



**BUMIARMADA**

**BUMI ARMADA BERHAD**  
(370398-X)  
(Incorporated in Malaysia)

Quarterly Report for the Financial Period  
Ended 31 March 2013

**QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2013**

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 first quarter ended 31 March 2013 which should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2012 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	
		31.3.2013 RM'000	31.3.2012 RM'000	31.3.2013 RM'000	31.3.2012 RM'000
Revenue		488,755	335,112	488,755	335,112
Cost of sales		(311,878)	(170,451)	(311,878)	(170,451)
Gross profit		176,877	164,661	176,877	164,661
Other operating income		15,730	16,060	15,730	16,060
Selling and distribution costs		(26,588)	(26,492)	(26,588)	(26,492)
Administrative expenses		(26,249)	(26,356)	(26,249)	(26,356)
Operating profit		139,770	127,873	139,770	127,873
Finance costs		(26,344)	(31,665)	(26,344)	(31,665)
Share of results of jointly controlled entities		17,475	11,770	17,475	11,770
Profit before taxation		130,901	107,978	130,901	107,978
Taxation	18	(20,490)	(17,941)	(20,490)	(17,941)
Profit for the financial period		110,411	90,037	110,411	90,037
Attributable to:					
- Owners of the Company		109,670	89,709	109,670	89,709
- Non-controlling interests		741	328	741	328
		110,411	90,037	110,411	90,037
Earnings per share (sen)	27				
- Basic		3.74	3.06	3.74	3.06
- Diluted		3.74	3.06	3.74	3.06

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	Note	Individual Quarter Ended		Cumulative Quarters Period Ended	
		31.3.2013 RM'000	31.3.2012 RM'000	31.3.2013 RM'000	31.3.2012 RM'000
Profit for the financial period		<b>110,411</b>	90,037	<b>110,411</b>	90,037
Other comprehensive income/(expense):					
- Loss on fair value change on available-for-sale financial asset		<b>(1,994)</b>	-	<b>(1,994)</b>	-
- Fair value gain on cash flow hedges		<b>1,827</b>	4,679	<b>1,827</b>	4,679
- Foreign currency translation differences		<b>27,815</b>	(90,985)	<b>27,815</b>	(90,985)
Other comprehensive income/(expense) for the financial period, net of tax		<b>27,648</b>	(86,306)	<b>27,648</b>	(86,306)
Total comprehensive income for the financial period		<b>138,059</b>	3,731	<b>138,059</b>	3,731
Total comprehensive income attributable to:					
- Owners of the Company		<b>137,287</b>	3,067	<b>137,287</b>	3,067
- Non-controlling interests		<b>772</b>	664	<b>772</b>	664
		<b>138,059</b>	3,731	<b>138,059</b>	3,731

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	Note	Unaudited As at 31.3.2013 RM'000	Audited As at 31.12.2012 RM'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	11	4,861,796	4,734,845
Goodwill		1,411	1,411
Jointly controlled entities		188,508	170,700
Available-for-sale financial assets		54,828	56,044
Accrued lease rentals		556,121	508,792
Derivative financial instruments	21	1,076	2,209
Deferred tax assets		7,925	8,121
		<b>5,671,665</b>	<b>5,482,122</b>
<b>CURRENT ASSETS</b>			
Inventories		9,116	10,750
Amounts due from customers on contract		28,259	15,835
Trade receivables		437,307	332,150
Accrued lease rentals		392,779	398,488
Other receivables, deposits and prepayments		216,834	130,254
Tax recoverable		5,547	5,547
Amounts due from jointly controlled entities		72,891	48,782
Derivative financial instruments	21	1,768	2,104
Deposits, cash and bank balances		420,436	500,500
<b>TOTAL CURRENT ASSETS</b>		<b>1,584,937</b>	<b>1,444,410</b>
Assets of disposal group/non-current assets classified as held-for-sale		-	3,227
<b>TOTAL ASSETS</b>		<b>7,256,602</b>	<b>6,929,759</b>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)**

	Note	Unaudited As at 31.3.2013 RM'000	Audited As at 31.12.2012 RM'000
<b>LESS: CURRENT LIABILITIES</b>			
Amounts due to customers on contract		-	20,289
Trade payables		258,610	228,463
Other payables and accruals		86,377	142,928
Hire purchase creditors		170	170
Borrowings	20	902,936	614,807
Derivative financial instruments	21	11,029	12,976
Taxation		4,268	16,831
		<u>1,263,390</u>	<u>1,036,464</u>
Liabilities of disposal group classified as held-for-sale		-	161
<b>NET CURRENT ASSETS</b>		<u>321,547</u>	<u>411,012</u>
<b>LESS: NON-CURRENT LIABILITIES</b>			
Hire purchase creditors		167	209
Borrowings	20	1,999,856	2,052,866
Derivative financial instruments	21	14,689	16,031
Deferred tax liabilities		66,296	57,017
		<u>2,081,008</u>	<u>2,126,123</u>
<b>NET ASSETS</b>		<u>3,912,204</u>	<u>3,767,011</u>
<b>CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>			
Share capital		585,921	585,834
Reserves		3,308,366	3,164,032
		<u>3,894,287</u>	<u>3,749,866</u>
<b>NON-CONTROLLING INTERESTS</b>		<u>17,917</u>	<u>17,145</u>
<b>TOTAL EQUITY</b>		<u>3,912,204</u>	<u>3,767,011</u>
<b>NET ASSETS PER SHARE (RM)</b>		1.34*	1.29

\* Based on 2,929,603,600 ordinary shares in issue at RM0.20 par value as at 31 March 2013.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	Attributable to Owners of the Company									Non-controlling interests RM'000	Total equity RM'000
	Number of shares '000	Nominal value RM'000	Share premium RM'000	Foreign exchange reserve RM'000	Other capital reserve RM'000	Share option reserve RM'000	Hedging reserve RM'000	Retained earnings RM'000	Total RM'000		
<u>2013</u>											
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	-	-	-	-	-	-	-	109,670	109,670	741	110,411
Other comprehensive income/(expense) for the financial period, net of tax	-	-	-	27,815	(1,994)	-	1,796	-	27,617	31	27,648
Total comprehensive income/(expense) for the financial period, net of tax	-	-	-	27,815	(1,994)	-	1,796	109,670	137,287	772	138,059
Transactions with owners:											
- Employee share options exercised	436	87	1,232	-	-	-	-	-	1,319	-	1,319
- Employee share options granted	-	-	-	-	-	5,815	-	-	5,815	-	5,815
- Employee share options forfeited	-	-	-	-	-	(29)	-	29	-	-	-
<b>At 31 March 2013</b>	<b>2,929,604</b>	<b>585,921</b>	<b>1,757,277</b>	<b>(168,014)</b>	<b>1,776</b>	<b>21,835</b>	<b>(15,434)</b>	<b>1,710,926</b>	<b>3,894,287</b>	<b>17,917</b>	<b>3,912,204</b>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)**

	Attributable to Owners of the Company									Non-controlling interests RM'000	Total equity RM'000
	Number of shares '000	Nominal value RM'000	Share premium RM'000	Foreign exchange reserve RM'000	Other capital reserve RM'000	Share option reserve RM'000	Hedging reserve RM'000	Retained earnings RM'000	Total RM'000		
<u>2012</u>											
At 1 January 2012	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 period	-	-	-	-	-	-	-	89,709	89,709	328	90,037
Other comprehensive (expense)/income for the financial period, net of tax	-	-	-	(90,985)	-	-	4,343	-	(86,642)	336	(86,306)
Total comprehensive (expense)/income for the financial period, net of tax	-	-	-	(90,985)	-	-	4,343	89,709	3,067	664	3,731
Transactions with owners:											
- Employee share options granted	-	-	-	-	-	2,451	-	-	2,451	-	2,451
At 31 March 2012	2,928,462	585,692	1,753,586	(190,100)	6,561	7,986	(8,509)	1,378,320	3,533,536	15,361	3,548,897

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

	<b>Period Ended 31.3.2013 RM'000</b>	<b>Period Ended 31.3.2012 RM'000</b>
<b>OPERATING ACTIVITIES</b>		
Profit for the financial period	<b>110,411</b>	90,037
Adjustments for non-cash items:		
Share of results of jointly controlled entities	<b>(17,475)</b>	(11,770)
Depreciation of property, plant and equipment	<b>96,581</b>	87,608
Fair value through profit and loss on derivative financial instruments	<b>(58)</b>	(6,398)
Gain on disposal of property, plant and equipment	-	(10)
Gain on disposal of a subsidiary	<b>(9,358)</b>	-
Allowance for doubtful debts	<b>3,094</b>	-
Allowance for doubtful debts written back	<b>(1,976)</b>	-
Unrealised foreign exchange (gain)/loss	<b>(2,557)</b>	13,028
Share-based payment	<b>5,815</b>	2,451
Interest income	<b>(1,473)</b>	(3,536)
Interest expense	<b>27,893</b>	32,333
Dividend income	-	(2,864)
Taxation	<b>20,490</b>	17,941
	<b>231,387</b>	218,820
Changes in working capital:		
Inventories	<b>1,744</b>	(376)
Trade and other receivables	<b>(141,216)</b>	12,184
Trade and other payables	<b>(7,865)</b>	(66,028)
Cash from operations	<b>84,050</b>	164,600
Interest paid	<b>(26,344)</b>	(25,474)
Tax paid	<b>(24,586)</b>	(31,379)
Tax refund	<b>5</b>	604
<b>NET CASH FLOWS GENERATED FROM OPERATING ACTIVITIES</b>	<b>33,125</b>	108,351



**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)**

	<b>Period Ended 31.3.2013 RM'000</b>	<b>Period Ended 31.3.2012 RM'000</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(332,895)	(213,708)
Proceed from disposal of a subsidiary	12,446	-
Proceeds from disposal of property, plant and equipment	-	10
Interest received	1,472	3,732
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>	<b>(318,977)</b>	<b>(209,966)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from bank borrowings	274,915	-
Decrease in deposits pledged as security	-	3,465
Repayment of bank borrowings	(75,527)	(49,675)
Repayment of hire purchase creditors	(43)	(99)
Proceeds from issuance of shares	1,320	-
<b>NET CASH FLOWS GENERATED FROM/(USED IN) FINANCING ACTIVITIES</b>	<b>200,665</b>	<b>(46,309)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(85,187)</b>	<b>(147,924)</b>
<b>CURRENCY TRANSLATION DIFFERENCES</b>	<b>5,123</b>	<b>(8,077)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	<b>499,600</b>	<b>1,243,051</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	<b>419,536</b>	<b>1,087,050</b>
Cash and cash equivalents consist of:		
Deposits with licensed banks	339,274	939,110
Cash and bank balances	81,162	148,840
Designated deposits placed with licensed banks	(900)	(900)
	<b>419,536</b>	<b>1,087,050</b>

## **EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS**

### **1. BASIS OF PREPARATION**

The unaudited interim financial statements have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134 on “Interim Financial Reporting”, paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad.

The unaudited interim financial statements should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to the unaudited condensed consolidated financial statements.

The significant accounting policies and methods adopted for the unaudited condensed consolidated financial statements are consistent with those adopted for the audited financial statements for the financial year ended 31 December 2012 except for the adoption of the following:

(a) MFRS and amendments to MFRS which are applicable to the Group effective 1 January 2013:

- MFRS 10 “Consolidated financial statements”
- MFRS 11 “Joint arrangements”
- MFRS 12 “Disclosures of interests in other entities”
- MFRS 13 “Fair value measurement”
- Amendment to MFRS 127 “Separate financial statements”
- Amendment to MFRS 128 “Investments in associates and joint ventures”
- Amendment to MFRS 101 “Presentation of items of other comprehensive income”
- Amendment to MFRS 119 “Employees benefits”
- Amendment to MFRS 7 “Financial instruments: Disclosures”

The adoption of the above MFRS and amendments to MFRS that came into effect on 1 January 2013, as disclosed in the audited consolidated financial statements for the financial year ended 31 December 2012, did not have any significant impact on the unaudited condensed financial statements upon the initial application on 1 January 2013.

(b) MFRS and amendment to MFRS that are applicable to the Group but not yet effective:

- Amendment to MFRS 132 “Financial instruments: Presentation”
- MFRS 9 “Financial instruments - classification and measurement of financial assets and financial liabilities”

The Group has not early adopted the above MFRS and amendment to MFRS that have been issued by the MASB as these are effective for financial period on or after 1 January 2014.

**2. MANAGEMENT COMMENTARY**

**(A) Review of performance for the current year to date results as compared with the previous year to date**

<b>Financial Indicators</b>	<b>YTD 31.3.2013 RM'000</b>	<b>YTD 31.03.2012 RM'000</b>	<b>Change RM'000</b>
FPSO <sup>(1)</sup>	<b>192,282</b>	165,910	26,372
OSV <sup>(1)</sup>	<b>142,379</b>	114,229	28,150
T&I <sup>(1)</sup>	<b>154,094</b>	51,295	102,799
OFS <sup>(1)</sup>	-	3,678	(3,678)
Revenue	<b>488,755</b>	335,112	153,643
EBITDA <sup>(2)</sup>	<b>253,826</b>	227,251	26,575
EBITDA margin	<b>52%</b>	68%	(16%)
Profit for the year	<b>110,411</b>	90,037	20,374
Total depreciation	<b>96,581</b>	87,608	8,973

The Group's revenue in the current year to date increased by RM153.6 million (46%) compared with the previous year to date as a result of increase in activity in its FPSO, OSV and T&I segments as follows:

- (a) FPSO revenue increased by RM26.4 million compared with the previous year to date as a result of higher O&M<sup>(3)</sup> revenue from client variation orders and revenue from additional tanker vessels held as FPSO conversion candidates.
- (b) OSV revenue increased as a result of additional vessels and higher uptime in the OSV fleet.
- (c) T&I revenue increased as a result of contribution from the LukOil project secured end of April 2012, recognised on a percentage of completion basis.

In line with higher revenue and a new FPSO contract from ONGC in India for the C7 field in mid February through a jointly controlled entity, the Group posted a higher EBITDA compared to the previous year to date. The EBITDA margin reflects the increase in revenue from the LukOil EPIC<sup>(4)</sup> contract. The higher EBITDA led to a profit increase of RM20.4 million after accounting for the following:

- (a) higher depreciation of RM9.0 million mainly due to vessel additions in the FPSO, OSV and T&I segments;
- (b) lower finance costs of RM5.3 million as a result of project debt repayment; and
- (c) higher taxation cost of RM2.5 million mainly due to deferred tax on the LukOil project.

Note:

<sup>(1)</sup> FPSO - Floating Production Storage Offloading system, OSV - Offshore Support Vessel, T&I - Transport and Installation and OFS - Oilfield Services (previously known as Oilfield Development and there has been no change in the segment composition). These acronyms are also used hereinafter.

<sup>(2)</sup> Defined as profit before finance costs, taxation, depreciation and amortisation

<sup>(3)</sup> Defined as Operations and Maintenance

<sup>(4)</sup> Defined as Engineering, Procurement, Installation and Commissioning

**2. MANAGEMENT COMMENTARY (CONTINUED)**

**(B) Changes in profits for the current quarter as compared with the immediate preceding quarter**

<b>Financial Indicators</b>	<b>1<sup>st</sup> Quarter 2013 RM'000</b>	<b>4<sup>th</sup> Quarter 2012 RM'000</b>	<b>Change RM'000</b>
FPSO	<b>192,282</b>	187,210	5,072
OSV	<b>142,379</b>	162,720	(20,341)
T&I	<b>154,094</b>	127,838	26,256
OFS	-	-	-
Revenue	<b>488,755</b>	477,768	10,987
EBITDA	<b>253,826</b>	239,618	14,208
EBITDA margin	<b>52%</b>	50%	2%
Profit for the period	<b>110,411</b>	109,906	505
Total depreciation	<b>96,581</b>	75,414	21,167

The Group posted a quarter on quarter increase in revenue of RM11.0 million (2%) due to increased contributions from the FPSO and T&I segments but offset by lower OSV revenue:

- (a) FPSO revenue in the current quarter was higher as a result of revenue from additional tanker vessels held as FPSO candidates.
- (b) OSV revenue in the current quarter was lower as a result of lower utilisation in the fleet compared to the immediate preceding quarter. The fleet utilisation rates are as shown below:

<b>OSV vessel average utilisation rates for the quarter ended</b>	<b>1<sup>st</sup> Quarter 2013 %</b>	<b>4<sup>th</sup> Quarter 2012 %</b>	<b>Change in %</b>
Group's vessels	<b>83</b>	87	(4)
Group's vessels including those held by jointly controlled entities	<b>80</b>	80	-

- (c) T&I revenue in the current quarter was higher as a result of higher contribution from its LukOil contract, recognised on a percentage of completion basis in addition to its guaranteed charter days from Petronas.

In line with higher revenue and a new FPSO contract from ONGC in India for the C7 field in mid February through a jointly controlled entity, the Group posted a higher EBITDA compared to the preceding quarter. Hence, profit increased in the current quarter by RM0.5 million after accounting for the following:

- (a) lower finance cost of RM2.1 million as a result of project debt repayments;
- (b) higher depreciation of RM21.2 million after accounting for the change in useful lives on selected vessels in the immediate preceding quarter; and
- (c) lower taxation cost of RM5.4 million mainly due to lower deferred tax estimates in the current quarter.

**3. PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2013**

The long term outlook for the offshore oil and gas services sector remains positive with the long term oil price expected to remain above US\$70/barrel. Capital expenditure in the offshore industry is likely to remain robust as the search for oil and gas in deep waters continues and the costs of exploration and production are expected to rise. However, concerns regarding the continued slowdown of some European economies, and geopolitical risks remain.

Notwithstanding the above, Bumi Armada anticipates robust activities across its major sectors of FPSO, OSV, T&I and OFS over the long term. Bumi Armada continues to consolidate its presence in Asia, Africa and Latin America and increase its penetration and market share across its business sectors in these regions.

**4. QUALIFICATION OF PRECEDING AUDITED FINANCIAL STATEMENTS**

There was no qualification to the preceding audited financial statements for the financial period ended 31 December 2012.

**5. SEASONALITY OR CYCLICALITY OF OPERATIONS**

The businesses of the Group were not materially affected by any seasonal or cyclical fluctuations during the financial period ended 31 March 2013.

**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 was no change in estimates of amounts reported in prior financial years that have a material effect in the interim financial report.

**8. ISSUANCE OR REPAYMENT OF DEBT AND EQUITY SECURITIES**

There were no issuance and repayment 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 435,500 ordinary shares of RM0.20 each arising from the exercise of options pursuant to the Company's ESOS at the exercise price of RM3.03.

**9. DIVIDENDS PAID**

No dividend was paid in the current financial period ended 31 March 2013.

**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 quarters ended 31 March 2013 and 31 March 2012 are as follows:

<b>Quarter ended 31.3.2013</b>	<b>FPSO RM'000</b>	<b>OSV RM'000</b>	<b>T&amp;I RM'000</b>	<b>OFS RM'000</b>	<b>Group RM'000</b>
Revenue	192,282	142,379	154,094	-	488,755
<b>Results</b>					
Segment results	58,291	40,458	25,291	-	124,040
Other operating income					15,730
Share of results of jointly controlled entities					17,475
Finance costs					(26,344)
Taxation					(20,490)
Profit for the financial period					110,411

<b>Quarter ended 31.3.2012</b>	<b>FPSO RM'000</b>	<b>OSV RM'000</b>	<b>T&amp;I RM'000</b>	<b>OFS RM'000</b>	<b>Group RM'000</b>
Revenue	165,910	114,229	51,295	3,678	335,112
<b>Results</b>					
Segment results	53,879	19,938	35,019	2,977	111,813
Other operating income					16,060
Share of results of jointly controlled entities					11,770
Finance costs					(31,665)
Taxation					(17,941)
Profit for the financial period					90,037

**11. VALUATION OF PROPERTY, PLANT AND EQUIPMENT**

There was no revaluation of property, plant and equipment for the period under review. As at 31 March 2013, all property, plant and equipment were stated at cost less accumulated depreciation.

**12. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD**

There has not arisen in the interval between the end of this reporting period 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.

**13. CHANGES IN THE COMPOSITION OF THE GROUP**

There were no changes in the composition of the Group arising from business combinations, acquisitions or disposal of subsidiaries and long-term investments, restructurings, and discontinued operations for the current quarter under review, except for the following:

On 26 March 2013, the Company's wholly-owned subsidiary, Bumi Armada Automation International Sdn Bhd ("Bumi Armada Automation") 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 RM9.4 million.

**14. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

There has been no material change in contingent liabilities or contingent assets since the last annual financial statements.

**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 31 March 2013 are as follows:

	<b>RM'000</b>
- authorised and contracted	<b>173,484</b>
- authorised but not contracted	<b>1,199,368</b>
	<hr/> <b>1,372,852</b> <hr/>

**16. SIGNIFICANT RELATED PARTY DISCLOSURES**

The significant related party transactions undertaken during the financial period are described below:

	<b>Cumulative Quarters Period Ended 31.3.2013 RM'000</b>
<u>Related party transactions</u>	
(a) Transactions with UTSB Management Sdn Bhd (UTSBM) <sup>(1)</sup> :	
- reimbursable costs incurred in respect of an executive director	771
- management fees	1,247
(b) Telecommunication expenses to Maxis Berhad <sup>(2)</sup>	877
(c) Rental to Malaysian Landed Property Sdn Bhd ("MLP") <sup>(3)</sup>	1,574
(d) Transactions with jointly controlled entities:	
- ship management fees to Century Bumi Limited	3,500
- vessel hiring fee from Century Bumi Limited	1,387
(e) Key management personnel compensation:	
- salaries, bonus and allowances and other staff related costs	7,480
- defined contribution plan	1,591
(f) Payment on behalf:	
- jointly controlled entities	<u>10,272</u>

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 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:

<sup>(1)</sup> Subsidiary of UTSB, a substantial shareholder of the Company

<sup>(2)</sup> Subsidiary of a jointly controlled entity, in which UTSB has a significant equity interest

<sup>(3)</sup> Subsidiary of PanOcean, the ultimate holding company of UTSB

**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	
	31.3.2013 RM'000	31.3.2012 RM'000	31.3.2013 RM'000	31.3.2012 RM'000
Income tax:				
- Current tax	11,458	12,061	11,458	12,061
- Prior year	-	958	-	958
Deferred tax	9,032	4,922	9,032	4,922
Total	20,490	17,941	20,490	17,941

The Group's effective tax rates for the current quarter ended 31 March 2013 was 16%, lower than the statutory tax rate of 25% as the income arising from Malaysian sea-going ships of the Group are tax exempt under Section 54A of the Income Tax Act, 1967 whilst foreign sourced income are taxed based on their individual tax jurisdiction and the rates vary between 17% to 30%.

**19. STATUS OF CORPORATE PROPOSALS ANNOUNCED**

On 20 November 2012, the Company's wholly-owned subsidiary, Bumi Armada Automation had entered into a Conditional Sale and Purchase Agreement with Dyna-Mac Holdings Ltd ("Dyna-Mac") for the disposal of its entire equity interest in Haven to Dyna-Mac for a cash consideration of SGD5.0 million (the "Disposal").

Following a mutually agreed extension of the period for completion of the Disposal on 19 February 2013, the Disposal was completed on 26 March 2013 and accordingly, Haven has ceased as a wholly-owned subsidiary of the Company.

**20. BORROWINGS**

The borrowings as at 31 March 2013 are as follows:

	As at 31.3.2013 RM'000
<b>SHORT TERM DEBT</b>	
<b>Secured:</b>	
Term loans	375,812
<b>Unsecured:</b>	
Bridging loan	126,798
Revolving credit	261,426
Term loans	138,900
<b>Total short term debt</b>	<b>902,936</b>
<b>LONG TERM DEBT</b>	
<b>Secured:</b>	
Term loans	1,176,756
<b>Unsecured:</b>	
Term loans	823,100
<b>Total long term debt</b>	<b>1,999,856</b>
<b>Total borrowings</b>	<b>2,902,792</b>
<b>CURRENCY PROFILE</b>	
United States Dollar	1,763,396
Ringgit Malaysia	1,139,396
	<b>2,902,792</b>

**21. DERIVATIVE FINANCIAL INSTRUMENTS**

**Disclosure of derivatives**

Details of derivative financial instruments outstanding as at 31 March 2013 are set out below:

Types of Derivative	Contract/ Notional Amount RM'000	Fair Value Assets/ (Liabilities) RM'000
Interest rate swaps		
- Less than 1 year	298,439	(11,029)
- 1 to 3 years	545,192	(13,566)
- More than 3 years	603,030	(1,123)
	<b>1,446,661</b>	<b>(25,718)</b>
Cross currency interest rate swaps		
- Less than 1 year	31,957	1,768
- 1 to 3 years	55,391	1,441
- More than 3 years	76,696	(365)
	<b>164,044</b>	<b>2,844</b>

**21. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)**

**Disclosure of derivatives (Continued)**

There have been no changes since the end of the previous financial year ended 31 December 2012 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 31 March 2013, the Group recognised net derivative financial liabilities of RM22.9 million, a reduction of RM1.8 million from previous financial year ended 31 December 2012, on remeasuring the fair values of the derivative financial instruments. The reduction of RM1.8 million was included in the cash flow hedging reserve attributable to the Group and the non-controlling interests while RM0.1 million was recorded as fair value gain from derivatives financial instruments through the profit or loss.

The Group's cash flow hedging reserve of RM15.4 million as at 31 March 2013 represents the effective portion of the deferred fair value losses relating to the derivative financial instruments which qualified for hedging accounting. The gains and losses recognised in the cash flow hedging reserve will be released to the profit or loss as part of finance cost over the period of the underlying borrowings.

**22. FAIR VALUE HIERARCHY**

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.

**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 Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa 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:

	<b>As at 31.3.2013 RM'000</b>
Total retained profits of the Company and its subsidiaries	
- realised	1,689,217
- unrealised	<u>(52,970)</u>
	<b>1,636,247</b>
Total share of retained profits from jointly controlled entities	
- realised	80,889
- unrealised	<u>(6,210)</u>
	<b>74,679</b>
Total retained profits of the Group	<u><b>1,710,926</b></u>

**24. NOTES TO THE CONDENSED CONSOLIDATED STATEMENTS OF INCOME**

	<b>Individual Quarter Ended 31.3.2013 RM'000</b>	<b>Individual Quarter Ended 31.3.2012 RM'000</b>
Profit before taxation is arrived at after charging/(crediting):		
(a) Other operating income		
- Interest income	(1,473)	(3,536)
- Gain on disposal of property, plant and equipment	-	(10)
- Insurance claims	(1,157)	(8,025)
- Dividend income	-	(2,864)
- Gain on disposal of a subsidiary	(9,358)	-
- Allowance for doubtful debts written back	(1,976)	-
- Others	(1,766)	(1,625)
(b) Interest expense	27,893	32,333
(c) Depreciation and amortisation	96,581	87,608
(d) Allowance for and write off of doubtful debts	3,094	-
(e) Impairment of assets	-	-
(f) Net foreign exchange (gain)/loss	(2,975)	13,659
(g) Gain on derivatives	(58)	(6,398)

**25. MATERIAL LITIGATION**

There is no material litigation pending as at the date of this report.

**26. DIVIDENDS**

The Company had announced that the Directors had recommended a 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 in respect of the financial year ended 31 December 2012 for shareholders' approval at the forthcoming Seventeenth Annual General Meeting of the Company to be held on 18 June 2013. Subject to shareholders' approval, the proposed dividend will be payable on **16 July 2013** to the Company's members whose names appear in the Record of Depositors maintained by Bursa Malaysia Depository Sdn Bhd on **27 June 2013**.

- a) Depositors shall qualify for entitlement to the dividend in respect of:
  - i) shares transferred to the Depositor's securities accounts **before 4.00 pm on 27 June 2013** in respect of transfers; and
  - ii) shares bought on Bursa Malaysia Securities Berhad ("Bursa Securities") on a **cum entitlement basis** according to the Rules of Bursa Securities.
- b) No dividend is declared for the current financial period ended 31 March 2013.

Going forward, the dividend will take into account its business prospects, working capital expenditure and planned future project financing requirements.

**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 call option and employee share option scheme (“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.

	Individual Quarter Ended		Cumulative Quarters Period Ended	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
Profit attributable to Owners of the Company (RM’000)	<b>109,670</b>	89,709	<b>109,670</b>	89,709
Weighted average number of ordinary shares in issue for basic EPS (’000)	<b>2,929,449</b>	2,928,462	<b>2,929,449</b>	2,928,462
Adjusted for potential ordinary shares on conversion of options under ESOS (’000)	<b>120</b>	2,242	<b>120</b>	2,242
Adjusted weighted average number of ordinary shares for diluted EPS (’000)	<b>2,929,569</b>	2,930,704	<b>2,929,569</b>	2,930,704
Basic earnings per share (sen)	<b>3.74</b>	3.06	<b>3.74</b>	3.06
Diluted earnings per share (sen)	<b>3.74</b>	3.06	<b>3.74</b>	3.06

BY ORDER OF THE BOARD

NOOR HAMIZA BINTI ABD HAMID  
(MAICSA 7051227)  
Company Secretary

CHEW ANN NEE  
(MAICSA 7030413)  
Joint Company Secretary

Kuala Lumpur  
21 May 2013