



BUMIARMADA

BUMI ARMADA BERHAD

199501041194 (370398-X)

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2021

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2021

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 first quarter ended 31 March 2021 which should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the unaudited condensed consolidated financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF INCOME

	Note	Individual Quarter Ended			Cumulative Quarter Period Ended		
		31.03.2021 RM'000	31.03.2020 RM'000	+ / (-) %	31.03.2021 RM'000	31.03.2020 RM'000	+ / (-) %
Revenue		562,703	552,618	2	562,703	552,618	2
Cost of sales		(312,317)	(289,777)		(312,317)	(289,777)	
Gross profit		250,386	262,841		250,386	262,841	
Other operating income		46,955	26,308		46,955	26,308	
Selling and distribution costs		(672)	(705)		(672)	(705)	
Administrative expenses		(18,439)	(46,543)		(18,439)	(46,543)	
Operating profit before impairment		278,230	241,901	15	278,230	241,901	15
Impairment		-	(314,350)		-	(314,350)	
Operating profit/(loss)		278,230	(72,449)	484	278,230	(72,449)	484
Finance costs		(101,632)	(137,246)		(101,632)	(137,246)	
Share of results of joint ventures and associates		7,366	(4,520)		7,366	(4,520)	
Profit/(Loss) before taxation		183,964	(214,215)	186	183,964	(214,215)	186
Taxation	18	(24,365)	(5,332)		(24,365)	(5,332)	
Profit/(Loss) for the financial period		159,599	(219,547)	173	159,599	(219,547)	173
Attributable to:							
- Owners of the Company		162,794	(223,967)	173	162,794	(223,967)	173
- Non-controlling interests		(3,195)	4,420		(3,195)	4,420	
		159,599	(219,547)		159,599	(219,547)	
Earnings per share (sen)	27						
- Basic		2.77	(3.81)		2.77	(3.81)	
- Diluted		2.77	(3.81)		2.77	(3.81)	

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Individual Quarter Ended		Cumulative Quarter Period Ended	
		31.03.2021 RM'000	31.03.2020 RM'000	31.03.2021 RM'000	31.03.2020 RM'000
Profit/(Loss) for the financial period		159,599	(219,547)	159,599	(219,547)
Other comprehensive income/(expense)					
Items that may be reclassified subsequently to profit or loss					
- Fair value gain/(loss) on cash flow hedges		39,998	(214,600)	39,998	(214,600)
- Costs of hedging		605	48,995	605	48,995
- Foreign currency translation differences		92,836	157,826	92,836	157,826
- Share of other comprehensive income/(expense) of joint ventures		811	(3,950)	811	(3,950)
Items that will not be reclassified to profit or loss:					
- Financial assets at fair value through other comprehensive income:					
- Loss on fair value change		(939)	(13,673)	(939)	(13,673)
Other comprehensive income/(expense) for the financial period, net of tax		133,311	(25,402)	133,311	(25,402)
Total comprehensive income/(expense) for the financial period		292,910	(244,949)	292,910	(244,949)
Total comprehensive income/(expense) attributable to:					
- Owners of the Company		296,825	(248,901)	296,825	(248,901)
- Non-controlling interests		(3,915)	3,952	(3,915)	3,952
		292,910	(244,949)	292,910	(244,949)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 31.03.2021 RM'000	As at 31.12.2020 RM'000
NON-CURRENT ASSETS			
Property, plant and equipment	11	4,953,370	4,945,095
Investments in joint ventures		1,037,712	1,011,085
Investment in associates		25,298	20,093
Financial assets at fair value through other comprehensive income		13,456	13,964
Finance lease receivables		4,552,864	4,489,502
Accrued lease rental		82,900	80,406
Amount due from a joint venture		33,408	32,243
Amount due from an associate		213,097	186,301
Derivative financial instruments	22	3,244	1,735
Deferred tax assets		20,259	22,865
TOTAL NON-CURRENT ASSETS		10,935,608	10,803,289
CURRENT ASSETS			
Inventories		671	4,060
Finance lease receivables		201,876	189,101
Trade receivables	20	478,115	511,784
Other receivables, deposits and prepayments		77,074	98,517
Contract assets		38,558	54,299
Amounts due from joint ventures		29,705	10,574
Amount due from an associate		48,263	12,904
Derivative financial instruments	22	699	702
Tax recoverable		19,972	16,136
Deposits, cash and bank balances		975,210	894,781
		1,870,143	1,792,858
Non-current assets classified as held-for-sale		13,248	51,421
TOTAL CURRENT ASSETS		1,883,391	1,844,279
TOTAL ASSETS		12,818,999	12,647,568

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

	Note	As at 31.03.2021 RM'000	As at 31.12.2020 RM'000
LESS: CURRENT LIABILITIES			
Trade payables and accruals		166,148	164,101
Other payables and accruals		225,466	200,797
Contract liabilities		36,056	40,578
Amounts due to joint ventures		1,287	1,308
Amount due to an associate		1,220	962
Lease liabilities		51,294	45,835
Borrowings	21	1,206,093	1,539,516
Derivative financial instruments	22	49,117	45,530
Taxation		20,282	20,043
TOTAL CURRENT LIABILITIES		1,756,963	2,058,670
NET CURRENT ASSETS/(LIABILITIES)		126,428	(214,391)
LESS: NON-CURRENT LIABILITIES			
Other payables and accruals		113,040	118,045
Contract liabilities		16,572	11,056
Lease liabilities		5,743	6,556
Borrowings	21	6,935,566	6,766,919
Derivative financial instruments	22	518,844	506,184
Deferred tax liabilities		53,137	54,648
TOTAL NON-CURRENT LIABILITIES		7,642,902	7,463,408
NET ASSETS		3,419,134	3,125,490
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Share capital		4,321,351	4,321,351
Reserves		(874,654)	(1,172,213)
		3,446,697	3,149,138
NON-CONTROLLING INTERESTS		(27,563)	(23,648)
TOTAL EQUITY		3,419,134	3,125,490
NET ASSETS PER SHARE (RM)		0.58*	0.53

* Based on 5,885,895,644 ordinary shares in issue as at 31 March 2021.

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	Share capital RM'000	Foreign exchange reserve RM'000	Share option reserve RM'000	Hedging reserve RM'000	Other reserves RM'000	Accumulated losses RM'000	Total RM'000		
<u>2021</u>										
At 1 January 2021	5,885,896	4,321,351	1,146,299	6,127	(251,943)	75	(2,072,771)	3,149,138	(23,648)	3,125,490
Profit/(Loss) for the financial period	-	-	-	-	-	-	162,794	162,794	(3,195)	159,599
Other comprehensive income/(expense) for the financial period, net of tax	-	-	93,556	-	41,414	(939)	-	134,031	(720)	133,311
Total comprehensive income/(expense) for the financial period, net of tax	-	-	93,556	-	41,414	(939)	162,794	296,825	(3,915)	292,910
Transaction with owners: - Management incentive plan granted	-	-	-	734	-	-	-	734	-	734
At 31 March 2021	5,885,896	4,321,351	1,239,855	6,861	(210,529)	(864)	(1,909,977)	3,446,697	(27,563)	3,419,134

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	Share capital RM'000	Foreign exchange reserve RM'000	Share option reserve RM'000	Hedging reserve RM'000	Other reserves RM'000	Accumulated losses RM'000	Total RM'000		
<u>2020</u>										
At 1 January 2020	5,876,525	4,319,029	1,203,934	5,289	(113,634)	8,864	(2,196,474)	3,227,008	(13,868)	3,213,140
(Loss)/Profit for the financial period	-	-	-	-	-	-	(223,967)	(223,967)	4,420	(219,547)
Other comprehensive income/(expense) for the financial period, net of tax	-	-	158,294	-	(169,555)	(13,673)	-	(24,934)	(468)	(25,402)
Total comprehensive income/(expense) for the financial period, net of tax	-	-	158,294	-	(169,555)	(13,673)	(223,967)	(248,901)	3,952	(244,949)
Transaction with owners: - Management incentive plan granted	-	-	-	870	-	-	-	870	-	870
At 31 March 2020	5,876,525	4,319,029	1,362,228	6,159	(283,189)	(4,809)	(2,420,441)	2,978,977	(9,916)	2,969,061

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Period Ended 31.03.2021 RM'000	Period Ended 31.03.2020 RM'000
OPERATING ACTIVITIES		
Profit/(Loss) for the financial period	159,599	(219,547)
Adjustments for non-cash items:		
Share of results of joint ventures and associates	(7,366)	4,520
Net gain on disposal of property, plant and equipment and non-current assets held-for-sale	(6,855)	(401)
Depreciation of property, plant and equipment	127,032	142,709
Fair value through profit or loss on derivative financial instruments	(656)	1,293
Net writeback of allowance for impairment losses	(5,694)	(552)
Bad debts written off	-	1
Unrealised foreign exchange gain	(1,730)	(933)
Share-based payment	734	870
Impairment of:		
- Property, plant and equipment	-	314,350
Interest income	(3,538)	(7,511)
Interest expense	101,374	135,275
Accretion of interest	914	678
Taxation	24,365	5,332
Operating profit before changes in working capital	388,179	376,084
Changes in working capital:		
Inventories	3,394	1,938
Finance lease receivables	67,876	5,898
Trade and other receivables	57,479	(97,716)
Trade and other payables	(9,532)	(69,401)
Joint ventures and associates	(55,886)	(24,635)
Cash from operations	451,510	192,168
Interest paid	(120,579)	(154,816)
Tax paid	(3,137)	(1,576)
NET CASH FLOWS GENERATED FROM OPERATING ACTIVITIES	327,794	35,776
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(4,586)	(40,181)
Proceeds from disposal of property, plant and equipment	81,585	10,890
Advances to an associate	(18,497)	-
Interest received	4,149	8,295
Dividend received from a joint venture	11,244	-
NET CASH FLOWS GENERATED FROM/(USED IN) INVESTING ACTIVITIES	73,895	(20,996)
FINANCING ACTIVITIES		
Repayment of borrowings	(349,896)	(206,559)
Repayments of lease liabilities	(350)	(1,394)
NET CASH FLOWS USED IN FINANCING ACTIVITIES	(350,246)	(207,953)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	Period Ended 31.03.2021 RM'000	Period Ended 31.03.2020 RM'000
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	51,443	(193,173)
CURRENCY TRANSLATION DIFFERENCES	28,986	58,335
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	894,781	1,094,376
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	975,210	959,538
Cash and cash equivalents consist of:		
Deposits with licensed banks	708,951	710,802
Cash and bank balances	266,259	248,736
	975,210	959,538

EXPLANATORY NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2021

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 2020 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 2020. 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 2020, other than those disclosed below:

- (a) Amendments to published standards and interpretations that are effective
- (i) Amendments to MFRS which are applicable to the Group beginning on or after 1 January 2021:
- Amendments to MFRS 9 “Financial Instruments”, MFRS 139 “Financial Instruments: Recognition and Measurement”, MFRS 7 “Financial Instruments: Disclosures” and MFRS 16 “Leases” – Interest Rate Benchmark Reform – Phase 2

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

- (b) Amendments to published standards and interpretations that have been issued but are not yet effective
- (i) Amendments to MFRS and annual improvements which are applicable to the Group beginning on or after 1 January 2022:
- Amendments to MFRS 116 “Property, Plant and Equipment” – Proceeds before Intended Use
 - Amendments to MFRS 137 “Provisions, Contingent Liabilities and Contingent Assets” – Onerous Contracts – Costs of Fulfilling a Contract
 - Amendments to Annual Improvements to MFRS Standards 2018–2020
 - Amendments to References to the Conceptual Framework in MFRS Standards
 - Amendments to MFRS 3 “Business Combinations”
- (ii) Amendments to MFRS which are applicable to the Group beginning on or after 1 January 2023:
- Amendments to MFRS 101 “Presentation of Financial Statements” – Classification of Liabilities as Current or Non-current
 - Amendments to MFRS 101 “Presentation of Financial Statements” – Disclosure of Accounting Policies
 - Amendments to MFRS 108 “Accounting Policies, Changes in Accounting Estimates and Errors” – Definition of Accounting Estimates

The adoption of the above amendments to MFRS and annual improvements may result in a change in accounting policy. The Group will quantify the effect of adopting these standards when the full standards are 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 31.03.2021 RM'000	YTD 31.03.2020 RM'000	Change RM'000
Segment revenue			
FPO ⁽¹⁾	495,151	462,106	33,045
OMS ⁽¹⁾	67,552	90,512	(22,960)
Total revenue	562,703	552,618	10,085
Profit/(Loss) for the financial period	159,599	(219,547)	379,146
Finance costs	101,632	137,246	(35,614)
Depreciation of property, plant and equipment	127,032	142,709	(15,677)
Impairment losses on vessels	-	314,350	(314,350)

The Group generated revenue of RM562.7 million for the financial period ended 31 March 2021 (“YTD 2021”), an increase of RM10.1 million compared to the financial period ended 31 March 2020 (“YTD 2020”). Revenue from the FPO segment increased due to improved vessel availability for Armada Kraken FPSO, while revenue from the OMS segment decreased due to lower OSV ⁽²⁾ vessel utilisation from 56% in YTD 2020 to 44% in YTD 2021.

OSV vessel average utilisation rates for the financial year ended	YTD 31.03.2021 %	YTD 31.03.2020 %	Change in %
Group’s vessels	44	56	(12)
- Class A ⁽³⁾	49	55	(6)
- Class B ⁽⁴⁾	15	60	(45)

The Group generated a profit of RM159.6 million for YTD 2021 compared to a loss of RM219.5 million for YTD 2020 mainly due impairment losses on vessels recognised in YTD 2020.

With reference to Note 10 Segmental Information, the FPO segment results increased to RM355.7 million for YTD 2021 as compared to RM354.4 million for YTD 2020 mainly due to higher revenue from Armada Kraken FPSO, which was offset by higher operating cost from Armada Olombendo FPSO. The OMS segment results increased to RM12.5 million for YTD 2021 as compared to RM6.9 million for YTD 2020 mainly due to lower foreign exchange loss arising from translation of fixed deposits and intercompany balances denominated in foreign currencies, which was offset by lower OSV vessel utilisation in YTD 2021.

Notes:

- ⁽¹⁾ FPO – Floating Production and Operations, and OMS – Offshore Marine Services.
- ⁽²⁾ OSV – Offshore Support Vessel.
- ⁽³⁾ Class A represents vessels which are less than 12 years old or more than 8000 brake horsepower and accommodation work barges which are more than 200 pax in capacity.
- ⁽⁴⁾ Class B represents vessels which are more than 12 years old or less than 8000 brake horsepower and accommodation work barges which are less than 200 pax in capacity.

2. MANAGEMENT COMMENTARY (CONTINUED)

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

Financial Indicators	1st Quarter 2021 RM'000	4th Quarter 2020 RM'000	Change RM'000
Segment revenue			
FPO	495,151	532,068	(36,917)
OMS	67,552	83,970	(16,418)
Total revenue	562,703	616,038	(53,335)
Profit for the financial period	159,599	135,104	24,495
Finance costs	101,632	109,816	(8,184)
Depreciation of property, plant and equipment	127,032	131,285	(4,253)
Impairment losses on vessels	-	26,824	(26,824)

The Group generated revenue of RM562.7 million for the quarter ended 31 March 2021 ("Q1 2021"), a decrease of RM53.3 million compared to the quarter ended 31 December 2020 ("Q4 2020"). The decrease from the FPO segment was due to lower vessel availability for Armada Kraken FPSO, while the decrease in revenue from the OMS segment was mainly due to lower OSV vessel utilisation in Q1 2021 as compared to Q4 2020.

OSV vessel average utilisation rates for the quarters ended	1st Quarter 2021 %	4th Quarter 2020 %	Change in %
Group's vessels	44	49	(5)
- Class A	49	48	1
- Class B	15	50	(35)

The Group generated a profit of RM159.6 million for Q1 2021 compared to RM135.1 million in Q4 2020 mainly due to impairment losses on vessels recognised in Q4 2020.

With reference to Note 10 Segmental Information, the FPO segment results increase to RM355.7 million for Q1 2021 as compared to RM310.8 million for Q4 2020 mainly due to lower operating cost from Armada Olombendo FPSO. The OMS segment results decreased to RM12.5 million for Q1 2021 as compared to RM25.6 million for Q4 2020 mainly due to foreign exchange loss arising from translation of intercompany balances denominated in foreign currency as compared to Q4 2020.

(C) Review of consolidated statement of financial position

Financial Indicators	As at 31.03.2021 RM'000	As at 31.12.2020 RM'000	Change RM'000
Total assets	12,818,999	12,647,568	171,431
Total liabilities	(9,399,865)	(9,522,078)	122,213
Total equity	(3,419,134)	(3,125,490)	(293,644)

As at 31 March 2021, the Group had total assets of RM12,819.0 million, an increase of 1% compared to 31 December 2020, mainly due to increase in finance lease receivables and deposits, cash and bank balances arising from higher valuation of balances denominated in USD due to stronger USD rates in March 2021.

As at 31 March 2021, the Group had total liabilities of RM9,399.9 million, a decrease of 1% compared to 31 December 2020, mainly due to repayment of bank borrowings.

2. MANAGEMENT COMMENTARY (CONTINUED)

(D) Review of consolidated statement of cash flows

Financial Indicators	YTD 31.03.2021 RM'000	YTD 31.03.2020 RM'000	Change RM'000
Net cash flows generated from operating activities	327,794	35,776	292,018
Net cash flows generated from/(used in) investing activities	73,895	(20,996)	94,891
Net cash flows used in financing activities	(350,246)	(207,953)	(142,293)
Net increase/(decrease) in cash and cash equivalents	51,443	(193,173)	244,616

The Group had higher net cash flows generated from operating activities in YTD 2021 compared to YTD 2020 mainly due to higher cash from operations and lower interest paid during YTD 2021 resulting from repayment of bank borrowings.

The Group had net cash flows generated from investing activities in YTD 2021 compared to net cash flows used in investing activities in YTD 2020 mainly due to lower purchases of property, plant and equipment (“PPE”) and higher sales proceeds received from disposal of PPE during YTD 2021.

The Group had higher net cash flows used in financing activities in YTD 2021 compared to YTD 2020 due to higher repayment of borrowings in YTD 2021.

(E) Critical accounting estimates and judgements

In Q1 2021, the Group revised the useful life of certain OMS vessels based on the expected period of future economic benefits for the vessel costs. The revision was accounted for as a change in accounting estimate and was made effective on 1 January 2021. As a result, the depreciation charge in Q1 2021 increased by RM2.1 million.

The Group’s assessment of the impact from COVID-19 pandemic on the Group’s operations and financial performance during the quarter ended 31 March 2021 (“Q1 2021”) includes a review of the likelihood of increase in expected credit losses of financial assets, the decline in the recoverable amount of vessels, the impact on earnings, and increased liquidity risks. The operational impact from COVID-19 is as follows:

Operational impact

The Group holds interests in associates involved in the construction of one (1) FPSO for the ONGC NELP Block KG – DWN 98/2 Development Project Cluster-II field located on the east coast of Kakinada, offshore India (“98/2 Project”). The construction of the FPSO continues but has been delayed due to, inter alia regulatory constraints imposed by the government of various countries following the COVID-19 pandemic.

The charterer has granted an extension of timeline on project completion in view of the Indian government guidelines in respect of the COVID-19 pandemic.

The associates remain committed to fulfil their obligations under the charter contract and are finalising the various components of the funding structure.

3. PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2021

Broad recovery of the global economy is expected in 2021, tempered by on-going concerns on the COVID-19 pandemic. The Group expects the FPO business to be relatively stable in 2021, while the OMS business is anticipated to remain subdued.

The Group will continue to focus on the following areas to improve the prospects for the organisation:

- Safety of all employees, partners and assets;
- Build on the improved operational performance of FPO Division;
- Improve the balance sheet;
- Maintain crucial relationships with clients and partners; and
- Monetise surplus assets.

4. QUALIFICATION OF PRECEDING AUDITED FINANCIAL STATEMENTS

There was no qualification to the audited financial statements for the preceding financial year ended 31 December 2020.

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 2021.

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 financial period ended 31 March 2021, except as disclosed in Note 2(E) and Note 3.

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, except as disclosed in Note 2(E).

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 31 March 2021.

10. SEGMENTAL INFORMATION

The Group is organised into 2 core business segments based on the type of activities carried out by its vessels. The information of each of the Group's business segments for the individual quarter ended 31 March 2021 and 31 March 2020 are as follows:

Individual Quarter Ended 31.03.2021	FPO RM'000	OMS RM'000	Corporate and others RM'000	Elimination RM'000	Group RM'000
Revenue	495,151	67,552	-	-	562,703
Inter-segment revenue	-	-	-	-	-
Results					
Segment results	355,688	12,460	(15,535)	-	352,613
Depreciation of property, plant and equipment	(85,123)	(41,170)	(739)	-	(127,032)
Net writeback of allowance for impairment losses	-	5,694	-	-	5,694
Share of results of joint ventures and associates	12,954	(5,588)	-	-	7,366
Subtotal	283,519	(28,604)	(16,274)	-	238,641
Other operating income					46,955
Finance costs					(101,632)
Taxation					(24,365)
Profit for the financial period					159,599

Individual Quarter Ended 31.03.2020	FPO RM'000	OMS RM'000	Corporate and others RM'000	Elimination RM'000	Group RM'000
Revenue	462,106	90,512	-	-	552,618
Inter-segment revenue	-	-	16,462	(16,462)	-
Results					
Segment results	354,422	6,911	(3,582)	-	357,751
Depreciation of property, plant and equipment	(86,373)	(55,194)	(1,142)	-	(142,709)
Net writeback of allowance for impairment losses	-	552	-	-	552
Bad debts written off	-	(1)	-	-	(1)
Impairment	-	(314,350)	-	-	(314,350)
Share of results of joint ventures and associates	(4,520)	-	-	-	(4,520)
Subtotal	263,529	(362,082)	(4,724)	-	(103,277)
Other operating income					26,308
Finance costs					(137,246)
Taxation					(5,332)
Loss for the financial period					(219,547)

Segmental revenue for FPO and OMS is mainly denominated in USD.

11. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

As at 31 March 2021, 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

No material events have arisen in the interval between the end of this reporting period and the date of this report.

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

The Group's contingent liabilities comprising bank guarantees extended to third parties amounted to RM59.2 million as at 31 March 2021 as compared to RM79.2 million as at 31 December 2020. 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 31 March 2021 and 31 December 2020 are as follows:

	As at 31.03.2021 RM'000	As at 31.12.2020 RM'000
- authorised and contracted	3,315	5,725
- authorised but not contracted	9,066	16,979
	<u>12,381</u>	<u>22,704</u>

16. SIGNIFICANT RELATED PARTY DISCLOSURES

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

	Quarter Ended 31.03.2021 RM'000	Quarter Ended 31.03.2020 RM'000
(a) Management fees and engineering assistance services receivable from joint ventures and an associate		
- revenue	12,311	1,444
- other operating income	32,883	17,196
(b) Payment on behalf of joint ventures	93	254
(c) Telecommunication expenses to Maxis Berhad ⁽¹⁾	(62)	(85)
(d) Rental to Malaysian Landed Property Sdn Bhd ⁽²⁾	(916)	(1,174)
(e) Transaction with UTSB Management Sdn Bhd ⁽³⁾		
- management fees	(1,765)	(1,923)
(f) Transactions with Mezzanine Equities N.V. ⁽³⁾		
- interest expense	(3,733)	(5,504)
(g) Transactions with an associate		
- advances to an associate	18,497	-
- interest income	2,320	1,559
(h) Key management personnel compensation		
- Non-Executive Directors' fees	(614)	(543)
- salaries, bonus and allowances and other staff related costs	(3,670)	(2,647)
- defined contribution plan	(129)	(122)
- share-based payment	(616)	(856)

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 a joint venture, in which UTSB has a significant equity interest.

⁽²⁾ Subsidiary of a company in which TAK has 100% equity interest.

⁽³⁾ Subsidiary of UTSB, a substantial shareholder of the Company.

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 Quarter Period Ended	
	31.03.2021 RM'000	31.03.2020 RM'000	31.03.2021 RM'000	31.03.2020 RM'000
Income tax:				
- Current year	26,877	6,492	26,877	6,492
- Prior year	(2,473)	4	(2,473)	4
Deferred tax	(39)	(1,164)	(39)	(1,164)
Total	24,365	5,332	24,365	5,332

The Group's effective tax rates for the individual and cumulative quarter ended 31 March 2021 were 13%. The difference in the effective tax rate and the Malaysian statutory tax rate of 24% is mainly due to income not subject to tax, tax effect of different tax rates in other countries and deferred tax assets not recognised.

19. STATUS OF CORPORATE PROPOSALS ANNOUNCED

There were no corporate proposals announced but not completed as at the date of this report other than the announcement on 13 August 2013 that a USD1.5 billion Multi Currency Euro Medium Term Note Programme ("EMTN Programme") has been established on 6 August 2013 by a wholly-owned subsidiary, Bumi Armada Capital Offshore Ltd. To date, no medium term notes have been issued under the EMTN Programme.

20. TRADE RECEIVABLES

The credit terms of trade receivables ranged from 0 to 60 days. Ageing analysis of trade receivables as at 31 March 2021 and 31 March 2020 is as follows:

	As at 31.03.2021 RM'000	As at 31.03.2020 RM'000
Current	457,821	459,016
Less than 30 days past due	9,131	129,349
Between 31 and 60 days past due	2,896	4,175
Between 61 and 90 days past due	145	11,380
Between 91 days and 1 year past due	1,978	7,932
More than 1 year past due	6,144	3
	<u>478,115</u>	<u>611,855</u>

Trade receivables which are past due as listed above, are not impaired as the Group has assessed these balances and believes that they are recoverable.

21. BORROWINGS

	As at 31.03.2021			As at 31.12.2020			As at 31.03.2020		
	Denominated in USD RM'000	Denominated in RM RM'000	Total RM'000	Denominated in USD RM'000	Denominated in RM RM'000	Total RM'000	Denominated in USD RM'000	Denominated in RM RM'000	Total RM'000
SHORT-TERM DEBTS									
Secured:									
Term loans	980,212	-	980,212	971,717	-	971,717	872,996	-	872,996
Unsecured:									
Sukuk Murabahah – current	-	7,168	7,168	-	30,653	30,653	-	6,908	6,908
Term loans ⁽¹⁾	218,713	-	218,713	537,146	-	537,146	306,970	-	306,970
Total short-term debts	1,198,925	7,168	1,206,093	1,508,863	30,653	1,539,516	1,179,966	6,908	1,186,874
LONG TERM DEBTS									
Secured:									
Term loans	3,565,180	-	3,565,180	3,662,385	-	3,662,385	4,602,643	-	4,602,643
Unsecured:									
Sukuk Murabahah	-	1,499,665	1,499,665	-	1,499,630	1,499,630	-	1,499,526	1,499,526
Term loans	1,870,721	-	1,870,721	1,604,904	-	1,604,904	2,419,872	-	2,419,872
Total long-term debts	5,435,901	1,499,665	6,935,566	5,267,289	1,499,630	6,766,919	7,022,515	1,499,526	8,522,041
Total borrowings	6,634,826	1,506,833	8,141,659	6,776,152	1,530,283	8,306,435	8,202,481	1,506,434	9,708,915

21. BORROWINGS (CONTINUED)

- (1) In February 2021, the Group signed an amendment and restatement agreement (“Amendment Agreement”) to defer the repayment of Tranche 1 facility from 24 months to 42 months from the Loan disbursement date of 23 May 2019. The final maturity date of Tranche 1 facility is 23 November 2022. Accordingly, the non-current borrowings was reclassified as non-current liabilities.

As at 31 March 2021, the proportion of borrowings between floating interest rates and fixed interest rates is 81%:19%. The term loan facility that has a floating interest rate has been partially hedged using Interest Rate Swap, while Sukuk Murabahah has been hedged using Cross Currency Interest Rate Swap, as disclosed in Note 22.

The weighted contractual interest/profit rates per annum of borrowings that were effective as at the end of the financial period are as follows:

	31.03.2021	31.12.2020	31.03.2020
	%	%	%
Term loans	3.63	3.67	4.88
Sukuk Murabahah	6.35	6.35	6.35

Borrowings as at 31 March 2021 decreased by 2% as compared to 31 December 2020 mainly due to repayment of bank borrowings.

22. DERIVATIVE FINANCIAL INSTRUMENTS

Details of derivative financial instruments outstanding as at 31 March 2021 and 31 December 2020 are as set out below:

Types of Derivative	<u>As at 31.03.2021</u>		<u>As at 31.12.2020</u>	
	Contract/ Notional amount RM’000	Fair value liabilities RM’000	Contract/ Notional amount RM’000	Fair value liabilities RM’000
Derivatives used for hedging:				
Interest rate swaps				
- Less than 1 year	659,081	(39,356)	657,773	(40,372)
- 1 to 3 years	1,121,919	(47,597)	1,159,389	(61,142)
- More than 3 years	1,245,121	(8,336)	1,279,730	(39,869)
	<u>3,026,121</u>	<u>(95,289)</u>	<u>3,096,892</u>	<u>(141,383)</u>
Cross currency interest rate swaps				
- Less than 1 year	-	(9,062)	-	(4,456)
- 1 to 3 years	-	(23,825)	-	(16,101)
- More than 3 years	1,500,000	(435,842)	1,500,000	(387,337)
	<u>1,500,000</u>	<u>(468,729)</u>	<u>1,500,000</u>	<u>(407,894)</u>

There have been no changes since the end of the previous financial year ended 31 December 2020 in respect of the following:

- (a) the 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.

The Group’s hedging reserve as at 31 March 2021 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 hedging reserve will be released to the profit or loss within finance costs 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 31 March 2021 and 31 December 2020 except as set out below:

	As at 31.03.2021		As at 31.12.2020	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Finance lease receivables	4,754,740	5,392,530	4,678,603	5,287,595
Amount due from a joint venture	33,408	56,164	32,243	54,332
Amount due from an associate	213,097	196,880	186,301	173,243
Sukuk Murabahah	1,506,833	1,536,276	1,530,283	1,603,065

The fair value of finance lease receivables, amount due from a joint venture, amount due from an associate and fixed rate Sukuk Murabahah are within Level 3 of the fair value hierarchy.

(b) Financial instruments carried at fair value

The table below analyses financial instruments carried at fair value as at 31 March 2021 and 31 December 2020, by valuation method.

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
As at 31.03.2021				
Financial assets:				
Financial assets at fair value through other comprehensive income	13,456	-	-	13,456
Derivatives used for hedging				
- Interest rate swaps	-	2,178	-	2,178
- Cross currency interest rate swaps	-	1,765	-	1,765
Financial liabilities:				
Derivatives used for hedging				
- Interest rate swaps	-	(97,467)	-	(97,467)
- Cross currency interest rate swaps	-	(470,494)	-	(470,494)

23. FAIR VALUE HIERARCHY (CONTINUED)

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

The table below analyses financial instruments carried at fair value as at 31 March 2021 and 31 December 2020, by valuation method.

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
As at 31.12.2020				
Financial assets:				
Financial assets at fair value through other comprehensive income	13,964	-	-	13,964
Derivatives used for hedging				
- Cross currency interest rate swaps	<u>-</u>	<u>2,437</u>	<u>-</u>	<u>2,437</u>
Financial liabilities:				
Derivatives used for hedging				
- Interest rate swaps	-	(141,383)	-	(141,383)
- Cross currency interest rate swaps	<u>-</u>	<u>(410,331)</u>	<u>-</u>	<u>(410,331)</u>

The fair value of financial instruments traded in an active market is based on quoted market price at the statement of financial position 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 year and the comparative year. There were also no changes in the purpose of any financial instruments that subsequently caused a change in classification of those instruments.

24. NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF INCOME

	Individual Quarter Ended 31.03.2021 RM'000	Individual Quarter Ended 31.03.2020 RM'000
Profit/(Loss) before taxation is arrived at after (crediting)/charging:		
(a) Other operating income		
- Interest income	(3,538)	(7,511)
- Gain on disposal of property, plant and equipment and non-current assets held-for-sale	(6,958)	(401)
- Management fees charged to an associate	(32,883)	(17,196)
- Others	(3,576)	(1,200)
(b) Interest expense	101,374	135,275
(c) Accretion of receivables	914	678
(d) Depreciation of property, plant and equipment	127,032	142,709
(e) Impairment of		
- Property, plant and equipment	-	(314,350)
(f) Loss on disposal of non-current assets held-for-sale	103	-
(g) Net writeback of allowance for impairment losses		
- Trade receivables	(5,694)	(552)
(h) Bad debts written off	-	1
(i) Net foreign exchange loss/(gain)		
- realised	2,433	15,504
- unrealised	(1,730)	(933)
(j) Fair value through profit and loss on derivative financial instruments	(656)	1,293
(k) Retrenchment expenses	2,023	-

Other than as presented in the consolidated statement of income and as disclosed above, there was no allowance for and write-off of inventories, gain or loss on disposal of quoted or unquoted investments or properties and other exceptional items for the current quarter ended 31 March 2021.

25. MATERIAL LITIGATION

Save for the following, as at 31 March 2021, the Group was not involved in any material litigation, claims or arbitration, and is not aware of any material litigation, claims or arbitration pending or threatened against the Group:

(a) In the Supreme Court of Western Australia between Armada Balnaves Pte Ltd and Woodside Energy Julimar Pty Ltd

The matter arose out of a dispute between Armada Balnaves Pte Ltd (“ABPL”), our wholly-owned subsidiary, and Woodside Energy Julimar Pty Ltd (“WEJ”) in relation to a contract for the provision of floating production storage and offloading services dated 30 September 2011 (“Contract”). On 4 March 2016, WEJ purported to terminate the Contract by issuing a notice of termination to ABPL. ABPL considered that this purported termination by WEJ tantamount to a cancellation for convenience, or a repudiation of the Contract, either of which entitles ABPL to claim damages.

On 14 March 2016, ABPL commenced a writ action in the Supreme Court of Western Australia (“Supreme Court”) against WEJ for, inter alia, (i) a declaration that WEJ was in repudiatory breach of the Contract and (ii) damages for WEJ’s breach of the Contract. The trial for this matter commenced at the Supreme Court on 18 February 2019 and concluded on 27 March 2019. Judgment was delivered by the Supreme Court on 24 January 2020 as summarised below:

1. The Supreme Court ruled in favour of WEJ on ABPL’s main claim of repudiation of the Contract.
2. ABPL was found to be entitled to a payment of USD2,000,050 for unpaid milestone claims and AUD341,165.29 for unpaid invoices. ABPL was found to be required to pay WEJ AUD1,567,302.20 for reimbursement of miscellaneous charges.

The Supreme Court issued the final orders on the judgment on 20 February 2020. ABPL filed an appeal against the Supreme Court’s decision at the Court of Appeal on 11 March 2020. The Court of Appeal has listed the appeal hearing for July 2021.

26. DIVIDENDS

No dividend was declared or recommended for the current financial period ended 31 March 2021.

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 year.

Diluted EPS adjusts the figures used in the determination of basic EPS to take into account:

- the after income tax effect of interest and other financing costs associated with the Management Incentive Plan (“MIP”); and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares from the MIP.

The MIP shares awarded were not dilutive for the period ended 31 March 2021 as there is one vesting condition to be satisfied before Quarter 2, 2021. Hence, the calculation of diluted earnings per share does not assume the vesting of the MIP.

	Individual Quarter Ended		Cumulative Quarter Period Ended	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Profit/(Loss) attributable to Owners of the Company (RM’000)	162,794	(223,967)	162,794	(223,967)
Weighted average/adjusted weighted average number of ordinary shares in issue for basic EPS (’000)	5,885,896	5,876,525	5,885,896	5,876,525
Basic EPS (sen)	2.77	(3.81)	2.77	(3.81)
Diluted EPS (sen)	2.77	(3.81)	2.77	(3.81)

BY ORDER OF THE BOARD

NOREEN MELINI BINTI MUZAMLI (LS 0008290)
NOOR HAMIZA BINTI ABD HAMID (MAICSA 7051227)
Joint Company Secretaries

Kuala Lumpur
25 May 2021