



BUMI ARMADA

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

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2015

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2015

The Board of Directors of Bumi Armada Berhad (“Bumi Armada” or “the Company” or “the Group”) would like to announce the following unaudited condensed consolidated financial statements for the second quarter ended 30 June 2015 which should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2014 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	
		30.6.2015 RM'000	30.6.2014 RM'000 Restated	30.6.2015 RM'000	30.6.2014 RM'000 Restated
Revenue		459,077	590,081	1,031,228	1,058,998
Cost of sales		(361,515)	(412,620)	(745,829)	(750,589)
Gross profit		97,562	177,461	285,399	308,409
Other operating income		36,608	7,508	56,300	16,564
Selling and distribution costs		(11,142)	(14,400)	(19,468)	(26,262)
Administrative expenses		(13,227)	(40,833)	(67,940)	(75,980)
Operating profit before impairment		109,801	129,736	254,291	222,731
Impairment		(363,177)	-	(365,317)	-
Operating (loss)/profit		(253,376)	129,736	(111,026)	222,731
Finance costs		(37,138)	(20,795)	(75,379)	(42,374)
Share of results of joint ventures		16,190	18,690	17,286	33,664
(Loss)/profit before taxation		(274,324)	127,631	(169,119)	214,021
Taxation	18	(24,609)	(26,113)	(56,769)	(45,773)
(Loss)/profit for the financial period		(298,933)	101,518	(225,888)	168,248
Attributable to:					
- Owners of the Company		(291,532)	98,379	(219,484)	163,157
- Non-controlling interests		(7,401)	3,139	(6,404)	5,091
		(298,933)	101,518	(225,888)	168,248
Earnings per share (sen)	28				
- Basic		(4.97)	2.08	(3.74)	3.45
- Diluted		(4.97)	2.08	(3.74)	3.45

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Note	Individual Quarter Ended		Cumulative Quarters Period Ended	
		30.6.2015 RM'000	30.6.2014 RM'000	30.6.2015 RM'000	30.6.2014 RM'000
(Loss)/profit for the financial period		(298,933)	101,518	(225,888)	168,248
Other comprehensive income/(expense):					
Items that may be reclassified subsequently to profit or loss					
- Available-for-sale financial assets:					
- Loss on fair value change		-	(497)	-	(2,003)
- Fair value gain/(loss) on cash flow hedges		15,386	(237)	(38,251)	1,134
- Foreign currency translation differences		93,260	(69,085)	372,852	(87,024)
- Share of other comprehensive gain/(loss) of joint ventures		417	(105)	(169)	(105)
Other comprehensive income/(expense) for the financial period, net of tax		109,063	(69,924)	334,432	(87,998)
Total comprehensive (expense)/income for the financial period		(189,870)	31,594	108,544	80,250
Total comprehensive (expense)/income attributable to:					
- Owners of the Company		(183,152)	29,104	111,162	76,040
- Non-controlling interests		(6,718)	2,490	(2,618)	4,210
		(189,870)	31,594	108,544	80,250

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	As at 30.6.2015 RM'000	As at 31.12.2014 RM'000 Restated
NON-CURRENT ASSETS			
Property, plant and equipment	11	10,623,105	8,459,781
Investments in joint ventures		462,318	405,178
Available-for-sale financial assets		32,180	38,103
Accrued lease rentals		233,527	187,502
Deferred tax assets		20,519	13,743
Amount due from a joint venture		53,816	47,426
		11,425,465	9,151,733
CURRENT ASSETS			
Inventories		7,383	4,830
Amounts due from customers on contract		152,238	136,605
Trade receivables		638,401	704,439
Accrued lease rentals		576,240	786,069
Other receivables, deposits and prepayments		126,748	139,837
Tax recoverable		9,794	9,211
Amounts due from joint ventures		276,118	149,438
Deposits, cash and bank balances		2,148,259	3,303,247
		3,935,181	5,233,676
Non-current assets classified as held-for-sale		47,130	66,481
TOTAL ASSETS		15,407,776	14,451,890

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

	Note	As at 30.6.2015 RM'000	As at 31.12.2014 RM'000 Restated
LESS: CURRENT LIABILITIES			
Trade payables and accruals		884,120	699,416
Other payables and accruals		255,661	207,511
Amounts due to joint ventures		15,846	18,598
Hire purchase creditors		19	68
Borrowings	21	2,622,082	1,018,123
Derivative financial instruments	22	12,743	7,523
Taxation		35,957	25,541
		3,826,428	1,976,780
NET CURRENT ASSETS			
		155,883	3,323,377
LESS: NON-CURRENT LIABILITIES			
Advances from customers		377,330	349,730
Hire purchase creditors		40	56
Borrowings	21	3,985,803	5,174,702
Derivative financial instruments	22	326,414	174,227
Deferred tax liabilities		64,356	58,870
		4,753,943	5,757,585
NET ASSETS			
		6,827,405	6,717,525
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Share capital		1,173,253	1,173,253
Reserves		5,624,444	5,511,946
		6,797,697	6,685,199
NON-CONTROLLING INTERESTS			
		29,708	32,326
TOTAL EQUITY			
		6,827,405	6,717,525
NET ASSETS PER SHARE (RM)			
		1.16*	1.15

* Based on 5,866,269,344 ordinary shares in issue at RM0.20 par value as at 30 June 2015.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT 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 reserves RM'000	Share option reserve RM'000	Hedging reserve RM'000	Retained earnings RM'000	Total RM'000		
<u>2015</u>											
At 1 January 2015	5,866,269	1,173,253	3,137,730	352,580	6,562	44,862	(94,939)	2,065,151	6,685,199	32,326	6,717,525
Loss for the financial period	-	-	-	-	-	-	-	(219,484)	(219,484)	(6,404)	(225,888)
Other comprehensive income/(expense) for the financial period, net of tax	-	-	-	368,911	-	-	(38,265)	-	330,646	3,786	334,432
Total comprehensive income/(expense) for the financial period, net of tax	-	-	-	368,911	-	-	(38,265)	(219,484)	111,162	(2,618)	108,544
Transactions with owners:											
- Employee share options granted	-	-	-	-	-	1,336	-	-	1,336	-	1,336
- Employee share options forfeited	-	-	-	-	-	(3,199)	-	3,199	-	-	-
At 30 June 2015	5,866,269	1,173,253	3,137,730	721,491	6,562	42,999	(133,204)	1,848,866	6,797,697	29,708	6,827,405

UNAUDITED CONDENSED CONSOLIDATED STATEMENT 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 reserves RM'000	Share option reserve RM'000	Hedging reserve RM'000	Retained earnings RM'000	Total RM'000		
<u>2014</u>											
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	-	-	-	-	-	(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 STATEMENTS OF CASH FLOWS

	Period Ended 30.6.2015 RM'000	Period Ended 30.6.2014 RM'000
OPERATING ACTIVITIES		
(Loss)/profit for the financial period	(225,888)	168,248
Adjustments for non-cash items:		
Share of results of joint ventures	(17,286)	(33,664)
Depreciation of property, plant and equipment	284,914	229,370
Fair value through profit and loss on derivative financial instruments	4,561	(4,311)
Gain on disposal of property, plant and equipment	-	(25)
Gain on disposal of a subsidiary	(17,645)	-
Allowance for doubtful debts written back	(15,306)	-
Unrealised foreign exchange (gain)/loss	(18,693)	4,765
Share-based payment	1,336	7,988
Write off of property, plant and equipment	1,928	-
Impairment for property, plant and equipment and non-current assets held for sale	353,809	-
Impairment for available-for-sale financial assets	8,817	-
Impairment for investment in a joint venture	2,691	-
Interest income	(30,229)	(2,743)
Interest expense	74,727	43,552
Dividend income	(1,841)	(2,321)
Taxation	56,769	45,773
Operating profit before changes in working capital	462,664	456,632
Changes in working capital:		
Inventories	(2,221)	2,507
Trade and other receivables	274,221	(235,583)
Trade and other payables	(170,176)	135,168
Cash from operations	564,488	358,724
Interest paid	(113,809)	(72,663)
Tax paid	(67,764)	(37,648)
Tax refund	158	1,969
NET CASH FLOWS GENERATED FROM OPERATING ACTIVITIES	383,073	250,382

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

	Period Ended 30.6.2015 RM'000	Period Ended 30.6.2014 RM'000
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,746,911)	(1,077,310)
Proceeds from disposal of property, plant and equipment	-	25
Investments in joint ventures	(40,504)	-
Interest received	35,244	2,743
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(1,752,171)	(1,074,542)
FINANCING ACTIVITIES		
Proceeds from bank borrowings	848,993	1,218,544
Repayment of bank borrowings	(748,336)	(219,227)
Repayment of hire purchase creditors	(89)	(94)
Proceeds from issuance of shares	-	3,309
Decrease in deposit pledged as security	600	-
NET CASH FLOWS GENERATED FROM FINANCING ACTIVITIES	101,168	1,002,532
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(1,267,930)	178,372
CURRENCY TRANSLATION DIFFERENCES	113,542	(9,352)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	3,301,747	633,638
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	2,147,359	802,658
Cash and cash equivalents consist of:		
Deposits with licensed banks	1,678,538	450,044
Cash and bank balances	469,721	353,514
Less: Designated deposits placed with licensed banks	(900)	(900)
	2,147,359	802,658

EXPLANATORY NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2015

1. BASIS OF PREPARATION

The unaudited condensed consolidated 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 condensed consolidated financial statements should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 December 2014 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 2014. 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 2014, other than those disclosed below:

(a) 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 adoption of the above amendment and annual improvements to MFRS did not have any significant impact on the financial statements of the Group.

(b) Amendments and Annual Improvements to MFRS which are applicable to the Group effective 1 January 2016:

- Annual Improvements to MFRSs 2012 - 2014 cycle
- Amendments to MFRS 10 “Consolidated Financial Statements” and MFRS 128 “Investment in Associates and Joint Ventures” - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to MFRS 127 “Separate Financial Statements” - Equity Method in Separate Financial Statements
- Amendments to MFRS 116 “Property, Plant and Equipment” and MFRS 138 “Intangibles Assets” - Clarification of Acceptable Methods of Depreciation and Amortisation

The above amendments 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) New MFRS which is applicable to the Group effective 1 January 2017:

- MFRS 15 “Revenue from Contracts with Customers”

The adoption of MFRS 15 may result in a change in accounting policy. The Group will quantify the effect of adopting this standard when the full standard is effective.

(d) New MFRS which is applicable to the Group effective 1 January 2018:

- MFRS 9 “Financial Instruments”

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 effective.

2. MANAGEMENT COMMENTARY

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

Financial Indicators	YTD 30.6.2015 RM'000	YTD 30.6.2014 RM'000	Change RM'000
Segment revenue			
FPSO & FGS ⁽¹⁾	562,210	427,082	135,128
OSV ⁽¹⁾	290,414	309,259	(18,845)
T&I ⁽¹⁾	178,604	322,657	(144,053)
Total revenue	1,031,228	1,058,998	(27,770)
EBITDA ⁽²⁾	556,491	485,765	70,726
EBITDA margin	54%	46%	8%
(Loss)/profit for the financial period	(225,888)	168,248	(394,136)
Depreciation	284,914	229,370	55,544
Impairment *	365,317	-	365,317

* Total impairment inclusive of share of impairment for property, plant and equipment at a joint venture of RM20.5 million is RM385.8 million

The Group posted revenue of RM1,031.2 million for the financial period ended 30 June 2015 (“YTD 2015”), a decrease of 2.6% compared to the financial period ended 30 June 2014 (“YTD 2014”). The decrease was mainly driven by the following factors:

- (a) Decrease in T&I revenue by RM144.1 million driven mainly by lower activity from the LukOil project in the Caspian Sea and lower utilisation of the Armada Condor and Armada Hawk, offset by higher revenue from the Armada Installer;
- (b) Decrease in OSV revenue by RM18.8 million as overall vessel utilisation continued to be adversely affected by challenging market conditions; and
- (c) Growth in FPSO & FGS revenue by RM135.1 million driven mainly by increased conversion activity from the Eni 1506 FPSO project, initial recognition of FGS revenue from the conversion activity of a floating storage unit, Armada LNG Mediterrana, which was awarded in April 2015, and contributions from tanker operations and O&M ⁽³⁾ activity from the Armada Claire.

The Group posted an EBITDA of RM556.5 million for YTD 2015, an increase of RM70.7 million compared to YTD 2014. The EBITDA reflected higher contributions from the FPSO and FGS projects and tanker operations, gain on disposal of a subsidiary during the current quarter and higher share of results of joint ventures, which arose primarily from initial recognition of results from conversion activity of the Madura FPSO project. However, EBITDA was impacted by lower contributions from the OSV and T&I segments in addition to a charge related to staff retrenchment exercise of RM21.9 million, an accrual for the arbitration matter as disclosed in Note 26 and share of impairment of a non-core asset at a joint venture of RM20.5 million.

The Group posted a loss of RM225.9 million for the financial period YTD 2015, a decrease of RM394.1 million compared to YTD 2014, after taking into account the following:

- (a) Impairment charge of RM365.3 million comprising an impairment for property, plant and equipment and non-current assets held for sale of RM353.8 million, an impairment for available-for-sale financial assets of RM8.8 million and an impairment for investment in a joint venture of RM2.7 million. The impairment of property, plant and equipment reduces the carrying value of an asset, and will therefore result in a reduction in future depreciation charge, all other factors remaining unchanged;
- (b) Higher depreciation of RM55.5 million due to additional vessels in operation across all business segments;
- (c) Higher finance costs of RM33.0 million due to higher corporate debts and cessation of interest capitalisation on a completed FPSO conversion project; and
- (d) Higher taxation of RM11.0 million driven by activities in countries with higher statutory tax rates.

Notes:

⁽¹⁾ FPSO - Floating Production Storage Offloading system, FGS - Floating Gas Solutions, OSV - Offshore Support Vessel and T&I - Transport and Installation. These acronyms are also used hereinafter.

⁽²⁾ Defined as profit before finance costs, taxation, depreciation, amortisation and impairment.

⁽³⁾ Defined as operations and maintenance.

2. MANAGEMENT COMMENTARY (CONTINUED)

(B) Performance of the current quarter as compared with the immediate preceding quarter

Financial Indicators	2nd Quarter 2015 RM'000	1st Quarter 2015 RM'000	Change RM'000
Segment revenue			
FPSO & FGS	271,130	291,080	(19,950)
OSV	125,894	164,520	(38,626)
T&I	62,053	116,551	(54,498)
Total revenue	459,077	572,151	(113,074)
EBITDA	269,519	286,972	(17,453)
EBITDA margin	59%	50%	9%
(Loss)/profit for the financial period	(298,933)	73,045	(371,978)
Depreciation	143,528	141,386	2,142
Impairment *	363,177	2,140	361,037

* Total impairment inclusive of share of impairment for property, plant and equipment at a joint venture of RM20.5 million is RM383.7 million

The Group posted revenue of RM459.1 million for the quarter ended 30 June 2015 ("Q2 2015"), a decrease of 19.8% compared to quarter ended 31 March 2015 ("Q1 2015"). The decrease was driven mainly by the following factors:

- (a) Decrease in FPSO & FGS revenue by RM20.0 million driven mainly by lower contribution from the Kraken FPSO project and tanker operations as Rainbow 1 was sent to the shipyard for the Madura FPSO project in the current quarter, offset by initial recognition of FGS revenue from conversion activity of a floating storage unit, Armada LNG Mediterrana, which was awarded in April 2015;
- (b) Decrease in OSV revenue by RM38.6 million as utilisation of both Class A and Class B vessels continued to be adversely affected by the challenging market conditions; and

OSV vessel average utilisation rates for the quarter ended	2nd Quarter 2015 %	1st Quarter 2015 %	Change in %
Group's vessels	53	70	(17)
- Class A ⁽⁴⁾	50	73	(23)
- Class B ⁽⁵⁾	57	66	(9)
Group's vessels including those held by joint ventures	54	71	(17)

- (c) Decrease in T&I revenue by RM54.5 million due to lower activity from the LukOil project in the Caspian Sea and lower utilisation of the Armada Installer, Armada Condor and Armada Hawk.

The Group posted an EBITDA of RM269.5 million for Q2 2015, a decrease of RM17.5 million compared to Q1 2015 due to lower contributions from the OSV and T&I segments, an accrual for the arbitration matter as disclosed in Note 26 and share of impairment of a non-core asset at a joint venture of RM20.5 million, offset by contribution from the new FGS project, gain on disposal of a subsidiary and higher share of results of joint ventures due to initial recognition of results from the conversion activity of the Madura FPSO project.

The Group posted a loss of RM298.9 million for the financial period ended Q2 2015, after taking into account an impairment charge of RM363.1 million comprising an impairment for property, plant and equipment and non-current assets held for sale of RM353.8 million, an impairment for available-for-sale financial assets of RM6.6 million and an impairment for investment in a joint venture of RM2.7 million. The impairment of property, plant and equipment reduces the carrying value of an asset, and will therefore result in a reduction in future depreciation charge, all other factors remaining unchanged.

Notes:

⁽⁴⁾ Class A represents vessels which are less than 12 years old or more than 8000 brake horse power and accommodation work barges which are more than 200 pax capacity.

⁽⁵⁾ Class B represents vessels which are more than 12 years old or less than 8000 brake horse power and accommodation work barges which are less than 200 pax capacity.

2. MANAGEMENT COMMENTARY (CONTINUED)

(C) Critical accounting estimates and judgements

As a result of the decline in vessel utilisation and day rates, the Group performed an assessment during the quarter of the recoverable amount of its vessels to determine whether the carrying value of these vessels are recoverable. The review was carried out in accordance with MFRS 136 “Impairment of Assets”. In such evaluation, the estimated recoverable amount is determined based on the higher of the asset’s value-in-use (“VIU”) or fair value less costs to sell (“FV”). The recoverable amount was compared to the carrying value of each asset with identified impairment triggers. If the recoverable amount is lower, the carrying value of the asset is reduced to its estimated recoverable amount and the difference is regarded as an impairment loss. The Group considered each vessel within a segment as a cash-generating unit (“CGU”), however, they are grouped together for disclosure purpose.

VIU is the present value of the future cash flows expected to be derived from the CGU. The VIU is calculated based on estimates and judgement with respect to key assumptions such as utilisation rates, daily charter rates and the discount rate amongst others. A discount rate of 10% was applied in the VIU calculation. These key assumptions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The FV represents an estimate of the amount received in event the vessel is sold on a willing buyer and willing seller basis (considered as Level 3 in the fair value hierarchy as defined in Note 23).

The recoverable amount of OSV vessels for which an impairment charge was made during the quarter was RM948.0 million, while the impairment charge was RM249.1 million. The recoverable amount of T&I vessels for which an impairment charge was made during the quarter was RM39.9 million, while the impairment charge was RM104.7 million.

3. PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2015

The offshore oil and gas sector remains challenged by the continuing uncertainty on the short-term to medium-term outlook for global energy supply and demand. Oil companies continue to focus on capital and cost management, and this will in turn result in continued deferment of decision making and awards on new projects. The deferment of new projects is likely to have a negative impact on the demand for the assets and services of the Group. In the meantime, the Group will continue to pursue new opportunities that would meet the internal criteria for balanced risk and returns, while it remains focused on improving efficiency and productivity in our current structure.

4. QUALIFICATION OF PRECEDING AUDITED FINANCIAL STATEMENTS

There was no qualification to the audited financial statements for the preceding financial year ended 31 December 2014.

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 30 June 2015.

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 other than those disclosed in Note 25.

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 consolidated 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.

9. DIVIDENDS PAID

There were no dividends paid in the current financial period ended 30 June 2015.

10. SEGMENTAL INFORMATION

The Group is organised into 3 core business segments based on the type of activities 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 2015 and 30 June 2014 are as follows:

Individual Quarter Ended 30.6.2015	FPSO & FGS RM'000	OSV RM'000	T&I RM'000	Corporate and others RM'000	Elimination RM'000	Group RM'000
Revenue	271,130	125,894	62,053	-	-	459,077
Inter-segment revenue	-	-	-	41,969	(41,969)	-
Results Segment results	99,533	(22,634)	(6,397)	6,110	(3,419)	73,193
Impairment	-	(249,092)	(104,717)	(9,368)	-	(363,177)
Other operating income						36,608
Share of results of joint ventures						16,190
Finance costs						(37,138)
Taxation						(24,609)
Loss for the financial period						(298,933)

Individual Quarter Ended 30.6.2014	FPSO RM'000	OSV RM'000	T&I RM'000	Corporate and others RM'000	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 (restated)	76,034	16,425	29,769	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

10. SEGMENTAL INFORMATION (CONTINUED)

Cumulative Quarters Period Ended 30.6.2015	FPSO & FGS RM'000	OSV RM'000	T&I RM'000	Corporate and others RM'000	Elimination RM'000	Group RM'000
Revenue	562,210	290,414	178,604	-	-	1,031,228
Inter-segment revenue	-	-	-	83,868	(83,868)	-
Results						
Segment results	183,717	(22,337)	33,920	7,795	(5,104)	197,991
Impairment	-	(249,092)	(104,717)	(11,508)	-	(365,317)
Other operating income						56,300
Share of results of joint ventures						17,286
Finance costs						(75,379)
Taxation						(56,769)
Loss for the financial period						(225,888)

Cumulative Quarters Period Ended 30.6.2014	FPSO RM'000	OSV RM'000	T&I RM'000	Corporate and others RM'000	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 (restated)	137,536	35,094	33,537	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

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 2015, 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

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

Save as disclosed below, 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:

Establishment of new companies

- (a) On 6 April 2015 Armada Floating Gas Storage Malta Ltd was incorporated as a wholly-owned subsidiary of Bumi Armada Offshore Holdings Limited (“BAOHL”) in Malta with an authorised capital of EUR1,000,000 comprising 1,000,000 shares of EUR1.00 each, of which 1,200 shares have been issued upon incorporation. BAOHL is a wholly-owned subsidiary of the Company.
- (b) On 6 April 2015 Armada Floating Gas Services Malta Ltd was incorporated as a wholly-owned subsidiary of BAOHL in Malta with an authorised capital of EUR50,000 comprising 50,000 shares of EUR1.00 each, of which 1,200 shares have been issued upon incorporation.
- (c) On 6 April 2015 Armada Regasification Services Malta Ltd was incorporated as a wholly-owned subsidiary of BAOHL in Malta with an authorised capital of EUR50,000 comprising 50,000 shares of EUR1.00 each, of which 1,200 shares have been issued upon incorporation.
- (d) On 10 April 2015 Bumi Armada Marine Holdings Limited (“BAMHL”) was incorporated as a wholly-owned subsidiary of the Company in the British Virgin Islands, with an authorised capital of USD50,000 comprising 50,000 shares of USD1.00 each, of which 10,000 shares have been issued upon incorporation.
- (e) On 21 May 2015, Bumi Armada Marine Naryan Mar Pte Ltd, Bumi Armada Marine Pokachi Pte Ltd and Bumi Armada Marine Uray Pte Ltd were incorporated in Singapore as wholly-owned subsidiaries of BAMHL each with an issued share capital of USD2.00 comprising 2 ordinary shares.

13. CHANGES IN THE COMPOSITION OF THE GROUP (CONTINUED)

Disposal of a subsidiary

On 10 April 2015, the Company, BAOHL (a wholly-owned subsidiary of the Company), Armada Madura EPC Limited ("Armada Madura") (then a wholly-owned subsidiary of BAOHL), Shapoorji Pallonji And Company Private Limited ("SPCL") and Shapoorji Pallonji International FZE ("SPINT") (an indirect wholly-owned subsidiary of SPCL) entered into a shareholders agreement ("SHA") with respect to the joint investment in Armada Madura by the Company and BAOHL on the one part, and SPCL and SPINT on the other part, in connection with the engineering, design, acquisition, conversion, development, construction, fitting out, completion, mobilisation, transportation, installation, hook-up, testing, commission and integration of the FPSO at the Madura BD Field ("FPSO Project") to be carried out by Armada Madura, pursuant to which each of BAOHL and SPINT would hold a 50% economic interest and be responsible for 50% of the funding obligations with respect to the FPSO Project, in accordance with the terms of the SHA. On 20 April 2015, BAOHL and SPINT subscribed for 24,489 and 25,501 new ordinary shares of USD1.00 each in Armada Madura, respectively, and consequently on 22 April 2015, SPINT transferred all of its Armada Madura shares to SPCL. Accordingly, the percentage shareholdings of BAOHL and SPCL in Armada Madura were 48.998% and 51.002% in Armada Madura, respectively.

As a consequence of SPCL becoming a shareholder of Armada Madura, the Group recognised a gain on loss of controlling interest in Armada Madura of RM17.6 million.

14. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Group's contingent liabilities comprising bank guarantees extended to third parties amounted to RM796.4 million as at 30 June 2015 as compared to RM679.8 million as at 31 December 2014. There are no material contingent assets to be disclosed.

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 2015 are as follows:

	RM'000
- authorised and contracted	2,180,106
- authorised but not contracted	4,209,264
	<hr/>
	6,389,370
	<hr/> <hr/>

16. SIGNIFICANT RELATED PARTY DISCLOSURES

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

	Cumulative Quarters Period Ended 30.6.2015 RM'000
<u>Related party transactions</u>	
(a) Transactions with UTSB Management Sdn Bhd ⁽¹⁾ :	
- reimbursable costs incurred in respect of management services agreement	3,948
- management fees	2,823
(b) Telecommunication expenses to Maxis Berhad ⁽²⁾	998
(c) Rental to Malaysian Landed Property Sdn Bhd ⁽³⁾	3,584
(d) Transaction with a joint venture:	
- ship management fees to Century Bumi Limited	8,478
(e) Key management personnel compensation:	
- non-executive directors fees	1,966
- salaries, bonus and allowances and other staff related costs ⁽⁴⁾	7,846
- defined contribution plan	943
- share-based payment	1,334
(f) Payment on behalf:	
- joint ventures	<u>10,789</u>

Usaha Tegas Sdn Bhd (“UTSB”) is a party related to the Company by virtue of its substantial equity interest in Objektif Bersatu Sdn Bhd (“OBSB”), a substantial shareholder of the Company. The ultimate holding company of UTSB is PanOcean Management Limited (“PanOcean”). PanOcean is the trustee of a discretionary trust, the beneficiaries of which are members of the family of Ananda Krishnan Tatparanandam (“TAK”) and foundations including those for charitable purposes. Although PanOcean and TAK are deemed to have 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.

Notes:

⁽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.

⁽⁴⁾ The amount is inclusive of the transaction with UTSB Management Sdn Bhd with regard to reimbursable costs incurred in respect of key management personnel as disclosed in (a).

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	
	30.6.2015 RM'000	30.6.2014 RM'000	30.6.2015 RM'000	30.6.2014 RM'000
Income tax:				
- Current year	36,600	12,624	60,056	27,270
- Prior year	1,143	2,270	1,143	(5,648)
Deferred tax	(13,134)	11,219	(4,430)	24,151
Total	24,609	26,113	56,769	45,773

The Group's effective tax rates for the individual quarter and cumulative quarters ended 30 June 2015 were negative 9% and negative 34% respectively, as compared to the Malaysian statutory tax rate of 25%. The variances were mainly due to expenses not deductible for tax purpose and offset with income generated in foreign countries that have higher statutory tax rates than Malaysia.

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:

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.

20. UTILISATION OF PROCEEDS FROM RIGHTS ISSUE

In October 2014, the Company completed the renounceable Rights Issue of 1,466,567,350 new ordinary shares of RM0.20 each at an issue price of RM1.35 per share, pursuant to the renounceable Rights Issue approved at the Company's extraordinary general meeting held on 8 July 2014 ("Rights Issue"). The Rights Issue raised proceeds amounting to RM1,979.9 million ("Proceeds").

The status of the utilisation of the Proceeds as at 30 June 2015 was as follows:

	Purpose	Proposed utilisation RM'million	Actual utilisation RM'million	Estimated timeframe for utilisation upon listing of Rights Shares	Remaining balance RM'million
(i)	Capital expenditure	1,760.0	932.6	Within 24 months	827.4
(ii)	General working capital	164.9	164.9	Within 24 months	-
(iii)	Estimated expenses for the Corporate Exercises ^{(1), (2)}	55.0	24.8	Within 3 months	30.2
		1,979.9	1,122.3		857.6

⁽¹⁾ *The Corporate Exercises included the Bonus Issue and the Rights Issue as defined and detailed in the Circular to our Shareholders dated 23 June 2014 with further information on the Rights Issue as disclosed in the Abridged Prospectus dated 12 September 2014.*

⁽²⁾ *From the previous allocation of RM55.0 million of the Proceeds to cover estimated expenses for the Corporate Exercise, RM24.8 million has been utilised for such expenses, while the balance of RM30.2 million has been reallocated to be used for general working capital requirements. The reallocation is not considered a deviation from the proposed utilisation because it is contemplated and detailed in the Circular to our Shareholders dated 23 June 2014 and the Abridged Prospectus dated 12 September 2014.*

21. BORROWINGS

The borrowings of the Group as at 30 June 2015 are as set out below:

	As at 30.6.2015 RM'000
SHORT TERM DEBT	
Secured:	
Term loans	906,542
Unsecured:	
Sukuk Murabahah	30,655
Bridging loan	1,126,711
Revolving credit	384,877
Term loans	173,297
Total short term debt	2,622,082
LONG TERM DEBT	
Secured:	
Term loans	577,996
Unsecured:	
Sukuk Murabahah	1,498,867
Term loans	1,908,940
Total long term debt	3,985,803
Total borrowings	6,607,885
CURRENCY PROFILE	
United States Dollar	4,463,868
Ringgit Malaysia	2,144,017
	6,607,885

22. DERIVATIVE FINANCIAL INSTRUMENTS

Disclosure of derivatives

Details of derivative financial instruments outstanding as at 30 June 2015 are as 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	404,865	(7,261)
- 1 to 3 years	818,781	(980)
- More than 3 years	52,252	141
	<u>1,275,898</u>	<u>(8,100)</u>
Cross currency interest rate swaps		
- Less than 1 year	27,696	(5,482)
- 1 to 3 years	55,391	(16,883)
- More than 3 years	1,500,000	(308,692)
	<u>1,583,087</u>	<u>(331,057)</u>

22. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

There have been no changes since the end of the previous financial year ended 31 December 2014 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;
- (c) the policies in place for mitigating or controlling the risks associated with the derivatives; and
- (d) the related accounting policies.

As at 30 June 2015, the Group recognised derivative financial liabilities of RM339.2 million (2014: RM181.8 million) on re-measuring the fair values of the derivative financial instruments. Of the increase of RM157.4 million from the previous financial year ended 31 December 2014, an amount of RM38.3 million was included in the cash flow hedging reserve attributable to the Group and non-controlling interests while the total loss on derivatives charged to profit or loss was RM4.6 million as disclosed in Note 25 (j).

The Group's cash flow hedging reserve of RM133.2 million as at 30 June 2015 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.

23. 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 2015 except as set out below, measured using Level 3 valuation technique:

	Carrying amount RM'000	Fair value RM'000
Sukuk Murabahah	<u>1,529,522</u>	<u>1,589,669</u>

(b) Financial instruments carried at fair value

The table below analyses financial instruments carried at fair value as at 30 June 2015, by valuation method.

	Level 1 RM'000	Level 2 RM'000	Total RM'000
Financial asset:			
Available-for-sale financial asset	<u>32,180</u>	<u>-</u>	<u>32,180</u>
Financial liabilities:			
Derivatives used for hedging			
- Cross currency interest rate swaps	-	(331,057)	(331,057)
- Interest rate swaps	-	(8,100)	(8,100)

23. FAIR VALUE HIERARCHY (CONTINUED)

(b) Financial instruments carried at fair value (continued)

The fair value of financial instruments traded in an 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. These valuation techniques are used to determine the fair value of 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 rates 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.

24. 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 the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”), as issued by the Malaysian Institute of Accountants whilst the disclosure at the Group level is based on the prescribed format by the Bursa Securities.

The breakdown of realised and unrealised retained profits of the Group is as follows:

	As at 30.6.2015 RM’000
Total retained profits of the Company and its subsidiaries	
- realised	1,767,945
- unrealised	(25,143)
	1,742,802
Total share of retained profits from joint ventures	
- realised	137,891
- unrealised	(31,827)
	106,064
Total retained profits of the Group	1,848,866

25. NOTES TO THE CONDENSED CONSOLIDATED STATEMENTS OF INCOME

	Individual Quarter Ended 30.6.2015 RM'000	Individual Quarter Ended 30.6.2014 RM'000	Cumulative Quarters Period Ended 30.6.2015 RM'000	Cumulative Quarters Period Ended 30.6.2014 RM'000
Profit before taxation is arrived at after charging/(crediting):				
(a) Other operating income				
- Interest income	(13,886)	(1,459)	(30,229)	(2,743)
- Gain on disposal of property, plant and equipment	-	-	-	(25)
- Gain on disposal of a subsidiary	(17,645)	-	(17,645)	-
- Insurance claims	(584)	(2,058)	(1,710)	(8,240)
- Dividend income	(1,841)	(2,321)	(1,841)	(2,321)
- Others	(2,652)	(1,670)	(4,875)	(3,235)
(b) Interest expense	37,679	21,261	74,727	43,552
(c) Depreciation and amortisation	143,528	114,201	284,914	229,370
(d) Allowance for doubtful debts written back	-	-	(15,306)	-
(e) Impairment for property, plant and equipment and non-current assets held for sale	353,809	-	353,809	-
(f) Impairment for available-for-sale financial assets	6,677	-	8,817	-
(g) Impairment for investment in a joint venture	2,691	-	2,691	-
(h) Write off of property, plant and equipment	1,928	-	1,928	-
(i) Net foreign exchange loss/(gain):				
- realised	1,805	(1,759)	(1,288)	(1,653)
- unrealised	75,675	3,796	(18,693)	4,765
(j) Fair value through profit and loss on derivative financial instruments	(92,986)	(2,270)	4,561	(4,311)
(k) Retrenchment expenses	1,318	-	21,891	-

Other than as presented in the statements of income and as disclosed above, there was no allowance for and write-off of inventories, allowance for and write-off of doubtful debts, gain or loss on disposal of quoted or unquoted investments or properties and other exceptional items for the current quarter and cumulative quarters ended 30 June 2015.

26. MATERIAL LITIGATION

Save as disclosed below there is no material litigation pending as at the date of this report:

Bumi Armada Caspian LLC (“BAC”), a wholly-owned subsidiary of the Company, had in the current quarter received a Notice of Arbitration (“Notice of Arbitration”) from SEA Srl (“SEA”) in relation to the Post Trenching and Backfilling Services for Filanovsky Field Development Project (“Service Contract”) dated 28 September 2012. In the Notice of Arbitration, SEA claimed approximately EUR28.5 million (approximately RM127 million at the exchange rate on the date of the announcement referred to in the succeeding paragraph) against BAC under the original Service Contract.

On 13 August 2015, BAC signed a Settlement Agreement with SEA, pursuant to which BAC agreed to pay SEA the settlement sum of EUR3.2 million (equivalent to approximately RM14 million at the exchange rate on 13 August 2015 when this settlement was announced), as full and final settlement against all claims by SEA under the Service Contract (“Settlement”). As part of the Settlement, the arbitration proceedings will be discontinued.

27. DIVIDENDS

No dividend is declared or recommended for the current financial period ended 30 June 2015.

28. 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 Group’s profit for the financial period attributable to Owners of the Company (adjusted for interest income, net of tax, earned on the proceeds arising from the conversion of the 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 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.

The restated EPS took into consideration the number of shares issued pursuant to the Rights Issue and the Bonus Issue as disclosed in Note 20.

	Individual Quarter Ended		Cumulative Quarters Period Ended	
	30.6.2015	30.6.2014 Restated	30.6.2015	30.6.2014 Restated
(Loss)/profit attributable to Owners of the Company (RM’000)	(291,532)	98,379	(219,484)	163,157
Weighted average number of ordinary shares in issue for basic EPS (’000)	5,866,269	2,932,513	5,866,269	2,932,238
Adjusted for bonus issue and bonus elements of right issues (’000)	-	1,792,402	-	1,792,371
Adjusted weighted average number of ordinary shares in issue for basic EPS (’000)	5,866,269	4,724,915	5,866,269	4,724,609
Adjusted for potential ordinary shares on conversion of options under ESOS (’000)	-	70	-	125
Adjusted weighted average number of ordinary shares for diluted EPS (’000)	5,866,269	4,724,985	5,866,269	4,724,734
Basic earnings per share (sen)	(4.97)	2.08	(3.74)	3.45
Diluted earnings per share (sen)	(4.97)	2.08	(3.74)	3.45

29. COMPARATIVE FIGURES

The following comparative figures have been reclassified to conform with current quarter's presentation, which more appropriately reflects the nature of relevant transactions.

	As previously reported RM'000	Effect of reclassification RM'000	As restated RM'000
<u>Condensed Consolidated Statements of Income</u>			
<u>Cumulative Quarters Period Ended 30.6.2014</u>			
Cost of sales	(691,914)	(58,675)	(750,589)
Selling and distribution costs	(82,640)	56,378	(26,262)
Administrative expenses	(78,277)	2,297	(75,980)
<u>Individual Quarter Ended 30.6.2014</u>			
Cost of sales	(380,337)	(32,283)	(412,620)
Selling and distribution costs	(46,098)	31,698	(14,400)
Administrative expenses	(41,418)	585	(40,833)
<u>Segmental Information</u>			
<u>Cumulative Quarters Period Ended 30.6.2014</u>			
Segment Results			
FPSO	134,100	3,436	137,536
OSV	39,036	(3,942)	35,094
T&I	33,031	506	33,537
<u>Individual Quarter Ended 30.6.2014</u>			
Segment Results			
FPSO	77,083	(1,049)	76,034
OSV	19,005	(2,580)	16,425
T&I	26,140	3,629	29,769

Costs and expenses attributable to activities that directly support operations, previously classified in selling and distributions costs or administrative expenses, have been reclassified to cost of sales.

29. COMPARATIVE FIGURES (CONTINUED)

The following comparative figures have been reclassified to conform with current quarter's presentation, which more appropriately reflects the nature of relevant transactions.

	As previously reported RM'000	Effect of reclassification RM'000	As restated RM'000
<u>Condensed Statements of Financial Position</u>			
<u>As at 31.12.2014</u>			
<u>Current liabilities</u>			
Other payables and accruals	(557,241)	349,730	(207,511)
<u>Non-current liabilities</u>			
Advances from customers	-	(349,730)	(349,730)

BY ORDER OF THE BOARD

NOOR HAMIZA BINTI ABD HAMID
(MAICSA 7051227)
Company Secretary

Kuala Lumpur
27 August 2015