBP1	100.00	Offshore O&G marine services
Armada Kraken Limited	19.11.2013 Marshall Islands	USD10,000	100.00	Ship owners, charterers, managers of ships and vessels, marine support and other services to offshore O&G companies
Bumi Armada Ghana Limited	19.12.2012 Ghana	GHC100,000	100.00	Provision of FPSO and OSVs
Armada Kraken Pte Ltd	13.12.2013 Singapore	USD40,000	100.00	Ship owners, charterers, managers of ships and vessels, marine support and other services to offshore O&G companies
Subsidiary of BASPL				
Bumi Armada Nigeria Limited	09.06.2009 Nigeria	NGN10,000,000	99.00	Dormant
Subsidiary of ATSB				
Armada Alpha Sdn Bhd	03.12.1994 Malaysia	RM2	94.80	Dormant

INFORMATION ON OUR COMPANY *(Cont'd)*

Name	Date and country of incorporation	Issued and paid-up share capital	Our effective interest	Principal activities
			%	
Subsidiary of BAOCL				
Bumi Armada Caspian LLC	02.02.2012 Russia	RUB10,000	100.00	Activities relative to O&G industry
Our joint ventures				
Armada Century Ltd	15.10.2009 BVI	USD100,000	49.00	Ship owners, charterers, managers of ships and vessels, marine support and other services to offshore O&G companies
Armada D1 Pte Ltd	24.02.2011 Singapore	SGD128,436 ordinary shares; USD36,000,000 ordinary shares; USD47,100,000 redeemable preference shares	50.00	Ship owners, charterers, managers of ships and vessels, marine support and other services to offshore O&G companies
Century Bumi Limited	08.02.2008 Nigeria	NGN25,000,000	40.00	O&G exploration, and production and marine services
Forbes Bumi Armada Offshore Limited	29.10.2010 India	INR100,000,000	49.99	Ship owners, charterers & managers of ships and vessels, marine support & other services to the O&G industry
SP Armada Oil Exploration Private Limited	16.12.2011 India	INR500,000	49.99	To provide marine support and other services to O&G industries and for that purpose to purchase, erect, construct, own, charter, manage vessels and rigs
Joint venture of AKSB				
Armada Synergy Ltd	22.11.2013 UK	GBP100	51.00	To manage and operate vessels for subsea well services and services relating to O&G production
Joint ventures of BAOHL				
Armada C7 Pte Ltd	01.11.2011 Singapore	USD5,000 ordinary shares; USD33,000,000 preference shares	50.00	Ship owners, charterers, managers of ships and vessels, marine support and other services to offshore O&G companies
PT Armada Gema Nusantara	17.12.1998 Indonesia	Rp2,500,000,000	49.00	Ship owner and operator

INFORMATION ON OUR COMPANY *(Cont'd)*

Name	Date and country of incorporation	Issued and paid-up share capital	Our effective interest	Principal activities
			%	
SP Armada Offshore Private Ltd	30.12.2013 India	INR500,000	49.99	Chartering, operating and managing of ships and vessels and providing marine support services
Angoil Bumi JV, LDA	15.05.2014 Angola	Kz10,000,000 (issued, not paid yet)	49.00	Service provider to the oil industry, especially for repair and maintenance of FPSO and OSV
Joint venture of BASPL				
Forbes Bumi Armada Limited	23.02.2006 India	INR55,000,000	49.00	Ship owners, charterers, managers of ships and vessels, marine support & other services to O&G industry

Note:

(1) Does not have issued and paid-up share capital.

We do not have any associated company as at the LPD.

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6. PROFIT AND DIVIDEND RECORD

Our profit and dividend records based on our audited consolidated financial statements for the FYE 31 December 2011, the FYE 31 December 2012 and the FYE 31 December 2013, and our unaudited condensed consolidated financial statements for the 6-month FPE 30 June 2013 and the 6-month FPE 30 June 2014 are as follows:

	Audited FYE 31 December			Unaudited 6-month FPE 30 June	
	2011	**2012**	**2013**	**2013**	**2014**
	RM 000	**RM 000**	**RM 000**	**RM 000**	**RM 000**
Revenue	1,543,896	1,659,184	2,073,004	969,985	1,058,998
Cost of sales	(883,095)	(972,503)	(1,322,720)	(603,223)	(691,914)
Gross profit	660,801	686,681	750,284	366,762	367,084
Other operating income	37,593	52,014	25,504	19,787	16,564
Selling and distribution costs	(88,209)	(84,211)	(109,624)	(61,225)	(82,640)
Administrative expenses	(91,929)	(102,724)	(122,209)	(51,119)	(78,277)
Operating profit	518,256	551,760	543,955	274,205	222,731
Finance costs	(109,186)	(123,411)	(97,455)	(48,177)	(42,374)
Share of results of joint ventures	26,820	40,268	33,473	27,736	33,664
Profit before taxation	435,890	468,617	479,973	253,764	214,021
Taxation	(70,559)	(80,599)	(44,875)	(29,241)	(45,773)
Profit for the financial year/period	365,331	388,018	435,098	224,523	168,248
Attributable to:					
Owners of our Company	359,672	385,828	431,191	221,635	163,157
Non-controlling interests	5,659	2,190	3,907	2,888	5,091
	365,331	388,018	435,098	224,523	168,248
Profit before finance costs, taxation, depreciation and amortisation ("**EBITDA**")	871,911	948,022	994,184	498,262	485,765
Weighted average number of Shares in issue (000)					
- basic	2,457,973	2,928,698	2,930,411	2,929,688	2,932,238
- diluted	2,457,973	2,929,199	2,930,631	2,929,896	2,932,363
EPS (sen)					
- basic	14.63	13.17	14.71	7.57	5.56
- diluted	14.63	13.17	14.71	7.56	5.56
Gross profit margin (%)	42.8	41.4	36.2	37.8	34.7
Profit after taxation and non-controlling interest margin (%)	23.3	23.3	20.8	22.8	15.4
EBITDA margin (%)	56.5	57.1	48.0	51.4	45.9
Gross dividend per share (sen)	2.50	3.14	3.25	-	-

Commentaries on financial performance

FYE 31 December 2011

Our revenue increased by 24.4% or RM302.5 million from RM1,241.4 million for the FYE 31 December 2010 to RM1,543.9 million for the FYE 31 December 2011 mainly due to the award of a new FPSO contract from Apache in Australia for the Balnaves field, rebound in our OSV fleet utilisation, recognition of revenue from the full year of operations of the new OSV vessels that were added to our fleet in the second half of 2010, and the conversion and sale of an FSO vessel to Petrofac E & C Sdn Bhd ("**Petrofac**") amounting to RM210.5 million. Our Group's gross profit margin decreased from 48.7% for the FYE 31 December 2010 to 42.8% for the FYE 31 December 2011 due mainly to the lower margin from the conversion and sale of an FSO vessel to Petrofac. Our Group's EBITDA increased by 22.1% or RM157.8 million from RM714.1 million for the FYE 31 December 2010 to RM871.9 million for the FYE 31 December 2011.

In line with the increase in revenue, our Group recorded profit after taxation ("**PAT**") of RM365.3 million for the FYE 31 December 2011, representing an increase of approximately 4.2% from PAT of RM350.8 million recorded for the FYE 31 December 2010.

FYE 31 December 2012

Our revenue increased by 7.5% or RM115.3 million from RM1,543.9 million for the FYE 31 December 2011 to RM1,659.2 million for the FYE 31 December 2012 mainly due to the full year recognition of revenue from the FPSO contract with Apache in Australia, increase in our total OSV fleet from 40 to 45 vessels, recovery of average OSV fleet utilisation, the contract award from OAO LukOil for the EPIC of 90 kilometres of pipelines in the Filanovsky field ("**LukOil Project**"), and the contract award from Momentum Engineering LLC for the charter hire of the Armada Installer. The increase in revenue was partially offset by the significant decrease in revenue contribution from our OFS segment due to the completion of the conversion and sale of an FSO to Petrofac in 2011. Our Group's gross profit margin decreased from 42.8% for the FYE 31 December 2011 to 41.4% for the FYE 31 December 2012 due mainly to the higher contribution from the lower margin **T&I** business. Our Group's EBITDA increased by 8.7% or RM76.1 million from RM871.9 million for the FYE 31 December 2011 to RM948.0 million for the FYE 31 December 2012.

In line with the increase in revenue, our Group recorded PAT of RM388.0 million for the FYE 31 December 2012, representing an increase of approximately 6.2% from PAT of RM365.3 million recorded for the FYE 31 December 2011.

FYE 31 December 2013

Our revenue increased by 24.9% or RM413.8 million from RM1,659.2 million for the FYE 31 December 2012 to RM2,073.0 million for the FYE 31 December 2013 mainly due to higher O&M revenue from client variation orders, start-up of our FPSO contract for the Kraken Field, sustained high uptime across our FPSO fleet, additional vessels in our OSV fleet, improved uptime on our larger OSV vessels, ramp up of activity in the LukOil Project, and the use of Armada Hawk on the D1 installation and charter in Vietnam. Our Group's gross profit margin decreased from 41.4% for the FYE 31 December 2012 to 36.2% for the FYE 31 December 2013 due mainly to the ramp-up of activity in the LukOil Project from the lower margin T&I business. Our Group's EBITDA increased by 4.9% or RM46.2 million from RM948.0 million for the FYE 31 December 2012 to RM994.2 million for the FYE 31 December 2013.

In line with the increase in revenue, our Group recorded PAT of RM435.1 million for the FYE 31 December 2013, representing an increase of approximately 12.1% from PAT of RM388.0 million recorded for the FYE 31 December 2012.

Unaudited 6-month FPE 30 June 2014

Our revenue increased by 9.2% or RM89.0 million from RM970.0 million for the 6-month FPE 30 June 2013 to RM1,059.0 million for the 6-month FPE 30 June 2014 mainly due to additional contribution from the FPSO contracts for the Kraken Field and Block 15/06, East Hub located offshore Angola, additional vessels in our OSV fleet, improved uptime on our larger OSV vessels, and ramp up of pipe laying and post trenching activities in the LukOil Project. Our Group's gross profit margin decreased from 37.8% for the 6-month FPE 30 June 2013 to 34.7% for the 6-month FPE 30 June 2014 due mainly to the winter conditions affecting the LukOil Project and lower utilisation of older OSV vessels. Our Group's EBITDA decreased by 2.5% or RM12.5 million from RM498.3 million for the 6-month FPE 30 June 2013 to RM485.8 million for the 6-month FPE 30 June 2014 due to lower year-on-year contribution from T&I reflecting last quarter's impact of weather on the LukOil Project, lower utilisation for Armada Hawk and lower utilisation of older OSV vessels.

In line with the decrease in EBITDA, our Group recorded PAT of RM168.2 million for the 6-month FPE 30 June 2014, representing a decrease of approximately 25.1% from PAT of RM224.5 million recorded for the 6-month FPE 30 June 2014.

7. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of our Shares as traded on the Main Market of Bursa Securities for the past 12 months from August 2013 to July 2014 are as follows:

	High	Low
	RM	RM
2013		
August	4.02	3.73
September	3.99	3.84
October	4.00	3.84
November	4.12	3.79
December	4.07	3.85
2014		
January	4.12	3.97
February	4.06	3.85
March	4.07	3.80
April	4.07	3.90
May	4.02	3.52
June	3.70	3.38
July	3.42	3.15

The closing market price on 22 May 2014, being the last trading day immediately before the announcement of, among others, the Rights Issue	RM3.90
The closing market price on the LPD	RM3.33
The closing market price on 9 September 2014, being the last trading day before the ex-date for the Rights Issue of 10 September 2014	RM3.01

(Source: Bloomberg)

OFFERING, SELLING AND TRANSFER RESTRICTIONS

1. GENERAL

No action has been taken or will be taken to permit a public offering of the Provisional Rights Shares and the Rights Shares in any country or jurisdiction, or the possession, circulation or distribution of the Documents or any other material relating to our Company, the Rights Issue, the Provisional Rights Shares, or the Rights Shares in any country or jurisdiction where action for such purpose is required, except that this Abridged Prospectus has been registered with the SC and lodged with the ROC. Accordingly, the Provisional Rights Shares may not be accepted, and the Rights Shares may not be offered, taken up, subscribed, acquired, sold, resold, pledged, transferred or delivered, directly or indirectly, and the Documents or any offering materials or advertisements in connection with the Rights Issue, the Provisional Rights Shares or the Rights Shares may not be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of such country or jurisdiction. Entitled Shareholders and/or their renouncees (if applicable) who are residents in countries or jurisdictions other than Malaysia should therefore immediately consult their legal advisers and/or other professional advisers as to whether the acceptance or renunciation (as the case may be) of all or any part of their Provisional Rights Shares, the application for the Excess Rights Shares, or the subscription, offer, sale, resale, pledge or other transfer of the Rights Shares would result in the contravention of any law of such countries or jurisdictions. All Entitled Shareholders and other persons will comply with all applicable laws and regulations relating to the offer, sale or delivery of the Rights Shares in each country or jurisdictions in which it accepts the Provisional Rights Shares, or offers, takes up, subscribes, acquires, sells, resells, pledges, transfers or delivers the Rights Shares, or has in its possession or distributes this Abridged Prospectus or any related offering material, in all cases at its own expense.

2. UNITED STATES

The Provisional Rights Shares and the Rights Shares have not been and will not be registered under the U.S. Securities Act or the laws of any state or jurisdiction and may not be offered or sold except in accordance with Regulation S or pursuant to another available exemption from the registration requirements of the U.S. Securities Act. The Joint Underwriters (i) have not offered or sold, and will not offer or sell, the Provisional Rights Shares or the Rights Shares by means of any general solicitation or general advertising (within the meaning of Rule 502(c) under the U.S. Securities Act) in the United States or otherwise in any manner involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act and (ii) have not engaged and will not engage in any directed selling efforts (as defined in Regulation S) with respect to the Provisional Rights Shares and the Rights Shares.

THE PROVISIONAL RIGHTS SHARES AND THE RIGHTS SHARES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY U.S. REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OF THE PROVISIONAL RIGHTS SHARES AND THE RIGHTS SHARES, OR THE ACCURACY OR ADEQUACY OF THIS ABRIDGED PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

OFFERING, SELLING AND TRANSFER RESTRICTIONS *(Cont'd)*

The Provisional Rights Shares and the Rights Shares may only be accepted, and the Provisional Rights Shares and the Rights Shares may only be offered, taken up, subscribed, acquired, sold, resold, pledged, transferred or delivered to Entitled QIBs, each of whom will be required to provide our Company a signed U.S. Investor Representation Letter (with a copy to the Joint Global Coordinators and the Joint Underwriters) containing, among others, the representations and agreements below:

(i) It is the beneficial holder of (or acting on account of shareholders beneficially holding) Shares as at the date hereof;

(ii) It is a "qualified institutional buyer" ("**QIB**") as defined in Rule 144A under the U.S. Securities Act, with full power and authority to make the acknowledgements, representations, warranties and agreements contained herein, and, if it is acquiring the Provisional Rights Shares or the Rights Shares as a fiduciary or agent for one or more investor accounts, each owner of such account is a QIB, it has sole investment discretion with respect to each such account, and it has full power and authority to make the acknowledgements, representations, warranties and agreements contained herein on behalf of each owner of such account;

(iii) To the extent it exercises the Provisional Rights Shares and subscribes for the Rights Shares, or apply for the Excess Rights Shares, it will acquire such Provisional Rights Shares or the Rights Shares or the Excess Rights Shares, for its own account, or for the account of one or more QIB(s) as to which it has full investment discretion, in each case for investment purposes, and not with a view to any resale, distribution or other disposition (within the meaning of U.S. securities laws) of the Provisional Rights Shares or the Rights Shares or the Excess Rights Shares;

(iv) Provided that it has returned and signed the U.S. Investor Representation Letter in a timely manner and our Company has accepted such letter, it understands that it will receive a copy of this Abridged Prospectus which our Company has issued in connection with the Rights Issue, and its receipt of the Provisional Rights Shares, any subscription it may make for the Rights Shares, or any application it may make for the Excess Rights Shares, will be subject to and based upon all the terms, conditions, representations, warranties, acknowledgements, agreements and undertakings and other information contained in this Abridged Prospectus, its accompanying documents and the U.S. Investor Representation Letter;

(v) It is aware and understands (and each account for which it is acting has been advised and understands) that an investment in the Provisional Rights Shares or the Rights Shares involves a considerable degree of risk and that the Provisional Rights Shares and the Rights Shares are a speculative investment, and further, that no U.S. federal or state or other agency has made any finding or determination as to the fairness of any such investment or any recommendation or endorsement of any such investment;

(vi) It understands (and each account for which it is acting has been advised and understands) that no action has been or will be taken to permit an offering of the Provisional Rights Shares or the Rights Shares in any country or jurisdiction where action would be required for that purpose other than in Malaysia; and it will not offer, resell, pledge or otherwise transfer any of the Provisional Rights Shares or the Rights Shares which it may acquire, or any beneficial interests therein, in any country or jurisdiction or in any circumstances in which such offer or sale is not authorised or to any person to whom it is unlawful to make such offer, sale, solicitation or invitation except under circumstances that will result in compliance with any applicable laws and/or regulations of such country or jurisdiction;

(vii) Without limiting the generality of the foregoing, it is aware and understands (and each account for which it is acting has been advised and understands) that (a) the Provisional Rights Shares and the Rights Shares have not been and will not be registered under the U.S. Securities Act or under any securities laws of any state or other jurisdiction of the United States, (b) any offer and sale of the Provisional Rights Shares or the Rights Shares to it (and to each such account) is being made in reliance on an exemption from the registration requirements of the U.S. Securities Act, and (c) the Provisional Rights Shares and the Rights Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act; and it agrees, on its own behalf and on behalf of any accounts for which it is acting, that for so long as the Provisional Rights Shares and the Rights Shares are "restricted securities", it will not offer, resell, pledge or otherwise transfer any Provisional Rights Shares or the Rights Shares which it may acquire, or any beneficial interests therein, except in an offshore transaction accordance with Rule 904 of Regulation S under the U.S. Securities Act and in accordance with any applicable U.S. federal and state securities laws;

(viii) To the extent it exercises the Provisional Rights Shares and subscribe for Rights Shares, or applies for the Excess Rights Shares, it acknowledges and agrees that it is not acquiring or subscribing for the Provisional Rights Shares or the Rights Shares as a result of any general solicitation or general advertising (as those terms are defined in Regulation D under the U.S. Securities Act) or directed selling efforts (as defined in Regulation S). It understands and agrees that although offers and sales of the Provisional Rights Shares and the Rights Shares are being made in the United States to QIBs, such offers and sales are not being made under Rule 144A under the U.S. Securities Act;

(ix) To the extent it exercises the Provisional Rights Shares and subscribe for Rights Shares, or applies for the Excess Rights Shares, it agrees not to deposit any the Provisional Rights Shares or the Rights Shares into any unrestricted depositary facility maintained by any depositary bank unless and until such time as the Provisional Rights Shares or the Rights Shares are no longer "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act;

(x) Prior to making any investment decision to exercise the Provisional Rights Shares and subscribe for the Rights Shares or apply for the Excess Rights Shares, it (a) will have consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisers in each jurisdiction in connection herewith to the extent it has deemed necessary, (b) will have been furnished with and will have carefully read and reviewed this Abridged Prospectus and its accompanying documents, (c) will have possessed all information relating to our Group and the Provisional Rights Shares and the Rights Shares which it believes is necessary or appropriate for the purpose of making its investment decision, including, without limitation, the Exchange Information (as defined below), and will have had a reasonable opportunity to ask questions of and receive answers from officers and representatives of our Company concerning the financial condition and results of operations of our Group and the purchase of the Provisional Rights Shares or the Rights Shares, and any such questions have been answered to its satisfaction, (d) will have reviewed all information that it believes is necessary or appropriate in connection with an investment in the Provisional Rights Shares or the Rights Shares and (e) will have conducted its own due diligence on our Group and the Rights Issue, and will have made its own investment decisions based upon its own judgment, due diligence and advice from such advisers as it has deemed necessary and will not have relied upon any recommendation, promise, representation or warranty of or view expressed by or on behalf of our Company, any of our advisers, agents, representatives and managers involved in any offering of securities of our Company outside the United States or their respective affiliates (including any research reports) (other than, with respect to our Company, any information contained in the Abridged Prospectus);

(xi) Without limiting the generality of the foregoing, it acknowledges that (a) the Shares are listed on the Bursa Securities and our Company is therefore required to publish certain business, financial and other information in accordance with the rules and practices of Bursa Securities (the "**Exchange Information**"), which includes, but is not limited to, a description of the nature of our Company's business and our Company's most recent consolidated balance sheet and profit and loss account, and similar statements for preceding years, and that it has reviewed such Exchange Information as it has deemed necessary or that it is able to obtain or access the Exchange Information without undue difficulty; and (b) neither of our Company nor any of our affiliates has made any representations to it, express or implied, with respect to our Company or the Provisional Rights Shares or the Rights Shares or the accuracy, completeness or adequacy of the Exchange Information;

(xii) It understands that the Exchange Information and this Abridged Prospectus has been prepared in accordance with content, format and style which is either prescribed by Bursa Securities or under Malaysian laws or is customary in rights offerings in Malaysia, which differs from the content, format and style customary for similar offerings in the United States. In particular, it understands that (a) our Company's financial information contained in the Exchange Information and to be contained in this Abridged Prospectus has been prepared in accordance with the Malaysian Financial Reporting Standards, and (b) with respect to the financial information to be contained in the Abridged Prospectus, such financial information is not being prepared for an offering registered with the U.S. Securities and Exchange Commission. It further understands that our Company has not made a determination as to whether we may be classified as a "passive foreign investment company" (a "**PFIC**") for the current or any future taxable year and will not provide information required for it to make a "qualified election fund" election, and that there may be certain adverse consequences under United States tax laws if our Company were to be a PFIC in the current or any future taxable year in which it may hold the Provisional Rights Shares or, the Rights Shares or the Shares. It understands that a separate determination must be made each year as to our Company's PFIC status and are seeking its own advice on this matter. In addition, it understands that our Company has not analyzed any potential tax consequences to it under United States tax law or any other relevant tax law resulting from the receipt, exercise or disposition of the Provisional Rights Shares, the Rights Shares or the ownership of the Shares. It understands that it should consult its own tax advisor regarding such tax consequences;

(xiii) It acknowledges that (a) any information that it has received or will receive relating to or in connection with the Rights Issue, the Provisional Rights Shares and the Rights Shares, including this Abridged Prospectus and the Exchange Information (collectively, the "**Information**"), has been or will be prepared solely by our Company and (b) that none of our Company's advisers, agents, representatives and managers involved in any offering of securities of our Company outside the United States or any of their respective affiliates has verified or will verify such Information, and no recommendation, promise, representation or warranty (express or implied) is, has been or will be made or given by any of them as to the accuracy, completeness or sufficiency of the Information, and nothing contained in the Information is, or shall be relied upon as, a promise, representation or warranty by any of them or their respective affiliates. It understands that the Information contains forward-looking statements and assumptions which may or may not ultimately prove to be correct and that there can be no assurances that any such forward-looking statements or assumptions are accurate;

(xiv) It will not hold our Company's advisers, agents, representatives and managers involved in any offering of securities of our Company outside the United States or any of their respective affiliates responsible for any misstatements in or omissions to the Information or in any other written or oral information provided by our Company to it. It acknowledges that no written or oral information relating to the Rights Issue, the Provisional Rights Shares, or the Rights Shares, has been or will be provided by our Company's advisers, agents, representatives and managers involved in any offering of securities of our Company outside the United States or any of their respective affiliates to it;

(xv) It is a highly sophisticated investor and have such knowledge and experience in financial, business and international investment matters as to be capable of evaluating the merits and risks of an investment in the Provisional Rights Shares and the Rights Shares. It, or any account for which it is acting, has the financial ability to bear the economic risk of investment in the Provisional Rights Shares and the Rights Shares, has adequate means of providing for its current and contingent needs, has no need for liquidity with respect to any investment it (or such account for which it is acting) may make in the Provisional Rights Shares or the Rights Shares, and are able to sustain a complete loss in connection therewith and it will not look to our Company, or to any manager involved in any offering of securities of our Company, for all or part of any such loss or losses it may suffer;

(xvi) It understands and acknowledges that our Company's advisers, agents, representatives and managers involved in any offering of securities of our Company outside the United States are assisting our Company in respect of the Rights Issue and that the managers involved are acting solely for our Company and no one else in connection with the Rights Issue and, in particular, are not providing any service to it, making any recommendations to it, advising it regarding the suitability of any transactions it may enter into to subscribe or purchase any securities nor providing advice to it in relation to our Company, the Rights Issue, or the Provisional Rights Shares or the Rights Shares. Further, to the extent permitted by law, it waives any and all claims, actions, liabilities, damages or demands it may have against our Company's advisers, agents, representatives and managers involved in any offering of securities of our Company outside the United States arising from their engagement with our Company;

(xvii) It has full power and authority to execute and deliver the U.S. Investor Representation Letter, which constitutes its valid and legally binding obligation and is enforceable against it in accordance with its terms;

(xviii) Its understands that the foregoing representations, warranties and acknowledgments have been provided in connection with Malaysian, United States, and other applicable securities laws. It acknowledges that our Company and our Company's advisers, agents, representatives and managers involved in any offering of securities of our Company outside the United States, their respective affiliates and others (including legal counsels to each of our Company, the Joint Global Coordinators and the Joint Underwriters) will rely upon the truth and accuracy of the foregoing acknowledgements, representations, warranties and agreements and agrees that, if at any time before the closing of the Rights Issue, or the issuance of the Rights Shares, any of the acknowledgements, representations, warranties and agreements made in connection with its exercise of Provisional Rights Shares and subscription for the Rights Shares, or application for the Excess Rights Shares, is no longer accurate, it shall promptly notify our Company in writing;

(xix) It understands that our Company and our Company's advisers, agents, representatives and managers involved in any offering of securities of our Company outside the United States and their respective affiliates are entitled to rely upon the U.S. Investor Representation Letter and are irrevocably authorised to produce the U.S. Investor Representation Letter or a copy hereof to any interested party in any administrative or legal proceeding or official inquiry with respect to the matters covered hereby;

(xx) It irrevocably authorises any nominee, custodian or other financial intermediary through which it holds the Shares, to provide our Company and our Company's advisers, agents, representatives and managers involved in any offering of securities of our Company outside the United States with a copy of the U.S. Investor Representation Letter and such information regarding its identity and holding of the Shares (including pertinent account information and details of its identity and contact information) as may be necessary or appropriate to facilitate its receipt or exercise of the Provisional Rights Shares or purchase of the Rights Shares;

(xxi) The U.S. Investor Representation Letter shall be governed by, and construed in accordance with, Malaysian law without regard to the conflict provisions thereof. It, and any account on whose behalf it is acting, irrevocably agree to waive trial by jury in any action, proceeding, claim or counterclaim brought by or on behalf of it or any such account related to or arising out of the U.S. Investor Representation Letter agreement or the performance of services hereunder; and

(xxii) It, and each account on whose behalf it is acting, irrevocably submits to the exclusive jurisdiction of the courts of Malaysia over any suit, action or proceeding arising out of or relating to the U.S. Investor Representation Letter agreement. It, and each account on whose behalf it is acting, irrevocably waives, to the fullest extent permitted by law, any objection which they may now or hereafter have to the laying of venue of any such suit, action or proceeding brought in such a court and any claim that any such suit, action or proceeding brought in such a court has been brought in an inconvenient forum. To the extent that it, or any account on whose behalf it is acting, has or hereafter may acquire any immunity (on the grounds of sovereignty or otherwise) from the jurisdiction of any court or from any legal process with respect to itself or its property, such party irrevocably waives, to the fullest extent permitted by law, such immunity in respect of any such suit, action or proceeding.

3. HONG KONG

The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

This document has not been approved by the Securities and Futures Commission in Hong Kong and, accordingly:

(i) No Joint Underwriter has offered or sold or will offer or sell in Hong Kong, by means of any document, any Provisional Rights Shares or Rights Shares other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

(ii) No Joint Underwriter has issued or had in its possession for the purposes of issue or will issue or will have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Provisional Rights Shares or the Rights Shares, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Provisional Rights Shares or the Rights Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

4. UNITED KINGDOM

The Abridged Prospectus will only be distributed to and will only be directed at (i) persons who are outside the United Kingdom or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order"), (iii) persons falling within Article 49(2)(a) to (d) of the Order or (iv) persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000) in connection with any offer of the Provisional Rights Shares or the Rights Shares may otherwise be lawfully communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). Any investment or investment activity to which the Abridged Prospectus relates is available only to relevant persons and will be engaged in only with relevant persons. This Abridged Prospectus must not be acted on or relied on by other persons in the United Kingdom.

5. EUROPEAN ECONOMIC AREA

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a "**Relevant Member State**"), an offer to the public of any Provisional Rights Shares or Rights Shares may not be made in that Relevant Member State except that an offer to the public may be made in that Relevant Member State of any Provisional Rights Shares or Rights Shares at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

(i) to any legal entities which are qualified investors as defined under the Prospectus Directive;

(ii) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Joint Global Coordinators of the Rights Issue for any such offer; or

(iii) in any other circumstances falling within Article 3(2) of the Prospectus Directive, subject to obtaining the prior consent of the Joint Global Coordinators of the Rights Issue for any such offer,

provided that no such offer of the Shares shall result in a requirement for our Company or any Joint Global Coordinators or Joint Underwriters to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

OFFERING, SELLING AND TRANSFER RESTRICTIONS *(Cont'd)*

For the purposes of this Section, the expression "**an offer to the public**" in relation to any Provisional Rights Shares or Rights Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Rights Issue and any Provisional Rights Shares or Rights Shares to be offered so as to enable an investor to decide to acquire any Provisional Rights Shares or Rights Shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State. The expression "**Prospectus Directive**" means Directive 2003/71/EC (and the amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EC.

6. SINGAPORE

The Abridged Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore, and the Provisional Rights Shares and the Rights Shares will be offered pursuant to exemptions under the Securities and Futures Act, Chapter 289 of Singapore (the "**Securities and Futures Act**").

Accordingly, each Joint Global Coordinator and Joint Underwriter has represented and agreed that it has not offered or sold any Provisional Rights Shares or Rights Shares or caused such Provisional Rights Shares or Rights Shares to be made the subject of an invitation for subscription or purchase and will not offer or sell such Provisional Rights Shares or Rights Shares or cause the Provisional Rights Shares or the Rights Shares to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Abridged Prospectus or any document or material in connection with the offer or sale, or invitation for subscription or purchase, of any Provisional Rights Shares or Rights Shares, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor pursuant to Section 274 of the Securities and Futures Act, (b) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A) of the Securities and Futures Act, and in accordance with the conditions specified in Section 275 of the Securities and Futures Act, or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

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

2 September 2014

PwC/WYS/nr/0892B4

Dear Sirs,

Bumi Armada Berhad
Report on the Compilation of Pro Forma Consolidated Statements of Financial Position

1 We have completed our assurance engagement to report on the compilation of the Pro Forma Consolidated Statements of Financial Position of Bumi Armada Berhad ("the Company") as at 31 December 2013, as set out in Appendix I (which we have stamped for the purpose of identification), which have been compiled by the Directors of the Company ("Directors") for the inclusion in the Abridged Prospectus to be dated 12 September 2014 ("Abridged Prospectus") in connection with the renounceable rights issue of up to 1,479,238,150 new ordinary shares of RM0.20 each in the Company ("Shares") ("Rights Shares") on the basis of 1 Rights Share for every 2 existing Shares held by the entitled shareholders of the Company, as at 5.00 p.m. on 12 September 2014 ("Entitlement Date") at an issue price of RM1.35 per Rights Share ("Rights Issue").

2 The applicable criteria on the basis of which the Directors have compiled the Pro Forma Consolidated Statements of Financial Position are described in the notes of Appendix I ("Applicable Criteria").

3 The Pro Forma Consolidated Statements of Financial Position have been compiled by the Directors, for illustrative purposes only, to show the effects of the following corporate exercises:

(i) bonus issue of up to 1,479,238,150 new Shares ("Bonus Shares") on the basis of 1 Bonus Share for every 2 existing Shares held by the entitled shareholders of the Company, on the Entitlement Date; and

(ii) Rights Issue.

(collectively referred to as "Corporate Exercises" hereinafter) on the audited consolidated statement of financial position of the Company as at 31 December 2013 had the Corporate Exercises been effected on that date. As part of this process, information about the Company's consolidated financial position has been extracted by the Directors from the Company's audited consolidated statement of financial position as at 31 December 2013.

PricewaterhouseCoopers (AF 1146), Chartered Accountants,
Level 10, 1 Sentral, Jalan Travers, Kuala Lumpur Sentral, P.O. Box 10192, 50706 Kuala Lumpur, Malaysia
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pwc

The Board of Directors
Bumi Armada Berhad
PwC/WYS/nr/0892B4
2 September 2014

The Directors' Responsibility for the Pro Forma Consolidated Statements of Financial Position

4 The Directors are responsible for compiling the Pro Forma Consolidated Statements of Financial Positionon the basis set out in the notes of Appendix I and in accordance with the requirements of the *Prospectus Guidelines - Abridged Prospectus* issued by the Securities Commission Malaysia ("Prospectus Guidelines – Abridged Prospectus").

Our Responsibilities

5 Our responsibility is to express an opinion as required by the Prospectus Guidelines – Abridged Guidelines, about whether the Pro Forma Consolidated Statements of Financial Position have been compiled, in all material respects, by the Directors on the basis of the Applicable Criteria.

6 We conducted our engagement in accordance with International Standard on Assurance Engagements ("ISAE") 3420 *"Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus"*, issued by the Malaysian Institute of Accountants. This standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the Pro Forma Consolidated Statements of Financial Position on the basis of the Applicable Criteria.

7 For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any financial information used in compiling the Pro Forma Consolidated Statements of Financial Position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Consolidated Statements of Financial Position. In providing this opinion, we do not accept any responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

8 The purpose of the Pro Forma Consolidated Statements of Financial Position included in the Abridged Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

9 A reasonable assurance engagement to report on whether the Pro Forma Consolidated Statements of Financial Position have been compiled in all material respects, on the basis of the Applicable Criteria involves performing procedures to assess whether the Applicable Criteria used by the Directors in the compilation of the Pro Forma Consolidated Statements of Financial Position provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and

- The Pro Forma Consolidated Statements of Financial Position reflect the proper application of those adjustments to the unadjusted financial information.

The Board of Directors
Bumi Armada Berhad
PwC/WYS/nr/0892B4
2 September 2014

Our Responsibilities (continued)

10 The procedures selected depend on our judgment, having regard to our understanding of the nature of the Company and its subsidiaries, the event or transaction in respect of which the Pro Forma Consolidated Statements of Financial Position have been compiled, and other relevant engagement circumstances. The engagement also involves evaluating the overall presentation of the Pro Forma Consolidated Statements of Financial Position.

11 We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

12 In our opinion, the Pro Forma Consolidated Statements of Financial Position have been compiled, in all material respects, on the basis of the Applicable Criteria.

Other Matter

13 This report is issued for the sole purpose of inclusion in the Abridged Prospectus in connection with the Rights Issue 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 Rights Issue.

Yours faithfully,

PricewaterhouseCoopers

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants

SUBATHRA A/P GANESAN
(No. 3020/08/16 (J))
Chartered Accountant

BUMI ARMADA BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

The Pro Forma Consolidated Statements of Financial Position of Bumi Armada Berhad ("the Company") as set out below have been prepared solely for illustrative purposes only, to show the effects on the audited consolidated statement of financial position of the Company as at 31 December 2013 had the Completed Transactions and the Corporate Exercises as defined and as set out in notes 1 and 4 been effected on that date, and should be read in conjunction with the notes thereon.

MINIMUM SCENARIO

		Pro Forma I	Pro Forma II
		Completed Transactions	Corporate Exercises
	Audited as at 31 December 2013	Employee Share Option Scheme ("ESOS") options exercised and forfeited up to the latest practicable date ("LPD")	After Pro Forma I, the Bonus Issue and the Rights Issue
	RM'000	RM'000	RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5,871,084	5,871,084	5,871,084
Goodwill	1,411	1,411	1,411
Investment in joint ventures	271,787	271,787	271,787
Available-for-sale financial assets	48,642	48,642	48,642
Accrued lease rentals	433,104	433,104	433,104
Deferred tax assets	40,993	40,993	40,993
TOTAL NON-CURRENT ASSETS	**6,667,021**	**6,667,021**	**6,667,021**
CURRENT ASSETS			
Inventories	5,559	5,559	5,559
Amount due from customers on contract	36,421	36,421	36,421
Trade receivables	447,632	447,632	447,632
Accrued lease rentals	652,292	652,292	652,292
Other receivables, deposits and prepayments	254,091	254,091	254,091
Tax recoverable	3,063	3,063	3,063
Amounts due from joint ventures	109,048	109,048	109,048
Deposits, cash and bank balances	634,538	639,338	2,564,204
TOTAL CURRENT ASSETS	**2,142,644**	**2,147,444**	**4,072,310**
TOTAL ASSETS	**8,809,665**	**8,814,465**	**10,739,331**

PRICEWATERHOUSECOOPERS
KUALA LUMPUR
for identification only
Chartered Accountants

Appendix I
Page 2

BUMI ARMADA BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013 (CONTINUED)

MINIMUM SCENARIO (CONTINUED)

		Pro Forma I	Pro Forma II
		Completed Transactions	Corporate Exercises
	Audited as at 31 December 2013	ESOS options exercised and forfeited up to the LPD	After Pro Forma I, the Bonus Issue and the Rights Issue
	RM'000	RM'000	RM'000
LESS: CURRENT LIABILITIES			
Amounts due to customers on contract	592	592	592
Trade payables	243,979	243,979	243,979
Other payables and accruals	306,123	306,123	306,123
Amounts due to joint ventures	15,379	15,379	15,379
Hire purchase creditors	184	184	184
Borrowings	1,185,655	1,185,655	1,185,655
Derivative financial instruments	12,672	12,672	12,672
Taxation	28,925	28,925	28,925
TOTAL CURRENT LIABILITIES	**1,793,509**	**1,793,509**	**1,793,509**
NET CURRENT ASSETS	**349,135**	**353,935**	**2,278,801**
LESS: NON-CURRENT LIABILITIES			
Hire purchase creditors	128	128	128
Borrowings	2,591,347	2,591,347	2,591,347
Derivative financial instruments	5,823	5,823	5,823
Deferred tax liabilities	38,623	38,623	38,623
TOTAL NON-CURRENT LIABILITIES	**2,635,921**	**2,635,921**	**2,635,921**
NET ASSETS	**4,380,235**	**4,385,035**	**6,309,901**
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Share capital	586,318	586,627	1,173,254
Share premium	1,764,614	1,770,311	3,118,550
Foreign exchange reserve	51,713	51,713	51,713
Other reserves	(7,786)	(7,786)	(7,786)
Share option reserve	30,633	29,049	29,049
Hedging reserve	(10,355)	(10,355)	(10,355)
Retained earnings	1,941,522	1,941,900	1,931,900
	4,356,659	**4,361,459**	**6,286,325**
NON-CONTROLLING INTERESTS	23,576	23,576	23,576
TOTAL EQUITY	**4,380,235**	**4,385,035**	**6,309,901**

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BUMI ARMADA BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013 (CONTINUED)

Based on the latest audited consolidated statement of financial position of the Company as at 31 December 2013, the pro forma effects of the Bonus Issue and the Rights Issue on the net assets per Share and gearing of the Group are as follows:

		Pro Forma I	**Pro Forma II**
		Completed Transactions	**Corporate Exercises**
	Audited as at 31 December 2013	**ESOS options exercised and forfeited up to the LPD**	**After Pro Forma I, the Bonus Issue and the Rights Issue**
MINIMUM SCENARIO			
Number of Shares in issue ('000)	2,931,591	2,933,135	5,866,269
Net assets per Share (RM)	1.49	1.49	1.07
Total borrowings (RM'000)	3,777,314	3,777,314	3,777,314
Total deposits, cash and bank balances (RM'000)	634,538	639,338	2,564,204
Gearing ratio (times)	0.87	0.87	0.60
Net gearing ratio (times)	0.72	0.72	0.19

Net assets per Share is calculated as net assets attributable to owners of the Company divided by number of Shares in issue.

Total borrowings comprise interest-bearing borrowings, including hire purchase payables.

Gearing ratio is calculated as total borrowings divided by equity/net assets attributable to owners of the Company.

Net gearing ratio is calculated as total borrowings less total deposits, cash and bank balances divided by equity/net assets attributable to owners of the Company.

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BUMI ARMADA BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013 (CONTINUED)

MAXIMUM SCENARIO

		Pro Forma I	Pro Forma II	Pro Forma III
		Completed Transactions	Assumed Transactions	Corporate Exercises
	Audited as at 31 December 2013	ESOS options exercised and forfeited up to the LPD	After Pro Forma I, and assuming all Outstanding ESOS Options (as defined in Note 4) are exercised	After Pro Forma II, the Bonus Issue and the Rights Issue
	RM'000	RM'000	RM'000	RM'000
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	5,871,084	5,871,084	5,871,084	5,871,084
Goodwill	1,411	1,411	1,411	1,411
Investment in joint ventures	271,787	271,787	271,787	271,787
Available-for-sale financial assets	48,642	48,642	48,642	48,642
Accrued lease rentals	433,104	433,104	433,104	433,104
Deferred tax assets	40,993	40,993	40,993	40,993
TOTAL NON-CURRENT ASSETS	**6,667,021**	**6,667,021**	**6,667,021**	**6,667,021**
CURRENT ASSETS				
Inventories	5,559	5,559	5,559	5,559
Amount due from customers on contract	36,421	36,421	36,421	36,421
Trade receivables	447,632	447,632	447,632	447,632
Accrued lease rentals	652,292	652,292	652,292	652,292
Other receivables, deposits and prepayments	254,091	254,091	254,091	254,091
Tax recoverable	3,063	3,063	3,063	3,063
Amounts due from joint ventures	109,048	109,048	109,048	109,048
Deposits, cash and bank balances	634,538	639,338	670,833	2,601,718
TOTAL CURRENT ASSETS	**2,142,644**	**2,147,444**	**2,178,939**	**4,109,824**
TOTAL ASSETS	**8,809,665**	**8,814,465**	**8,845,960**	**10,776,845**

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BUMI ARMADA BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013 (CONTINUED)

MAXIMUM SCENARIO (CONTINUED)

		Pro Forma I	Pro Forma II	Pro Forma III
		Completed Transactions	Assumed Transactions	Corporate Exercises
	Audited as at 31 December 2013	ESOS options exercised and forfeited up to the LPD	After Pro Forma I, and assuming all Outstanding ESOS Options are exercised	After Pro Forma II, the Bonus Issue and the Rights Issue
	RM'000	RM'000	RM'000	RM'000
LIABILITIES				
LESS: CURRENT LIABILITIES				
Amounts due to customers on contract	592	592	592	592
Trade payables	243,979	243,979	243,979	243,979
Other payables and accruals	306,123	306,123	306,123	306,123
Amounts due to joint ventures	15,379	15,379	15,379	15,379
Hire purchase creditors	184	184	184	184
Borrowings	1,185,655	1,185,655	1,185,655	1,185,655
Derivative financial instruments	12,672	12,672	12,672	12,672
Taxation	28,925	28,925	28,925	28,925
TOTAL CURRENT LIABILITIES	**1,793,509**	**1,793,509**	**1,793,509**	**1,793,509**
NET CURRENT ASSETS	**349,135**	**353,935**	**385,430**	**2,316,315**
LESS: NON-CURRENT LIABILITIES				
Hire purchase creditors	128	128	128	128
Borrowings	2,591,347	2,591,347	2,591,347	2,591,347
Derivative financial instruments	5,823	5,823	5,823	5,823
Deferred tax liabilities	38,623	38,623	38,623	38,623
TOTAL NON-CURRENT LIABILITIES	**2,635,921**	**2,635,921**	**2,635,921**	**2,635,921**
NET ASSETS	**4,380,235**	**4,385,035**	**4,416,530**	**6,347,415**

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BUMI ARMADA BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013 (CONTINUED)

MAXIMUM SCENARIO (CONTINUED)

		Pro Forma I	Pro Forma II	Pro Forma III
		Completed Transactions	Assumed Transactions	Corporate Exercises
	Audited as at 31 December 2013	ESOS options exercised and forfeited up to the LPD	After Pro Forma I, and assuming all Outstanding ESOS Options are exercised	After Pro Forma II, the Bonus Issue and the Rights Issue
	RM'000	RM'000	RM'000	RM'000
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Share capital	586,318	586,627	588,410	1,176,820
Share premium	1,764,614	1,770,311	1,805,807	3,158,282
Foreign exchange reserve	51,713	51,713	51,713	51,713
Other reserves	(7,786)	(7,786)	(7,786)	(7,786)
Share option reserve	30,633	29,049	23,265	23,265
Hedging reserve	(10,355)	(10,355)	(10,355)	(10,355)
Retained earnings	1,941,522	1,941,900	1,941,900	1,931,900
	4,356,659	**4,361,459**	**4,392,954**	**6,323,839**
NON-CONTROLLING INTERESTS	23,576	23,576	23,576	23,576
TOTAL EQUITY	**4,380,235**	**4,385,035**	**4,416,530**	**6,347,415**

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BUMI ARMADA BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013 (CONTINUED)

Based on the latest audited consolidated statement of financial position of the Company as at 31 December 2013, the pro forma effects of the Bonus Issue and the Rights Issue on the net assets per Share and gearing of the Group are as follows:

		Pro Forma I	Pro Forma II	Pro Forma III
		Completed Transactions	Assumed Transactions	Corporate Exercises
	Audited as at 31 December 2013	ESOS options exercised and forfeited up to the LPD	After Pro Forma I, and assuming all Outstanding ESOS Options are exercised	After Pro Forma II, the Bonus Issue and the Rights Issue
MAXIMUM SCENARIO				
Number of Shares in issue ('000)	2,931,591	2,933,135	2,942,052	5,884,104
Net assets per Share (RM)	1.49	1.49	1.49	1.07
Total borrowings (RM'000)	3,777,314	3,777,314	3,777,314	3,777,314
Total deposits, cash and bank balances (RM'000)	634,538	639,338	670,833	2,601,718
Gearing ratio (times)	0.87	0.87	0.86	0.60
Net gearing ratio (times)	0.72	0.72	0.71	0.19

Net assets per Share is calculated as net assets attributable to owners of the Company divided by number of Shares in issue.

Total borrowings comprise interest-bearing borrowings, including hire purchase payables.

Gearing ratio is calculated as total borrowings divided by equity/net assets attributable to owners of the Company.

Net gearing ratio is calculated as total borrowings less total deposits, cash and bank balances divided by equity/net assets attributable to owners of the Company.

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BUMI ARMADA BERHAD
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

1 INTRODUCTION

The Pro Forma Consolidated Statements of Financial Position of Bumi Armada Berhad ("the Company"), for which the Directors of the Company are responsible, have been prepared for illustrative purposes only, in connection with the following transactions:

(i) bonus issue of up to 1,479,238,150 new ordinary shares of RM0.20 each in the Company ("Shares") ("Bonus Shares") on the basis of 1 Bonus Share for every 2 existing Shares held by the entitled shareholders of the Company, as at 5.00 p.m. on 12 September 2014 ("Entitlement Date") (" Bonus Issue"); and

(ii) renounceable rights issue of up to 1,479,238,150 new Shares ("Rights Shares") on the basis of 1 Rights Share for every 2 existing Shares held by the entitled shareholders of the Company, on the Entitlement Date ("Rights Issue").

(collectively referred to as "Corporate Exercises" hereinafter)

For implementation purposes, the Bonus Issue will be completed at the same time as the Rights Issue.

The Pro Forma Consolidated Statements of Financial Position of the Company together with the notes thereon have been prepared solely for illustrative purposes only, to show the effects of the Corporate Exercises on the audited consolidated statement of financial position of the Company as at 31 December 2013 had these transactions been effected on that date. Further, such information does not purport to predict the Company's future financial position.

2 BASIS OF PREPARATION

The Pro Forma Consolidated Statements of Financial Position of the Company, for which the Directors of the Company are responsible, have been prepared based on the audited consolidated financial statements of the Company as at 31 December 2013 in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards, and in a manner consistent with both the format of the financial statements and current accounting policies adopted by the Company and reported on without modification by the auditors.

3 CONDITIONALITY OF THE CORPORATE EXERCISES

The Bonus Issue is conditional upon the Rights Issue, but not vice versa.

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BUMI ARMADA BERHAD
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2013 (CONTINUED)

4 EFFECTS ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

For illustrative purpose, the Pro Forma effects of the Bonus Issue and Rights Issue are based on the following 2 scenarios:

(i) Minimum Scenario – none of the outstanding ESOS options that were vested to the eligible employees of the Company and its subsidiaries ("the Group") and Executive Directors of the Company as at 31 December 2013 but have yet to be exercised or forfeited as at the latest practicable date, being 20 August 2014 ("LPD") ("Outstanding ESOS Options") are exercised

(ii) Maximum Scenario – assuming that all of the Outstanding ESOS Options are exercised

4.1 Pro Forma I - Completed Transactions

For the period commencing from 1 January 2014 and up to the LPD, 1,374,000 ESOS options and 169,800 ESOS options have been exercised at the exercise price of RM3.03 and RM3.75 respectively, while 718,620 ESOS options have been forfeited ("Completed Transactions").

4.2 Minimum Scenario – none of the Outstanding ESOS Options are exercised

Pro Forma I

Pro Forma I incorporates the effects of the Completed Transactions on the audited consolidated statement of financial position of the Company as at 31 December 2013.

Pro Forma II

Pro Forma II incorporates the effects from Pro Forma I and the effects of the Bonus Issue and the Rights Issue. The effects of the Bonus Issue and the Rights Issue are collectively illustrated, as the Bonus Issue is conditional upon the Rights Issue and both the transactions are to be completed at the same time.

The basis of the Rights Issue is on the existing Shares and will not include the Bonus Shares. The actual number of Bonus Shares and Rights Shares to be issued pursuant to the Bonus Issue and Rights Issue, respectively, will be determined based on the issued and paid-up share capital of the Company as at the Entitlement Date. Entitled shareholders who do not subscribe for the Rights Shares will still be entitled to the Bonus Shares. The Rights Issue is to be undertaken on a full subscription basis.

The Rights Issue is renounceable in full or in part. Accordingly, the entitled shareholders can subscribe for and/or renounce their entitlements to the Rights Shares in full or in part.

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BUMI ARMADA BERHAD
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2013 (CONTINUED)

4 EFFECTS ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

4.2 Minimum Scenario – none of the Outstanding ESOS Options are exercised (continued)

The Rights Shares which are not taken up or cannot be taken up or not validly taken up, including any factional entitlements thereof, shall be made available for excess applications by the other entitled shareholders and/or their renouncees (if applicable), and thereafter (if applicable) shall be taken up by CIMB Investment Bank Berhad, Credit Suisse Securities (Malaysia) Sdn Bhd, Maybank Investment Bank Berhad, UBS Securities Malaysia Sdn Bhd, RHB Investment Bank Berhad and AmInvestment Bank Berhad (collectively referred to as "Joint Underwriters" hereinafter). The Joint Underwriters severally but not jointly agreed to act as underwriters, to underwrite and subscribe for and/or procure subscribers for the remaining portion of the Rights Shares, for which no irrevocable written undertaking to subscribe has been obtained from other shareholders, in the manner and on the terms and conditions set out in the underwriting agreement dated 1 June 2014 entered into between the Company and the Joint Underwriters in relation to the Rights Issue ("Underwriting Agreement").

On 28 August 2014, Bumi Armada and the Joint Global Coordinators for the Rights Issue, namely CIMB Investment Bank Berhad, Credit Suisse (Singapore) Limited and Maybank Investment Bank Berhad, agreed to extend the deadline for the issuance of the Abridged Prospectus to be dated 12 September 2014 ("Abridged Prospectus") by Bumi Armada in relation to the Rights Issue to not later than 4 months instead of 3 months as previously provided, after 1 June 2014, being the date of the Underwriting Agreement.

Based on the illustration in Pro Forma I, a total of 1,466,567,350 Bonus Shares will be issued and a total of 1,466,567,350 Rights Shares will be issued.

Illustration is based on the rights issue price of RM1.35 per Rights Share and after deducting the estimated expenses of RM55.0 million incurred in relation to the Corporate Exercises.

The utilisation of proceeds arising from the Rights Issue as set out in Section 4 of the Abridged Prospectus (save for the estimated expenses) has not been illustrated in the Pro Forma Consolidated Statements of Financial Position of the Company. These proceeds have been included within the cash and bank balances in the Pro Forma Consolidated Statements of Financial Position.

The estimated expenses for the Corporate Exercises of RM45 million for professional fees and underwriting commission are assumed to be directly attributable to the Rights Issue and as such will be debited against the share premium account, whereas the remaining expenses of RM10 million are estimated fees to the authorities, printing costs as well as other estimated incidental and miscellaneous expenses and as such, will be charged to the statement of comprehensive income.

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BUMI ARMADA BERHAD
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2013 (CONTINUED)

4 EFFECTS ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

4.3 Maximum Scenario – assuming that all of the Outstanding ESOS Options are exercised

Pro Forma I

Pro Forma I incorporates the effects of the Completed Transactions on the audited consolidated statement of financial position of the Company as at 31 December 2013.

Pro Forma II

Pro Forma II incorporates the effects from Pro Forma I, and the assumption that all of the following Outstanding ESOS Options are exercised:

Outstanding ESOS Options	Exercise price
2,782,500	RM3.03
3,809,910	RM3.75
1,950,000	RM3.77
375,000	RM3.80

Outstanding ESOS options which were vested after 31 December 2013 are excluded.

Pro Forma III

Pro Forma III incorporates the effects from Pro Formas I and II, and the effects of the Bonus Issue and the Rights Issue. The effects of the Bonus Issue and the Rights Issue are collectively illustrated, as the Bonus Issue is conditional upon the Rights Issue and both the transactions are to be completed at the same time.

The basis of the Rights Issue is on the existing Shares and will not include the Bonus Shares. The actual number of Bonus Shares and Rights Shares to be issued pursuant to the Bonus Issue and Rights Issue, respectively, will be determined based on the issued and paid-up share capital of the Company as at the Entitlement Date. Entitled shareholders who do not subscribe for the Rights Shares will still be entitled to the Bonus Shares. The Rights Issue is to be undertaken on a full subscription basis.

The Rights Issue is renounceable in full or in part. Accordingly, the entitled shareholders can subscribe for and/or renounce their entitlements to the Rights Shares in full or in part.

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BUMI ARMADA BERHAD
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2013 (CONTINUED)

4 EFFECTS ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

4.3 Maximum Scenario – assuming that all of the Outstanding ESOS Options are exercised (continued)

Pro Forma III (continued)
The Rights Shares which are not taken up or cannot be taken up or not validly taken up, including any factional entitlements thereof, shall be made available for excess applications by the other entitled shareholders and/or their renouncees (if applicable), and thereafter (if applicable) shall be taken up by the Joint Underwriters. The Joint Underwriters severally but not jointly agreed to act as underwriters, to underwrite and subscribe for and/or procure subscribers for the remaining portion of the Rights Shares, for which no irrevocable written undertaking to subscribe has been obtained from other shareholders, in the manner and on the terms and conditions set out in the Underwriting Agreement.

On 28 August 2014, Bumi Armada and the Joint Global Coordinators for the Rights Issue, namely CIMB Investment Bank Berhad, Credit Suisse (Singapore) Limited and Maybank Investment Bank Berhad, agreed to extend the deadline for the issuance of the Abridged Prospectus to be dated 12 September 2014 ("Abridged Prospectus") by Bumi Armada in relation to the Rights Issue to not later than 4 months instead of 3 months as previously provided, after 1 June 2014, being the date of the Underwriting Agreement.

Based on the illustration in Pro Forma II, a total of 1,471,026,055 Bonus Shares will be issued and a total of 1,471,026,055 Rights Shares will be issued.

Illustration is based on the rights issue price of RM1.35 per Rights Share and after deducting the estimated expenses of RM55.0 million incurred in relation to the Corporate Exercises.

The utilisation of proceeds arising from the Rights Issue as set out in Section 4 of the Abridged Prospectus (save for the estimated expenses) has not been illustrated in the Pro Forma Consolidated Statements of Financial Position of the Company. These proceeds have been included within the cash and bank balances in the Pro Forma Consolidated Statements of Financial Position.

The estimated expenses for the Corporate Exercises of RM45 million for professional fees and underwriting commission are assumed to be directly attributable to the Rights Issue and as such will be debited against the share premium account, whereas the remaining expenses of RM10 million are estimated fees to the authorities, printing costs as well as other estimated incidental and miscellaneous expenses and as such, will be charged to the statement of comprehensive income.

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BUMI ARMADA BERHAD
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2013 (CONTINUED)

5 APPROVAL BY BOARD OF DIRECTORS

Approved and adopted by the Board of Directors of Bumi Armada Berhad in accordance with a resolution dated 26 August 2014

On behalf of the Board

HASSAN ASSAD BASMA	SHAHARUL REZZA BIN HASSAN
EXECUTIVE DIRECTOR	EXECUTIVE DIRECTOR

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BUMI ARMADA BERHAD
(Incorporated in Malaysia)

STATUTORY FINANCIAL STATEMENTS

31 DECEMBER 2013

BUMI ARMADA BERHAD
(Incorporated in Malaysia)

STATUTORY FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

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BUMI ARMADA BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT

The Directors have pleasure in submitting their report to the members together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2013.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding and provision of management services. The principal activities of the Group consist of provision of marine transportation, Floating Production Storage and Offloading operations, vessel construction, engineering and maintenance services to offshore oil and gas companies. Further details are provided in Note 18 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Profit for the financial year attributable to:		
- Owners of the Company	431,191	178,781
- Non-controlling interests	3,907	-
	435,098	178,781

DIVIDENDS

The dividends paid by the Company since the end of the previous financial year were as follows:

	RM'000
In respect of the financial year ended 31 December 2012 as disclosed in the Directors' report of that year:	
Final cash dividend comprising a single tier tax-exempt dividend of 3.0 sen per share and a dividend of 0.14 sen per share less 25% income tax paid on 16 July 2013	90,980

The Board of Directors has recommended for shareholders' approval at the forthcoming Annual General Meeting of the Company, a tax exempt final cash dividend of 3.25 sen per share in respect of the financial year ended 31 December 2013 which is not taxable in the hands of the shareholders pursuant to Section 54A(3)(d and e) of the Income Tax Act, 1967 the entitlement and payment dates for which will be announced at a later date to be determined.

The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2014.

BUMI ARMADA BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT (CONTINUED)

RESERVES AND PROVISIONS

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

ISSUE OF SHARES

During the financial year, 2,422,800 new ordinary shares of RM0.20 each were issued by the Company for cash by virtue of the exercise of options granted pursuant to the Company's Employee Share Option Scheme ("ESOS or Scheme") at exercise prices of RM3.03 and RM3.75 per share as part of the Company's long term plan to promote ownership of shares in the Company by eligible employees of the Group and the Executive Directors and to enable the Group to attract, retain and motivate employees by permitting them to share in the growth of the Company.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

EMPLOYEE SHARE OPTION SCHEME

On 18 June 2011, the Company's shareholders approved the establishment of the Scheme to eligible employees of the Group, including Executive Directors of the Company. The Scheme which came into effect on 28 June 2011 is for a period of 10 years.

The salient features and other terms of the ESOS are disclosed in Note 35 to the financial statements.

During the financial year, 9,250,000 options over unissued ordinary shares of RM0.20 each of the Company under the Scheme were granted and accepted by eligible employees.

The names of individual employees who were granted options pursuant to the Scheme to subscribe for unissued ordinary shares during the financial year are as follows:

				Number of options		
Name	Grant date	Expiry date	Exercise price	Granted	Exercised	31.12.2013
			RM per share	'000	'000	'000
Hassan Assad Basma	19.3.2013	18.3.2018	3.77	6,500	-	6,500
Shaharul Rezza bin Hassan	19.6.2013	2.9.2017	3.80	1,250	-	1,250
Kenneth Murdoch	25.11.2013	24.11.2018	4.04	1,500	-	1,500

None of the Non-Executive Directors of the Company were granted any options as they are not eligible to participate in the Scheme under the By-Laws of the Scheme.

BUMI ARMADA BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT (CONTINUED)

DIRECTORS

The Directors of the Company in office during the period since the date of the last report and at the date of this report are as follows:

Tunku Ali Redhauddin ibni Tuanku Muhriz
Dato' Sri Mahamad Fathil bin Dato' Mahmood
Saiful Aznir bin Shahabudin
Alexandra Elisabeth Johanna Maria Schaapveld*
Andrew Philip Whittle
Chan Chee Beng
Lim Ghee Keong
Hassan Assad Basma
Shaharul Rezza bin Hassan
Dato' Ahmad Fuad bin Md Ali (Retired on 18 June 2013)

** She is also referred to as Alexandra Schaapveld in the other sections of this Report*

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, being arrangements with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate other than those arising from the share options granted under the ESOS.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits as disclosed in Note 12 to the financial statements) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

BUMI ARMADA BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT (CONTINUED)

DIRECTORS' INTERESTS IN SHARES

According to the Register of Directors' shareholdings, the interests of the Directors in office at the end of the financial year, in shares and options over unissued shares in the Company during the financial year are as follows:

In the Company – Direct Interests

	Number of ordinary shares of RM0.20 each			
	As at 1.1.2013/ Appointment date	Acquired	Disposed	As at 31.12.2013
Tunku Ali Redhauddin ibni Tuanku Muhriz (Appointed on 17 January 2013)	10,000	-	-	10,000
Dato' Sri Mahamad Fathil bin Dato' Mahmood	750,000	-	-	750,000
Saiful Aznir bin Shahabudin (1)	713,000	-	-	713,000
Alexandra Schaapveld (2)	750,000	-	-	750,000
Andrew Philip Whittle (2)	750,000	-	-	750,000
Chan Chee Beng (1)	750,000	-	-	750,000
Lim Ghee Keong (1)	750,000	-	-	750,000
Hassan Assad Basma (2)	10,000,000 (3)	-	(1,000,000)	9,000,000
Shaharul Rezza bin Hassan (1)	1,200,000	-	-	1,200,000

(1) Held through a nominee, namely CIMSEC Nominees (Tempatan) Sdn Bhd.
(2) Held through a nominee, namely CIMSEC Nominees (Asing) Sdn Bhd.
(3) These shares comprise the preferential allocation of 2,500,000 shares under the Initial Public Offering ("IPO"), 5,000,000 existing shares acquired pursuant to the exercise of call options under the Call Option Agreements dated 18 June 2011 ("COA") and 2,500,000 existing shares which were yet to be exercised under the COA as at 1/1/2013. The call options over the said 2,500,000 existing shares were exercised during 2013.

BUMI ARMADA BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT (CONTINUED)

DIRECTORS' INTEREST IN SHARES (CONTINUED)

In the Company – Direct Interests (continued)

	Number of options over unissued ordinary shares of RM0.20 each			
	As at 1.1.2013	Granted	Exercised	As at 31.12.2013
Hassan Assad Basma	17,500,000 [(1)]	6,500,000	-	24,000,000 [(2)]
Shaharul Rezza bin Hassan	4,000,000 [(1)]	1,250,000	-	5,250,000 [(2)]

(1) These relate to options over unissued shares of RM0.20 each of BAB granted pursuant to the ESOS. Save for 10% of the options granted to Shaharul Rezza bin Hassan, none of the options had vested.

(2) These relate to options over unissued shares of RM0.20 each of BAB granted pursuant for the ESOS. Save for 1,950,000 and 1,575,000 options granted to Hassan Assad Basma and Shaharul Rezza bin Hassan respectively, none of the options had vested.

In the Company – Indirect Interests

	Number of ordinary shares of RM0.20 each			
	As at 1.1.2013	Acquired	Disposed	As at 31.12.2013
Dato' Sri Mahamad Fathil bin Dato' Mahmood [(1)]	330,777,700	-	(105,500,000)	225,277,700

(1) Deemed interest by virtue of his shareholding in Ombak Damai Sdn Bhd pursuant to Section 6A of the Act.

Save as disclosed above, none of the Directors in office at the end of the financial year held any interest in shares or options over shares in the Company or in its related corporations during the financial year.

BUMI ARMADA BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT (CONTINUED)

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the statements of income, statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:

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

(b) to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

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

(a) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

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

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

OTHER STATUTORY INFORMATION

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Group or of the Company to meet their obligations when they fall due.

At the date of this report, there does not exist:

(a) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liability of any other person other than as disclosed in Note 16 to the financial statements; or

(b) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

BUMI ARMADA BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT (CONTINUED)

OTHER STATUTORY INFORMATION (CONTINUED)

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

In the opinion of the Directors:

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

(b) except as disclosed in Note 42 to the financial statement, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

AUDITORS

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

Signed on behalf of the Board of Directors in accordance with a resolution dated 16 April 2014.

HASSAN ASSAD BASMA
DIRECTOR

SHAHARUL REZZA BIN HASSAN
DIRECTOR

BUMI ARMADA BERHAD
(Incorporated in Malaysia)

STATEMENTS OF INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

		Group		Company	
	Note	2013	2012	2013	2012
		RM'000	RM'000	RM'000	RM'000
Revenue	6	2,073,004	1,659,184	387,543	196,619
Cost of sales		(1,322,720)	(972,503)	(173,855)	(125,803)
Gross profit		750,284	686,681	213,688	70,816
Other operating income	7	25,504	52,014	10,361	11,971
Selling and distribution costs		(109,624)	(84,211)	-	-
Administrative expenses		(122,209)	(102,724)	(42,368)	(45,672)
Operating profit		543,955	551,760	181,681	37,115
Finance costs	8	(97,455)	(123,411)	(237)	(1,077)
Share of results of joint ventures	9	33,473	40,268	-	-
Profit before taxation	10	479,973	468,617	181,444	36,038
Taxation	13	(44,875)	(80,599)	(2,663)	2,276
Profit for the financial year		435,098	388,018	178,781	38,314
Attributable to:					
Owners of the Company		431,191	385,828		
Non-controlling interests		3,907	2,190		
		435,098	388,018		
Earnings per share (sen)	14				
- basic		14.71	13.17		
- diluted		14.71	13.17		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BUMI ARMADA BERHAD
(Incorporated in Malaysia)

STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Profit for the financial year	435,098	388,018	178,781	38,314
Other comprehensive income/(expense):				
Items that may be reclassified subsequently to profit or loss:				
- Loss on fair value change on available-for-sale financial assets	(11,556)	(2,791)	-	-
- Fair value gain/(loss) on cash flow hedges	7,119	(4,120)	-	-
- Foreign currency translation differences	249,822	(96,714)	-	-
Other comprehensive income/(expense) for the financial year, net of tax	245,385	(103,625)	-	-
Total comprehensive income for the financial year	680,483	284,393	178,781	38,314
Total comprehensive income attributable to:				
- Owners of the Company	674,052	281,945	178,781	38,314
- Non-controlling interests	6,431	2,448	-	-
	680,483	284,393	178,781	38,314

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BUMI ARMADA BERHAD
(Incorporated in Malaysia)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

	Note	2013 RM'000	2012 RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	16	5,871,084	4,734,845
Goodwill	17	1,411	1,411
Investments in joint ventures	9	271,787	170,700
Available-for-sale financial assets	19	48,642	56,044
Accrued lease rentals	20	433,104	508,792
Derivative financial instruments	21	-	2,209
Deferred tax assets	22	40,993	8,121
TOTAL NON-CURRENT ASSETS		6,667,021	5,482,122
CURRENT ASSETS			
Inventories	23	5,559	10,750
Amounts due from customers on contract	24	36,421	15,835
Trade receivables	25	447,632	332,150
Accrued lease rentals	20	652,292	398,488
Other receivables, deposits and prepayments	26	254,091	130,254
Tax recoverable		3,063	5,547
Amounts due from joint ventures	28	109,048	48,782
Derivative financial instruments	21	-	2,104
Deposits, cash and bank balances	29	634,538	500,500
TOTAL CURRENT ASSETS		2,142,644	1,444,410
Assets of disposal group classified as held-for-sale	30	-	3,227
TOTAL ASSETS		8,809,665	6,929,759

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BUMI ARMADA BERHAD
(Incorporated in Malaysia)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2013 (CONTINUED)

	Note	2013	2012
		RM'000	RM'000
LIABILITIES			
LESS: CURRENT LIABILITIES			
Amounts due to customers on contract	24	592	20,289
Trade payables		243,979	228,463
Other payables and accruals	31	306,123	142,928
Amounts due to joint ventures	28	15,379	-
Hire purchase creditors	32	184	170
Borrowings	33	1,185,655	614,807
Derivative financial instruments	21	12,672	12,976
Taxation		28,925	16,831
TOTAL CURRENT LIABILITIES		1,793,509	1,036,464
Liabilities of disposal group classified as held-for-sale	30	-	161
NET CURRENT ASSETS		349,135	411,012
LESS: NON-CURRENT LIABILITIES			
Hire purchase creditors	32	128	209
Borrowings	33	2,591,347	2,052,866
Derivative financial instruments	21	5,823	16,031
Deferred tax liabilities	22	38,623	57,017
TOTAL NON-CURRENT LIABILITIES		2,635,921	2,126,123
NET ASSETS		4,380,235	3,767,011
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Share capital	34	586,318	585,834
Reserves	36	3,770,341	3,164,032
		4,356,659	3,749,866
NON-CONTROLLING INTERESTS		23,576	17,145
TOTAL EQUITY		4,380,235	3,767,011

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BUMI ARMADA BERHAD
(Incorporated in Malaysia)

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

	Note	2013 RM'000	2012 RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	16	18,708	15,731
Investments in subsidiaries	18	1,895,331	1,905,858
Investments in joint ventures	9	145,232	118,829
Available-for-sale financial assets	19	2,027	2,027
Deferred tax assets	22	7,925	8,121
TOTAL NON-CURRENT ASSETS		2,069,223	2,050,566
CURRENT ASSETS			
Other receivables, deposits and prepayments	26	43,429	22,781
Dividend receivable		2,864	8,364
Tax recoverable		-	540
Amounts due from subsidiaries	27	632,892	508,628
Amounts due from joint ventures	28	47,741	16,768
Deposits, cash and bank balances	29	16,117	11,313
TOTAL CURRENT ASSETS		743,043	568,394
TOTAL ASSETS		2,812,266	2,618,960
LIABILITIES			
LESS: CURRENT LIABILITIES			
Other payables and accruals	31	80,099	46,570
Amounts due to subsidiaries	27	138,165	90,467
Hire purchase creditors	32	170	170
Taxation		709	-
TOTAL CURRENT LIABILITIES		219,143	137,207
NET CURRENT ASSETS		523,900	431,187
LESS: NON-CURRENT LIABILITIES			
Hire purchase creditors	32	57	209
NET ASSETS		2,593,066	2,481,544

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BUMI ARMADA BERHAD
(Incorporated in Malaysia)

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013 (CONTINUED)

	Note	2013	2012
		RM'000	RM'000
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Share capital	34	586,318	585,834
Reserves	36	2,006,748	1,895,710
TOTAL EQUITY		2,593,066	2,481,544

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BUMI ARMADA BERHAD
(Incorporated in Malaysia)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

		Attributable to Owners of the Company										
2013	Note	Number of shares	Nominal value	Share premium 36(a)	Foreign exchange reserve 36(b)	Other reserves 36(c)	Share option reserve 36(d)	Hedging reserve 36(e)	Retained earnings	Total	Non-controlling interests	Total equity
		'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January		2,929,168	585,834	1,756,045	(195,829)	3,770	16,049	(17,230)	1,601,227	3,749,866	17,145	3,767,011
Profit for the financial year		-	-	-	-	-	-	-	431,191	431,191	3,907	435,098
Other comprehensive income/(expense) for the financial year		-	-	-	247,542	(11,556)	-	6,875	-	242,861	2,524	245,385
Total comprehensive income/ (expense) for the financial year		-	-	-	247,542	(11,556)	-	6,875	431,191	674,052	6,431	680,483
Transactions with owners:												
- Employee share options exercised	34,35	2,423	484	8,569	-	-	(1,635)	-	-	7,418	-	7,418
- Employee share options granted	35	-	-	-	-	-	16,303	-	-	16,303	-	16,303
- Employee share options forfeited	35	-	-	-	-	-	(84)	-	84	-	-	-
- Dividend paid	15	-	-	-	-	-	-	-	(90,980)	(90,980)	-	(90,980)
At 31 December		2,931,591	586,318	1,764,614	51,713	(7,786)	30,633	(10,355)	1,941,522	4,356,659	23,576	4,380,235

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BUMI ARMADA BERHAD
(Incorporated in Malaysia)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

		Attributable to Owners of the Company										
2012	Note	Number of shares	Nominal value	Share premium 36(a)	Foreign exchange reserve 36(b)	Other reserves 36(c)	Share option reserve 36(d)	Hedging reserve 36(e)	Retained earnings	Total	Non-controlling interests	Total equity
		'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January		2,928,462	585,692	1,753,586	(99,115)	6,561	5,535	(12,852)	1,288,611	3,528,018	14,697	3,542,715
Profit for the financial year		-	-	-	-	-	-	-	385,828	385,828	2,190	388,018
Other comprehensive (expense)/income for the financial year		-	-	-	(96,714)	(2,791)	-	(4,378)	-	(103,883)	258	(103,625)
Total comprehensive (expense)/ income for the financial year		-	-	-	(96,714)	(2,791)	-	(4,378)	385,828	281,945	2,448	284,393
Transactions with owners:												
- Employee share options exercised	34,35	706	142	2,459	-	-	(459)	-	-	2,142	-	2,142
- Employee share options granted	35	-	-	-	-	-	10,973	-	-	10,973	-	10,973
- Dividend paid	15	-	-	-	-	-	-	-	(73,212)	(73,212)	-	(73,212)
At 31 December		2,929,168	585,834	1,756,045	(195,829)	3,770	16,049	(17,230)	1,601,227	3,749,866	17,145	3,767,011

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BUMI ARMADA BERHAD
(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

		Attributable to Owners of the Company						
	Note	Number of shares	Nominal value	Share premium 36(a)	Other reserves 36(c)	Share option reserve 36(d)	Retained earnings	Total
		'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2013								
At 1 January		2,929,168	585,834	1,756,045	6,550	16,049	117,066	2,481,544
Total comprehensive income for the financial year		-	-	-	-	-	178,781	178,781
Transactions with owners								
- Employee share options exercised	34,35	2,423	484	8,569	-	(1,635)	-	7,418
- Employee share options granted	35	-	-	-	-	16,303	-	16,303
- Employee share options forfeited	35	-	-	-	-	(84)	84	-
- Dividends paid	15	-	-	-	-	-	(90,980)	(90,980)
At 31 December		2,931,591	586,318	1,764,614	6,550	30,633	204,951	2,593,066

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BUMI ARMADA BERHAD
(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

		Attributable to Owners of the Company						
	Note	Number of shares	Nominal value	Share premium	Other reserves	Share option reserve	Retained earnings	Total
				36(a)	36(c)	36(d)		
		'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2012								
At 1 January		2,928,462	585,692	1,753,586	6,550	5,535	151,964	2,503,327
Total comprehensive income for the financial year		-	-	-	-	-	38,314	38,314
Transactions with owners								
- Employee share options exercised	34,35	706	142	2,459	-	(459)	-	2,142
- Employee share options granted	35	-	-	-	-	10,973	-	10,973
- Dividends paid	15	-	-	-	-	-	(73,212)	(73,212)
At 31 December		2,929,168	585,834	1,756,045	6,550	16,049	117,066	2,481,544

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BUMI ARMADA BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	Note	Group		Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
OPERATING ACTIVITIES					
Profit for the financial year		435,098	388,018	178,781	38,314
Adjustments for non cash items:					
Share of results of joint ventures		(33,473)	(40,268)	-	-
Depreciation of property, plant and equipment		416,756	355,994	9,225	8,727
Gain from bargain purchase of a subsidiary		-	(6,740)	-	-
Gain on disposal of a subsidiary		(9,358)	-	-	-
Fair value through profit or loss on derivative financial instruments		536	(3,311)	-	-
Gain on disposal of property, plant and equipment		(204)	(48)	(200)	(6)
Impairment of property, plant and equipment		-	1,397	-	-
Impairment of available-for-sale financial asset		-	5,400	-	5,400
Impairment of doubtful debts		28,485	3,058	-	-
Allowance for doubtful debts written back		(1,976)	-	-	-
Unrealised foreign exchange (gain)/loss		(18,013)	8,612	1,031	(7,279)
Share-based payments		16,303	10,973	16,303	10,973
Interest income		(4,168)	(10,217)	(10,143)	(9,356)
Interest expense		106,592	124,578	237	1,077
Dividend income		(2,221)	(2,864)	(208,949)	(66,692)
Taxation		44,875	80,599	2,663	(2,276)
Operating profit/(loss) before changes in working capital		979,232	915,181	(11,052)	(21,118)
Changes in working capital:					
Inventories		5,878	(9,207)	-	-
Trade and other receivables		(252,339)	(163,966)	(59,493)	(58,666)
Trade and other payables		(68,822)	1,178	30,641	(14,273)
Cash from/(used in) operations		663,949	743,186	(39,904)	(94,057)
Interest paid		(97,455)	(123,411)	(237)	(1,077)
Tax refund		118	2,525	-	157
Tax paid		(92,186)	(55,218)	(1,218)	(1,137)
NET CASH FLOWS GENERATED FROM/(USED IN) OPERATING ACTIVITIES		474,426	567,082	(41,359)	(96,114)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BUMI ARMADA BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

	Note	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
INVESTING ACTIVITIES					
Purchase of property, plant and equipment	A	(1,277,546)	(893,267)	(2,254)	(5,908)
Proceeds from disposal of property, plant and equipment		204	52	200	6
Proceeds from disposal of a subsidiary		12,446	-	-	-
Interest received		4,183	10,426	10,144	6,693
Acquisition of a subsidiary		-	(843)	-	(1,750)
Investment in quoted shares		-	(56,808)	-	-
Investment in joint ventures		(23,350)	-	(23,350)	-
Investment in subsidiaries		-	-	(33)	-
Dividends received		2,221	-	214,449	69,998
Advances to subsidiaries		-	-	(69,279)	(810,830)
NET CASH FLOWS (USED IN)/GENERATED FROM INVESTING ACTIVITIES		(1,281,842)	(940,440)	129,877	(741,791)
FINANCING ACTIVITIES					
Proceeds from bank borrowings		1,857,496	143,809	-	-
Decrease in deposit pledged as security		-	3,465	-	3,465
Repayment of bank borrowings		(863,067)	(438,000)	-	-
Repayment of hire purchase creditors		(162)	(425)	(152)	(308)
Proceeds from issuance of shares		7,418	2,601	7,418	2,601
Proceeds from hire purchase creditors		95	-	-	-
Dividend paid		(90,980)	(73,212)	(90,980)	(73,212)
NET CASH FLOWS GENERATED FROM/ (USED IN) FINANCING ACTIVITIES		910,800	(361,762)	(83,714)	(67,454)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BUMI ARMADA BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

	Note	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		103,384	(735,120)	4,804	(905,359)
CURRENCY TRANSLATION DIFFERENCES		30,654	(8,331)	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		499,600	1,243,051	10,413	915,772
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	B	633,638	499,600	15,217	10,413

Notes to the statements of cash flows:

A Additions to property, plant and equipment (Note 16) during the financial year were acquired as follows:

	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
Cash	1,277,546	893,267	2,254	5,908
Movement in property, plant and equipment creditors	(31,507)	82,706	9,948	3,508
Interest expense capitalised for construction of vessels	16,000	-	-	-
	1,262,039	975,973	12,202	9,416

B Cash and cash equivalents consist of:

	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
Deposits with licensed banks	621,313	427,591	13,600	9,550
Cash and bank balances	13,225	72,909	2,517	1,763
	634,538	500,500	16,117	11,313
Designated deposits placed with licensed banks	(900)	(900)	(900)	(900)
	633,638	499,600	15,217	10,413

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BUMI ARMADA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013

1 GENERAL INFORMATION

The principal activity of the Company is investment holding and provision of management services. The principal activities of the Group consist of provision of marine transportation, Floating Production Storage and Offloading operations, vessel construction, engineering and maintenance services to offshore oil and gas companies. Further details are provided in Note 18.

There have been no significant changes in the principal activities of the Group and Company during the financial year.

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and Company have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

The financial statements have been prepared under the historical cost convention, unless otherwise indicated in the summary of significant accounting policies as stated in Note 2 to the financial statements.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying the Group and Company's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

(a) Standards, amendments to published standards and interpretations that are effective

The new accounting standards, amendments, and improvements to published standards and interpretations that are effective for the Group and Company's financial year beginning on or 1 January 2013 are as follows:

- MFRS 10 "Consolidated Financial Statements"
- MFRS 11 "Joint Arrangements"
- MFRS 12 "Disclosures of Interests in Other Entities"
- MFRS 13 "Fair Value Measurement"
- The revised MFRS 127 "Separate Financial Statements"
- The revised MFRS 128 "Investments in Associates and Joint Ventures"
- Amendment to MFRS 7 "Financial Instruments: Disclosures"
- Amendment to MFRS 101 "Presentation of Items of Other Comprehensive Income"
- Amendment to MFRS 119 "Employees Benefits"
- Annual Improvements to 2009-2011 Cycle
- Amendments to MFRS 10, 11 and 12 "Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance"

The adoption of the above MFRS, Amendments to MFRS and Improvements to MFRS did not have any significant impact on the financial statements upon the initial application on or after 1 January 2013, except for the following:

- MFRS 12 "Disclosure of Interest in Other Securities", MFRS 13 "Fair Value Measurement" and MFRS 7 "Financial Instruments: Disclosures"

  These MFRS do not have any impact on the accounting policies at Group. The Group has incorporated the additional required disclosures into the financial statements.

- MFRS 11 "Joint Arrangement"

  The Group reassessed its investments in jointly controlled entities and classified the joint arrangements as joint ventures.

- Amendment to MFRS 116 "Property, Plant and Equipment" – classification of spare parts and servicing equipment"

  The Group has reclassified spare parts as property, plant and equipment during the financial year.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

(b) Amendments to published standards that are applicable to the Group but not yet effective

The Group will apply the amendments to published standards in the following periods:

Effective for the financial year beginning on or after 1 January 2014

- Amendment to MFRS 10 "Consolidated Financial Statements: Investment Entities"
- Amendment to MFRS 12 "Disclosure of Interest in Other Entities: Investment Entities"
- Amendment to MFRS 127 "Consolidated and Separate Financial Statements: Investment Entities"
- Amendment to MFRS 132 "Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities"
- Amendment to MFRS 136 "Impairment of Assets – Recoverable Amount Disclosure for Non-financial Assets"
- Amendment to MFRS 139 "Novation of Derivatives and Continuation of Hedge Accounting"

(c) Standards and amendments effective - a date yet to be determined by Malaysian Accounting Standards Board

- MFRS 9 "Financial Instruments"
- Amendment to MFRS 7 "Financial Instruments: Disclosure – Mandatory Date of MFRS 9 and Transition Disclosure"

The adoption of MFRS 9 may result in a change in accounting policy. The Group and the Company will quantify the effect of adopting this standard when the full standard is issued.

Unless otherwise disclosed, the above standards, amendments to published standards and interpretations are not anticipated to have any significant impact on the financial statements of the Group and of the Company in the year of initial application.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Consolidation

(a) Subsidiaries

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

The Group applies the acquisition method to account for business combinations, except for certain subsidiaries as disclosed in Note 18, where the Group applies predecessor method of merger accounting to account for business combination under common control. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Under predecessor accounting, assets and liabilities acquired are not restated to their respective fair values. They are recognised at the carrying amounts from the consolidated financial statements of the ultimate holding company of the Group and adjusted to ensure uniform accounting policies of the Group. The difference between any consideration given and the aggregate carrying amounts of the assets and liabilities (as of the date of the transaction) of the acquired entity is recognised as an adjustment to equity. No additional goodwill is recognised.

Acquisition-related costs are expensed as incurred. If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss. Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with MFRS 139 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recognised as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Consolidation (continued)

(a) Subsidiaries (continued)

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

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

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) Disposal of subsidiaries

When the Group ceases to have control any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(d) Joint arrangements

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Consolidation (continued)

(d) Joint arrangements (continued)

The Group's interest in a joint venture is accounted for in the financial statements by the equity method of accounting. Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

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

2.3 Investments in subsidiaries and joint ventures

In the Company's separate financial statements, investments in subsidiaries and joint ventures are carried at cost less accumulated impairment losses (see accounting policy Note 2.8). On disposal of investments in subsidiaries and joint ventures, the difference between disposal proceeds and the carrying amounts of the investments are recognised in the profit or loss.

Amounts due from subsidiaries of which the Company does not expect repayment in the foreseeable future are deemed as investments in the subsidiaries.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 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. Costs also include borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (see accounting policy Note 2.9).

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 MFRS 116 "Property, plant and equipment".

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

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

Property, plant and equipment are depreciated on a straight-line basis to allocate the cost, the residual values over their estimated useful lives. Depreciation on vessels under construction commences when the assets are ready for their intended use. Vessels are depreciated on a systematic basis to reflect the pattern in which future economic benefits are expected to be consumed over its estimated useful lives.

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

Leasehold land and building	50 years
Drydocking expenditure	5 years
Vessels	10 to 30 years
Equipment, furniture, fittings and office equipment	2 to 10 years
Spare parts	1 to 3 years
Motor vehicles	5 years

Residual values and useful lives of 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 accounting policy Note 2.8).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Financial assets

(a) Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables and available-for-sale financial assets. 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. Derivatives are also categorised as held for trading unless they are designated as hedges (see accounting policy Note 2.7). Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise they are classified as non-current.

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 and Company's loan and receivables are disclosed in Note 41 to the financial statements.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

(b) 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 the profit or loss.

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Financial assets (continued)

(c) Subsequent measurement - gains and losses

Financial assets at fair value through profit or loss and available-for-sale financial assets 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 the profit or loss in the period in which the changes arise.

Changes in the fair value of available-for-sale financial assets are recognised in other comprehensive income. Impairment losses and foreign exchange gains and losses on monetary assets are recognised in the profit or loss.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the profit or loss.

Dividends on available-for-sale equity instruments are recognised in the profit or loss when the Group's right to receive payment is established.

(d) 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Financial assets (continued)

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

Assets carried at amortised cost (continued)

The criteria that the Group uses to determine that there is objective evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

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 of the asset is reduced and the amount of the loss is recognised in the 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.

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, the reversal of the previously recognised impairment loss is recognised in the 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.

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Financial assets (continued)

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

Assets classified as available-for-sale

The Group assesses at the end of the reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired.

For debt securities, the Group uses criteria and measurement of impairment loss applicable for "assets carried at amortised cost" above.

In the case of equity securities classified as available-for-sale, in addition to the criteria for "assets carried at amortised cost" above, a significant or prolonged decline in the fair value of the security below its cost is also considered as an indicator that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss that had been recognised directly in equity is removed from equity and recognised in profit or loss. The amount of cumulative loss that is reclassified to profit or loss is the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss. Impairment losses recognised in profit or loss on equity instruments classified as available-for-sale are not reversed through profit or loss.

(e) 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 and Company have transferred substantially all risks and rewards of ownership.

When available-for-sale financial assets are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss.

(f) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Financial guarantee contracts

Financial guarantee contracts are contracts that require the 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 MFRS 137 "Provisions, contingent liabilities and contingent assets" and the amount initially recognised less cumulative amortisation, where appropriate.

2.7 Derivative financial instruments and hedge activities

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

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and the nature of the item being hedged. Derivatives that do not qualify for hedge accounting are classified as held for trading and accounted for in accordance with the accounting policy set out in Note 2.5. Derivatives that qualify for hedge accounting are designated as cash flow hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction.

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flows of hedged items.

The fair values of various derivative instruments used for hedging purposes are disclosed in Note 21. Movements on the hedging reserve in the other comprehensive income are shown in the statement of changes in equity. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

The effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedges is recognised in the other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the profit or loss.

Amounts accumulated in equity are reclassified to the profit or loss in the periods when the hedged item affects the profit or loss.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the transaction is ultimately recognised in the profit or loss.

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 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.

2.9 Borrowings and borrowing cost

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

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

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.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised as finance cost in profit or loss.

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 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.

2.11 Non-current assets (or disposal groups) 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.

2.12 Construction contracts and conversion works

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. Conversion works are in respect of works which are built according to the customers' specifications.

When the outcome of a construction contract or conversion works can be estimated reliably, revenue and costs associated with the construction contract or conversion works are recognised as revenue and expenses respectively by reference to the stage of completion of the contract or conversion activity at the end of the reporting period. When it is probable that total costs will exceed total revenue, the expected loss is recognised as an expense immediately.

Variations in contract/conversion 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/conversion costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract/conversion. Costs incurred in the year in connection with future activity on a contract/conversion are excluded from contract/conversion 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.

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Construction contracts and conversion works (continued)

For conversion works in relation to vessels built to customers' specifications, these are shown as vessel under construction (under property, plant and equipment) during the conversion phase. Upon completion of the conversion works, these amounts are recognised as finance lease receivables when the leases commence. For construction contracts, the Group presents as an asset the gross amounts 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 are included within "trade and other receivables". The Group presents as a liability the gross amounts due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses).

2.13 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 and Company's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group.

The Group and Company recognise 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 and Company's activities as described below. The Group and Company base 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:

(a) Vessel charter fees and support services

Vessel charter hire fees from FPSO contracts are recognised over the lease term based on classification of the contracts as finance or operating lease determined at the inception of the lease (see accounting policy Note 2.15). Charter hire income from other vessels is recognised upon rendering of services to customers.

Vessel sundry income, commission and agency income are recognised when services are rendered to the customers and recognised on an accrual basis.

(b) Vessel construction, conversion and engineering services

Revenue from construction contracts and conversion works in relation to vessels built to customers' specifications are accounted for under the percentage of completion method (see accounting policy Note 2.12).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Revenue recognition (continued)

(c) Interest income

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables are recognised using the original effective interest rate.

(d) Dividend income

Dividend income is recognised when the Group's and Company's right to receive payment is established. This applies even if they are paid out of pre-acquisition profits. However, the investment may need to be tested for impairment as a consequence.

(e) Rental income

The Group earns rental income from the rental of premises to third parties and recognised on an accrual basis.

(f) 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.

(g) Central overhead fees

The Company earns central overhead fees from its subsidiaries and joint ventures (Note 38) and recognised on an accrual basis.

2.14 Foreign currencies

(a) Functional and presentation currency

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Foreign currencies (continued)

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when deferred in other comprehensive income as qualifying cash flow hedges.

Translation difference on non-monetary financial assets, such as equities classified as available-financial-assets, are included in other comprehensive income.

(c) Group companies

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

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of income 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 the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation or a disposal involving loss of joint control over a joint venture that includes a foreign operation) all of the exchange differences relating to that foreign operation recognised in other comprehensive income and accumulated in the separate component of equity are reclassified to profit or loss. In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (that is, reductions in the group's ownership interest in joint ventures that do not result in the Group losing significant influence or joint control) the proportionate share of the accumulated exchange difference is reclassified to profit or loss.

Intercompany loans where settlement is neither planned nor likely to occur in the foreseeable future, are treated as part of the parent's net investment. Translation differences arising therefrom are recognised in other comprehensive income.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 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.

(a) Accounting by lessee

Operating leases

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

Contingent rents are recognised as an expense in profit or loss when incurred.

(b) Accounting by lessor

Finance leases

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

The leased asset is derecognised and the present value of the lease receivable (net of initial direct costs for negotiating and arranging the lease) is recognised on the statement of financial position and included in "finance lease receivables". The difference between the gross receivable and the present value of the lease receivable is recognised as unearned finance income.

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Leases (continued)

(b) Accounting by lessor (continued)

<u>Operating leases</u>

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

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

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

2.16 Current and deferred income taxes

The tax expense for the period comprises current, withholding and deferred taxes. 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. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 Current and deferred income taxes (continued)

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and joint ventures, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

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.

2.17 Employee benefits

(a) 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.

(b) Defined contribution plan

The Group's contributions to 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 and Company have no further financial obligations.

(c) Share-based payment transactions

The Group operates an equity-settled, share-based compensation plan under which the Group receives services from employees as consideration for equity options over ordinary shares of the Company. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

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

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

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Employee benefits (continued)

(c) Share-based payment transactions (continued)

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised. When options are not exercised and lapsed, the share option reserve is transferred to retained earnings.

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

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

2.18 Trade receivables

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

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less impairment.

2.19 Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units ("CGUs"), or groups of CGUs that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 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.

2.21 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.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.22 Contingent assets and liabilities

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

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably. However, contingent liabilities do not include financial guarantee contracts. A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. 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 and Company measure 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 MFRS 137 "Provisions, contingent liabilities and contingent assets" and the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with MFRS 118 "Revenue".

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.23 Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents comprise of cash on hand, deposits held at call with banks, other short term and highly liquid investments with original maturities of 3 months or less and bank overdrafts, if any.

2.24 Share capital

(a) Classification

Ordinary shares are classified as equity. Other shares are classified as equity and/or liability according to the economic substance of the particular instrument.

(b) 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.

(c) 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 financial period in which the dividends are approved.

2.25 Earnings per share

The basic earnings per share ("EPS") is calculated by dividing the Group's profit attributable to Owners of the Company by the average number of ordinary shares in issue during the financial year.

The diluted earnings per share is calculated by dividing the profit for the financial year attributable to the Owners of the Company (adjusted for interest income, net of tax, earned on the proceeds arising from the conversion of the call option and ESOS options) by the weighted average number of ordinary shares as adjusted for the basic earnings per share and includes all potential dilutive shares on both arising from the call option and ESOS options granted by the reporting date, as if the options had been exercised on the first day of the financial year or the date of the grant, if later.

2.26 Segment reporting

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

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgments 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.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the Group's results and financial position are tested for sensitivity to changes in the underlying parameters. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

3.1 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 MFRS 117 "Leases". Classifications 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 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 reasonably certain. The evaluation of the term "reasonably certain" involves judgement. 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 MFRS 117 "Leases" and operation of vessels is accounted for under MFRS 118 "Revenue". 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, the management will reassess whether the new arrangements would be classified as a new lease based on the prevailing market conditions.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

3.2 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 2.8. 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 additional impairment charge is required other than as disclosed in Note 16.

3.3 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 prevailing market conditions and expected value to be obtained for these vessels at the end of their useful lives in the future. These assumptions by their nature may differ from actual outcome in the future. 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.

3.4 Taxation

The Group is subject to income and withholding taxes in numerous jurisdictions in which the Group operates. Significant judgement is required in determining the worldwide provision for these 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. The Group has also recognised certain tax recoverable for which the Group believe that there is a reasonable basis for recognition. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax recoverable/payable and deferred tax provision where relevant in the financial period in which such determination is made.

3.5 Construction contracts

The Group uses the "percentage-of-completion" method to account for its contract revenue. The stage of completion is measured by reference to the contract costs incurred up to end of reporting period as a percentage of estimated total costs for each contract.

Significant assumptions based on management's assessment of the contract progress and past experience are used to estimate the total contract costs that affect the stage of completion and the contract revenue respectively.

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

This note presents information about the Group's and Company'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.

Foreign currency exchange risk

The Group is exposed to various currencies, primarily the United States Dollar ("USD"). The Group's foreign currency exchange risk arises from the revenue recognised, and purchases of material, spares and services for maintenance of its vessels.

The objectives of the Group's currency risk management policies are to allow the Group to effectively manage the foreign exchange fluctuation against its functional currency that may arise from future commercial transactions and recognised assets and liabilities. Forward foreign currency exchange contracts are used to manage foreign exchange exposures arising from all known material foreign currency denominated commitments as and when they arise and to hedge the movements in exchange rates by establishing the rate at which a foreign currency monetary item will be settled. Gains and losses on foreign currency forward contracts entered into as hedges of foreign currency monetary items are recognised in the financial statements when the exchange differences of the hedged monetary items are recognised in the financial statements. Cross currency interest rate swap contracts are also used to hedge the volatility in the cash flows attributable to variability in the other currency denominated borrowings once identified to maturity of the borrowings.

The impact of the translation of USD receivables, bank deposits and balances, and payables held by companies within the Group, for which their functional currencies are not USD is not material as at the reporting date.

4 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 borrowings with a floating interest rate. In respect of managing interest rate risk, the floating interest rates of certain long-term loans are hedged in accordance with Group's policy 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.

The contractual interest rates on derivative financial instruments and borrowings are disclosed on Notes 21 and 33 respectively.

At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments was as follows:

Group	2013	2012
	RM'000	RM'000
Variable rate instruments		
Financial liabilities, comprising term loans, bridging loans and revolving credits	3,719,802	2,603,725
Less: Interest rate swap contracts	(1,578,607)	(1,483,598)
Less: Cross currency interest rate swap contract	(132,087)	(164,025)
	2,009,108	956,102

The sensitivity of the Group's profit before taxation for the financial year and equity to a reasonable possible change in RM and USD interest rates with all other factors held constant and based on composition of liabilities with floating interest rates at the reporting date are as follows:

Group	Impact on profit before taxation		Impact on equity [1]	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
RM				
- increased by 0.5% (2012: 0.5%)	(1,547)	(1,330)	719	(476)
- decreased by 0.5% (2012: 0.5%)	1,547	1,330	(719)	476
USD				
- increased by 0.5% (2012: 0.5%)	(12,438)	(5,968)	1,458	2,992
- decreased by 0.5% (2012: 0.5%)	12,438	5,968	(1,458)	(2,992)

[1] Represents cash flow hedging reserve

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Interest rate risk (continued)

The impact on profit before taxation for the financial year is mainly as a result of interest expenses on floating rate borrowings not in a designated hedging relationship. For borrowings in a designated hedging relationship, as these are effectively hedged, the interest rate movements will not have any impact on the profit or loss.

The Company does not have any borrowings at the reporting date and is thus not affected by interest rate risk.

Credit risk

Credit risk arises when sales are made on credit terms. The Group's activities limit the exposure and credit risk concentration to major clients in the oil and gas industry. The Group employs a credit policy that ensures clients are subjected to credit checks and outstanding accounts are followed up on a timely basis.

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 partners 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 credit risk concentration of the Group's trade receivables arise primarily from its FPSO and OSV segments. 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 except for the impairment provided as disclosed in Note 25 to the financial statements. The carrying amount of each class of financial assets mentioned in Notes 25, 26, and 28, including Note 20 to the financial statements represent the Group's maximum exposure to credit risk.

Management continues review the credit risk concentration with respect to other receivables, amounts due from subsidiaries and joint ventures and expect these amounts to be recoverable over the course of business.

Liquidity risk

The Group and Company 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 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.

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4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk (continued)

The table below analyses the Group's non-derivative financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows:

Group	Within 1 year	More than 1 year and within 2 years	More than 2 years and within 5 years	More than 5 years	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
31 December 2013					
Borrowings	1,284,871	686,130	2,093,239	-	4,064,240
Hire purchase creditors	211	84	58	-	353
Amount due to joint ventures	15,379	-	-	-	15,379
Net settled derivative financial instruments					
- interest rate swaps	(13,333)	(6,828)	6,210	-	(13,951)
- cross currency interest rate swaps	(228)	(733)	(4,471)	-	(5,432)
Trade payables	243,979	-	-	-	243,979
Other payables and accruals	306,123	-	-	-	306,123
31 December 2012					
Borrowings	703,795	575,275	1,459,511	207,750	2,946,331
Hire purchase creditors	193	243	-	-	436
Net settled derivative financial instruments					
- interest rate swaps	12,976	9,721	7,026	(121)	29,602
- cross currency interest rate swaps	(2,134)	(1,200)	(1,236)	103	(4,467)
Trade payables	228,463	-	-	-	228,463
Other payables and accruals	142,928	-	-	-	142,928

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk (continued)

The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows:

Company	Within 1 year	More than 1 year and within 2 years	More than 2 years and within 5 years	More than 5 years	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
31 December 2013					
Hire purchase creditors	194	65	-	-	259
Other payables and accruals	80,099	-	-	-	80,099
Amounts due to subsidiaries	138,165	-	-	-	138,165
31 December 2012					
Hire purchase creditors	193	243	-	-	436
Other payables and accruals	46,570	-	-	-	46,570
Amounts due to subsidiaries	90,467	-	-	-	90,467

Capital risk management

The Group's and Company's objectives when managing capital which have not changed from 2012, are to safeguard the Group's and Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares as well as the issue of new debt or return capital to shareholders.

The capital structure of the Group and Company consists of borrowings, cash and cash equivalents and total equity as follows:

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Total borrowings	3,777,002	2,667,673	-	-
Less: cash and cash equivalents	(633,638)	(499,600)	(15,217)	(10,413)
	3,143,364	2,168,073	(15,217)	(10,413)
Total equity	4,380,235	3,767,011	2,593,066	2,481,544
	7,523,599	5,935,084	2,577,849	2,471,131

The Group is required to maintain a certain ratio of total net debt to adjusted earnings before interest, taxation, depreciation and amortisation, as defined in the facilities agreement. During the financial year, the Group has complied with these requirements.

5 SEGMENT INFORMATION

The Group is organised into 4 main business segments based on the type of operations carried out by its vessels and barges:

- Floating Production Storage Offloading ("FPSO") - Own, operate and provide FPSO units, vessels that are used for receiving hydrocarbons sourced from oilfields.
- Offshore Support Vessel ("OSV") - Own, operates and charter vessels to provide support for exploration, development and production activities in the offshore oil and gas industry.
- Transport and Installation ("T&I") - Provision of conventional installation, floater installation and installation of umbilicals, risers and flexibles as part of FPSO completion or as standalone T&I projects.
- Oilfield Services ("OFS") - Provision of various specialised services required in the offshore mature or brownfield markets.

Inter-segment revenue comprises mostly of engineering services provided to the marine charter hire companies within the Group. These transactions are conducted based on terms and conditions negotiated with related parties.

The remaining operations of the Group 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.

	FPSO RM'000	OSV RM'000	T&I RM'000	OFS RM'000	Others RM'000	Corporate and elimination RM'000	Group RM'000
2013							
External revenue	787,629	636,804	648,571	-	-	-	2,073,004
Inter-segment revenue	-	-	-	-	92,629	(92,629)	-
Total revenue	787,629	636,804	648,571	-	92,629	(92,629)	2,073,004
Results							
Segment results	266,726	126,331	125,394	-	1,742	(1,742)	518,451
Other operating income							25,504
Share of results of joint ventures							33,473
Finance costs							(97,455)
Taxation							(44,875)
Profit for the financial year							435,098

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5 SEGMENT INFORMATION (CONTINUED)

	FPSO RM'000	OSV RM'000	T&I RM'000	OFS RM'000	Others RM'000	Corporate and elimination RM'000	Group RM'000
2012							
External revenue	715,978	551,040	388,488	3,678	-	-	1,659,184
Inter-segment revenue	-	-	-	-	20,951	(20,951)	-
Total revenue	715,978	551,040	388,488	3,678	20,951	(20,951)	1,659,184
Results							
Segment results	244,009	130,870	120,453	4,414	2,857	(2,857)	499,746
Other operating income							52,014
Share of results of joint ventures							40,268
Finance costs							(123,411)
Taxation							(80,599)
Profit for the financial year							388,018

The external revenue reported to the Chief Executive Officer is measured in a manner consistent with that in the Group's statement of income. The cost of sales and allocation of expenses attributable to each segment is based on management's internal allocation basis and may not individually be consistent with the Group's statement of income.

Although the Group's business segments are managed in Malaysia, they operate in the following main geographical areas:

- Malaysia - mainly charter hire of vessels, marine engineering and consultancy services
- Asia (excluding Malaysia), Africa and Latin America - charter hire of vessels

	Group 2013 RM'000	Group 2012 RM'000
Malaysia	281,726	290,066
Asia (excluding Malaysia)	1,097,029	786,640
Africa	603,018	472,767
Latin America	91,231	109,711
	2,073,004	1,659,184

The major customers are in the FPSO and T&I segments. Total revenue from the top three major customers for the financial year amounted to RM783.0 million (2012: RM646.0 million).

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6 REVENUE

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Vessel charter fees and support services rendered	1,741,350	1,502,678	-	-
Construction and conversion works	331,654	156,506	-	-
Dividend income	-	-	208,949	66,692
Central overhead fees	-	-	178,594	129,927
	2,073,004	1,659,184	387,543	196,619

7 OTHER OPERATING INCOME

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Gain on disposal of property, plant and equipment	204	48	200	6
Interest income				
- deposits with a licensed bank	4,168	10,217	71	6,496
- loan to subsidiaries	-	-	10,072	2,860
Rental income	41	41	-	-
Gain from bargain purchase of a subsidiary	-	6,740	-	-
Gain on disposal of a subsidiary	9,358	-	-	-
Allowance for doubtful debts written back (Note 25)	1,976	-	-	-
Insurance claims	1,218	17,586	-	-
Dividend income	2,221	2,864	-	-
Commission	545	2,151	-	-
Gain on disposal of scrap materials	179	128	-	-
Vessel ancillary fees and others	5,594	12,239	18	2,609
	25,504	52,014	10,361	11,971

8 FINANCE COSTS

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Interest expense	106,592	124,578	237	1,077
Fair value gains on interest rate swaps used for hedging purpose	(9,137)	(1,167)	-	-
	97,455	123,411	237	1,077

9 INVESTMENTS IN JOINT VENTURES

In the opinion of the Directors, Armada D1 Pte. Ltd. and Armada C7 Pte. Ltd. are material joint ventures to the Group. Set out below are the summarised financial information of all joint ventures of the Group:

	Group	
	2013	2012
	RM'000	RM'000
Current assets	460,556	413,273
Non-current assets	1,423,161	868,696
Current liabilities	(498,430)	(413,240)
Non-current liabilities	(759,186)	(513,190)
Net assets	626,101	355,539
The above current assets include the following:		
Cash and cash equivalents	40,582	128,789
Revenue	255,970	213,780
Expenses, including finance costs and taxation	(192,751)	(142,085)
Profit after taxation	63,219	71,695

The information above reflects the amounts presented in the financial statements of the joint ventures adjusted for differences in accounting policies between the Group and the joint ventures.

The Group's share of profit, total comprehensive income and net assets of the joint ventures, after adjustments for equity accounting are as follows:

	Group	
	2013	2012
	RM'000	RM'000
Profit for financial year	33,473	40,268
Total comprehensive income for the financial year	33,473	40,268
Net assets	271,787	170,700

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9 INVESTMENTS IN JOINT VENTURES (CONTINUED)

	2013	2012
	RM'000	RM'000
Company		
Unquoted shares at cost	145,232	118,829

Details of the joint ventures are as follows:

Name of company	Principal activities	Group's effective interest 2013 %	Group's effective interest 2012 %	Country of incorporation
Armada Century Ltd.	Ship owners, charterers, managers of ships and vessels, marine support and other services to offshore oil and gas companies	49	49	British Virgin Islands
Armada C7 Pte. Ltd.	Ship owners, charterers, managers of ships and vessels, marine support and other services to offshore oil and gas companies	50	50	Singapore
Armada D1 Pte. Ltd.	Ship owners, charterers, managers of ships and vessels, marine support and other services to offshore oil and gas companies	50	50	Singapore
Century Bumi Limited	Oil and gas exploration, and product and marine services	40	40	Federal Republic of Nigeria

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9 INVESTMENTS IN JOINT VENTURES (CONTINUED)

Name of company	Principal activities	Group's effective interest 2013 %	Group's effective interest 2012 %	Country of incorporation
Forbes Bumi Armada Offshore Limited	Ship owners, charterers managers of ships and vessels, logistics and maritime transportation services to the oil and gas industry	50	50	India
Forbes Bumi Armada Limited	Ship owners, charterers managers of ships and vessels, logistics and maritime transportation services to the oil and gas industry	49	49	India
PT Armada Gema Nusantara	Ship owner and operator	49	49	Indonesia
SP Armada Oil Exploration Private Limited	Marine support and other services to the oil and gas industry	50	50	India
Armada Synergy Ltd. (1)	To manage and operate vessels for subsea well services and services relating to oil and gas production	51	-	United Kingdom
SP Armada Offshore Private Ltd. (2)	To provide marine support and other service to oil and gas industries and for that purpose to purchase, erect, construct, own, charter, manage vessels and rigs	50	-	India

(1) On 22 November 2013, Armada Synergy Ltd ("ASL") was incorporated under the English Companies Act, 2006 as a private company limited by shares. Armada Kamelia Sdn Bhd ("AKSB"), a wholly-owned subsidiary of the Company subscribed for 51 ordinary shares of GBP1.00 per share representing 51% of the issued share capital of ASL, at the point of ASL's incorporation. The incorporation and subscription were undertaken pursuant to a Joint Venture Agreement ("JVA") entered into between AKSB and Fugro Synergy Limited. In accordance with the terms of the JVA, ASL will be treated as a joint venture of the Group.

(2) On 30 December 2013, Bumi Armada Offshore Holdings Limited acquired 24,999 ordinary shares, representing an equity interest of 49.998% in SP Armada Offshore Private Limited ("SP Armada Offshore"). Arising therefrom, SP Armada Offshore is accounted as a joint venture of the Group.

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10 PROFIT BEFORE TAXATION

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting):				
Auditors' remuneration:				
- fees for statutory audit				
- PricewaterhouseCoopers Malaysia	1,153	764	207	195
- member firm of PricewaterhouseCoopers International Limited	265	170	-	-
- fees for audit related services	463	394	442	394
- fees for non-audit services	770	444	595	381
Impairment:				
- available-for-sale financial asset (Note 19)	-	5,400	-	5,400
- doubtful debts (Note 25)	28,485	3,058	-	-
- property, plant and equipment (Note 16)	-	1,397	-	-
Depreciation of property, plant and equipment (Note 16)	416,756	355,994	9,225	8,727
Travelling and freight	39,674	27,195	5,377	9,119
Repairs and maintenance	108,345	56,935	2,958	2,818
Management fees	5,272	5,033	5,272	5,033
Insurance	46,513	49,642	-	50
Fuel and oil	33,341	26,918	-	-
Advertisement and recruitment	4,585	2,824	868	2,676
Staff costs (Note 11)	489,044	377,555	168,183	107,836
Other crew costs	11,976	6,018	-	-
Rental of buildings	11,469	7,692	5,953	4,851
Hiring of equipment	48,346	31,412	-	-
Agency fee	48,982	64,646	-	-
Net exchange loss/(gain):				
- realised	2,517	(4,496)	(798)	704
- unrealised	(18,013)	8,612	1,031	(7,279)
IPO listing expenses	-	6	-	6
Maintenance and services cost	49,299	40,070	-	-
Survey fee	37,707	6,330	-	-
Consultancy fee	7,444	7,609	3,621	7,272
Communication expense	4,531	2,808	-	-

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11 STAFF COSTS

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Wages, salaries and bonuses	405,523	310,632	142,369	85,830
Defined contribution plan	15,594	10,464	3,449	2,155
Share-based payment	16,303	10,973	16,303	10,973
Other staff related costs	51,624	45,486	6,062	8,878
Total staff costs	489,044	377,555	168,183	107,836

The staff costs above include the Executive Directors' remuneration as disclosed in Note 12.

12 DIRECTORS' REMUNERATION

The aggregate amounts of emoluments receivable by Directors of the Group and Company during the financial year were as follows:

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Non-executive Directors:				
- fees	2,602	2,666	2,602	2,429
Executive Directors*:				
- salaries and bonuses	5,948	5,761	5,008	4,831
- defined contribution plan	119	118	6	-
- share-based payment	7,335	8,502	7,335	8,502
	16,004	17,047	14,951	15,762

* Includes remuneration paid to an Executive Director as disclosed in Note 38.

Benefits-in-kind received by the Directors of the Company amounted to RM222,768 (2012: RM98,805) from the Group and the Company.

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13 TAXATION

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Income tax:				
- Malaysian tax	3,499	7,476	2,467	2,034
- foreign tax	95,920	40,637	-	-
Deferred tax (Note 22)	(54,544)	32,486	196	(4,310)
	44,875	80,599	2,663	(2,276)
Income tax:				
- current financial year	94,496	45,500	2,536	2,034
- under/(over) provision in respect of prior financial years	4,923	2,613	(69)	-
	99,419	48,113	2,467	2,034
Deferred tax:				
- origination and reversal of temporary differences (Note 22)	(54,544)	32,486	196	(4,310)
	44,875	80,599	2,663	(2,276)

The explanation of the relationship between Malaysian tax rate and average effective tax rate is as follows:

	Group		Company	
	2013	2012	2013	2012
	%	%	%	%
Malaysian tax rate	25	25	25	25
Tax effects of:				
- exempt income	(30)	(20)	(29)	(46)
- difference in tax rates in other countries	(7)	(1)	-	-
- withholding tax on foreign sourced income	10	7	-	-
- expenses not deductible for tax purposes	6	4	4	15
- deferred tax assets not recognised	4	-	1	-
- under provision in prior years	1	2	-	-
	9	17	1	(6)

The Group's effective tax rate for the financial year ended 31 December 2013 was 9%, lower than the statutory tax rate of 25% mainly due to certain non-taxable income, whilst other foreign source income are taxed based on their individual tax jurisdiction rates ranging between 0% to 30% and the income arising from Malaysian sea-going ships of the Group are tax exempt under Section 54A of the Income Tax Act, 1967.

The Company's effective tax rate for the financial year ended 31 December 2013 was 1% compared to the statutory tax rate of 25% as the Company's income was mainly exempted from tax for the financial year.

14 EARNINGS PER SHARE

Basic

The basic earnings per share ("EPS") is calculated by dividing the Group's profit attributable to Owners of the Company by the average number of ordinary shares in issue during the financial year.

Diluted

The diluted earnings per share is calculated by dividing the profit for the financial year attributable to the Owners of the Company (adjusted for interest income, net of tax, earned on the proceeds arising from the conversion of the call option and ESOS options) by the weighted average number of ordinary shares as adjusted for the basic earnings per share and includes all potential dilutive shares on both arising from the call option and ESOS options granted by the reporting date, as if the options had been exercised on the first day of the financial year or the date of the grant, if later.

	Basic		Diluted	
	2013	2012	2013	2012
Profit attributable to the Owners of the Company for the financial year ended 31 December (RM'000)	431,191	385,828	431,191	385,828
Weighted average number of shares in issue ('000)	2,930,411	2,928,698	2,930,411	2,928,698
Adjusted for potential ordinary shares on conversion of options under ESOS ('000)	-	-	220	501
Adjusted weighted average number of shares in issue ('000)	2,930,411	2,928,698	2,930,631	2,929,199
Earnings per share (sen)	14.71	13.17	14.71	13.17

15 DIVIDENDS IN RESPECT OF ORDINARY SHARES

	Group and Company	
	2013	2012
	RM'000	RM'000
Dividend paid		
In respect of the financial year ended 31 December 2012:		
- Final cash dividend comprising a single tier tax-exempt dividend of 3.0 sen per share and a dividend of 0.14 sen per share less 25% income tax paid on 16 July 2013	90,980	-
In respect of the financial year ended 31 December 2011:		
- Single tier tax exempt final cash dividend of 2.5 sen per share paid on 17 July 2012	-	73,212

The Board of Directors has recommended for shareholders' approval at the forthcoming Annual General Meeting of the Company, a tax exempt final cash dividend of 3.25 sen per share in respect of the financial year ended 31 December 2013 which is not taxable in the hands of the shareholders pursuant to Section 54A(3)(d and e) of the Income Tax Act, 1967 the entitlement and payment dates for which will be announced at a later date to be determined.

The financial statements for the financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2014.

16 PROPERTY, PLANT AND EQUIPMENT

Group	Short term leasehold land and building RM'000	Vessels under construction RM'000	Total vessel cost [1] Vessels RM'000	Total vessel cost [1] Drydocking RM'000	Total vessel cost [1] Total RM'000	Motor vehicles [2] RM'000	Equipment, furniture and fittings, and office equipment RM'000	Spare parts RM'000	Total RM'000
2013									
Net book value									
At 1 January	1,971	102,409	4,528,127	67,900	4,596,027	909	33,529	-	4,734,845
Additions	-	168,413	1,008,488	40,017	1,048,505	106	40,193	4,822	1,262,039
Reclassification	-	(109,477)	106,500	-	106,500	-	2,977	-	-
Depreciation charge (Note 10)	(67)	-	(373,803)	(23,465)	(397,268)	(371)	(19,050)	-	(416,756)
Exchange differences	9	-	289,736	(86)	289,650	11	1,286	-	290,956
At 31 December	1,913	161,345	5,559,048	84,366	5,643,414	655	58,935	4,822	5,871,084
At 31 December 2013									
Cost	2,216	161,345	7,273,916	145,606	7,419,522	2,736	124,175	4,822	7,714,816
Accumulated depreciation	(303)	-	(1,713,471)	(61,240)	(1,774,711)	(2,081)	(65,240)	-	(1,842,335)
Accumulated impairment	-	-	(1,397)	-	(1,397)	-	-	-	(1,397)
Net book value	1,913	161,345	5,559,048	84,366	5,643,414	655	58,935	4,822	5,871,084

Included in property, plant and equipment were equipment, furniture and fittings and office equipment amounting to RM38.4 million which have been fully depreciated.

(1) The net book value of vessels at 31 December 2013 under operating lease agreements with charterers was RM2.5 billion.
(2) The net book value of motor vehicles at 31 December 2013 under hire purchase agreements was RM0.3 million.

16 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Short term leasehold land and building RM'000	Vessels under construction RM'000	Total vessel cost (1): Vessels RM'000	Total vessel cost (1): Drydocking RM'000	Total vessel cost (1): Total RM'000	Motor vehicles (2) RM'000	Equipment, furniture and fittings and office equipment RM'000	Total RM'000
2012								
Net book value								
At 1 January	4,844	41,689	4,097,738	31,119	4,128,857	1,271	24,506	4,201,167
Additions	-	60,720	843,167	48,173	891,340	346	23,567	975,973
Disposals	-	-	(14,980)	-	(14,980)	(173)	(4)	(15,157)
Depreciation charge (Note 10)	(127)	-	(327,345)	(13,783)	(341,128)	(530)	(14,209)	(355,994)
Impairment (Note 10)	-	-	(1,397)	-	(1,397)	-	-	(1,397)
Acquisition of subsidiary	-	-	36,527	2,636	39,163	-	-	39,163
Transfer from non-current asset held for sale (Note 30(b))	-	-	1,640	-	1,640	-	-	1,640
Transfer to disposal group (Note 30(a))	(2,904)	-	-	-	-	-	(323)	(3,227)
Exchange differences	158	-	(107,223)	(245)	(107,468)	(5)	(8)	(107,323)
At 31 December	1,971	102,409	4,528,127	67,900	4,596,027	909	33,529	4,734,845
At 31 December 2012								
Cost	2,309	102,409	5,786,963	104,067	5,891,030	3,475	79,157	6,078,380
Accumulated depreciation	(338)	-	(1,257,439)	(36,167)	(1,293,606)	(2,566)	(45,628)	(1,342,138)
Accumulated impairment	-	-	(1,397)	-	(1,397)	-	-	(1,397)
Net book value	1,971	102,409	4,528,127	67,900	4,596,027	909	33,529	4,734,845

Included in property, plant and equipment were equipment, furniture and fittings and office equipment amounting to RM17.4 million which have been fully depreciated.

(1) The net book value of vessels at 31 December 2012 under operating lease agreements with charterers was RM1.9 billion.
(2) The net book value of motor vehicles at 31 December 2012 under hire purchase agreements was RM0.4 million.

16 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) A fixed charge has been created over certain vessels of the Group with net book values amounting to approximately RM3.3 billion (2012: RM2.5 billion) as security for term loans (Note 33).

(b) Included in vessels are borrowing costs amounting to RM16.0 million (2012: RM Nil) which are capitalised during the financial year as these were directly attributable to the conversion and construction of these vessels.

(c) The FPSO contracts include options for the charterers to purchase the respective FPSO vessels or to extend their charter periods 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 the reporting date.

	Office equipment, furniture and fittings	Motor vehicles under hire purchase	Total
	RM'000	RM'000	RM'000
Company			
2013			
Net book value			
At 1 January	15,293	438	15,731
Additions	12,202	-	12,202
Depreciation charge	(9,033)	(192)	(9,225)
At 31 December	18,462	246	18,708
At 31 December 2013			
Cost	55,367	966	56,333
Accumulated depreciation	(36,905)	(720)	(37,625)
Net book value	18,462	246	18,708
Company			
2012			
Net book value			
At 1 January	14,298	747	15,045
Additions	9,416	-	9,416
Disposals	(3)	-	(3)
Depreciation charge	(8,418)	(309)	(8,727)
At 31 December	15,293	438	15,731
At 31 December 2012			
Cost	43,165	1,845	45,010
Accumulated depreciation	(27,872)	(1,407)	(29,279)
Net book value	15,293	438	15,731

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17 GOODWILL

	Group	
	2013	2012
	RM'000	RM'000
As at 1 January / 31 December	1,411	1,411

Goodwill has been allocated to 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% (2012: 5%) for 2014 to 2018;
- Expenses to increase by an average annual rate of 5% (2012: 5%); and
- Pre-tax discount factor used is 8% (2012: 8%), 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 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 9% instead of 8% as at 31 December 2013, there is no significant impact to the goodwill.

18 INVESTMENTS IN SUBSIDIARIES

	Company	
	2013	2012
	RM'000	RM'000
Unquoted shares, at cost	30,505	48,853
7% Cumulative Redeemable Preference Shares, at cost	16,000	16,000
Less: Accumulated impairment losses	-	(22,130)
	46,505	42,723
Amounts due from subsidiaries	1,848,826	1,863,135
	1,895,331	1,905,858

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18 INVESTMENTS IN SUBSIDIARIES (continued)

The Group's equity interest in its subsidiaries, their respective principal activities and country of incorporation are shown below:

Name of company	Principal activities	Group's effective interest 2013 %	Group's effective interest 2012 %	Country of incorporation
Direct subsidiaries:				
Armada Balnaves Pte. Ltd. [(2)]	Ship owners, charterers, managers of ships and vessels, marine support and other services to offshore oil and gas companies	100	100	Singapore
Armada Floating Solutions Limited [(3)]	Bareboat charter of a floating production storage and offloading unit	100	100	The British Virgin Islands
Armada Mahakam Limited [(3)]	Ship owners, charterers, managers of ships and vessels, marine support and other services to offshore oil and gas companies	100	100	The British Virgin Islands
Armada Marine Contractors Caspian Ltd ("AMCCL") [(3)]	Ship owners, charterers, managers of ships and vessels, marine support and other services to offshore oil and gas companies	100	100	The British Virgin Islands
Armada Offshore DMCEST [(1)]	Dormant	100	100	Dubai, UAE
Armada Oyo Ltd. [(3)]	Bareboat charter of a floating production storage and offloading unit	100	100	The British Virgin Islands
Armada Ship Management (S) Pte. Ltd. (formerly known as Armada Project Pte. Ltd.) [(2)]	Ship owners, charterers, managers of ships and vessels, marine support and other services to offshore oil and gas companies	100	100	Singapore
Armada TGT Ltd. [(3)]	Ship owners, charterers, managers of ships and vessels, marine support and other services to offshore oil and gas companies	100	100	Republic of The Marshall Islands

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18 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The Group's equity interest in its subsidiaries, their respective principal activities and country of incorporation are shown below (continued):

Name of company	Principal activities	Group's effective interest 2013 %	Group's effective interest 2012 %	Country of incorporation
Direct subsidiaries (continued):				
Armada Kamelia Sdn. Bhd.	Dormant	100	100	Malaysia
Bumi Armada (Labuan) Ltd.	Ship owners, charterers, managers of ships and vessels, marine support and other services to offshore oil and gas companies	100	100	Federal Territory of Labuan, Malaysia
Bumi Armada (Singapore) Pte. Ltd. ("BASPL") (2)	Ship management and chartering operation and maintenance of FPSO	100	100	Singapore
Bumi Armada Automation International Sdn. Bhd. ("BAAI") (5)	Investment holding	100	100	Malaysia
Bumi Armada Engineering Sdn. Bhd. ("BAE") (4)	Provision of engineering consultancy services	100	100	Malaysia
Bumi Armada Navigation Sdn. Bhd. ("BAN")	Provision of marine transportation, and support services to offshore oil and gas companies and vessel construction	95	95	Malaysia
Bumi Armada Offshore Holdings Limited ("BAOHL") (3)	Ship owners, charterers, managers of ships and vessels, marine support and other services to offshore oil and gas companies	100	100	Republic of The Marshall Islands
Bumi Armada Russia Holdings Limited (3)	Dormant	100	100	Republic of The Marshall Islands
Tera Sea Limited (3)	Ship owners, charterers, managers of ships and vessels, marine support and other services to offshore oil and gas companies	100	100	Republic of The Marshall Islands

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18 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The Group's equity interest in its subsidiaries, their respective principal activities and country of incorporation are shown below (continued):

Name of company	Principal activities	Group's effective interest 2013 %	Group's effective interest 2012 %	Country of incorporation
Direct subsidiaries (continued):				
Bumi Armada Holdings Labuan Ltd.	Provision of loans, advances and other facilities, and cash and debt management services, investment and financial risk management, and other treasury management services to Bumi Armada Group of companies	100	100	Federal Territory of Labuan, Malaysia
Offshore Marine Ventures Sdn. Bhd.	Provision of integrated service solutions for the supply, operation and maintenance of support vessels and logistics and maritime transportation services to the oil and gas industry	100	100	Malaysia
Bumi Armada Capital Offshore Ltd.	Obtaining non-ringgit financing and providing cash and debt management services, investment and financial risk management services and other treasury management services to the Bumi Armada Group of companies	100	-	Federal Territory of Labuan, Malaysia
Bumi Armada Capital Malaysia Sdn. Bhd.	Providing and obtaining financing and other facilities, and providing cash and financial management services, investment and financial risk management services and other treasury management services to the Bumi Armada Group of companies	100	-	Malaysia

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18 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The Group's equity interest in its subsidiaries, their respective principal activities and country of incorporation are shown below (continued):

Name of company	Principal activities	Group's effective interest 2013 %	Group's effective interest 2012 %	Country of incorporation
Direct subsidiaries (continued):				
Subsidiary of AMCCL:				
Armada Marine Contractors Caspian Pte. Ltd. (2) & (4)	Chartering of ships, barges and boats with crew	100	100	Singapore
Subsidiary of BAAI:				
Haven Automation Industries (S) Pte. Ltd. ("Haven")	Repairs of ships, tankers and other ocean-going vessels and manufacture and repair of marine engine and ship parts	- (*)	100	Singapore
Subsidiaries of BAN:				
Armada Indah Sdn. Bhd.	Dormant	95	95	Malaysia
Armada Tankers Sdn. Bhd. ("ATSB")	Dormant	95	95	Malaysia
Bumi Armada Ship Management Sdn. Bhd.	Dormant	95	95	Malaysia
Bumi Care Offshore Production Sdn. Bhd.	Dormant	57	57	Malaysia
Bumi Armada Navigation Labuan Limited	Shipping on bare boat or time charter basis	95	95	Federal Territory of Labuan, Malaysia
Bumi Armada Navigation Labuan International Limited	Shipping on bare boat or time charter basis	95	95	Federal Territory of Labuan, Malaysia

18 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The Group's equity interest in its subsidiaries, their respective principal activities and country of incorporation are shown below (continued):

Name of company	Principal activities	Group's effective interest 2013 %	Group's effective interest 2012 %	Country of incorporation
Subsidiaries of BAOHL:				
Armada TLDD Limited [3]	Dormant	100	100	Republic of The Marshall Islands
Bumi Armada Angola Servicos Limited [3]	Dormant	100	100	Republic of The Marshall Islands
Bumi Armada Australia Pty. Ltd. [2]	Ship owning, chartering and managing of ships and vessels, marine support and other services to oil and gas companies	100	100	Australia
Bumi Armada Do Brasil Servicos Maritimos Ltda. [6]	Dormant	100	100	Brazil
Bumi Armada Offshore Contractor Limited ("BAOCL") [3]	Ship owners, charterers, managers of ships and vessels, marine support and other services to offshore oil and gas companies	100	100	Republic of The Marshall Islands
Armada Blue LLC [3]	Dormant	100	100	United States of America
Armada Offshore OSV Limited [3]	Ship owners, charterers, managers of ships and vessels, marine support and other services to offshore oil and gas companies	100	100	Republic of The Marshall Islands
Armada Offshore MPSV Limited [3]	Ship owners, charterers, managers of ships and vessels, marine support and other services to offshore oil and gas companies	100	100	Republic of The Marshall Islands

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18 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The Group's equity interest in its subsidiaries, their respective principal activities and country of incorporation are shown below (continued):

Name of company	Principal activities	Group's effective interest 2013 %	Group's effective interest 2012 %	Country of incorporation
Subsidiaries of BAOHL (continued):				
Bumi Armada UK Limited (2)	Offshore oil and gas marine services	100	100	United Kingdom
Armada Kraken Limited (3)	Ship owners, charterers, managers of ships and vessels, marine support and other services to offshore oil and gas companies	100	-	Republic of The Marshall Islands
Bumi Armada Ghana Limited (2)	Provision of floating production storage and offload and offshore supply vessels	100	-	Ghana
Armada Kraken Pte. Ltd. (1)	Ship owners, charterers, managers of ships and vessels, marine support and other services to offshore oil and gas companies	100	-	Singapore
Subsidiary of BASPL:				
Bumi Armada Nigeria Limited (2)	Dormant	99	99	Federal Republic of Nigeria
Subsidiary of ATSB:				
Armada Alpha Sdn. Bhd.	Dormant	95	95	Malaysia
Subsidiary of BAOCL:				
Bumi Armada Caspian LLC (2)	Activities relative to oil and gas industry	100	100	Russia

(1) The financial statements of these companies are audited by firms other than member firms of PricewaterhouseCoopers International Limited.
(2) These companies are audited by member firms of PricewaterhouseCoopers International Limited, which are separate and independent legal entities from PricewaterhouseCoopers, Malaysia.
(3) These companies are not required by their local laws to appoint statutory auditors.
(4) These shares are held by third parties on behalf of the Company.
(5) Consolidated using predecessor method of merger accounting.
(6) The effective interest of the Company is 99.99%.
(*) Haven has ceased as a wholly-owned subsidiary of the Company on 26 March 2013 pursuant to the Conditional Sale and Purchase Agreement entered into by its subsidiary BAAI with Dyna-Mac Holdings on 20 November 2012 for the disposal of BAAI's entire 100% equity interest in Haven.

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19 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Quoted equity securities, outside Malaysia				
At 1 January	54,017	-	-	-
Additions	-	56,808	-	-
Exchange differences	4,154	-	-	-
	58,171	56,808	-	-
Less: fair value loss transfer to equity (Note 36(c))	(11,556)	(2,791)	-	-
At 31 December	46,615	54,017	-	-
Unquoted debt securities - preference shares - outside Malaysia				
At 1 January	2,027	7,427	2,027	7,427
Less: Impairment (Note 10)	-	(5,400)	-	(5,400)
	2,027	2,027	2,027	2,027
At 31 December	48,642	56,044	2,027	2,027

The fair value of quoted equity securities is determined by reference to published price quotations.

Investment in unquoted preference shares represents the investment in 2,400,000 units redeemable convertible preference shares ("RCPS") of USD1.00 each. The RCPS expired on 31 January 2013 and the outstanding amount became a debt payable to the Company.

20 ACCRUED LEASE RENTALS

	Group	
	2013	2012
	RM'000	RM'000
Current	652,292	398,488
Non-current	433,104	508,792
	1,085,396	907,280

The future minimum lease payments receivable under non-cancellable operating leases are as follows:

	Group	
	2013	2012
	RM'000	RM'000
No later than 1 year	447,528	533,854
Later than 1 year and no later than 5 years	1,583,528	2,215,674
Later than 5 years	239,227	319,962
	2,270,283	3,069,490

Management of credit risk regarding accrued lease rentals is described in Note 4.

21 DERIVATIVE FINANCIAL INSTRUMENTS

	Group			
	2013		2012	
	Assets	Liabilities	Assets	Liabilities
	RM'000	RM'000	RM'000	RM'000
Derivatives used for hedging:				
- Interest rate swaps	-	(13,076)	-	(29,007)
- Cross currency interest rate swaps	-	(5,419)	4,313	-
Total	-	(18,495)	4,313	(29,007)
Less: non-current portion				
Derivatives used for hedging:				
- Interest rate swaps	-	(619)	-	(16,031)
- Cross currency interest rate swaps	-	(5,204)	2,209	-
	-	(5,823)	2,209	(16,031)
Current portion	-	(12,672)	2,104	(12,976)

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21 DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

The full fair value of a hedging derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months and, as a current asset or liability, if the maturity of the hedged item is less than 12 months.

The ineffective portion recognised in the profit or loss that arose from cash flow hedges amounted to a loss of RM0.5 million (2012: gain of RM3.3 million). Gains and losses recognised in the hedging reserve in equity on derivative financial instruments as of 31 December 2013 are recognised in the income statement in the period or periods during which the hedged forecast transaction affects the income statement.

(a) Cross currency interest rate swaps

Cross currency interest rate swaps used to manage the Group's floating interest rate term loans denominated in RM which were taken by a foreign subsidiary whose functional currency is in USD (Note 33).

At 31 December 2013, the fixed interest was 2.85% (2012: 2.85%) per annum and the main floating rate was cost of funds ("COF") plus a margin of 1.75% (2012: COF plus a margin of 1.75%). The swaps mature on 24 May 2018.

The notional principal amounts of the outstanding cross currency interest rate swaps at 31 December 2013 were RM132.1 million (2012: RM164.0 million).

(b) Interest rate swaps

The notional principal amounts of interest rate swap contracts used to manage the floating interest rate risk arising from term loans were RM1,578.6 million (2012: RM1,483.6 million). These interest rate swap contracts receives floating rate interest ranging from 0.99% to 4.69% (2012: 0.99% to 4.69%) and have the same maturity terms as the bank borrowings.

The maximum exposure to credit risk at the reporting date is the fair value of the derivative assets in the statement of financial position.

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22 DEFERRED TAXATION

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the statement of financial position:

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Deferred tax assets				
- recoverable after more than 12 months	40,993	8,121	7,925	8,121
Deferred tax liabilities				
- recoverable after more than 12 months	(38,623)	(57,017)	-	-
Subject to income tax:				
Deferred tax assets				
- receivables	-	9,807	-	-
- payables	47,832	23,114	8,626	6,825
- unutilised tax losses	962	962	962	962
- property, plant and equipment	37,655	40,947	1,152	2,861
	86,449	74,830	10,740	10,648
Offsetting	(45,456)	(66,709)	(2,815)	(2,527)
Deferred tax assets (after offsetting)	40,993	8,121	7,925	8,121
Deferred tax liabilities				
- property, plant and equipment	(12,453)	(25,932)	(2,815)	(2,527)
- receivables	(66,379)	(62,384)	-	-
- payables	-	(4,472)	-	-
- amounts due from customers on contract	(5,247)	(30,938)	-	-
	(84,079)	(123,726)	(2,815)	(2,527)
Offsetting	45,456	66,709	2,815	2,527
Deferred tax liabilities (after offsetting)	(38,623)	(57,017)	-	-

22 DEFERRED TAXATION (CONTINUED)

The movements during the financial year relating to deferred taxation are as follows:

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
At 1 January	(48,896)	(13,604)	8,121	3,811
Credited/(charged) to the profit or loss (Note 13)				
- property, plant and equipment	7,748	13,734	(1,997)	1,446
- unutilised tax losses	-	567	-	515
- receivables	(9,862)	(29,566)	-	-
- payables	28,769	13,717	1,801	2,349
- amounts due from customers on contract	27,889	(30,938)	-	-
	54,544	(32,486)	(196)	4,310
- transfer to disposal group (Note 30 (a))	-	146	-	-
- acquisition of subsidiary	-	(3,717)	-	-
Exchange differences	(3,278)	765	-	-
At 31 December	2,370	(48,896)	7,925	8,121

The amount of unabsorbed capital allowance and unutilised tax losses (which have no expiry date) for which no deferred tax asset is recognised in the statement of financial position as it is not probable that taxable profit will be available against which these temporary differences can be utilised are as follows:

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Unutilised tax losses	91,421	11,140	-	-
Unabsorbed capital allowance	13,489	-	8,882	-

Deferred taxation has not been recognised on the unremitted earnings of subsidiaries and joint ventures. The Group is able to control the timing of the reversal of temporary differences, including joint ventures as consent is required from all joint venture partners prior to remitting the earnings.

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013 (CONTINUED)

23 INVENTORIES

	Group 2013 RM'000	Group 2012 RM'000
Spares	-	2,507
Fuel	5,559	8,243
	5,559	10,750

24 AMOUNTS DUE FROM/(TO) CUSTOMERS ON CONTRACT

	Group 2013 RM'000	Group 2012 RM'000
Aggregate costs incurred	406,165	377,130
Profit recognised to-date	71,387	133,179
Cumulative contract revenue recognised	477,552	510,309
Less: Progress billings	(441,723)	(514,763)
	35,829	(4,454)
Represented by:		
Amounts due from customers on contract	36,421	15,835
Amounts due to customers on contract	(592)	(20,289)
	35,829	(4,454)

25 TRADE RECEIVABLES

	Group 2013 RM'000	Group 2012 RM'000
Trade receivables	490,843	346,379
Less: Impairment	(43,211)	(14,229)
	447,632	332,150

25 TRADE RECEIVABLES (CONTINUED)

Past due but not impaired

Amounts that are past due but not impaired relate to a number of customers for whom there is no recent history of default but remain slow paying. The ageing analysis of these receivables is as follows:

	Group	
	2013	2012
	RM'000	RM'000
Less than 30 days past due	61,263	57,752
Between 31 and 60 days past due	40,249	39,978
Between 61 and 90 days past due	36,878	37,439
Between 91 days and 1 year past due	115,454	46,426
More than 1 year past due	28,018	-
	281,862	181,595

If the above past due but not impaired receivables had been impaired by 5% from management's estimates, the allowance for impairment of the Group would have been higher by RM14.1 million.

Impaired and provided for

During the financial year, trade receivables totaling RM28.5 million (2012: RM3.1 million) were impaired and charged to the profit or loss. The amount of the provision was RM43.2 million as of 31 December 2013 (2012: RM14.2 million). The individually impaired receivables mainly relate to a number of customers, which are in unexpectedly difficult economic situations.

Movements of the Group's impairment of trade receivables are as follows:

	Group	
	2013	2012
	RM'000	RM'000
At 1 January	14,229	10,877
Amounts written back	(1,976)	-
Charged to the profit or loss	28,485	3,058
Exchange differences	2,473	294
At 31 December	43,211	14,229

26 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Other receivables	39,287	66,369	10,033	4,625
Deposits and prepayments	213,505	62,356	32,862	17,717
Staff advances	1,299	1,529	534	439
	254,091	130,254	43,429	22,781

As at 31 December 2013, there is no impairment (2012: RM Nil) on other receivables, deposits and staff advances. The other receivables, deposits and staff advances have no fixed term of repayment. These amounts are interest free and unsecured.

27 AMOUNTS DUE FROM/(TO) SUBSIDIARIES

The amounts due from subsidiaries are unsecured and have no fixed term of repayment. These amounts are interest free except for RM 295.1 million (2012: RM 249.9 million) which bear interest rates ranging 4.20% to 4.22% (2012: 4.19% to 4.21%) per annum.

The amounts due to subsidiaries classified as current are repayable on demand.

As at 31 December 2013, there was no impairment (2012: RM Nil) on amounts due from subsidiaries.

28 AMOUNTS DUE FROM/(TO) JOINT VENTURES

The amounts due from joint ventures are unsecured, interest free and from no credit terms to 30 days. As at 31 December 2013, there was no impairment (2012: RM Nil) on amount due from joint ventures.

The amounts due to joint ventures classified as current are repayable on demand.

Past due but not impaired

Amounts that are past due but not impaired relate to a number of joint ventures for whom there is no recent history of default but remain slow paying. The ageing analysis of these amounts due from joint ventures is as follows:

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Less than 30 days past due	2,127	2,334	1,516	2,786
Between 31 and 60 days past due	2,025	2,730	904	3,198
Between 61 and 90 days past due	9,386	50	4,531	457
Between 91 days and 1 year past due	73,685	17,833	28,627	3,924
More than 1 year past due	19,448	1,561	12,163	1,801
	106,671	24,508	47,741	12,166

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29 DEPOSITS, CASH AND BANK BALANCES

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	13,225	72,909	2,517	1,763
Deposits with licensed banks	621,313	427,591	13,600	9,550
	634,538	500,500	16,117	11,313

The weighted average interest rates per annum of deposits with licensed banks that were effective as at the reporting date were as follows:

	Group		Company	
	2013	2012	2013	2012
	%	%	%	%
Deposits with licensed banks	1.55	1.85	2.69	2.94

Bank balances were deposits held at call with banks and earn no interest.

Included in deposits with licensed banks were RM0.9 million for the Group and the Company (2012: RM0.9 million) which have been designated for specific purposes.

Bank deposits that are neither past due nor impaired are mainly deposits with banks which have high credit-ratings as determined by international credit-rating agencies.

30 DISPOSAL GROUP HELD FOR SALE

(a) Disposal group held-for-sale

On 26 March 2013, the Company's wholly-owned subsidiary, Bumi Armada Automation International Sdn. Bhd. completed the disposal of its entire equity interest in Haven Automation Industries (S) Pte. Ltd. ("Haven"). Accordingly, Haven ceased as a wholly-owned subsidiary of the Company. The disposal of Haven resulted in a gain on disposal of subsidiary amounting to RM9.4million.

(b) Non-current asset held-for-sale

The movement during the financial year relating to non-current assets held-for-sale are as follows:

	Group and Company	
	2013	2012
	RM'000	RM'000
At 1 January	-	1,640
Transfer to property, plant and equipment (Note 16)	-	(1,640)
At 31 December	-	-

31 OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Other payables	110,965	52,700	19,845	17,383
Accruals	195,158	90,228	60,254	29,187
	306,123	142,928	80,099	46,570

Included in other payables and accruals for the Group were amounts owing to creditors in respect of capital expenditures amounting to RM118.9 million in the current year (2012: RM47.0 million).

32 HIRE PURCHASE CREDITORS

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Analysis of hire purchase commitments:				
- payable within one year	211	193	194	193
- payable between one and two years	84	243	65	243
- payable between two and five years	58	-	-	-
	353	436	259	436
Less: Interest in suspense	(41)	(57)	(32)	(57)
	312	379	227	379
Representing hire purchase liabilities				
- due within 12 months	184	170	170	170
- due after 12 months	128	209	57	209
	312	379	227	379

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33 BORROWINGS

	Group	
	2013	2012
	RM'000	RM'000
Current		
Term loans - secured	316,324	364,419
Term loans - unsecured	397,630	138,900
	713,954	503,319
Revolving credits - unsecured	471,701	88,682
Bridging loan - unsecured	-	22,806
	1,185,655	614,807
Non-current		
Term loans - secured	1,385,968	1,223,166
Term loans - unsecured	1,205,379	829,700
	2,591,347	2,052,866
Total borrowings	3,777,002	2,667,673

The weighted contractual interest rates per annum of borrowings that were effective as at the financial year end are as follows:

	Group	
	2013	2012
	%	%
Bridging loan	-	1.15
Revolving credits	1.39	1.46
Term loans	3.08	3.58

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013 (CONTINUED)

33 BORROWINGS (CONTINUED)

Group	Interest rate terms	Currency exposure	Total carrying amount	Maturity profile < 1 year	1-2 years	2-5 years
			RM'000	RM'000	RM'000	RM'000
At 31 December 2013						
Unsecured:						
- term loans	Fixed rates depending on disbursement of tranches	RM	57,200	6,400	50,800	-
	Floating rates varies based on cost of funds ("COF")	RM	772,500	157,500	170,000	445,000
	Floating rates varies based on London Interbank Offer Rate ("LIBOR")	USD	773,309	233,730	-	539,579
- revolving credit	Floating rates varies based on LIBOR	USD	471,701	471,701	-	-
Secured:						
- term loans	Floating rates varies based on LIBOR	USD	1,570,235	288,636	358,155	923,444
	Floating rates varies based on COF	RM	132,057	27,688	27,688	76,681
			3,777,002	1,185,655	606,643	1,984,704

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013 (CONTINUED)

33 BORROWINGS (CONTINUED)

Group	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
At 31 December 2012							
Unsecured:							
- term loans	Fixed rates depending on disbursement of tranches	RM	63,948	6,748	6,400	50,800	-
	Floating rates varies based on COF	RM	905,683	133,183	157,500	522,500	92,500
- revolving credit	Floating rates varies based on LIBOR	USD	88,682	88,682	-	-	-
- bridging loans	Floating rates varies based on LIBOR	USD	22,806	22,806	-	-	-
Secured:							
- term loans	Floating rates varies based on LIBOR	USD	1,421,664	330,554	301,084	699,330	90,696
	Floating rates varies based on COF	RM	164,890	32,834	27,688	83,063	21,305
			2,667,673	614,807	492,672	1,355,693	204,501

The term loans were secured as follows (either single security or combination of securities):

(i) Fixed charges over certain vessels in subsidiaries (Note 16).
(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 certain subsidiaries.

The term loans facilities were arranged to finance the construction for vessels of the Group and for working capital purposes.

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34 SHARE CAPITAL

		Group and Company			
		Number of shares		Nominal value	
	Par value	2013	2012	2013	2012
	RM	'000	'000	RM'000	RM'000
Authorised:					
Ordinary shares					
At 1 January/31December	0.20	4,000,000	4,000,000	800,000	800,000
Issued and fully paid:					
Ordinary shares					
At 1 January	0.20	2,929,168	2,928,462	585,834	585,692
Issuance of new shares from exercise of employee share options	0.20	2,423	706	484	142
At 31 December	0.20	2,931,591	2,929,168	586,318	585,834

35 EMPLOYEE SHARE OPTION SCHEME

The Company implemented an Employees' Share Option Scheme ("ESOS" or "Scheme") which came into effect on 28 June 2011 for a period of 10 years to 27 June 2021. The ESOS is governed by the By-Laws which were approved by the shareholders on 18 June 2011. The main features of the Scheme are as follows:

(a) An eligible employee 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 five (5) market days immediately preceding the date on which the options are granted, rounded to the nearest sen, or the par value of the shares, whichever is higher.

(b) 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 three (3) anniversaries of the date of grant, if the holder of such option shall have been in the continuous service of the Company or subsidiaries that are not dormant throughout such period. No options shall be exercisable if the exercise of such options would violate any provision of applicable laws, nor shall any options be exercisable more than ten (10) years from the date on which the Scheme became effective.

(c) No option shall be granted pursuant to the ESOS on or after the 10th anniversary of the date on which the Scheme became effective.

(d) The new shares issued upon the exercise of an option will be subject to all the provisions of the Company's Memorandum and Articles of Association and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("LR") and shall rank pari passu in all respects with the then existing issued ordinary shares of the Company, 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.

(e) The total number of shares to be issued under the ESOS shall not exceed in aggregate 10% of the issued share capital of the Company at any point of time during the tenure of the ESOS and out of which not more than 50% of the shares shall be allocated, in aggregate, to Executive Directors and senior management of the Group. In addition, not more than 10% of the shares available under the ESOS shall be allocated to any individual employee or Executive Director who, either singly or collectively through persons connected with him/her, holds 20% or more in the issued and paid-up capital of the Company.

The fair value as at the grant date of share options granted during the financial year was determined using the Black Scholes valuation model, taking into account the terms and conditions upon which the options were granted. The inputs to the model used were as follows:

	2013	2012
Dividend yield (%)	0.78% to 2.00%	2.00%
Expected volatility (%)	28.7% to 33.7%	29% to 38%
Risk-free interest rate (%)	2.98% to 3.45%	3.06% to 3.23%
Expected life of option (years)	1 to 5 years	1 to 5 years
Share price at date of grant (RM)	3.75 to 4.04	3.75
Exercise price of option (RM)	3.75 to 4.04	3.75

35 EMPLOYEE SHARE OPTION SCHEME (CONTINUED)

The expected average life of options is based on historical information, which may not necessarily be indicative of the future exercise pattern that may occur. The expected volatility reflects the assumptions based on the historical volatility on the assumptions that this is indicative of future trends which may also not necessarily be the actual outcome.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2013		2012	
	Average exercise price per share option (RM)	Options ('000)	Average exercise price per share option (RM)	Options ('000)
At 1 January	3.29	47,336	3.03	33,000
Granted	3.82	9,250	3.75	17,477
Forfeited	3.54	(3,252)	3.19	(2,435)
Exercised	3.06	(2,423)	3.03	(706)
At 31 December	3.38	50,911	3.29	47,336

Out of the 50,911,300 outstanding options (2012: 47,335,900 options), 10,465,590 options (2012: 2,633,500 options) were exercisable. Options exercised in 2013 resulted in 2,422,800 shares (2012: 706,500 shares) being issued at a weighted average price of RM3.06 each (2012: RM3.03 each). The related weighted average share price at the time of exercise was RM3.89 (2012: RM3.76) per share.

Share options outstanding at end of the financial year have the following expiry dates and exercise prices:

Grant/Vest	Expiry date	Exercise price in RM per share option	Share options ('000) 2013	Share options ('000) 2012
2011/2012	2016	3.03	1,326	2,634
2011/2013	2016	3.03	2,370	3,653
2011/2014	2016	3.03	9,816	10,504
2011/2015	2016	3.03	13,600	13,600
2012/2013	2017	3.75	4,319	5,084
2012/2014	2017	3.75	4,385	5,084
2012/2015	2017	3.75	5,845	6,777
2013/2013 *	2017/2018	3.80/3.77	2,325	-
2013/2014 *	2017/2018	3.80/3.77/4.04	2,775	-
2013/2015 *	2017/2018	3.80/3.77/4.04	3,550	-
2013/2016 *	2018	4.04	600	-
			50,911	47,336

* Options granted during the financial year

36 RESERVES

(a) Share premium

Share premium of the Group and of the Company represents premium arising from the issuance of ordinary shares of the Company at issue price above par value.

(b) Foreign exchange reserve

The foreign exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign entities.

As at 31 December 2013, if the Group's reporting currency had weakened/strengthened by 5% against the USD with all other variables held constant, the change to the Group's equity would have been RM92.4 million (2012: RM93.2 million) lower/higher arising from the impact to the Group's net investments.

(c) Other reserves

Other reserves represents the fair value charge of a call option granted to an Executive Director amounting to RM6.3 million (31.12.2012: RM6.3 million), preference share redemption reserve for the Company and a subsidiary amounting to RM0.3 million (31.12.2012: RM0.3 million) and fair value change in available-for-sale financial assets amounting to RM14.3 million (31.12.2012: RM2.8 million).

(d) Share option reserve

The share option reserve comprises the cumulative value of employee services received for the issue of share options by Company. The fair value, measured at grant date of the share options granted to these employees is recognised as an employee expense in profit or loss and a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. Any excess of the initial capital contribution initially recognised in the equity is treated as a capital distribution and would be transferred to retained earnings.

(e) Hedging reserve

The hedging reserve comprises the effective portion of the fair value changes on derivatives under cash flow hedges.

BUMI ARMADA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013 (CONTINUED)

37 COMMITMENTS

	Group 2013 RM'000	Group 2012 RM'000
(i) Capital expenditure for property, plant and equipment not provided for in the financial statements:		
- authorised and contracted	568,905	153,929
- authorised but not contracted	3,248,474	1,075,498
	3,817,379	1,229,427
(ii) Commitments for amounts payable under operating leases for rental of premises:		
- payable within one year	8,703	7,090
- payable later than one year and not later than five years	36,854	27,140
- payable later than five years	2,953	17,126
	48,510	51,356

The Group has entered into lease arrangements (classified as operating leases) for offices with durations varying from 1 to 7 years (2012: 1 to 8 years).

38 SIGNIFICANT RELATED PARTY DISCLOSURES

The related parties of the Group and the Company are:

(a) Subsidiaries

Details of the subsidiaries are shown in Note 18.

(b) Joint ventures

Details of the joint ventures shown in Note 9.

(c) Key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and the Company either directly or indirectly. The key management personnel of the Group and the Company include Directors of the Company and certain members of senior management of the Company and of the Group.

BUMI ARMADA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013 (CONTINUED)

38 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

Usaha Tegas Sdn Bhd ("UTSB") is a party related to the Company by virtue of its substantial interest in Objektif Bersatu Sdn Bhd ("OBSB"), a major shareholder of the Company. The ultimate holding company of UTSB is PanOcean Management Limited ("PanOcean"). PanOcean is the trustee of a discretionary trust, the beneficiaries of which are members of the family of Ananda Krishnan Tatparanandam ("TAK") and foundations including those for charitable purposes. Although PanOcean and TAK are deemed to have an interest in the shares of the Company through UTSB's deemed interest in OBSB, they do not have any economic or beneficial interest in the shares as such interest is held subject to the terms of the discretionary trust.

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions. The related party transactions described below were carried out on terms and conditions agreed with related parties.

		Group		Company	
		2013	2012	2013	2012
		RM'000	RM'000	RM'000	RM'000
(i)	Transactions with UTSB Management Sdn. Bhd. [1]				
	- reimbursable costs incurred in respect of an Executive Director	4,965	4,750	4,965	4,750
	- management fees	5,272	4,737	5,272	4,737
(ii)	Telecommunication expenses to Maxis Berhad [2]	3,110	3,268	3,082	3,260
(iii)	Rental to Malaysian Landed Property Sdn. Bhd. [3]	6,366	5,575	6,356	5,575
(iv)	Transactions with joint ventures:				
	- ship management fee from Offshore Marine Ventures Sdn. Bhd. (OMV) [4]	-	(180)	-	-
	- ship management fee to Century Bumi Limited	14,550	10,989	-	-
	- vessel hiring fee from Century Bumi Limited	(2,751)	(5,656)	-	-
	- sale of vessel to PT Armada Gema Nusantara	-	(18,459)	-	-
(v)	Transaction with key management:				
	Key management personnel compensation:				
	- Non-executive directors fees	2,602	2,666	2,602	2,429
	- salaries, bonus, allowances and other staff related costs	14,822	17,941	13,183	17,011
	- defined contribution plan	3,217	1,555	3,021	1,444
	- share-based payment	9,629	10,283	9,629	10,283
(vi)	Acquisition of remaining 50% of the issued capital of OMV [4]	-	1,750	-	1,750

38 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
(vii) Central overheads fees charged				
- subsidiaries	-	-	161,650	114,925
- joint ventures	-	-	16,944	15,002
(viii) Payment on behalf				
- subsidiaries	-	-	171,268	265,649
- joint ventures	72,986	42,159	22,812	33,558
(ix) Repayment on behalf by subsidiaries	-	-	(31,362)	(79,051)

(1) Subsidiary of UTSB, an indirect shareholder of the Company.
(2) Subsidiary of a joint venture, in which UTSB has a significant equity interest.
(3) Subsidiary of PanOcean, the ultimate holding company of UTSB until 15 November 2013. Thereafter it is a subsidiary of the company in which TAK has a 100% equity interest.
(4) Previously a joint venture entity, where certain Directors have an equity interest, which became a wholly-owned subsidiary of the Company following completion of the acquisition of the remaining shares not already owned by the Company on 30 November 2012.

Outstanding balances as at 31 December 2013, arising from the above related party transactions, are unsecured and receivables/payables within 12 months from statement of financial position and are disclosed in Notes 27, 28 and 31 to the financial statements.

39 FAIR VALUES

The carrying amounts of financial assets and financial liabilities of the Group at the reporting date approximated their fair values except as set out below:

	Carrying amount		Fair value	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Group				
Fixed rate term loans (Note 33)	57,200	63,948	52,788	55,409

The Group estimates the fair value of fixed rate term loans by discounting future contractual cash flows at the current market interest rates available to the Group for similar financial instruments. The fair values are within Level 2 of the fair value hierarchy.

BUMI ARMADA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013 (CONTINUED)

40 CONTINGENT LIABILITIES

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Bank guarantees extended to third parties	377,641	-	268,348	-
Corporate guarantees given to banks for credit facilities granted to subsidiaries	-	-	2,716,338	1,183,863
	377,641	-	2,984,686	1,183,863

The corporate guarantees are financial guarantees given to banks for credit facilities granted to subsidiaries. Total borrowings, for which corporate guarantees were given, are disclosed above. The fair value on initial recognition of corporate guarantees was not material as the possibility of default by subsidiaries is negligible.

The Company is exposed to credit risk arising from financial guarantee contracts given to banks for subsidiaries' borrowings where the maximum credit risk exposure is the amount of borrowings utilised by the subsidiaries. The Company believes that the financial guarantee contracts are unlikely to be called by the subsidiaries' banks.

The maximum amount of the financial guarantee issued to the banks for subsidiary companies' borrowings is limited to the amount utilised by the subsidiaries companies, amounting to RM2,716 million as at 31 December 2013. The earliest period the financial guarantee can be called upon by banks is within the next 12 months. The Company believes that the liquidity risk in respect of the financial guarantee is minimum as it is unlikely that the subsidiary companies will not make payment to the banks when due.

41 FINANCIAL INSTRUMENTS BY CATEGORY

Analysis of the financial instruments for the Group is as follows:

	Available-for-sale	Loan and receivables	Total
	RM'000	RM'000	RM'000
At 31 December 2013			
Financial assets:			
Available-for-sale financial assets	48,642	-	48,642
Trade receivables	-	447,632	447,632
Other receivables excluding deposits and prepayments	-	40,586	40,586
Cash and bank balances	-	13,225	13,225
	48,642	501,443	550,085

BUMI ARMADA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013 (CONTINUED)

41 FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

Analysis of the financial instruments for the Group is as follows (continued):

	Other financial liabilities at amortised costs	Derivatives used for hedging	Total
	RM'000	RM'000	RM'000
At 31 December 2013			
Financial liabilities:			
Trade payables	243,979	-	243,979
Other payables and accruals	306,123	-	306,123
Borrowings	3,777,002	-	3,777,002
Hire purchase creditors	312	-	312
Derivative financial instruments	-	18,495	18,495
	4,327,416	18,495	4,345,911

	Available-for-sale	Loan and receivables	Derivatives used for hedging	Total
	RM'000	RM'000	RM'000	RM'000
At 31 December 2012				
Financial assets:				
Available-for-sale financial assets	56,044	-	-	56,044
Trade receivables	-	332,150	-	332,150
Other receivables excluding deposits and prepayments	-	67,898	-	67,898
Derivative financial instruments	-	-	4,313	4,313
Cash and bank balances	-	72,909	-	72,909
	56,044	472,957	4,313	533,314

BUMI ARMADA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013 (CONTINUED)

41 FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

Analysis of the financial instruments for the Group is as follows (continued):

At 31 December 2012	Other financial liabilities at amortised costs RM'000	Derivatives used for hedging RM'000	Total RM'000
Financial liabilities:			
Trade payables	228,463	-	228,463
Other payables and accruals	142,928	-	142,928
Borrowings	2,667,673	-	2,667,673
Hire purchase creditors	379	-	379
Derivative financial instruments	-	29,007	29,007
	3,039,443	29,007	3,068,450

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been identified as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as price) or indirectly (that is, derived from prices)

The following table presents the Group's financial assets and liabilities that were measured at fair value as at 31 December 2013:

	Level 1 RM'000	Level 2 RM'000	Total RM'000
Financial assets:			
Available-for-sale financial assets	46,615	-	46,615
Financial liabilities:			
Derivatives used for hedging			
- Cross currency interest rate swap	-	(5,419)	(5,419)
- Interest rate swap	-	(13,076)	(13,076)

41 FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

The following table presents the Group's financial assets and liabilities that were measured at fair value as at 31 December 2012:

	Level 1 RM'000	Level 2 RM'000	Total RM'000
Financial assets:			
Available-for-sale financial asset	54,017	-	54,017
Derivatives used for hedging			
- Cross currency interest rate swaps	-	4,313	4,313
Financial liabilities:			
Derivatives used for hedging			
- Interest rate swaps	-	(29,007)	(29,007)

The fair value of financial instrument traded in active market is based on quoted market price at the balance sheet date. This instrument is included in Level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques, such as estimated discounted cash flows are used to determine fair value for the derivative financial instruments. The fair value of cross currency interest rate swaps and interest rate swaps are calculated as the present value of the estimated future cash flows.

Analysis of the financial instruments for the Company is as follows:

	2013 RM'000	2012 RM'000
Financial assets classified as loans and receivables:		
Other receivables excluding deposits and prepayments	10,567	5,064
Dividend receivable	2,864	8,364
Amounts due from subsidiaries	632,892	508,628
Amounts due from joint ventures	47,741	16,768
Cash and bank balances	2,517	1,763
	696,581	540,587
Financial assets classified as available-for-sale:		
Available-for-sale financial assets	2,027	2,027
Financial liabilities classified at amortised costs:		
Other payables and accruals	80,099	46,570
Amounts due to subsidiaries	138,165	90,467
Hire purchase creditors	227	379
	218,491	137,416

41 FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

It was not practical to estimate the fair value of the Group's and the Company's investment in unquoted preference shares due to the lack of comparable quoted prices in an active market and the fair value cannot be reliably measured.

The carrying amounts of financial instruments of the Group and Company with a maturity of less than one year at the reporting date are assume to be approximated their fair values.

42 MATERIAL EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

(a) On 17 February 2014, Armada Oyo Ltd. ("AOL") and Bumi Armada (Singapore) Pte. Ltd. ("BASPL"), wholly-owned subsidiaries of the Company have signed a Bareboat Charterparty Contract and a Contract for Provision of Operational and Maintenance Services (collectively, the "Contracts") respectively with Oceanic Consultants Nigeria Limited ("Oceanic") for the continued deployment of the FPSO Armada Perdana (the "FPSO") at the Oyo Field Development (the "Oyo Field") located offshore of Nigeria.

The FPSO has been deployed to work at the Oyo Field since 2008 under contracts with the previous operator of the Oyo Field, Nigerian Agip Exploration Ltd ("NAE"). As NAE is no longer the operator of the field, the contracts with NAE were ended by mutual agreement on 31 December 2013. The FPSO will continue its deployment at the Oyo Field under the Contracts signed with Oceanic effective from 1 January 2014. Oceanic will, in turn, provide the use of the FPSO and the related services to the new operator of the Oyo Field, CAMAC Energy Inc..

Subsequently, the Contracts were novated from Oceanic to CAMAC Petroleum Limited by way of Deeds of Novation dated 25 March 2014. CAMAC Petroleum Limited is a subsidiary of CAMAC Energy Inc..

(b) On 24 February 2014, the Company offered 6,500,000 options over unissued ordinary shares of RM0.20 each of the Company under the Scheme to an Executive Director. The vesting dates of the options of shares offered will be on 24 February 2015 to 24 February 2017. Subject to the vesting dates as aforesaid the exercise period for these options will be from 24 February 2015 to 23 February 2019.

(c) On 31 March 2014, Armada Kraken Pte. Ltd. ("Armada Kraken") had secured a syndicated bridge loan facility of USD750 million ("Facility").

The Facility is intended for Armada Kraken to, inter alia, part-finance and reimburse all costs and expenses in relation to the acquisition, conversion, refurbishment, mobilisation, transport, hook-up and mooring and installation of FPSO Kraken together with all ancillary and related works required under a Bareboat Charter Contract with Enquest Heather Limited, Enquest ENS Limited, First Oil and Gas Limited, Nautical Petroleum Limited and Nautical Petroleum AG. Armada Kraken's payment obligations under the Facility are guaranteed by the Company and the Facility is intended to be refinanced by long term project financing in due course.

BUMI ARMADA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013 (CONTINUED)

42 MATERIAL EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR (CONTINUED)

(d) On 31 March 2014, eni Angola S.p.A. ("eni Angola") has via a Letter of Intent ("LOI"), confirmed their intention to award a contract for the chartering, operation and maintenance of a FPSO tanker facility complete with Mooring System to the Consortium of Bumi Armada Offshore Holdings Limited ("BAOHL") and Angoil Bumi JV Lda ("ABJL") (collectively referred as the "Contractor") at Block 15/06, East Hub located in deep water offshore Angola (the "Contract") at an indicative value of USD2.9 billion (equivalent to approximately RM9.5 billion).

The LOI is construed as an interim agreement under which BAOHL and ABJL are to proceed to commence performance of the work related to the Contract under the LOI ahead of the final award and is subject to successful negotiations of the commercial terms and execution of the Contract expected within 120 calendar days after the effective date of the LOI of 28 March 2014 ("LOI period"). If eni Angola terminates the LOI during the LOI period, the Contractor will be compensated on the basis of documented costs up to an agreed maximum amount.

43 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 16 April 2014.

BUMI ARMADA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013 (CONTINUED)

44 SUPPLEMENTARY INFORMATION

The following analysis of realised and unrealised retained profits at the legal entity level is prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants whilst the disclosure at the Group level is based on the prescribed format by the Bursa Malaysia Securities Berhad.

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Total retained earnings of the Company and subsidiaries				
- realised	1,834,962	1,597,218	198,057	116,223
- unrealised	20,383	(53,195)	6,894	843
	1,855,345	1,544,023	204,951	117,066
Total share of retained earnings from joint ventures				
- realised	98,169	66,241	-	-
- unrealised	(11,992)	(9,037)	-	-
	86,177	57,204	-	-
Total retained earnings	1,941,522	1,601,227	204,951	117,066

The disclosure of realised and unrealised profits/(losses) above is solely for compliance with the directive issued by the Bursa Malaysia Securities Berhad and should not be used for any other purpose.

BUMI ARMADA BERHAD
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, Hassan Assad Basma and Shaharul Rezza bin Hassan, two of the Directors of Bumi Armada Berhad, state that, in our opinion, the financial statements set out on pages 8 to 98 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2013 and of the results of the Group and of the Company and the cash flows of the Group and of the Company for the financial year ended on that date in accordance with the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

The supplementary information set out in Note 44 have been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants whilst the disclosure at the Group level is based on the prescribed format by the Bursa Malaysia Securities Berhad.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 16 April 2014.

HASSAN ASSAD BASMA
DIRECTOR

SHAHARUL REZZA BIN HASSAN
DIRECTOR

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

I, Kenneth Murdoch, being the officer primarily responsible for the financial management of Bumi Armada Berhad, do solemnly and sincerely declare that the financial statements set out on pages 8 to 98 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

KENNETH MURDOCH

Subscribed and solemnly declared by the above named Kenneth Murdoch in Kuala Lumpur on 16 April 2014, before me.

PESURUHJAYA SUMPAH
W 541
ZULKIFLA MOHD DAHLIM
MALAYSIA

COMMISSIONER FOR OATHS

NO: 17, JALAN PETALING

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INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF BUMI ARMADA BERHAD

(Incorporated in Malaysia)
(Company No. 370398 X)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Bumi Armada Berhad on page 8 to 98, which comprise the statements of financial position as at 31 December 2013 of the Group and of the Company, and the statements of income, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on Notes 1 to 43.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal controls as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

PricewaterhouseCoopers (AF 1146), Chartered Accountants,
Level 10, 1 Sentral, Jalan Travers, Kuala Lumpur Sentral, P.O. Box 10192, 50706 Kuala Lumpur, Malaysia
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INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF BUMI ARMADA BERHAD (CONTINUED)
(Incorporated in Malaysia)
(Company No. 370398 X)

REPORT ON THE FINANCIAL STATEMENTS (CONTINUED)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 December 2013 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 18 to the financial statements.

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

(d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

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INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF BUMI ARMADA BERHAD (CONTINUED)
(Incorporated in Malaysia)
(Company No. 370398 X)

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 44 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad ("Bursa Malaysia") and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants

TIANG WOON MENG
(No. 2927/05/14 (J))
Chartered Accountant

Kuala Lumpur
16 April 2014

BUMIARMADA

BUMI ARMADA BERHAD

(370398-X)

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2014

BUMI ARMADA BERHAD (Company No. 370398-X)
Level 21, Menara Perak, 24, Jalan Perak, 50450 Kuala Lumpur, Malaysia.
Tel: +603 2171 5799 Fax: +603 2163 5799 www.bumiarmada.com

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BUMI ARMADA BERHAD
(370398-X)
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2014

The Board of Directors of Bumi Armada Berhad ("Bumi Armada" or "the Company" or "the Group") is pleased to announce the following unaudited condensed consolidated financial statements for the second quarter ended 30 June 2014 which should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the unaudited condensed consolidated financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME

	Note	Individual Quarter Ended		Cumulative Quarters Period Ended	
		30.6.2014 RM'000	**30.6.2013 RM'000**	**30.6.2014 RM'000**	**30.6.2013 RM'000**
Revenue		**590,081**	481,230	**1,058,998**	969,985
Cost of sales		**(380,337)**	(291,345)	**(691,914)**	(603,223)
Gross profit		**209,744**	189,885	**367,084**	366,762
Other operating income		**7,508**	4,057	**16,564**	19,787
Selling and distribution costs		**(46,098)**	(34,637)	**(82,640)**	(61,225)
Administrative expenses		**(41,418)**	(24,870)	**(78,277)**	(51,119)
Operating profit		**129,736**	134,435	**222,731**	274,205
Finance costs		**(20,795)**	(21,833)	**(42,374)**	(48,177)
Share of results of joint ventures		**18,690**	10,261	**33,664**	27,736
Profit before taxation		**127,631**	122,863	**214,021**	253,764
Taxation	18	**(26,113)**	(8,751)	**(45,773)**	(29,241)
Profit for the financial period		**101,518**	114,112	**168,248**	224,523
Attributable to:					
- Owners of the Company		**98,379**	111,965	**163,157**	221,635
- Non-controlling interests		**3,139**	2,147	**5,091**	2,888
		101,518	114,112	**168,248**	224,523
Earnings per share (sen)	27				
- Basic		**3.35**	3.82	**5.56**	7.57
- Diluted		**3.35**	3.82	**5.56**	7.56

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Note	Individual Quarter Ended		Cumulative Quarters Period Ended	
		30.6.2014 RM'000	30.6.2013 RM'000	30.6.2014 RM'000	30.6.2013 RM'000
Profit for the financial period		**101,518**	114,112	**168,248**	224,523
Other comprehensive income:					
Items that maybe reclassified subsequently to profit or loss					
- Loss on fair value change on available-for-sale financial assets		**(497)**	(8,414)	**(2,003)**	(10,408)
- Fair value (loss)/gain on cash flow hedges		**(237)**	6,825	**1,134**	8,652
- Foreign currency translation differences		**(69,085)**	78,091	**(87,024)**	105,906
- Share of other comprehensive loss of joint ventures		**(105)**	-	**(105)**	-
Other comprehensive (expense)/income for the financial period, net of tax		**(69,924)**	76,502	**(87,998)**	104,150
Total comprehensive income for the financial period		**31,594**	190,614	**80,250**	328,673
Total comprehensive income attributable to:					
- Owners of the Company		**29,104**	187,524	**76,040**	324,811
- Non-controlling interests		**2,490**	3,090	**4,210**	3,862
		31,594	190,614	**80,250**	328,673

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	As at 30.6.2014 RM'000	Audited As at 31.12.2013 RM'000
NON-CURRENT ASSETS			
Property, plant and equipment	11	**6,680,783**	5,871,084
Goodwill		**1,411**	1,411
Investments in joint ventures		**318,524**	271,787
Available-for-sale financial assets		**45,435**	48,642
Accrued lease rentals		**448,504**	433,104
Deferred tax assets		**30,752**	40,993
		7,525,409	6,667,021
CURRENT ASSETS			
Inventories		**2,964**	5,559
Amounts due from customers on contract		**32,618**	36,421
Trade receivables		**654,929**	447,632
Accrued lease rentals		**610,766**	652,292
Other receivables, deposits and prepayments		**157,984**	254,091
Tax recoverable		**3,932**	3,063
Amounts due from joint ventures		**128,442**	109,048
Deposits, cash and bank balances		**803,558**	634,538
		2,395,193	2,142,644
Non-current assets classified as held-for-sale		**57,802**	-
TOTAL ASSETS		**9,978,404**	8,809,665

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

	Note	As at 30.6.2014 RM'000	Audited As at 31.12.2013 RM'000
LESS: CURRENT LIABILITIES			
Amounts due to customers on contract		-	592
Trade payables		**281,519**	243,979
Other payables and accruals		**422,851**	306,123
Amounts due to joint ventures		**8,373**	15,379
Hire purchase creditors		**153**	184
Borrowings	20	**1,327,887**	1,185,655
Derivative financial instruments	21	**9,946**	12,672
Taxation		**18,255**	28,925
		2,068,984	1,793,509
NET CURRENT ASSETS		**384,011**	349,135
LESS: NON-CURRENT LIABILITIES			
Hire purchase creditors		**66**	128
Borrowings	20	**3,382,476**	2,591,347
Derivative financial instruments	21	**2,986**	5,823
Deferred tax liabilities		**52,110**	38,623
		3,437,638	2,635,921
NET ASSETS		**4,471,782**	4,380,235
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Share capital		**586,529**	586,318
Reserves		**3,857,467**	3,770,341
		4,443,996	4,356,659
NON-CONTROLLING INTERESTS		**27,786**	23,576
TOTAL EQUITY		**4,471,782**	4,380,235
NET ASSETS PER SHARE (RM)		**1.52***	1.49

* Based on 2,932,642,700 ordinary shares in issue at RM0.20 par value as at 30 June 2014.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to Owners of the Company										
	Number of shares '000	Nominal value RM'000	Share premium RM'000	Foreign exchange reserve RM'000	Other reserves RM'000	Share option reserve RM'000	Hedging reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
2014											
At 1 January 2014	2,931,591	586,318	1,764,614	51,713	(7,786)	30,633	(10,355)	1,941,522	4,356,659	23,576	4,380,235
Profit for the financial period	-	-	-	-	-	-	-	163,157	163,157	5,091	168,248
Other comprehensive (expense)/income for the financial period, net of tax	-	-	-	(86,103)	(2,003)	-	989	-	(87,117)	(881)	(87,998)
Total comprehensive (expense)/income for the financial period, net of tax	-	-	-	(86,103)	(2,003)	-	989	163,157	76,040	4,210	80,250
Transactions with owners:											
- Employee share options exercised	1,052	211	3,812	-	-	(714)	-	-	3,309	-	3,309
- Employee share options granted	-	-	-	-	-	7,988	-	-	7,988	-	7,988
- Employee share options forfeited/lapsed	-	-	-	-	-	(242)	-	242	-	-	-
At 30 June 2014	2,932,643	586,529	1,768,426	(34,390)	(9,789)	37,665	(9,366)	2,104,921	4,443,996	27,786	4,471,782

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE 6-MONTH FPE 30 JUNE 2014 *(Cont'd)*

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	Attributable to Owners of the Company										
	Number of shares '000	Nominal value RM'000	Share premium RM'000	Foreign exchange reserve RM'000	Other capital reserves RM'000	Share option reserve RM'000	Hedging reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
2013											
At 1 January 2013	2,929,168	585,834	1,756,045	(195,829)	3,770	16,049	(17,230)	1,601,227	3,749,866	17,145	3,767,011
Profit for the financial period	-	-	-	-	-	-	-	221,635	221,635	2,888	224,523
Other comprehensive (expense)/income for the financial period, net of tax	-	-	-	105,062	(10,408)	-	8,522	-	103,176	974	104,150
Total comprehensive (expense)/income for the financial period, net of tax	-	-	-	105,062	(10,408)	-	8,522	221,635	324,811	3,862	328,673
Transactions with owners:											
- Employee share options exercised	958	192	3,334	-	-	(623)	-	-	2,903	-	2,903
- Employee share options granted	-	-	-	-	-	10,596	-	-	10,596	-	10,596
- Employee share options forfeited/lapsed	-	-	-	-	-	(62)	-	62	-	-	-
At 30 June 2013	2,930,126	586,026	1,759,379	(90,767)	(6,638)	25,960	(8,708)	1,822,924	4,088,176	21,007	4,109,183

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Period Ended 30.6.2014 RM'000	Period Ended 30.6.2013 RM'000
OPERATING ACTIVITIES		
Profit for the financial period	**168,248**	224,523
Adjustments for non-cash items:		
Share of results of joint ventures	**(33,664)**	(27,736)
Depreciation of property, plant and equipment	**229,370**	196,321
Fair value through profit and loss on derivative financial instruments	**(4,311)**	(1,255)
Gain on disposal of property, plant and equipment	**(25)**	-
Gain on disposal of a subsidiary	**-**	(9,358)
Allowance for doubtful debts	**-**	6,253
Allowance for doubtful debts written back	**-**	(1,976)
Unrealised foreign exchange loss/(gain)	**4,765**	(15,966)
Share-based payment	**7,988**	10,596
Interest income	**(2,743)**	(2,329)
Interest expense	**43,552**	52,558
Dividend income	**(2,321)**	(2,221)
Taxation	**45,773**	29,241
Operating profit before changes in working capital	**456,632**	458,651
Changes in working capital:		
Inventories	**2,507**	5,622
Trade and other receivables	**(235,583)**	(212,613)
Trade and other payables	**135,168**	(30,805)
Cash from operations	**358,724**	220,855
Interest paid	**(72,663)**	(48,177)
Tax paid	**(37,648)**	(37,517)
Tax refund	**1,969**	5
NET CASH FLOWS GENERATED FROM OPERATING ACTIVITIES	**250,382**	135,166

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

	Period Ended 30.6.2014 RM'000	Period Ended 30.6.2013 RM'000
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(1,077,310)**	(515,465)
Proceeds from disposal of a subsidiary	**-**	12,446
Proceeds from disposal of property, plant and equipment	**25**	-
Dividend income	**-**	2,221
Interest received	**2,743**	2,345
NET CASH FLOWS USED IN INVESTING ACTIVITIES	**(1,074,542)**	(498,453)
FINANCING ACTIVITIES		
Proceeds from bank borrowings	**1,218,544**	976,005
Repayment of bank borrowings	**(219,227)**	(471,370)
Repayment of hire purchase creditors	**(94)**	(70)
Proceeds from issuance of shares	**3,309**	2,903
NET CASH FLOWS GENERATED FROM FINANCING ACTIVITIES	**1,002,532**	507,468
NET INCREASE IN CASH AND CASH EQUIVALENTS	**178,372**	144,181
CURRENCY TRANSLATION DIFFERENCES	**(9,352)**	14,274
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	**633,638**	499,600
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	**802,658**	658,055
Cash and cash equivalents consist of:		
Deposits with licensed banks	**450,044**	478,402
Cash and bank balances	**353,514**	180,553
Less: Designated deposits placed with licensed banks	**(900)**	(900)
	802,658	658,055

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EXPLANATORY NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2014

1. BASIS OF PREPARATION

The unaudited financial statements have been prepared in accordance with the reporting requirement as set out in Malaysian Financial Reporting Standards ("MFRS") 134 on "Interim Financial Reporting", Paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The unaudited financial statements should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes. These explanatory notes provide an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the financial year ended 31 December 2013. The results of the joint ventures are based on unaudited management accounts.

The significant accounting policies and methods of computation applied in the unaudited condensed consolidated financial statements are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 December 2013, other than those disclosed below:

(a) Amendments to MFRS which are applicable to the Group effective 1 January 2014:

- Amendment to MFRS 10 "Consolidated Financial Statements: Investment Entities"
- Amendment to MFRS 12 "Disclosure of Interest in Other Entities: Investment Entities"
- Amendment to MFRS 127 "Consolidated and Separate Financial Statements: Investment Entities"
- Amendment to MFRS 132 "Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities"
- Amendment to MFRS 136 "Impairment of Assets - Recoverable Amount Disclosure for Non-Financial Assets"
- Amendment to MFRS 139 "Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting"

The adoption of the above Amendments to MFRS that came into effect on 1 January 2014, did not have any significant impact on the unaudited condensed financial statements upon the initial application on 1 January 2014.

(b) Amendment and Annual Improvements to MFRS which are applicable to the Group effective 1 July 2014:

- Amendment to MFRS 119 "Defined Benefits Plans: Employee Contributions"
- Annual Improvements to MFRSs 2010 - 2012 cycle
- Annual Improvements to MFRSs 2011 - 2013 cycle

The above amendment and annual improvements to MFRS are not anticipated to have any significant impact on the financial statements of the Group upon their initial application.

(c) MFRS and Amendments to MFRS that are applicable to the Group which the effective date have yet to be determined by Malaysian Accounting Standards Board:

- MFRS 9 "Financial Instruments"
- Amendment to MFRS 7 "Financial Instruments: Disclosure - Mandatory Effective Date of MFRS 9 and Transition Disclosures"

The adoption of MFRS 9 may result in a change in accounting policy. The Group will quantify the effect of adopting this standard when the full standard is issued.

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2. MANAGEMENT COMMENTARY

(A) Review of performance for the current year to date results as compared with the previous year to date

Financial Indicators	YTD 30.6.2014 RM'000	YTD 30.6.2013 RM'000	Change RM'000
FPSO [1]	**427,082**	386,040	41,042
OSV [1]	**309,259**	293,229	16,030
T&I [1]	**322,657**	290,716	31,941
OFS [1]	**-**	-	-
Revenue	**1,058,998**	969,985	89,013
EBITDA [2]	**485,765**	498,262	(12,497)
EBITDA margin	**46%**	51%	(5%)
Profit for the financial period	**168,248**	224,523	(56,275)
Total depreciation	**229,370**	196,321	33,049

The Group posted revenue of RM1,059.0 million for the current year to date or 9% higher year on year, as a result of an increase in activity across all business units;

(a) FPSO revenue of RM427.1 million was higher due to the additional contribution from the Kraken FPSO and Angola 1506 FPSO contracts, offset by lower tanker revenue from Armada Ali, which was laid up and prepared for conversion in the previous quarter;
(b) OSV segment revenue was higher due mainly to additional vessels and improved uptime on larger vessels;
(c) T&I segment revenue increased due mainly to the ramp up of pipe laying and post trenching activities on the LukOil project as work resumed in the Caspian Sea after progress was affected by winter conditions in the previous quarter;
(d) OFS segment contribution is reflected in the share of joint ventures.

The Group posted EBITDA of RM485.8 million for the current year to date. Increased FPSO contribution driven by the new contract awards was offset by lower year-on-year contribution from T&I reflecting last quarter's impact of weather on the Lukoil project in Russia and lower utilisation for Armada Hawk before their activity pick up this quarter. OSV's contribution reflected lower utilisation of older vessels. OSV has commenced fleet renewal programme which it expects to complete by the year end. Certain Class B vessels have been identified and classified as held for sale in the current quarter. OFS activity continues to contribute positively to earnings this quarter.

Profit of RM168.2 million was in line with EBITDA after accounting for higher depreciation by RM33.0 million due mainly to additional depreciation charge from vessel additions across all business units, lower finance costs by RM5.8 million as a result of project debt repayment; and higher taxation costs of RM16.5 million reflecting the taxation applicable to the increase in activity in Russia, and lower deferred tax estimate in the previous year to date.

Note:
(1) FPSO - Floating Production Storage Offloading system, OSV - Offshore Support Vessel, T&I - Transport and Installation and OFS - Oilfield Services. These acronyms are also used hereinafter.
(2) Defined as profit before finance costs, taxation, depreciation and amortisation.
(3) Defined as Engineering, Procurement, Installation and Commissioning.

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2. MANAGEMENT COMMENTARY (CONTINUED)

(B) Performance of the current quarter as compared with the immediate preceding quarter

Financial Indicators	2nd Quarter 2014 RM'000	1st Quarter 2014 RM'000	Change RM'000
FPSO	**231,415**	195,667	35,748
OSV	**153,037**	156,222	(3,185)
T&I	**205,629**	117,028	88,601
OFS	**-**	-	-
Revenue	**590,081**	468,917	121,164
EBITDA	**262,627**	223,138	39,489
EBITDA margin	**45%**	48%	(3%)
Profit for the financial period	**101,518**	66,730	34,788
Total depreciation	**114,201**	115,169	(968)

The Group posted revenue of RM590.1 million for the current quarter, an increase of RM121.2 million (26%) sequentially, as a result of an increase in activity from FPSO and T&I segments as detailed below:

(a) FPSO revenue in the current quarter reflected contribution from ENI 1506 FPSO project progress and higher Kraken FPSO project progress compared to the previous quarter;

(b) OSV revenue in the current quarter was marginally lower despite higher overall vessel utilisation due to contract completion on certain Class A vessels. The fleet utilisation rates are as shown below:

OSV vessel average utilisation rates for the quarter ended	2nd Quarter 2014 %	1st Quarter 2014 %	Change in %
Group's vessels	**72**	70	2
- Class A[5]	**80**	79	1
- Class B[6]	**64**	61	3
Group's vessels including those held by joint ventures	**72**	70	2

OSV has commenced the fleet renewal programme and is expected to be completed by the financial year end. Certain Class B vessels have been identified and classified as held for sale in the current quarter.

(c) T&I revenue growth in the current quarter reflected the ramp up of pipe laying and post trenching activities on the LukOil project as work resumed in the Caspian Sea after progress was affected by winter conditions last quarter, as well as additional O&M[4] activity for Armada Installer and new charters secured for Armada Hawk;

(d) The OFS segment contribution is reflected in the share of joint ventures.

The Group posted EBITDA of RM262.6 million and profit of RM101.5 million for the current quarter driven by strong FPSO and T&I contribution on the back of higher level of activities. The OFS segment continues to contribute positively in the current quarter.

The Group's profit increased by RM34.8 million, 52% higher sequentially after accounting for higher taxation costs of RM6.5 million reflecting mainly the increase in activity in Russia and associated taxation.

Note:

[4] Defined as operations and maintenance.

[5] Class A represents vessels which are less than 12 years or more than 8000 brake horse power and accommodation work barges which are more than 200 pax capacity.

[6] Class B represents vessels which are more than 12 years or less than 8000 brake horse power and accommodation work barges which are less than 200 pax capacity.

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3. PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2014

Whilst the long term outlook for the offshore oil and gas services industry remains positive, there are emerging signs of a slowdown in E&P company capital expenditures and a softening in oil prices due to the downward pressures exerted by shale oil and gas. International oil companies are more affected than national oil companies and independents, with industry wide year on year expenditures growth expected to slow down to 6% and oil prices to trade range bound between USD 95-110/barrel in the short term. Global economic recovery remains delicately balanced and uneven across the globe with geopolitical tensions adding a dose of volatility.

Notwithstanding the above, we remain confident on the underlying fundamentals of the activities across our business units over the long term. The Group seeks to expand its footprint in the regions in which it operates and diversify its operations whilst it pursues its strategy for long term growth.

4. QUALIFICATION OF PRECEDING AUDITED FINANCIAL STATEMENTS

There was no qualification to the audited financial statements for the preceding financial year ended 31 December 2013.

5. SEASONALITY OR CYCLICALITY OF OPERATIONS

As we increase our services offering in offshore O&G, selective parts of our businesses will be subject to short term seasonal conditions with regards to certain operating geographies.

6. ITEMS OF UNUSUAL NATURE, SIZE OR INCIDENCE

There were no items of an unusual nature, size or incidence affecting the assets, liabilities, equity, net income or cash flow of the Group during the current quarter.

7. CHANGES IN ESTIMATES

There were no changes in estimates of amounts reported in prior financial years that have a material effect on the unaudited condensed financial statements of the Group.

8. ISSUANCE OR REPAYMENT OF DEBT AND EQUITY SECURITIES

There were no issuances or repayments of debt securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current quarter except for the issuance of 349,000 and 165,000 ordinary shares of RM0.20 each arising from the exercise of options pursuant to the Company's Employee Share Option Scheme ("ESOS") at the exercise prices of RM3.03 and RM3.75 per share respectively.

9. DIVIDENDS PAID

No dividend was paid in the current financial period ended 30 June 2014.

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10. SEGMENTAL INFORMATION

The Group is organised into 4 main business segments based on the type of operations carried out by its vessels and barges. The information of each of the Group's business segments for the individual and cumulative quarters ended 30 June 2014 and 30 June 2013 are as follows:

Individual Quarter Ended 30.6.2014	**FPSO RM'000**	**OSV RM'000**	**T&I RM'000**	**OFS RM'000**	**Others RM'000**	**Corporate and elimination RM'000**	**Group RM'000**
Revenue	**231,415**	**153,037**	**205,629**	**-**	**-**	**-**	**590,081**
Inter-segment revenue	**-**	**-**	**-**	**-**	**35,325**	**(35,325)**	**-**
Results							
Segment results	**77,083**	**19,005**	**26,140**	**-**	**814**	**(814)**	**122,228**
Other operating income							**7,508**
Share of results of joint ventures							**18,690**
Finance costs							**(20,795)**
Taxation							**(26,113)**
Profit for the financial period							**101,518**

Individual Quarter Ended 30.6.2013	**FPSO RM'000**	**OSV RM'000**	**T&I RM'000**	**OFS RM'000**	**Others RM'000**	**Corporate and elimination RM'000**	**Group RM'000**
Revenue	193,758	150,850	136,622	-	-	-	481,230
Inter-segment revenue	-	-	-	-	22,004	(22,004)	-
Results							
Segment results	55,147	33,578	41,653	-	1,374	(1,374)	130,378
Other operating income							4,057
Share of results of joint ventures							10,261
Finance costs							(21,833)
Taxation							(8,751)
Profit for the financial period							114,112

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10. SEGMENTAL INFORMATION (CONTINUED)

Cumulative Quarters Period Ended 30.6.2014	FPSO RM'000	OSV RM'000	T&I RM'000	OFS RM'000	Others RM'000	Corporate and elimination RM'000	Group RM'000
Revenue	427,082	309,259	322,657	-	-	-	1,058,998
Inter-segment revenue	-	-	-	-	78,854	(78,854)	-
Results							
Segment results	134,100	39,036	33,031	-	1,518	(1,518)	206,167
Other operating income							16,564
Share of results of joint ventures							33,664
Finance costs							(42,374)
Taxation							(45,773)
Profit for the financial period							168,248

Cumulative Quarters Period Ended 30.6.2013	FPSO RM'000	OSV RM'000	T&I RM'000	OFS RM'000	Others RM'000	Corporate and elimination RM'000	Group RM'000
Revenue	386,040	293,229	290,716	-	-	-	969,985
Inter-segment revenue	-	-	-	-	53,526	(53,526)	-
Results							
Segment results	113,438	74,036	66,944	-	5,970	(5,970)	254,418
Other operating income							19,787
Share of results of joint ventures							27,736
Finance costs							(48,177)
Taxation							(29,241)
Profit for the financial period							224,523

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11. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

There was no revaluation of property, plant and equipment for the period under review. As at 30 June 2014, all property, plant and equipment were stated at cost less accumulated depreciation and accumulated impairment losses.

12. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD

Save as disclosed below, no material event has arisen in the interval between the end of this reporting period and the date of this report:

(i) On 19 August 2014, we announced that Bumi Armada Offshore Holdings Limited ("BAOHL"), wholly-owned subsidiary of the Company together with its joint venture company, PT Armada Gema Nusantara (collectively, the "Consortium") have been appointed as the FPSO Lease Contractor for the Madura BD Field, Offshore Indonesia via a Letter of Intent issued by Husky-CNOOC Madura Limited ("HCML").

Pursuant to the Letter of Intent (the "LOI"), the Consortium will supply a Floating Production, Storage and Offloading Vessel to HCML at a contract value of USD1.18 billion (equivalent to approximately RM3.76 billion) for a fixed period of ten (10) years with options of five (5) annual extensions worth an aggregate value of USD147 million (equivalent to approximately RM469 million), if the options are fully exercised by HCML, subject to terms and conditions of the FPSO Lease Contract (the "Contract") to be finalised and signed within forty-five (45) days from the effective date of the LOI of 8 August 2014 subject to such extension to be mutually agreed between HCML and the Consortium. The Consortium is authorised to commence initial engineering work immediately on issuance of the LOI.

(ii) On 31 March 2014, the Company announced the LOI issued by eni Angola S.p.A. ("eni Angola"), for the award of a contract for the chartering, operation and maintenance of an FPSO tanker facility complete with Mooring System to the consortium of BAOHL and Angoil Bumi JV Lda ("ABJL") at the Block 15/06 East Hub field, located in deep water offshore Angola (the "Contract"). The LOI was effective on 28 March 2014.

In furtherance of the LOI, the Contract was signed on 20 August 2014. The effective date of the Contract is 28 March 2014 corresponding to the commencement of the work.

The Contract is for a firm charter of 12 years with options of 8 yearly extensions. The estimated aggregate value of the Contract for the firm charter period is approximately USD3.0 billion (equivalent to approximately RM9.6 billion), with a further aggregate contract value of USD0.9 billion (equivalent to approximately RM3.0 billion) if eni Angola exercises all the extension options in full.

13. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group arising from business combinations, acquisitions or disposals of subsidiaries and long-term investments, restructurings, and discontinued operations for the current quarter under review.

14. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There has been no material change in contingent liabilities or contingent assets since the last annual financial statements.

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15. CAPITAL COMMITMENTS

Capital expenditure for property, plant and equipment approved by the Directors and not provided for in the unaudited condensed consolidated financial statements as at 30 June 2014 are as follows:

	RM'000
- authorised and contracted	**601,477**
- authorised but not contracted	**7,815,302**
	8,416,779

16. SIGNIFICANT RELATED PARTY DISCLOSURES

The significant related party transactions undertaken during the financial period are described below:

		Cumulative Quarters Period Ended 30.6.2014 RM'000
Related party transactions		
(a)	Transactions with UTSB Management Sdn Bhd ("UTSBM") [1]:	
	- reimbursable costs incurred in respect of an executive director	**5,504**
	- management fees	**2,767**
(b)	Telecommunication expenses to Maxis Berhad [2]	**1,402**
(c)	Rental to Malaysian Landed Property Sdn Bhd ("MLP") [3]	**3,377**
(d)	Transactions with joint ventures:	
	- ship management fees to Century Bumi Limited	**7,342**
(e)	Key management personnel compensation:	
	- non-executive directors fees	**1,658**
	- salaries, bonus and allowances and other staff related costs	**17,040**
	- defined contribution plan	**2,592**
	- share-based payment	**5,568**
(f)	Payment on behalf:	
	- joint ventures	**79,664**

Usaha Tegas Sdn Bhd ("UTSB") is a party related to the Company by virtue of its substantial interest in Objektif Bersatu Sdn Bhd ("OBSB"), a substantial shareholder of the Company. The ultimate holding company of UTSB is PanOcean Management Limited ("PanOcean"). PanOcean is the trustee of a discretionary trust, the beneficiaries of which are members of the family of Ananda Krishnan Tatparanandam ("TAK") and foundations including those for charitable purposes. Although PanOcean and TAK are deemed to have interest in the shares of the Company through UTSB's deemed interest in OBSB, they do not have any economic or beneficial interest in the shares as such interest is held subject to the terms of the discretionary trust.

Note:
[1] Subsidiary of UTSB, a substantial shareholder of the Company.
[2] Subsidiary of a joint venture, in which UTSB has a significant equity interest.
[3] Subsidiary of a company in which TAK has 100% equity interest.

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17. PROFIT FORECAST OR PROFIT GUARANTEE

This is not applicable as the Group did not publish any profit forecast or issue any profit guarantee.

18. TAXATION

Taxation comprises the following:

	Individual Quarter Ended		Cumulative Quarters Period Ended	
	30.6.2014 RM'000	**30.6.2013 RM'000**	**30.6.2014 RM'000**	**30.6.2013 RM'000**
Income tax:				
- Current tax	**12,624**	11,464	**27,270**	22,922
- Prior year	**2,270**	4,190	**(5,648)**	4,190
Deferred tax	**11,219**	(6,903)	**24,151**	2,129
Total	**26,113**	8,751	**45,773**	29,241

The Group's effective tax rates for the individual quarter and cumulative quarters period ended 30 June 2014 were 20% and 21% respectively, lower than the statutory tax rate of 25% mainly due to change in certain non-taxable income, whilst other foreign source income are taxed based on their individual tax jurisdiction rates ranging between 0% to 30% and the income arising from Malaysian sea-going ships of the Group are tax exempt under Section 54A of the Income Tax Act, 1967.

19. STATUS OF CORPORATE PROPOSALS ANNOUNCED

Save as disclosed below, there were no corporate proposals announced but not completed as at the date of this report:

(i) On 13 August 2013, we announced that our wholly-owned subsidiary, Bumi Armada Capital Offshore Ltd ("BACOL") had on 6 August 2013, entered into documentation for the establishment of a Multi Currency Euro Medium Term Note Programme with a programme size of USD1.5 billion (or its equivalent in other currencies) ("EMTN Programme").

An application has been made to the Singapore Exchange Securities Trading Limited ("SGX-ST") for permission to deal in, and for quotation of, any medium term notes ("Notes") that may be issued pursuant to the EMTN Programme and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. An application will be submitted to Bursa Securities for listing of the Notes under the Exempt Regime. The Notes to be issued under the EMTN Programme may be listed on Bursa Securities but will not be quoted for trading. No Notes have been issued yet under the EMTN Programme.

(ii) On 26 March 2014, we announced that our wholly-owned subsidiary, Bumi Armada Capital Malaysia Sdn Bhd ("BACM"), received authorisation from the Securities Commission Malaysia ("SC") for the establishment of an unrated Sukuk issuance programme of up to RM1.5 billion in nominal value under the Shariah principle of Murabahah (via a Tawarruq arrangement) ("Sukuk Programme") and the issuance of Sukuk Murabahah thereunder.

Subsequently, on 12 June 2014, we announced that BACM and our Company had, on even date, entered into documentation for the establishment of the Sukuk Programme.

No Sukuk have been issued yet under the Sukuk Programme.

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19. STATUS OF CORPORATE PROPOSALS ANNOUNCED (CONTINUED)

(iii) On 23 May 2014, we announced of our intention to undertake the following proposals:

a) a bonus issue of up to 1,479,238,150 new ordinary shares of RM0.20 each in Bumi Armada Berhad ("Bumi Armada") ("Shares") ("Bonus Shares") on the basis of one (1) Bonus Share for every two (2) existing Shares held by the entitled shareholders of Bumi Armada on an entitlement date to be determined and announced later ("Entitlement Date") ("Proposed Bonus Issue");

b) a renounceable rights issue of up to 1,479,238,150 new Shares ("Rights Shares") on the basis of one (1) Rights Share for every two (2) existing Shares held by the entitled shareholders of Bumi Armada on the Entitlement Date ("Proposed Rights Issue");

c) an increase in our authorised share capital from RM800,000,000 comprising 4,000,000,000 Shares to RM2,000,000,000 comprising 10,000,000,000 Shares ("Proposed IASC"); and

d) an amendment to our Memorandum of Association as a consequence of the Proposed IASC. ("Proposed Amendment") (collectively referred to as "Proposals").

(iv) On 2 June 2014, we announced that our Company and the joint underwriters, namely, AmInvestment Bank Berhad, CIMB Investment Bank Berhad, Credit Suisse Securities (Malaysia) Sdn Bhd, Maybank Investment Bank Berhad, RHB Investment Bank Berhad and UBS Securities Malaysia Sdn Bhd., had, on 1 June 2014, entered into a conditional underwriting agreement in relation to the Proposed Rights Issue. It was also announced that CIMB Investment Bank Berhad, Credit Suisse (Singapore) Limited and Maybank Investment Bank Berhad have been appointed as the Joint Global Coordinators for the Proposed Rights Issue.

(v) On 12 June 2014, we announced that Bursa Securities had, vide its letter dated 12 June 2014, approved the listing of and quotation for the following:

a) up to 1,479,238,150 Bonus Shares to be issued pursuant to the Proposed Bonus Issue; and
b) up to 1,479,238,150 Rights Shares to be issued pursuant to the Proposed Rights Issue,

subject to the conditions as set out in the said announcement. It was also announced that Bursa Securities had stated that the Bonus Shares must be listed and quoted simultaneously with the Rights Shares.

(vi) On 20 June 2014, we announced the Notice of Extraordinary General Meeting ("EGM") to be held on 8 July 2014, to seek the approval of our shareholders for the Proposals. The Circular together with the Notice of EGM was issued to our shareholders on 23 June 2014.

(vii) On 8 July 2014, we announced that the ordinary resolutions pertaining to the Proposals tabled at the EGM held on even date had been passed. The Proposed IASC and Proposed Amendment took effect upon the passing of the ordinary resolutions for the said Proposals.

As at 20 August 2014, the Proposed Bonus Issue and Proposed Rights Issue have yet to be completed.

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20. BORROWINGS

The borrowings of the Group as at 30 June 2014 are as follows:

	As at 30.6.2014 RM'000
SHORT TERM DEBT	
Secured:	
Term loans	320,201
Unsecured:	
Revolving credit	482,631
Term loans	525,055
Total short term debt	1,327,887
LONG TERM DEBT	
Secured:	
Term loans	1,274,148
Unsecured:	
Bridging loan	223,825
Term loans	1,884,503
Total long term debt	3,382,476
Total borrowings	4,710,363
CURRENCY PROFILE	
United States Dollar	3,694,095
Ringgit Malaysia	1,016,268
	4,710,363

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21. DERIVATIVE FINANCIAL INSTRUMENTS

Disclosure of derivatives

Details of derivative financial instruments outstanding as at 30 June 2014 are set out below:

Types of Derivative	Contract/ Notional Amount RM'000	Fair Value (Liabilities)/ Assets RM'000
Derivatives used for hedging:		
Interest rate swaps		
- Less than 1 year	228,832	(10,288)
- 1 to 3 years	732,989	(1,997)
- More than 3 years	470,788	1,573
	1,432,609	(10,712)
Cross currency interest rate swaps		
- Less than 1 year	6,391	342
- 1 to 3 years	55,391	(1,189)
- More than 3 years	49,000	(1,373)
	110,782	(2,220)

There have been no changes since the end of the previous financial year ended 31 December 2013 in respect of the following:

(a) the market risk and credit risk associated with the derivatives as these are used for hedging purposes;
(b) the cash requirements of the derivatives; and
(c) the policies in place for mitigating or controlling the risks associated with the derivatives.

As at 30 June 2014, the Group recognised net derivative financial liabilities of RM12.9 million, a reduction of RM5.6 million from the previous financial year ended 31 December 2013, on remeasuring the fair values of the derivative financial instruments. The reduction of RM1.0 million was included in the cash flow hedging reserve attributable to the Group and the non-controlling interest while RM4.3 million was recorded as fair value gain from derivative financial instruments through the profit or loss.

The Group's cash flow hedging reserve of RM9.4 million as at 30 June 2014 represents the effective portion of the deferred fair value losses relating to the derivative financial instruments which qualified for hedge accounting. The gains and losses recognised in the cash flow hedging reserve will be released to the profit and loss within finance cost over the period of the underlying borrowings.

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22. FAIR VALUE HIERARCHY

The Group uses the following hierarchy for determining the fair value of all financial instruments carried at fair value and amortised cost, the different levels have been identified as follows:

Level 1 - Quoted prices (unadjusted in active markets for identical assets or liabilities)
Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as price) or indirectly (that is, derived from prices)
Level 3 – Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

(a) Financial instruments carried at amortised cost

The carrying amounts of financial assets and liabilities of the Group approximated their fair values as at 30 June 2014 except as set out below, measured using Level 3 valuation technique:

	Carrying amount RM'000	Fair value RM'000
Fixed rate term loans	54,076	55,913

(b) Financial instruments carried at fair value

The table below analyses financial instruments carried at fair value as at 30 June 2014, by valuation method.

	Level 1 RM'000	Level 2 RM'000	Total RM'000
Financial asset:			
Available-for-sale financial asset	43,408	-	43,408
Financial liabilities:			
Derivatives used for hedging			
- Cross currency interest rate swaps	-	(2,220)	(2,220)
- Interest rate swaps	-	(10,712)	(10,712)

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22. FAIR VALUE HIERARCHY (CONTINUED)

(b) Financial instruments carried at fair value (continued)

The fair value of financial instrument traded in active market is based on quoted market price at the balance sheet date. This instrument is included in Level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques, such as estimated discounted cash flows are used to determine fair value for the derivative financial instruments. The fair value of cross currency interest rate swaps and interest rate swaps are calculated as the present value of the estimated future cash flows based on forward interest rates and exchange rate from observable yield curves.

No transfers between any levels of the fair value estimation took place during the current period and the comparative periods. There were also no changes in the purpose of any financial instruments that subsequently caused a change in classification of those instruments.

It was not practical to estimate the fair value of the Group's investment in unquoted preference shares included in the remaining available-for-sale financial assets due to the lack of comparable quoted prices in an active market and the fair value cannot be reliably measured. Therefore, the investment is recorded at cost.

23. REALISED AND UNREALISED RETAINED EARNINGS

The following analysis of realised and unrealised retained earnings at the legal entity level is prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Listing Requirements, as issued by the Malaysian Institute of Accountants whilst the disclosure at the Group level is based on the prescribed format by the Bursa Malaysia Securities Berhad.

The breakdown of realised and unrealised retained profits of the Group is as follows:

	As at 30.6.2014 RM'000
Total retained profits of the Company and its subsidiaries	
- realised	**2,009,634**
- unrealised	**(26,123)**
	1,983,511
Total share of retained profits from joint ventures	
- realised	**144,520**
- unrealised	**(23,110)**
	121,410
Total retained profits of the Group	**2,104,921**

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24. NOTES TO THE CONDENSED CONSOLIDATED STATEMENTS OF INCOME

		Individual Quarter Ended 30.6.2014 RM'000	Individual Quarter Ended 30.6.2013 RM'000	Cumulative Quarters Period Ended 30.6.2014 RM'000	Cumulative Quarters Period Ended 30.6.2013 RM'000
	Profit before taxation is arrived at after charging/(crediting):				
(a)	Other operating income				
	- Interest income	**(1,459)**	(856)	**(2,743)**	(2,329)
	- Gain on disposal of property, plant and equipment	**-**	-	**(25)**	-
	- Gain on disposal of subsidiary	**-**	-	**-**	(9,358)
	- Insurance claims	**(2,058)**	41	**(8,240)**	(1,116)
	- Dividend income	**(2,321)**	(2,221)	**(2,321)**	(2,221)
	- Allowance for doubtful debts written back	**-**	-	**-**	(1,976)
	- Others	**(1,670)**	(1,021)	**(3,235)**	(2,787)
(b)	Interest expense	**21,261**	24,665	**43,552**	52,558
(c)	Depreciation and amortisation	**114,201**	99,740	**229,370**	196,321
(d)	Allowance for and write off of doubtful debts	**-**	3,159	**-**	6,253
(e)	Net foreign exchange loss /(gain)	**2,037**	(13,260)	**3,112**	(16,235)
(f)	Gain on derivatives	**(2,270)**	(1,197)	**(4,311)**	(1,255)

Other than as presented in the statements of income and as disclosed above, there were no allowance for and write off of inventories, gain or loss on disposal of quoted and unquoted investments or properties, impairment of assets and other exceptional items for the current quarter and cumulative quarters ended 30 June 2014.

25. MATERIAL LITIGATION

There is no material litigation pending as at the date of this report.

26. DIVIDENDS

No dividend is declared or recommended for the current financial period ended 30 June 2014.

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27. EARNINGS PER SHARE

The basic earnings per share ("EPS") is calculated by dividing the Group's profit attributable to Owners of the Company by the average number of ordinary shares in issue during the financial period.

The diluted earnings per share is calculated by dividing the profit for the financial period attributable to the Owners of the Company (adjusted for interest income, net of tax, earned on the proceeds arising from the conversion of the ESOS options) by the weighted average number of ordinary shares as adjusted for the basic earnings per share and includes all potential dilutive shares arising from the ESOS options granted by the reporting date, as if the options had been exercised on the first day of the financial period or the date of the grant, if later.

	Individual Quarter Ended		**Cumulative Quarters Period Ended**	
	30.6.2014	**30.6.2013**	**30.6.2014**	**30.6.2013**
Profit attributable to Owners of the Company (RM'000)	**98,379**	111,965	**163,157**	221,635
Weighted average number of ordinary shares in issue for basic EPS ('000)	**2,932,513**	2,929,925	**2,932,238**	2,929,688
Adjusted for potential ordinary shares on conversion of options under ESOS ('000)	**70**	268	**125**	208
Adjusted weighted average number of ordinary shares for diluted EPS ('000)	**2,932,583**	2,930,193	**2,932,363**	2,929,896
Basic earnings per share (sen)	**3.35**	3.82	**5.56**	7.57
Diluted earnings per share (sen)	**3.35**	3.82	**5.56**	7.56

BY ORDER OF THE BOARD

NOOR HAMIZA BINTI ABD HAMID
(MAICSA 7051227)
Company Secretary

CHEW ANN NEE
(MAICSA 7030413)
Joint Company Secretary

Kuala Lumpur
20 August 2014

DIRECTORS' REPORT

BUMIARMADA

Registered office:

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

2 September 2014

To: The Entitled Shareholders of Bumi Armada Berhad

Dear Sir/Madam,

On behalf of the Board of Directors of Bumi Armada Berhad ("**Bumi Armada**"), we report after due inquiry that during the period from 31 December 2013 (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 issuance of this Abridged Prospectus):

(i) the business of the Bumi Armada Group has, in the opinion of the Directors, been satisfactorily maintained;

(ii) in the opinion of the Directors, no circumstances have arisen since the last audited consolidated financial statements of the Bumi Armada Group which have adversely affected the trading or the value of the assets of Bumi Armada or any of its subsidiaries;

(iii) 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;

(iv) save as disclosed in Section 10.3 of this Abridged Prospectus, there are no contingent liabilities by reason of any guarantee or indemnity given by Bumi Armada or any of its subsidiaries;

(v) there has been, since the last audited consolidated 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

(vi) save as disclosed in this Abridged Prospectus, there has been, since the last audited consolidated financial statements of the Bumi Armada Group, no material change in the published reserves or unusual factor affecting the profits of the Bumi Armada Group.

Yours faithfully
for and on behalf of the Board of
BUMI ARMADA BERHAD

Hassan Assad Basma	**Shaharul Rezza bin Hassan**
Executive Director/Chief Executive Officer	Executive Director/Head of Offshore Support Vessels Business

BUMI ARMADA BERHAD (Company No. 370398-X)
Level 21, Menara Perak, 24, Jalan Perak, 50450 Kuala Lumpur, Malaysia.
Tel: +603 2171 5799 Fax: +603 2163 5799 www.bumiarmada.com

Knots ahead of the rest

ADDITIONAL INFORMATION

1. SHARE CAPITAL

(i) Save as disclosed in this Abridged Prospectus, no securities of our Company shall be allotted or issued on the basis of this Abridged Prospectus later than 12 months after the date of the issuance of this Abridged Prospectus.

(ii) As at the date of this Abridged Prospectus, there is only 1 class of shares in our Company, namely ordinary shares of RM0.20 each in our Company, all of which rank equally with one another.

(iii) Save as disclosed below, no person has been, is or would be entitled to be granted an option to subscribe for any securities in our Company as at the LPD:

(a) pursuant to the Rights Issue, the Entitled Shareholders will be provisionally allotted with the Rights Shares;

(b) pursuant to our ESOS, the eligible employees of our Group and our Executive Directors have been and may be granted ESOS Options to subscribe for new Shares up to but not exceeding 10% of our total issued and paid-up share capital at any time during the ESOS. As at the LPD, 69,223,200 ESOS Options are unexercised and outstanding. The breakdown of these ESOS Options as at the LPD are as follows:

(aa) 25,400,500 ESOS Options exercisable at an exercise price of RM3.03;

(bb) 13,238,700 ESOS Options exercisable at an exercise price of RM3.75;

(cc) 6,500,000 ESOS Options exercisable at an exercise price of RM3.77;

(dd) 1,250,000 ESOS Options exercisable at an exercise price of RM3.80;

(ee) 21,334,000 ESOS Options exercisable at an exercise price of RM3.97; and

(ff) 1,500,000 ESOS Options exercisable at an exercise price of RM4.04.

The consideration for the acceptance of the offer and grant of the ESOS Options is RM1.00. The number of ESOS Options and the exercise price of the ESOS Options may be subject to adjustments in accordance with our Company's by-laws governing the ESOS. The ESOS Options are exercisable up to the expiry of the ESOS on 27 June 2021.

2. ARTICLES OF ASSOCIATION

An extract of the provision in our Articles of Association in relation to the remuneration of our Directors are as follows:

Article 121

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;

(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.

Article 122(2)

If by arrangement with the Directors, any Director shall perform or render any special duties or services outside his ordinary duties as a Director in particular without limiting to the generality of the foregoing if any Director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of Directors, the Directors may pay him special remuneration, in addition to his Director's fees, and such special remuneration may be by way of a fixed sum, or otherwise as may be arranged.

Article 122(4)

Any extra remuneration payable to:

(a) a non-executive Director shall not include a commission on or percentage of profits or turnover; and

(b) an executive Director shall not include a commission on or percentage of turnover.

Article 131

Any Director may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director, provided that nothing herein contained shall authorise a Director or his firm to act as auditor of the Company.

Article 151

The remuneration of the Directors appointed to an executive position under Article 150(1), subject to the terms of any agreement entered into in any particular case, may be by way of salary or commission or participation in profits or otherwise or by any or all of these modes but such remuneration shall not include a commission on or percentage of turnover but it may be a term of their appointment that they shall receive pension, gratuity or other benefits upon their retirement. The remuneration of the Director(s) appointed to an executive position under Article 150(1) shall be determined by the Board and can either be in addition to or in lieu of his/their fee as a Director.

3. MATERIAL CONTRACTS

Save as disclosed below and the Underwriting Agreement, our Group has not entered into any material contracts (not being contracts entered into in the ordinary course of business) within 2 years immediately preceding the date of this Abridged Prospectus:

(i) BACOL (as the issuer) and our Company (as the guarantor) had entered into a programme agreement with Merrill Lynch (Singapore) Pte Ltd ("**MLSPT**"), The Hongkong And Shanghai Banking Corporation Limited ("**HSBCL**") and Oversea-Chinese Banking Corporation Limited ("**OCBCL**") (collectively as the initial dealers), together with MLSPT, The Hongkong And Shanghai Banking Corporation Limited Offshore Banking Unit Labuan and OCBCL (collectively as the arrangers) on 6 August 2013 for the establishment of the EMTN Programme. The following agreements were also signed on 6 August 2013 in conjunction with the establishment of the EMTN Programme:

(a) a trust deed made between BACOL, our Company and HSBCL (as trustee for the holders of the notes issued under the EMTN Programme) which sets out, among others, the duties and obligations of the trustee, and our Company as a guarantor; and

(b) an agency agreement made between BACOL, our Company and HSBCL with regards to the appointment of HSBCL as the principal paying agent of BACOL and our Company.

(ii) BACM (as the issuer) and our Company (as the guarantor) had entered into a programme agreement with Maybank IB (as the lead arranger and facility agent) for the establishment of the Sukuk Programme. The following agreements were also signed on 12 June 2014 in conjunction with the establishment of the Sukuk Programme:

(a) a trust deed made between BACM, our Company and Pacific Trustees Berhad (as trustee for the holders of the Sukuk Murabahah issued under the Sukuk Programme) which sets out, among others, the terms and conditions of the Sukuk Murabahah issued under the Sukuk Programme, the duties and obligations of the trustee, and our Company as a guarantor; and

(b) a commodity Murabahah master agreement made between BACM (as the purchaser) and Maybank IB (as the purchase agent), which sets out, among others, the terms upon which Maybank IB purchases and sells Shariah-compliant commodities as a means to facilitate the underlying Shariah structure for the Sukuk Murabahah.

4. MATERIAL LITIGATION

As at the LPD, our Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and our Board does not have any knowledge of any such proceedings, pending or threatened against our Group or of any facts likely to give rise to any such proceedings which may materially and adversely affect the financial position or business of our Group.

5. GENERAL

Save as disclosed in this Abridged Prospectus, there are no:

(i) material information, including any special trade factors or risks which are unlikely to be known or anticipated by the general public and which could materially affect our Group's profits;

(ii) known trends, demands, commitments, events or uncertainties that will or are likely to materially increase or decrease the liquidity of our Group;

(iii) material commitment for capital expenditure of our Group;

(iv) unusual, infrequent events or transactions or any significant economic changes which materially affected the amount of reported income from our operations; and

(v) known trends or uncertainties which have had, or that our Group reasonably expects to have, a material favourable or unfavourable impact on our revenues or operating income.

6. CONSENTS

(i) The Joint Principal Advisers, Joint Global Coordinators, Joint Underwriters, Co-Manager, Company Secretaries, Principal Bankers, Legal Advisers for the Rights Issue and Share Registrars have given and have not subsequently withdrawn their written consents for the inclusion of their names and all references thereto in the form and context in which they appear in this Abridged Prospectus.

(ii) PricewaterhouseCoopers, the Auditors and Reporting Accountants, has given and has not subsequently withdrawn its written consent for the inclusion of its name, letter relating to our proforma consolidated statements of financial position as at 31 December 2013 and all references thereto in the form and context in which they appear in this Abridged Prospectus.

(iii) Bloomberg (Malaysia) Sdn Bhd has given and has not subsequently withdrawn its written consent for the inclusion of its name and citation of the market data compiled by it, in the form and context in which they appear in this Abridged Prospectus.

(iv) Energy Maritime Associates Pte Ltd and Pareto Securities Research have given and have not subsequently withdrawn their written consents for the inclusion of their names and citations of their respective reports in the form and context in which they appear in this Abridged Prospectus.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at our registered office at Level 21, Menara Perak, 24, Jalan Perak, 50450 Kuala Lumpur, Malaysia, between 9.00 a.m. and 5.00 p.m. from Monday to Friday (except public holidays) for a period of 12 months from the date of this Abridged Prospectus:

(i) our Memorandum and Articles of Association;

(ii) our audited consolidated financial statements for the FYE 31 December 2012 and the FYE 31 December 2013;

(iii) our unaudited condensed consolidated financial statements for the 6-month FPE 30 June 2014 as set out in **Appendix VI** of this Abridged Prospectus;

(iv) our proforma consolidated statements of financial position as at 31 December 2013 together with the Reporting Accountants' letter as set out in **Appendix IV** of this Abridged Prospectus;

(v) the Undertaking Letter and the Undertaking Extension Letter referred to in Section 3.1 of this Abridged Prospectus;

(vi) the Underwriting Agreement and the Underwriting Extension Letter referred to in Section 3.2 of this Abridged Prospectus;

(vii) our Directors' Report as set out in **Appendix VII** of this Abridged Prospectus;

(viii) the material contracts referred to in Section 3 of this Appendix;

(ix) the consent letters referred to in Section 6 of this Appendix; and

(x) the redacted copy of our Director's existing service contract.

8. RESPONSIBILITY STATEMENTS

(i) Our Board has seen and approved all the documentation relating to the Rights Issue including the Documents. They collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable inquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts which, if omitted, would make any statement in the Documents false or misleading.

(ii) CIMB and Maybank IB, being the Joint Principal Advisers for the Rights Issue, acknowledge that, based on all available information, and to the best of their knowledge and belief, this Abridged Prospectus constitutes full and true disclosure of all material facts concerning the Rights Issue.

FORM OF U.S. INVESTOR REPRESENTATION LETTER

U.S. INVESTOR REPRESENTATION LETTER

Important Note to QIBs:

Please return a duly signed investor representation letter to Bumi Armada Berhad (the "**Company**") so as to reach the Company on or before 30 September, 2014. Upon any subscription for the Rights Shares and/or application for the Excess Rights Shares, please forward a copy of the signed investor representation letter to your agent, financial intermediary or nominee holding your Shares (if any). You should note that if you do not return a duly signed investor representation letter in a timely manner, you may not be eligible to participate in the Rights Issue and will not be allowed to receive the Abridged Prospectus and/or its accompanying documents.

Copies of the signed investor representation letters will be made available to the Joint Global Coordinators and the Joint Underwriters, each of whom shall be entitled to rely on the letters.

Dated ____________, 2014

Bumi Armada Berhad
Level 21, Menara Perak,
24 Jalan Perak,
50450 Kuala Lumpur

Attention: General Counsel/Company Secretary

Ladies and Gentlemen:

This letter is delivered in connection with our participation in the renounceable rights issue ("**Rights Issue**") by Bumi Armada Berhad ("**Company**") of up to 1,479,238,150 ordinary shares in the share capital of the Company ("**Rights Shares**"), including the right to apply and subscribe for the Rights Shares under the Rights Issue ("**Rights**") on the basis of one Rights Share for every two existing ordinary shares in the capital of the Company ("**Shares**" and, together with the Rights, "**Securities**") fractional entitlements to be disregarded.

We hereby represent, warrant, acknowledge and agree as follows:

1. We are the beneficial holder of (or acting on account of shareholders beneficially holding) the Shares as at the date hereof.

2. We are a "qualified institutional buyer" ("**QIB**") as defined in Rule 144A under the U.S. Securities Act of 1933, as amended ("**Securities Act**"), with full power and authority to make the acknowledgements, representations, warranties and agreements contained herein, and, if we are acquiring the Rights or the Rights Shares as a fiduciary or agent for one or more investor accounts, each owner of such account is a QIB, we have sole investment discretion with respect to each such account, and we have full power and authority to make the acknowledgements, representations, warranties and agreements contained herein on behalf of each owner of such account.

FORM OF U.S. INVESTOR REPRESENTATION LETTER *(Cont'd)*

3. To the extent we exercise the Rights and subscribe for the Rights Shares, or apply for the Excess Rights Shares (as defined in the abridged prospectus ("**Abridged Prospectus**")), we will acquire such Rights or Rights Shares, for our own account, or for the account of one or more QIB(s) as to which we have full investment discretion, in each case for investment purposes, and not with a view to any resale, distribution or other disposition (within the meaning of U.S. securities laws) of the Rights or the Rights Shares.

4. Provided that we have returned and duly signed this investor representation letter in a timely manner, we understand that we will receive a copy of the Abridged Prospectus which the Company is issuing in connection with the Rights Issue, and our receipt of the Rights, any subscription we may make for the Rights Shares, or any application we may make for the Excess Rights Shares, will be subject to and based upon all the terms, conditions, representations, warranties, acknowledgements, agreements and undertakings and other information contained in the Abridged Prospectus, its accompanying documents and this letter.

5. We are aware and understand (and each account for which we are acting has been advised and understands) that an investment in the Securities involves a considerable degree of risk and that the Securities are a speculative investment, and further, that no U.S. federal or state or other agency has made any finding or determination as to the fairness of any such investment or any recommendation or endorsement of any such investment.

6. We understand (and each account for which we are acting has been advised and understands) that no action has been or will be taken to permit an offering of the Securities in any country or jurisdiction where action would be required for that purpose other than in Malaysia; and we will not offer, resell, pledge or otherwise transfer any of the Securities which we may acquire, or any beneficial interests therein, in any country or jurisdiction or in any circumstances in which such offer or sale is not authorised or to any person to whom it is unlawful to make such offer, sale, solicitation or invitation except under circumstances that will result in compliance with any applicable laws and/or regulations of such country or jurisdiction.

7. Without limiting the generality of the foregoing, we are aware and understand (and each account for which we are acting has been advised and understands) that (i) the Securities have not been and will not be registered under the Securities Act or under any securities laws of any state or other jurisdiction of the United States, (ii) any offer and sale of the Securities to us (and to each such account) is being made in reliance on an exemption from the registration requirements of the Securities Act, and (iii) the Securities are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act; and we agree, on our own behalf and on behalf of any accounts for which we are acting, that for so long as the Securities are "restricted securities", we will not offer, resell, pledge or otherwise transfer any Rights or Rights Shares which we may acquire, or any beneficial interests therein, except in an offshore transaction in accordance with Rule 904 of Regulation S under the Securities Act and in accordance with any applicable U.S. federal and state securities laws.

8. To the extent we exercise the Rights and subscribe for the Rights Shares, or apply for the Excess Rights Shares, we acknowledge and agree that we are not acquiring or subscribing for the Securities as a result of any general solicitation or general advertising (as those terms are defined in Regulation D under the Securities Act) or directed selling efforts (as defined in Regulation S). We understand and agree that although offers and sales of the Securities are being made in the United States to QIBs, such offers and sales are not being made under Rule 144A under the Securities Act.

FORM OF U.S. INVESTOR REPRESENTATION LETTER *(Cont'd)*

9. To the extent we exercise the Rights and subscribe for the Rights Shares, or apply for the Excess Rights Shares, we agree not to deposit any Securities into any unrestricted depositary facility maintained by any depositary bank unless and until such time as the Securities are no longer "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act.

10. Prior to making any investment decision to exercise the Rights and subscribe for the Rights Shares, or apply for the Excess Rights Shares, we (i) will have consulted with our own legal, regulatory, tax, business, investment, financial and accounting advisers in each jurisdiction in connection herewith to the extent we have deemed necessary, (ii) will have been furnished with and will have carefully read and reviewed a copy of the Abridged Prospectus and its accompanying documents, (iii) will have possessed all information relating to the Company and its group of companies ("**Group**") and the Securities which we believe is necessary or appropriate for the purpose of making our investment decision, including, without limitation, the Exchange Information (as defined below), and will have had a reasonable opportunity to ask questions of and receive answers from officers and representatives of the Company concerning the financial condition and results of operations of the Group and the purchase of the Securities, and any such questions have been answered to our satisfaction, (iv) will have reviewed all information that we believe is necessary or appropriate in connection with an investment in the Securities and (v) will have conducted our own due diligence on the Group and the Rights Issue, and will have made our own investment decisions based upon our own judgment, due diligence and advice from such advisers as we have deemed necessary and will not have relied upon any recommendation, promise, representation or warranty of or view expressed by or on behalf of the Company, any of its advisers, agents, representatives and managers involved in any offering of Securities of the Company outside the United States or their respective affiliates (including any research reports) (other than, with respect to the Company, any information contained in the Abridged Prospectus).

11. Without limiting the generality of the foregoing, we acknowledge that (i) the Shares are listed on Bursa Malaysia Securities Berhad ("**Bursa Securities**") and the Company is therefore required to publish certain business, financial and other information in accordance with the rules and practices of Bursa Securities ("**Exchange Information**"), which includes, but is not limited to, a description of the nature of the Company's business and the Company's most recent consolidated balance sheet and profit and loss account, and similar statements for preceding years, and that we have reviewed such Exchange Information as we have deemed necessary or that we are able to obtain or access the Exchange Information without undue difficulty; and (ii) neither of the Company nor any of its affiliates has made any representations to us, express or implied, with respect to the Company or the Securities or the accuracy, completeness or adequacy of the Exchange Information.

FORM OF U.S. INVESTOR REPRESENTATION LETTER *(Cont'd)*

12. We understand that the Exchange Information has been, and the Abridged Prospectus will be, prepared in accordance with content, format and style which is either prescribed by Bursa Securities or under Malaysian laws or is customary in rights offerings in Malaysia, which differs from the content, format and style customary for similar offerings in the United States. In particular, we understand that (i) the Company's financial information contained in the Exchange Information and to be contained in the Abridged Prospectus will be prepared in accordance with the Malaysian Financial Reporting Standards, and (ii) with respect to the financial information to be contained in the Abridged Prospectus, such financial information is not being prepared for an offering registered with the U.S. Securities and Exchange Commission. We further understand that the Company has not made a determination as to whether it may be classified as a "passive foreign investment company" ("**PFIC**") for the current or any future taxable year and will not provide information required for us to make a "qualified election fund" election, and that there may be certain adverse consequences under the United States tax laws if the Company were to be a PFIC in the current or any future taxable year in which we may hold the Rights or the Shares. We understand that a separate determination must be made each year as to the Company's PFIC status and are seeking our own advice on this matter. In addition, we understand that the Company has not analyzed any potential tax consequences to us under the United States tax law or any other relevant tax law resulting from the receipt, exercise or disposition of the Rights or the ownership of the Shares. We understand that we should consult our own tax advisor regarding such tax consequences.

13. We acknowledge that (i) any information that we have received or will receive relating to or in connection with the Rights Issue, and the Securities, including the Abridged Prospectus and the Exchange Information (collectively, the "**Information**"), has been or will be prepared solely by the Company and (ii) that none of the Company's advisers, agents, representatives and managers involved in any offering of the Securities of the Company outside the United States or any of their respective affiliates has verified or will verify such Information, and no recommendation, promise, representation or warranty (express or implied) is, has been or will be made or given by any of them as to the accuracy, completeness or sufficiency of the Information, and nothing contained in the Information is, or shall be relied upon as, a promise, representation or warranty by any of them or their respective affiliates. We understand that the Information contains forward-looking statements and assumptions which may or may not ultimately prove to be correct and that there can be no assurances that any such forward-looking statements or assumptions are accurate.

14. We will not hold the Company's advisers, agents, representatives and managers involved in any offering of Securities of the Company outside the United States or any of their respective affiliates responsible for any misstatements in or omissions to the Information or in any other written or oral information provided by the Company to us. We acknowledge that no written or oral information relating to the Rights Issue, the Rights, or the Rights Shares, has been or will be provided by the Company's advisers, agents, representatives and managers involved in any offering of the Securities of the Company outside the United States or any of their respective affiliates to us.

FORM OF U.S. INVESTOR REPRESENTATION LETTER *(Cont'd)*

15. We are a highly sophisticated investor and have such knowledge and experience in financial, business and international investment matters as to be capable of evaluating the merits and risks of an investment in the Securities. We, or any account for which we are acting, have the financial ability to bear the economic risk of investment in the Securities, have adequate means of providing for our current and contingent needs, have no need for liquidity with respect to any investment we (or such account for which we are acting) may make in the Securities, and are able to sustain a complete loss in connection therewith and we will not look to the Company, or to any of the managers involved in any offering of securities of the Company, for all or part of any such loss or losses we may suffer. We have no reason to anticipate any change in our circumstances, financial or otherwise, which may cause or require any sale or distribution by us of all or any part of any Securities we may decide to invest in.

16. We understand and acknowledge that the Company's advisers, agents, representatives and managers involved in any offering of the Securities of the Company outside the United States are assisting the Company in respect of the Rights Issue and that the managers involved are acting solely for the Company and no one else in connection with the Rights Issue and, in particular, are not providing any service to us, making any recommendations to us, advising us regarding the suitability of any transactions we may enter into to subscribe or purchase any Securities nor providing advice to us in relation to the Company, the Rights Issue, or the Securities. Further, to the extent permitted by law, we waive any and all claims, actions, liabilities, damages or demands we may have against the Company's advisers, agents, representatives and managers involved in any offering of the Securities of the Company outside the United States arising from their engagement with the Company.

17. We have full power and authority to execute and deliver this letter, which constitutes our valid and legally binding obligation and is enforceable against us in accordance with its terms.

18. We understand that the foregoing representations, warranties and acknowledgments have been provided in connection with Malaysian, United States, and other applicable securities laws. We acknowledge that the Company and its advisers, agents, representatives and managers involved in any offering of the Securities of the Company outside the United States, their respective affiliates and others (including legal counsels to each of the Company, the Joint Global Coordinators and the Joint Underwriters) will rely upon the truth and accuracy of the foregoing acknowledgements, representations, warranties and agreements and agree that, if at any time before the closing of the Rights Issue, or the issuance of the Rights Shares, any of the acknowledgements, representations, warranties and agreements made in connection with our exercise of the Rights and subscription for the Rights Shares, or application for the Excess Rights Shares, is no longer accurate, we shall promptly notify the Company in writing.

19. We understand that the Company and the Company's advisers, agents, representatives and managers involved in any offering of the Securities of the Company outside the United States and their respective affiliates are entitled to rely upon this letter and are irrevocably authorised to produce this letter or a copy hereof to any interested party in any administrative or legal proceeding or official inquiry with respect to the matters covered hereby.

20. We irrevocably authorise any nominee, custodian or other financial intermediary through which we hold the Shares, to provide the Company and the Company's advisers, agents, representatives and managers involved in any offering of the Securities of the Company outside the United States with a copy of this letter and such information regarding our identity and holding of the Shares (including pertinent account information and details of our identity and contact information) as may be necessary or appropriate to facilitate our receipt or exercise of the Rights or purchase of the Rights Shares.

FORM OF U.S. INVESTOR REPRESENTATION LETTER *(Cont'd)*

21. This letter shall be governed by, and construed in accordance with, Malaysian law without regard to the conflict provisions thereof. We and each account on whose account we are acting, irrevocably agree to waive trial by jury in any action, proceeding, claim or counterclaim brought by or on behalf of us or any account related to or arising out of this letter agreement or the performance of services hereunder.

22. We, and each account on whose behalf we are acting, irrevocably submit to the exclusive jurisdiction of the courts of Malaysia over any suit, action or proceeding arising out of or relating to this letter agreement. We, and each account on whose behalf we are acting, irrevocably waive, to the fullest extent permitted by law, any objection which they may now or hereafter have to the laying of venue of any such suit, action or proceeding brought in such a court and any claim that any such suit, action or proceeding brought in such a court has been brought in an inconvenient forum. To the extent that we, or any account on whose behalf we are acting, have or hereafter may acquire any immunity (on the grounds of sovereignty or otherwise) from the jurisdiction of any court or from any legal process with respect to itself or its property, such party irrevocably waives, to the fullest extent permitted by law, such immunity in respect of any such suit, action or proceeding.

Very truly yours,

By Institution: ____________________

Signature: ____________________

Name:

Title:

Institution's Address: ____________________

Daytime Telephone Number: ____________________

If signing on behalf of another person, please indicate the capacity in which signed: ____________________

Name, address and contact details of the agent, financial intermediary or custodian through which the Shares are held: ____________________