



BUMIARMADA

BUMI ARMADA BERHAD

199501041194 (370398-X)

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 DECEMBER 2022

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 fourth quarter and financial year ended 31 December 2022 which should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the unaudited condensed consolidated financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF INCOME

	Note	Individual Quarter Ended			Cumulative Quarters Year Ended		
		31.12.2022 RM'000	31.12.2021 RM'000	+ / (-) %	31.12.2022 RM'000	31.12.2021 RM'000	+ / (-) %
<u>Continuing operations</u>							
Revenue		605,028	513,054	18	2,405,539	2,162,582	11
Cost of sales		(331,821)	(290,609)		(1,346,832)	(1,229,081)	
Gross profit		273,207	222,445	23	1,058,707	933,501	13
Other operating income		13,801	10,491		58,226	145,494	
Selling and distribution costs		(1,083)	(1,723)		(5,559)	(4,648)	
Administrative expenses		(34,054)	(29,946)		(84,826)	(96,901)	
Operating profit before impairment		251,871	201,267	25	1,026,548	977,446	5
Impairment		-	-		-	(19,116)	
Operating profit		251,871	201,267	25	1,026,548	958,330	7
Finance costs		(99,368)	(92,625)		(366,698)	(397,122)	
Share of results of joint ventures and associates		39,571	31,149		49,151	106,688	
Profit before taxation		192,074	139,791	37	709,001	667,896	6
Taxation	18	19,729	1,387		15,655	(25,058)	
Profit from continuing operations		211,803	141,178	50	724,656	642,838	13
<u>Discontinued operations</u>							
Loss from discontinued operations		-	(28,516)		-	(85,160)	
Profit for the financial period/year		211,803	112,662	88	724,656	557,678	30
Attributable to:							
- Owners of the Company							
- from continuing operations		210,681	146,517		732,411	659,226	
- from discontinued operations		-	(28,516)		-	(85,160)	
		210,681	118,001		732,411	574,066	
- Non-controlling interests							
- from continuing operations		1,122	(5,339)		(7,755)	(16,388)	
		211,803	112,662		724,656	557,678	
Basic earnings per share (sen)							
- from continuing operations	27	3.56	2.48		12.38	11.18	
- from discontinued operations		-	(0.48)		-	(1.44)	
		3.56	2.00		12.38	9.74	
Diluted earnings per share (sen)							
- from continuing operations	27	3.56	2.48		12.38	11.18	
- from discontinued operations		-	(0.48)		-	(1.44)	
		3.56	2.00		12.38	9.74	

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Individual Quarter Ended		Cumulative Quarters Year Ended	
		31.12.2022 RM'000	31.12.2021 RM'000	31.12.2022 RM'000	31.12.2021 RM'000
Profit for the financial period/year		211,803	112,662	724,656	557,678
<u>Continuing operations</u>					
Other comprehensive income/(expense)					
Items that may be reclassified subsequently to profit or loss					
- Fair value gain on cash flow hedges		30,059	49,131	290,247	110,875
- Costs of hedging		(41,391)	7,609	(32,746)	12,979
- Foreign currency translation differences		(257,674)	(17,117)	170,122	107,269
- Share of other comprehensive (expense)/income of joint ventures		(24)	869	2,555	2,688
Items that will not be reclassified to profit or loss:					
- Financial assets at fair value through other comprehensive income:					
- Gain/(Loss) on fair value change		3,613	(425)	14,342	(1,817)
Other comprehensive (expense)/income for the financial period/year, net of tax, from continuing operations		(265,417)	40,067	444,520	231,994
<u>Discontinued operations</u>					
Other comprehensive income for the financial period/year, net of tax, from discontinued operations		-	594	-	1,055
Other comprehensive (expense)/income for the financial period/year, net of tax		(265,417)	40,661	444,520	233,049
Total comprehensive (expense)/income for the financial period/year		(53,614)	153,323	1,169,176	790,727
Total comprehensive (expense)/income attributable to:					
- Owners of the Company					
- from continuing operations		(57,030)	186,470	1,179,275	892,063
- from discontinued operations		-	(27,922)	-	(84,105)
		(57,030)	158,548	1,179,275	807,958
- Non-controlling interests					
- from continuing operations		3,416	(5,225)	(10,099)	(17,231)
		(53,614)	153,323	1,169,176	790,727

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 31.12.2022 RM'000	As at 31.12.2021 RM'000
NON-CURRENT ASSETS			
Property, plant and equipment	11	4,011,548	4,212,753
Investments in joint ventures		1,037,362	1,031,331
Investments in associates		39,276	33,383
Financial assets at fair value through other comprehensive income		27,816	12,651
Finance lease receivables		4,350,572	4,403,444
Accrued lease rental		-	83,330
Amount due from a joint venture		26,748	31,994
Amount due from an associate		357,317	322,801
Derivative financial instruments	22	46,522	364
Deferred tax assets		9,339	28,326
TOTAL NON-CURRENT ASSETS		9,906,500	10,160,377
CURRENT ASSETS			
Finance lease receivables		277,905	225,364
Trade receivables	20	506,945	494,286
Other receivables, deposits and prepayments		32,804	82,909
Contract assets		32,156	12,480
Amounts due from joint ventures		23,614	13,988
Amounts due from associates		15,691	9,775
Derivative financial instruments	22	50,843	487
Tax recoverable		40,713	20,469
Deposits, cash and bank balances		838,847	794,846
		1,819,518	1,654,604
Non-current assets and disposal group classified as held-for-sale		-	255,465
TOTAL CURRENT ASSETS		1,819,518	1,910,069
TOTAL ASSETS		11,726,018	12,070,446

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

	Note	As at 31.12.2022 RM'000	As at 31.12.2021 RM'000
LESS: CURRENT LIABILITIES			
Trade payables and accruals		182,622	158,928
Other payables and accruals		304,635	285,129
Contract liabilities		21,634	34,219
Amounts due to joint ventures		1,441	1,358
Amounts due to associates		2,945	1,987
Lease liabilities		63,861	61,263
Borrowings	21	1,018,411	1,404,128
Derivative financial instruments	22	9,737	35,671
Taxation		10,461	9,586
		1,615,747	1,992,269
Liabilities directly associated with disposal group classified as held-for-sale		-	53,579
TOTAL CURRENT LIABILITIES		1,615,747	2,045,848
NET CURRENT ASSETS/(LIABILITIES)		203,771	(135,779)
LESS: NON-CURRENT LIABILITIES			
Other payables and accruals		62,361	86,528
Contract liabilities		27,949	27,268
Lease liabilities		2,941	4,072
Borrowings	21	4,486,369	5,514,202
Derivative financial instruments	22	424,684	455,577
Deferred tax liabilities		10,417	15,123
TOTAL NON-CURRENT LIABILITIES		5,014,721	6,102,770
NET ASSETS		5,095,550	3,921,828
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Share capital		4,332,376	4,328,432
Reserves		814,152	(365,725)
		5,146,528	3,962,707
NON-CONTROLLING INTERESTS		(50,978)	(40,879)
TOTAL EQUITY		5,095,550	3,921,828
NET ASSETS PER SHARE (RM)		0.86 *	0.66

* Based on 5,918,047,144 ordinary shares in issue as at 31 December 2022.

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>2022</u>										
At 1 January 2022	5,907,045	4,328,432	1,255,466	4,657	(125,401)	(1,742)	(1,498,705)	3,962,707	(40,879)	3,921,828
Profit/(Loss) for the financial year	-	-	-	-	-	-	732,411	732,411	(7,755)	724,656
Other comprehensive income/(expense) for the financial year, net of tax	-	-	172,466	-	260,056	14,342	-	446,864	(2,344)	444,520
Total comprehensive income/(expense) for the financial year, net of tax	-	-	172,466	-	260,056	14,342	732,411	1,179,275	(10,099)	1,169,176
Transactions with owners:										
- Shares issued pursuant to the management incentive plan	11,002	3,944	-	(3,944)	-	-	-	-	-	-
- Management incentive plan granted	-	-	-	4,546	-	-	-	4,546	-	4,546
At 31 December 2022	5,918,047	4,332,376	1,427,932	5,259	134,655	12,600	(766,294)	5,146,528	(50,978)	5,095,550

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>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 year	-	-	-	-	-	-	574,066	574,066	(16,388)	557,678
Other comprehensive income/(expense) for the financial year, net of tax	-	-	109,167	-	126,542	(1,817)	-	233,892	(843)	233,049
Total comprehensive income/(expense) for the financial year, net of tax	-	-	109,167	-	126,542	(1,817)	574,066	807,958	(17,231)	790,727
Transaction with owners:										
- Shares issued pursuant to the management incentive plan	21,149	7,081	-	(7,081)	-	-	-	-	-	-
- Management incentive plan granted	-	-	-	5,611	-	-	-	5,611	-	5,611
At 31 December 2021	5,907,045	4,328,432	1,255,466	4,657	(125,401)	(1,742)	(1,498,705)	3,962,707	(40,879)	3,921,828

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Year Ended 31.12.2022 RM'000	Year Ended 31.12.2021 RM'000
OPERATING ACTIVITIES		
<u>Continuing operations</u>		
Profit for the financial year	724,656	642,838
Adjustments for non-cash items:		
Share of results of joint ventures and associates	(49,151)	(106,688)
Net loss/(gain) on disposal of property, plant and equipment and non-current assets held-for-sale	14,268	(27,535)
Depreciation of property, plant and equipment	342,661	465,772
Fair value through profit or loss on derivative financial instruments	(2,875)	(682)
Net allowance for impairment losses/(writeback of allowance for impairment losses)	71,433	(13,905)
Unrealised foreign exchange (gain)/loss	(45,693)	1,866
Share-based payment	4,546	5,611
Impairment of property, plant and equipment	-	19,116
Interest income	(29,394)	(17,981)
Interest expense	364,390	393,692
Accretion of interest	5,183	4,112
Taxation	(15,655)	25,058
Operating profit before changes in working capital	1,384,369	1,391,274
Changes in working capital:		
Inventories	-	4,060
Finance lease receivables	265,752	194,788
Trade and other receivables	40,463	60,141
Trade and other payables	32,975	20,124
Joint ventures and associates	(39,068)	(8,139)
Cash from operations	1,684,491	1,662,248
Interest paid	(334,197)	(370,366)
Tax refund/(tax paid)	60	(9,034)
Net cash flows generated from operating activities for continuing operations	1,350,354	1,282,848
Net cash flows generated from operating activities for discontinued operations	-	77,598
NET CASH FLOWS GENERATED FROM OPERATING ACTIVITIES	1,350,354	1,360,446
INVESTING ACTIVITIES		
<u>Continuing operations</u>		
Purchase of property, plant and equipment	(1,486)	(13,004)
Proceeds from disposal of property, plant and equipment	99,517	180,332
Proceeds from disposal of investments in subsidiaries	137,922	-
Advances to an associate	-	(116,091)
Interest received	28,531	18,424
Dividends received from joint ventures	78,414	115,096
Repayment from a joint venture	5,329	2,064
Proceeds from redemption of redeemable preference shares in a joint venture	-	8,245
Additional investment in joint ventures	(1,815)	(1,919)
Net cash flows generated from investing activities for continuing operations	346,412	193,147
Net cash flows generated from investing activities for discontinued operations	-	391
NET CASH FLOWS GENERATED FROM INVESTING ACTIVITIES	346,412	193,538

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	Year Ended 31.12.2022 RM'000	Year Ended 31.12.2021 RM'000
FINANCING ACTIVITIES		
<u>Continuing operations</u>		
Repayment of borrowings	(1,747,294)	(1,651,493)
Repayments of lease liabilities	(2,631)	(4,151)
Net cash flows used in financing activities for continuing operations	(1,749,925)	(1,655,644)
Net cash flows used in financing activities for discontinued operations	-	-
NET CASH FLOWS USED IN FINANCING ACTIVITIES	(1,749,925)	(1,655,644)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(53,159)	(101,660)
CURRENCY TRANSLATION DIFFERENCES	48,634	50,251
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	843,372	894,781
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	838,847	843,372
Cash and cash equivalents:		
- from continuing operations	838,847	794,846
- from discontinued operations	-	48,526
	838,847	843,372
Cash and cash equivalents consist of:		
Deposits with licensed banks	756,035	723,930
Cash and bank balances	82,812	119,442
	838,847	843,372

EXPLANATORY NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 2021 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 2021. The results of the joint ventures and associates 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 financial statements for the financial year ended 31 December 2021, other than those disclosed below:

- (a) Amendments to published standards and interpretations that are 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
 - Annual Improvements to MFRS 9 ‘Fees in the ‘10 per cent’ test for Derecognition of Financial Liabilities’
 - Annual Improvements to Illustrative Example accompanying MFRS 16 Leases: Lease Incentives
 - Amendments to References to the Conceptual Framework in MFRS Standards
 - Amendments to MFRS 3 “Business Combinations”

The adoption of the above amendments to MFRS and annual improvements 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 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, and Disclosure of Accounting Policies
 - Amendments to MFRS 108 “Accounting Policies, Changes in Accounting Estimates and Errors”
 - Definition of Accounting Estimates
 - Amendments to MFRS 112 “Income Taxes” – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- (ii) Amendments to MFRS which are applicable to the Group beginning on or after 1 January 2024:
- Amendments to MFRS 101 “Presentation of Financial Statements” – Non-current Liabilities with Covenants

The adoption of the above amendments to MFRS may result in a change in accounting policy. The Group will quantify the effect of adopting these amendments to MFRS when the amendments are effective.

2. MANAGEMENT COMMENTARY

(A) Review of performance for the current financial year (“FY”) results as compared with the previous FY

Financial Indicators	FY 31.12.2022 RM'000	FY 31.12.2021 RM'000 Restated	Change RM'000
<u>Continuing operations</u>			
Segment revenue			
Operations	2,315,371	2,057,592	257,779
Others	90,168	104,990	(14,822)
Total revenue	2,405,539	2,162,582	242,957
Profit for the financial year	724,656	642,838	81,818
Finance costs	(366,698)	(397,122)	30,424
Share of results of joint ventures and associates	49,151	106,688	(57,537)
Depreciation of property, plant and equipment	(342,661)	(465,772)	123,111
Net (allowance for impairment losses)/writeback of allowance for impairment losses	(71,433)	13,905	(85,338)
<u>Discontinued operations</u>			
Loss for the financial year	-	(85,160)	85,160

The Group generated revenue from continuing operations of RM2,405.5 million for the financial year ended 31 December 2022 (“FY 2022”), an increase of RM243.0 million compared to the financial year ended 31 December 2021 (“FY 2021”). Revenue from the Operations segment increased mainly due to Subsea Construction contract work in the Caspian Sea in FY 2022, higher vessel availability for Armada Kraken FPSO⁽¹⁾ but offset by fewer operating vessels as a result of disposal of Offshore Support Vessels (“OSVs”). In FY 2021, the lower vessel availability at Armada Kraken FPSO was due to a shutdown of one of the two trains. Others segment revenue decreased due to the provision of one-off engineering services relating to a FPSO vessel in FY 2021.

Share of results of joint ventures and associates decreased from RM106.7 million in FY 2021 to RM49.2 million in FY 2022 mainly due to the revision of residual value of the Group’s jointly owned FPSO vessels in FY 2022 (refer to Note 2(E)).

Included in the net allowance for impairment losses for FY 2022 is an allowance for impairment losses on accrued lease rental of RM88.0 million which was provided for as the Group’s wholly-owned subsidiary, Armada Balnaves Pte Ltd (“ABPL”) was unsuccessful in its appeal against Woodside Energy Julimar Pty Ltd (“WEJ”) (refer to Note 25).

The Group generated a profit from continuing operations of RM724.7 million for FY 2022, an increase of RM81.8 million compared to FY 2021 mainly due to higher contribution from Armada Kraken FPSO.

With reference to Note 10 Segmental Information, the Operations segment result increased to RM1,327.2 million for FY 2022 compared to RM1,275.5 million for FY 2021 mainly due to higher contribution from Armada Kraken FPSO. The Others segment result increased to RM55.2 million for FY 2022 compared to RM8.3 million for FY 2021 mainly due to foreign exchange gains arising from translation of intercompany balances denominated in Ringgit Malaysia.

The financial results for discontinued operations in FY 2021 relate to the disposal group held-for-sale as disclosed in Note 15.

Note:

⁽¹⁾ FPSO – Floating Production Storage Offloading vessel. This acronym is also used hereinafter.

2. MANAGEMENT COMMENTARY (CONTINUED)

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

Financial Indicators	4th Quarter 2022 RM'000	3rd Quarter 2022 RM'000	Change RM'000
Segment revenue			
Operations	599,158	621,633	(22,475)
Others	5,870	31,440	(25,570)
Total revenue	605,028	653,073	(48,045)
Profit for the financial period	211,803	139,184	72,619
Finance costs	(99,368)	(94,851)	(4,517)
Share of results of joint ventures and associates	39,571	(43,157)	82,728
Depreciation of property, plant and equipment	(86,592)	(87,385)	793
Net allowance for impairment losses	(3,122)	(4,541)	1,419

The Group generated revenue of RM605.0 million for the quarter ended 31 December 2022 (“Q4 2022”), a decrease of RM48.0 million compared to the quarter ended 30 September 2022 (“Q3 2022”). The decrease in the Operations segment was mainly due to lower progress of completion of the Subsea Construction contract work in the Caspian Sea in Q4 2022 compared to Q3 2022. The decrease in revenue from the Others segment was mainly due to preliminary front end engineering and design (“Pre-FEED”) revenue recognised in Q3 2022.

Share of results of joint ventures and associates increased from a loss of RM43.2 million in Q3 2022 to a profit of RM39.6 million in Q4 2022 mainly due to the reduced estimated residual value of the Group’s jointly owned FPSO vessels in Q3 2022 (refer to Note 2(E)).

The Group generated profit of RM211.8 million for Q4 2022, an increase of RM72.6 million compared to Q3 2022, mainly driven by the higher share of results of joint ventures and associates, which was partially offset by higher administrative expenses in Q4 2022. The higher administrative expenses in Q4 2022 was due to the loss on disposal of a OSV.

With reference to Note 10 Segmental Information, the Operations segment result increased from RM303.8 million in Q3 2022 to RM345.6 million in Q4 2022 mainly due to higher contribution from Armada Olombendo FPSO arising from the reduced estimated residual value in Q3 2022 (refer to Note 2(E)). The Others segment reported a loss of RM17.8 million in Q4 2022 compared to profit of RM46.6 million in Q3 2022 due to recognition of the remaining profit of a Pre-FEED contract in Q3 2022 for services rendered in previous quarters upon final approval by the client and foreign exchange gains arising from translation of intercompany balances denominated in Ringgit Malaysia in Q3 2022.

(C) Review of consolidated statement of financial position

Financial Indicators	As at 31.12.2022 RM'000	As at 31.12.2021 RM'000	Change RM'000
Total assets	11,726,018	12,070,446	(344,428)
Total liabilities	(6,630,468)	(8,148,618)	1,518,150
Total equity	(5,095,550)	(3,921,828)	(1,173,722)

As at 31 December 2022, the Group had total assets of RM11,726.0 million, a decrease of 3% compared to 31 December 2021, mainly due to disposal of non-current assets and disposal group classified as held-for-sale as at 31 December 2021 in FY 2022, decrease in property, plant and equipment arising from depreciation and disposals in FY2022 and full allowance for impairment losses on accrued lease rental provided in FY 2022 (refer to Note 25). This decrease was partially offset by the higher valuation of balances denominated in USD due to the stronger USD exchange rate as at December 2022.

As at 31 December 2022, the Group had total liabilities of RM6,630.5 million, a decrease of 19% compared to 31 December 2021. This was mainly due to repayment of bank borrowings, offset by higher valuation of balances denominated in USD due to the stronger USD exchange rate as at 31 December 2022.

2. MANAGEMENT COMMENTARY (CONTINUED)

(D) Review of consolidated statement of cash flows

Financial Indicators	FY 31.12.2022 RM'000	FY 31.12.2021 RM'000	Change RM'000
<u>Continuing operations</u>			
Net cash flows generated from operating activities	1,350,354	1,282,848	67,506
Net cash flows generated from investing activities	346,412	193,147	153,265
Net cash flows used in financing activities	(1,749,925)	(1,655,644)	(94,281)
Net decrease in cash and cash equivalents for continuing operations	(53,159)	(179,649)	126,490
<u>Discontinued operations</u>			
Net cash flows generated from operating activities	-	77,598	(77,598)
Net cash flows generated from investing activities	-	391	(391)
Net increase in cash and cash equivalents for discontinued operations	-	77,989	(77,989)
Net decrease in cash and cash equivalents	(53,159)	(101,660)	48,501

Lower interest paid contributed to the increase in the Group's net cash flows from operating activities in FY2022 compared to FY2021.

The Group had higher net cash flows generated from investing activities for continuing operations in FY 2022 compared to FY 2021 mainly due to proceeds from the disposal of the Ice Class Vessel Companies (Note 15).

In FY 2022, the Group repaid bank debt of RM1,747.3 million.

The cash flows for discontinued operations relate to the disposal group held-for-sale as disclosed in Note 15.

(E) Critical accounting estimates and judgements

Revision of residual value and useful life of vessels

In FY 2022, the Group has revised the following accounting estimates with effect from 1 July 2022:

- (a) Residual values of all FPSO vessels accounted for as property, plant and equipment ("PPE") and the unguaranteed residual values of all FPSO vessels accounted for as financial lease receivables ("FLR"). The residual values have been revised down to the vessels' expected scrap values at the end of their useful lives; and
- (b) Extension of useful life of a FPSO vessel based on the expected period of future economic benefits for the vessel.

As a result of the above, the impact to the FY 2022 financial results of the Group is as follows:

- Reduction in gross profit of RM27.5 million, which includes a one-off impact of RM25.9 million; and
- Decrease in share of results of joint ventures and associates by RM48.0 million, which includes a one-off impact of RM45.1 million.

Construction of a 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 Group holds interests in associates involved in the 98/2 Project. The FPSO has arrived at the field and is safely hooked-up, and ready to commence commissioning.

3. PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2023

We expect our existing business to continue to be stable throughout 2023. We will continue to focus on the following to improve our prospects:

- Safety of all employees, partners and assets;
- Continue the excellent operational performance of our vessels;
- Secure new projects in core regions and with our preferred partners;
- Establish our energy transition pathway and strengthen our environment management; and
- Maintain and further develop effective relationships with our clients and partners.

4. QUALIFICATION OF PRECEDING AUDITED FINANCIAL STATEMENTS

There was no qualification to the audited financial statements for the preceding financial year ended 31 December 2021.

5. SEASONALITY OR CYCLICALITY OF OPERATIONS

The businesses of the Group were not materially affected by any seasonal or cyclical fluctuations during the financial year ended 31 December 2022.

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 year ended 31 December 2022.

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 for FY 2022, 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 financial year ended 31 December 2022.

9. DIVIDENDS PAID

There were no dividends paid in the financial year ended 31 December 2022.

10. SEGMENT INFORMATION

With effect from 1 January 2022, the Group reorganised its segments to reflect the nature of activities carried out by its business units, in line with the Group's divestment of the Offshore Support Vessel ("OSV") sub-segment through its asset monetisation programme. The Group's reportable segments are as follows:

- (i) Operations – provision of FPSO vessels, Floating Gas Solutions unit, OSV vessels, Subsea Construction assets and marine related services.
- (ii) Others – consists of the following:
 - Technology, Engineering and Projects – provision of engineering consultancy and project support services.
 - Corporate and others – Management services and corporate support services provided to subsidiaries which are considered incidental to the Group's operating business.

The comparative segment information has been restated accordingly.

The information of each of the Group's business units for the individual and cumulative quarters year ended 31 December 2022 and 31 December 2021 are as follows:

Individual Quarter Ended 31.12.2022	Operations RM'000	Others RM'000	Elimination RM'000	Total RM'000
<u>Continuing operations</u>				
Revenue	599,158	5,870	-	605,028
Inter-segment revenue	-	15,151	(15,151)	-
Results				
Segment results	345,572	(17,788)	-	327,784
Depreciation of property, plant and equipment	(85,711)	(881)	-	(86,592)
Net allowance for impairment losses	(3,122)	-	-	(3,122)
Share of results of joint ventures and associates	37,721	1,850	-	39,571
Subtotal	294,460	(16,819)	-	277,641
Other operating income				13,801
Finance costs				(99,368)
Taxation				19,729
Profit from continuing operations				211,803
Profit from discontinued operations				-
Profit for the financial period				211,803

10. SEGMENT INFORMATION (CONTINUED)

The information of each of the Group's business units for the individual and cumulative quarters year ended 31 December 2022 and 31 December 2021 are as follows: (continued)

Individual Quarter Ended 31.12.2021	Operations RM'000 Restated	Others RM'000 Restated	Elimination RM'000 Restated	Total RM'000 Restated
<u>Continuing operations</u>				
Revenue	511,331	1,723	-	513,054
Inter-segment revenue	-	57,801	(57,801)	-
Results				
Segment results	274,259	27,104	-	301,363
Depreciation of property, plant and equipment	(112,420)	(781)	-	(113,201)
Net writeback of allowance for impairment losses	2,614	-	-	2,614
Share of results of joint ventures and associates	29,082	2,067	-	31,149
Subtotal	193,535	28,390	-	221,925
Other operating income				10,491
Finance costs				(92,625)
Taxation				1,387
Profit from continuing operations				141,178
Loss from discontinued operations				(28,516)
Profit for the financial period				112,662

Cumulative Quarters Year Ended 31.12.2022	Operations RM'000	Others RM'000	Elimination RM'000	Total RM'000
<u>Continuing operations</u>				
Revenue	2,315,371	90,168	-	2,405,539
Inter-segment revenue	-	61,090	(61,090)	-
Results				
Segment results	1,327,219	55,197	-	1,382,416
Depreciation of property, plant and equipment	(339,314)	(3,347)	-	(342,661)
Net allowance for impairment losses	(66,272)	(5,161)	-	(71,433)
Share of results of joint ventures and associates	46,687	2,464	-	49,151
Subtotal	968,320	49,153	-	1,017,473
Other operating income				58,226
Finance costs				(366,698)
Taxation				15,655
Profit from continuing operations				724,656
Profit from discontinued operations				-
Profit for the financial year				724,656

10. SEGMENTAL INFORMATION (CONTINUED)

The information of each of the Group's business units for the individual and cumulative quarters year ended 31 December 2022 and 31 December 2021 are as follows: (continued)

Cumulative Quarters Year Ended 31.12.2021	Operations RM'000 Restated	Others RM'000 Restated	Elimination RM'000 Restated	Total RM'000 Restated
<u>Continuing operations</u>				
Revenue	2,057,592	104,990	-	2,162,582
Inter-segment revenue	-	57,801	(57,801)	-
Results				
Segment results	1,275,508	8,311	-	1,283,819
Depreciation of property, plant and equipment	(462,679)	(3,093)	-	(465,772)
Net writeback of allowance for impairment losses	13,905	-	-	13,905
Impairment	(19,116)	-	-	(19,116)
Share of results of joint ventures and associates	93,982	12,706	-	106,688
Subtotal	901,600	17,924	-	919,524
Other operating income				145,494
Finance costs				(397,122)
Taxation				(25,058)
Profit from continuing operations				642,838
Loss from discontinued operations				(85,160)
Profit for the financial year				557,678

Segmental revenue for Operations is mainly denominated in USD.

11. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

As at 31 December 2022, 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 YEAR

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

13. 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 December 2022 and 31 December 2021 are as follows:

	As at 31.12.2022 RM'000	As at 31.12.2021 RM'000
- authorised and contracted	-	231
- authorised but not contracted	<u>2,381</u>	<u>5,397</u>
	<u>2,381</u>	<u>5,628</u>

14. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Group's contingent liabilities comprising bank guarantees extended to third parties amounted to RM48.7 million as at 31 December 2022 as compared to RM44.3 million as at 31 December 2021. There are no material contingent assets to be disclosed.

15. CHANGES IN THE COMPOSITION OF THE GROUP

(a) Changes in the composition of the Group in Q4 2022

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, except as follows:

- (i) On 18 October 2022, the Company had incorporated a wholly-owned subsidiary, Bumi Armada Labuan Holdings Company Limited ("BALHCL") in Labuan with an issued and paid-up capital of USD1. BALHCL was incorporated as an investment holding company.

(b) Disposal of subsidiaries during FY 2022

On 19 January 2022, the Group via its subsidiaries, namely Bumi Armada Singapore Holdings Pte Ltd, Bumi Armada Offshore Contractor Limited and Bumi Armada Russia Holdings Limited entered into a sale and purchase agreement for the disposal of the entire issued and paid-up share capital of the following wholly-owned indirect subsidiaries of the Company to AC Management Company Limited and K.N. Holding Limited Liability Company for a total cash consideration of USD44.5 million (equivalent to approximately RM186.6 million) ("Disposal Transaction"):

- (i) Bumi Armada Marine Uray Pte. Ltd.;
 - (ii) Bumi Armada Marine Pokachi Pte. Ltd.;
 - (iii) Bumi Armada Marine Naryan Mar Pte. Ltd.; and
 - (iv) Bumi Armada Marine LLC.
- (collectively, the "Ice Class Vessel Companies").

The Disposal Transaction was completed on 20 January 2022 ("Completion Date") where the Ice Class Vessel Companies ceased to be a part of the Group. The comparative financials for the discontinued operations are re-presented in the condensed consolidated statement of income, consolidated statement of comprehensive income and consolidated statement of cash flows.

Details of the assets, liabilities and net cashflow arising from the Disposal Transaction are as follows:

	As at Completion Date RM'000
Property, plant and equipment	186,406
Trade receivables	1,895
Cash and cash equivalent	48,526
Other assets	1,972
Trade payables	(8,192)
Deferred tax liabilities	(27,709)
Other liabilities	(17,678)
Net assets	<u>185,220</u>
Less: Net consideration received from disposal of subsidiaries	(186,448)
Foreign exchange differences	<u>1,228</u>
Net impact to profit or loss	<u>-</u>
Net consideration received from disposal of subsidiaries	186,448
Less: Cash and cash equivalent in the disposed subsidiaries	(48,526)
Net proceeds from disposal of subsidiaries	<u>137,922</u>

16. SIGNIFICANT RELATED PARTY DISCLOSURES

The significant related party transactions undertaken during the individual and cumulative quarters year ended 31 December 2022 and 31 December 2021 are described below:

	Individual Quarter Ended 31.12.2022 RM'000	Individual Quarter Ended 31.12.2021 RM'000	Cumulative Quarters Year Ended 31.12.2022 RM'000	Cumulative Quarters Year Ended 31.12.2021 RM'000
(a) Management fees and engineering assistance services receivable from joint ventures and associate				
- revenue	-	-	4,630	12,311
- other operating income	-	-	13,400	90,529
(b) Payment on behalf of joint ventures	18	70	735	721
(c) Telecommunication expenses to Maxis Berhad ⁽¹⁾	23	(100)	(285)	(473)
(d) Rental to Malaysian Landed Property Sdn Bhd ⁽²⁾	(950)	(922)	(3,806)	(3,705)
(e) Management fees to UTSB Management Sdn Bhd ⁽³⁾	(1,853)	(1,765)	(7,383)	(7,060)
(f) Interest expense to Mezzanine Equities N.V. ⁽³⁾	(5,547)	(3,534)	(17,946)	(14,661)
(g) Transactions with an associate				
- advances to an associate	-	-	-	116,091
- interest income	4,206	4,032	16,063	13,026
(h) Key management personnel compensation				
- Non-Executive Directors' fees	(720)	(690)	(2,657)	(2,657)
- Consultancy fees	-	-	(282)	-
- salaries, bonus and allowances and other staff related costs	(4,866)	(3,641)	(19,223)	(14,885)
- defined contribution plan	(58)	(55)	(268)	(351)
- share-based payment	(1,146)	(2,481)	(4,533)	(5,492)

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 an interest in the shares of the Company through UTSB's deemed interest in OBSB, they do not have any economic or beneficial interest in the shares as such interest is held subject to the terms of the discretionary trust.

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 Quarters Year Ended	
	31.12.2022 RM'000	31.12.2021 RM'000	31.12.2022 RM'000	31.12.2021 RM'000
<u>Continuing operations</u>				
Income tax:				
- Current year	(1,390)	774	11,695	37,951
- Prior year	(22,228)	(2,005)	(42,342)	(9,976)
Deferred tax	3,889	(156)	14,992	(2,917)
Taxation from continuing operations	(19,729)	(1,387)	(15,655)	25,058
Taxation from discontinued operations	-	(4,080)	-	(12,548)

The Group's continuing operations' effective tax rates for the individual and cumulative quarters year ended 31 December 2022 were negative 10% and negative 2% respectively. The difference in the effective tax rates and the Malaysian statutory tax rate of 24% are mainly due to income not subject to tax and tax effect of different tax rates in other countries.

19. STATUS OF CORPORATE PROPOSALS ANNOUNCED

There were no corporate proposals announced but not completed as at the date of this report.

A USD1.5 billion Multi Currency Euro Medium Term Note Programme ("EMTN Programme") was established on 6 August 2013 by a wholly-owned subsidiary, Bumi Armada Capital Offshore Ltd. On 15 December 2022, the EMTN Programme has been terminated.

20. TRADE RECEIVABLES

The credit terms of trade receivables ranged from 0 to 60 days. Ageing analysis of trade receivables as at 31 December 2022 and 31 December 2021 is as follows:

	As at 31.12.2022 RM'000	As at 31.12.2021 RM'000
Current	483,914	376,340
Less than 30 days past due	4,820	104,084
Between 31 and 60 days past due	2,263	4,025
Between 61 and 90 days past due	1,243	4,517
Between 91 days and 1 year past due	168	5,320
More than 1 year past due	14,537	-
	<u>506,945</u>	<u>494,286</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 31.12.2022			As at 31.12.2021		
	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 ⁽¹⁾	985,537	-	985,537	1,060,827	-	1,060,827
Unsecured:						
Sukuk Murabahah – current	-	30,654	30,654	-	30,393	30,393
Term loans	2,220	-	2,220	312,908	-	312,908
Total short-term debts	987,757	30,654	1,018,411	1,373,735	30,393	1,404,128
LONG TERM DEBTS						
Secured:						
Term loans	2,040,884	-	2,040,884	2,755,319	-	2,755,319
Unsecured:						
Sukuk Murabahah	-	1,499,907	1,499,907	-	1,499,769	1,499,769
Term loans	945,578	-	945,578	1,259,114	-	1,259,114
Total long-term debts	2,986,462	1,499,907	4,486,369	4,014,433	1,499,769	5,514,202
Total borrowings	3,974,219	1,530,561	5,504,780	5,388,168	1,530,162	6,918,330

21. BORROWINGS (CONTINUED)

- ⁽¹⁾ Included in the short-term secured term loans is a 3-year secured term loan of USD30.0 million (RM132.1 million) from MENV, a wholly-owned subsidiary of UTSB (refer to Note 16) which is classified as current liabilities as the repayment is due within 12 months from the balance sheet date. The Group is currently in discussion with MENV to extend the repayment date for this secured term loan.

As at 31 December 2022, the proportion of borrowings between floating interest rates and fixed interest rates is 72%:28%. 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 year are as follows:

	31.12.2022	31.12.2021
	%	%
Term loans	7.84	3.55
Sukuk Murabahah	6.35	6.35

Borrowings as at 31 December 2022 decreased by 20% as compared to 31 December 2021 mainly due to repayment of bank borrowings.

22. DERIVATIVE FINANCIAL INSTRUMENTS

Details of derivative financial instruments outstanding as at 31 December 2022 and 31 December 2021 are as set out below:

Types of Derivative	As at 31.12.2022		As at 31.12.2021	
	Contract/ Notional amount RM'000	Fair value assets/ (liabilities) RM'000	Contract/ Notional amount RM'000	Fair value liabilities RM'000
Derivatives used for hedging:				
Interest rate swaps				
- Less than 1 year	633,356	50,580	602,419	(28,214)
- 1 to 3 years	661,098	40,442	902,091	(15,578)
- More than 3 years	740,930	6,080	1,023,309	(11,337)
	<u>2,035,384</u>	<u>97,102</u>	<u>2,527,819</u>	<u>(55,129)</u>
Cross currency interest rate swaps				
- Less than 1 year	-	(9,474)	-	(6,970)
- 1 to 3 years	1,500,000	(424,684)	1,500,000	(428,298)
	<u>1,500,000</u>	<u>(434,158)</u>	<u>1,500,000</u>	<u>(435,268)</u>

There have been no changes since the end of the previous financial year ended 31 December 2021 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 December 2022 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 December 2022 and 31 December 2021 except as set out below:

	As at 31.12.2022		As at 31.12.2021	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Finance lease receivables	4,628,477	5,235,744	4,628,808	5,219,676
Amount due from a joint venture	26,748	46,339	31,994	47,513
Amount due from an associate	357,317	319,363	322,801	317,745
Sukuk Murabahah	1,530,561	1,510,773	1,530,162	1,543,054

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 December 2022 and 31 December 2021, by valuation method.

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
As at 31.12.2022				
Financial assets:				
Financial assets at fair value through other comprehensive income	27,816	-	-	27,816
Derivatives used for hedging				
- Interest rate swaps	-	97,102	-	97,102
- Cross currency interest rate swaps	-	263	-	263
Financial liabilities:				
Derivatives used for hedging				
- Cross currency interest rate swaps	-	(434,421)	-	(434,421)

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 December 2022 and 31 December 2021, by valuation method. (continued)

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
As at 31.12.2021				
Financial assets:				
Financial assets at fair value through other comprehensive income	12,651	-	-	12,651
Derivatives used for hedging				
- Interest rate swaps	-	364	-	364
- Cross currency interest rate swaps	<u>-</u>	<u>487</u>	<u>-</u>	<u>487</u>
Financial liabilities:				
Derivatives used for hedging				
- Interest rate swaps	-	(55,493)	-	(55,493)
- Cross currency interest rate swaps	<u>-</u>	<u>(435,755)</u>	<u>-</u>	<u>(435,755)</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 31.12.2022 RM'000	Individual Quarter Ended 31.12.2021 RM'000	Cumulative Quarters Year Ended 31.12.2022 RM'000	Cumulative Quarters Year Ended 31.12.2021 RM'000
<u>Continuing operations</u>				
Profit before taxation is arrived at after (crediting)/charging:				
(a) Other operating income				
- Interest income	(10,829)	(5,403)	(29,394)	(17,981)
- Gain on disposal of property, plant and equipment and non-current assets held-for- sale	(3,607)	(2,508)	(3,613)	(27,856)
- Management fees charged to associates	-	-	(13,400)	(90,529)
- Insurance claim	(186)	(449)	(5,998)	(5,922)
- Others	821	(2,131)	(5,821)	(3,206)
(b) Interest expense	98,512	91,646	364,390	393,692
(c) Accretion of interest	1,530	1,165	5,183	4,112
(d) Depreciation of property, plant and equipment	86,592	113,201	342,661	465,772
(e) Net (writeback of allowance for impairment losses)/allowance for impairment losses				
- Trade receivables	(1,372)	(1,642)	(26,513)	(13,940)
- Other receivables	-	-	-	1,007
- Accrued lease rental	-	-	88,010	-
- Amount due from a joint venture	4,494	(972)	9,936	(972)
(f) Impairment of property, plant and equipment	-	-	-	19,116
(g) Loss on disposal of property, plant and equipment and non-current assets held-for-sale	17,881	-	17,881	321
(h) Net foreign exchange (gain)/loss				
- realised	538	(986)	(292)	(2,857)
- unrealised	(5,750)	1,458	(45,693)	1,866
(i) Fair value through profit and loss on derivative financial instruments	(674)	(186)	(2,875)	(682)
(j) Retrenchment expenses	48	39	152	5,734

24. NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF INCOME (CONTINUED)

	Individual Quarter Ended 31.12.2022 RM'000	Individual Quarter Ended 31.12.2021 RM'000	Cumulative Quarters Year Ended 31.12.2022 RM'000	Cumulative Quarters Year Ended 31.12.2021 RM'000
<u>Discontinued operations</u>				
Loss from discontinued operations after (crediting)/charging:				
(a) Other operating income				
- Interest income	-	(64)	-	(391)
- Others	-	-	-	(24)
(b) Depreciation of property, plant and equipment	-	5,351	-	25,720
(c) Impairment of property, plant and equipment	-	29,051	-	119,844
(d) Net foreign exchange loss/(gain)				
- realised	-	647	-	977
- unrealised	-	72	-	(173)
	<u>-</u>	<u>72</u>	<u>-</u>	<u>(173)</u>

Other than as presented in the statements 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 / financial year ended 31 December 2022.

25. MATERIAL LITIGATION

Save for the following, as at 31 December 2022, 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:

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 which ABPL considered as a repudiation of the Contract, which entitled ABPL to 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. On 24 January 2020, the Supreme Court delivered its judgment in favour of WEJ on ABPL’s main claim of repudiation of the Contract.

On 11 March 2020, ABPL filed an appeal against the Supreme Court’s decision at the Court of Appeal of the Supreme Court of Western Australia (“Court of Appeal”). The appeal was heard by the Court of Appeal from 20 July 2021 to 23 July 2021. On 24 June 2022, the Court of Appeal delivered its judgment in favour of WEJ.

On 10 November 2022, the High Court of Australia dismissed an application made by ABPL for special leave to appeal part of the judgment of the Court of Appeal and ordered ABPL to pay WEJ’s costs. This decision brings this matter to a conclusion.

26. DIVIDENDS

No dividend was declared or recommended for the current financial year ended 31 December 2022.

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 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 impact of the above to the diluted EPS is insignificant.

	Individual Quarter Ended		Cumulative Quarters Year Ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Profit/(Loss) attributable to Owners of the Company (RM’000)				
- from continuing operations	210,681	146,517	732,411	659,226
- from discontinued operations	-	(28,516)	-	(85,160)
	210,681	118,001	732,411	574,066
Weighted average/adjusted weighted average number of ordinary shares in issue for basic EPS (’000)	5,913,796	5,897,874	5,913,796	5,897,874
Basic EPS (sen)				
- from continuing operations	3.56	2.48	12.38	11.18
- from discontinued operations	-	(0.48)	-	(1.44)
	3.56	2.00	12.38	9.74
Diluted EPS (sen)				
- from continuing operations	3.56	2.48	12.38	11.18
- from discontinued operations	-	(0.48)	-	(1.44)
	3.56	2.00	12.38	9.74

BY ORDER OF THE BOARD

SHAMSUL SHAHRINA BINTI MOHD HUSSEIN (MAICSA 7047477)
(SSM Practicing Certificate No. 201908002446)

SEUHAILEY BINTI SHAMSUDIN @ AZRAAIN (MAICSA 7046575)
(SSM Practicing Certificate no. 202008001650)
Joint Company Secretaries

Kuala Lumpur
24 February 2023