



BUMIARMADA

BUMI ARMADA BERHAD

199501041194 (370398-X)

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2024

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2024

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 2024 which should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2023 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		
		31.03.2024 RM'000	31.03.2023 RM'000	+ / (-) %	31.03.2024 RM'000	31.03.2023 RM'000	+ / (-) %
Revenue		635,538	543,987	17	635,538	543,987	17
Cost of sales		(259,279)	(268,812)		(259,279)	(268,812)	
Gross profit		376,259	275,175	37	376,259	275,175	37
Other operating income		16,860	24,044		16,860	24,044	
Selling and distribution costs		(380)	(944)		(380)	(944)	
Administrative expenses		(47,490)	(34,841)		(47,490)	(34,841)	
Operating profit before impairment		345,249	263,434	31	345,249	263,434	31
Reversal of impairment		946	1,317		946	1,317	
Operating profit		346,195	264,751	31	346,195	264,751	31
Finance costs		(79,117)	(91,774)		(79,117)	(91,774)	
Share of results of joint ventures and associates		3,153	27,053		3,153	27,053	
Profit before taxation		270,231	200,030	35	270,231	200,030	35
Taxation	18	(7,123)	(4,116)		(7,123)	(4,116)	
Profit for the financial period		263,108	195,914	34	263,108	195,914	34
Attributable to:							
- Owners of the Company		240,543	201,010	20	240,543	201,010	20
- Non-controlling interests		22,565	(5,096)		22,565	(5,096)	
		263,108	195,914		263,108	195,914	
Basic earnings per share (sen)	27	4.06	3.40		4.06	3.40	
Diluted earnings per share (sen)	27	4.06	3.40		4.06	3.40	

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Individual Quarter Ended		Cumulative Quarter Period Ended	
		31.03.2024 RM'000	31.03.2023 RM'000	31.03.2024 RM'000	31.03.2023 RM'000
Profit for the financial period		263,108	195,914	263,108	195,914
Other comprehensive (expense)/income					
Items that may be reclassified subsequently to profit or loss					
- Cash flow hedges		(4,701)	(76,586)	(4,701)	(76,586)
- Costs of hedging		3,028	47,026	3,028	47,026
- Foreign currency translation differences		154,486	9,123	154,486	9,123
- Share of other comprehensive expense of a joint venture		-	(311)	-	(311)
Items that will not be reclassified to profit or loss:					
- Financial assets at fair value through other comprehensive income:					
- Gain on fair value change		12,646	2,005	12,646	2,005
Other comprehensive income/(expense) for the financial period, net of tax		165,459	(18,743)	165,459	(18,743)
Total comprehensive income for the financial period		428,567	177,171	428,567	177,171
Total comprehensive income/(expense) attributable to:					
- Owners of the Company		408,639	182,391	408,639	182,391
- Non-controlling interests		19,928	(5,220)	19,928	(5,220)
		428,567	177,171	428,567	177,171

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 31.03.2024 RM'000	As at 31.12.2023 RM'000
NON-CURRENT ASSETS			
Property, plant and equipment	11	3,272,648	3,256,254
Investments in joint ventures		1,134,489	1,130,548
Investments in associates		42,998	42,619
Financial assets at fair value through other comprehensive income		65,552	52,453
Finance lease receivables		4,234,479	4,206,498
Amount due from a joint venture		728	15,984
Amounts due from associates		557,045	532,838
Derivative financial instruments	22	26,632	20,857
Deferred tax assets		7,308	9,840
TOTAL NON-CURRENT ASSETS		9,341,879	9,267,891
CURRENT ASSETS			
Finance lease receivables		354,375	333,738
Trade receivables	20	865,000	671,303
Other receivables, deposits and prepayments		37,575	32,316
Contract assets		7	498
Amounts due from joint ventures		62	177
Amounts due from associates		30,689	28,360
Derivative financial instruments	22	42,022	41,586
Tax recoverable		20,737	35,523
Deposits, cash and bank balances		901,758	704,720
TOTAL CURRENT ASSETS		2,252,225	1,848,221
TOTAL ASSETS		11,594,104	11,116,112
LESS: CURRENT LIABILITIES			
Trade payables and accruals		140,570	117,014
Other payables and accruals		198,339	192,417
Contract liabilities		16,861	26,219
Amounts due to joint ventures		1,650	1,597
Amounts due to associates		86,178	58,349
Leases		38,074	45,542
Borrowings	21	2,303,540	2,273,253
Derivative financial instruments	22	606,606	539,630
Taxation		11,355	10,855
TOTAL CURRENT LIABILITIES		3,403,173	3,264,876
NET CURRENT LIABILITIES		(1,150,948)	(1,416,655)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

	Note	As at 31.03.2024 RM'000	As at 31.12.2023 RM'000
LESS: NON-CURRENT LIABILITIES			
Other payables and accruals		98,322	104,355
Contract liabilities		40,493	28,768
Leases		45,447	48,223
Borrowings	21	1,989,736	2,081,272
Deferred tax liabilities		7,375	8,997
TOTAL NON-CURRENT LIABILITIES		2,181,373	2,271,615
NET ASSETS		6,009,558	5,579,621
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Share capital		4,335,448	4,335,448
Reserves		1,746,382	1,336,373
		6,081,830	5,671,821
NON-CONTROLLING INTERESTS		(72,272)	(92,200)
TOTAL EQUITY		6,009,558	5,579,621
NET ASSETS PER SHARE (RM)		1.01 *	0.94

* Based on 5,922,666,244 ordinary shares in issue as at 31 March 2024.

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>2024</u>										
At 1 January 2024	5,922,666	4,335,448	1,642,919	6,578	84,528	36,583	(434,235)	5,671,821	(92,200)	5,579,621
Profit for the financial period	-	-	-	-	-	-	240,543	240,543	22,565	263,108
Other comprehensive income/(expense) for the financial period, net of tax	-	-	157,123	-	(1,673)	12,646	-	168,096	(2,637)	165,459
Total comprehensive income/(expense) for the financial period, net of tax	-	-	157,123	-	(1,673)	12,646	240,543	408,639	19,928	428,567
Transactions with owners:										
- Management incentive plan granted	-	-	-	1,370	-	-	-	1,370	-	1,370
At 31 March 2024	5,922,666	4,335,448	1,800,042	7,948	82,855	49,229	(193,692)	6,081,830	(72,272)	6,009,558

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>2023</u>										
At 1 January 2023	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
Profit/(Loss) for the financial period	-	-	-	-	-	-	201,010	201,010	(5,096)	195,914
Other comprehensive income/(expense) for the financial period, net of tax	-	-	9,247	-	(29,871)	2,005	-	(18,619)	(124)	(18,743)
Total comprehensive income/(expense) for the financial period, net of tax	-	-	9,247	-	(29,871)	2,005	201,010	182,391	(5,220)	177,171
Transactions with owners:										
- Management incentive plan granted	-	-	-	1,108	-	-	-	1,108	-	1,108
At 31 March 2023	5,918,047	4,332,376	1,437,179	6,367	104,784	14,605	(565,284)	5,330,027	(56,198)	5,273,829

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Period Ended 31.03.2024 RM'000	Period Ended 31.03.2023 RM'000
OPERATING ACTIVITIES		
Profit for the financial period	263,108	195,914
Adjustments for non-cash items:		
Share of results of joint ventures and associates	(3,153)	(27,053)
Gain on disposal of joint ventures	-	(318)
Depreciation of property, plant and equipment	76,422	82,138
Fair value (gain)/loss on ineffective portion of cash flow hedges	(212)	1,749
Reversal of impairment	(946)	(1,317)
Unrealised foreign exchange loss	10,206	5,961
Share based payment - Management incentive plan granted	1,370	1,108
Interest income	(16,173)	(11,329)
Interest expense	75,577	88,647
Accretion of interest	3,752	1,378
Taxation	7,123	4,116
Operating profit before changes in working capital	417,074	340,994
Changes in working capital:		
Finance lease receivables	80,870	64,787
Trade and other receivables	(209,260)	29,520
Trade and other payables	6,457	(41,155)
Joint ventures and associates	20,142	(823)
Cash from operations	315,283	393,323
Interest paid	(95,151)	(103,896)
Tax paid (net)	(4,790)	(1,109)
Dividend received from a joint venture	56,587	-
NET CASH FLOWS GENERATED FROM OPERATING ACTIVITIES	271,929	288,318
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(171)	(115)
Proceeds from disposal of investments in joint ventures	-	5,949
Advances to an associate	(2,876)	-
Interest received	15,983	11,624
Repayment from a joint venture	14,304	-
Proceeds from redemption of redeemable preference shares in a joint venture	-	21,639
NET CASH FLOWS GENERATED FROM INVESTING ACTIVITIES	27,240	39,097

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	Period Ended 31.03.2024 RM'000	Period Ended 31.03.2023 RM'000
FINANCING ACTIVITIES		
Repayment of borrowings	(122,100)	(490,367)
Repayments of lease liabilities	(1,002)	(1,049)
NET CASH FLOWS USED IN FINANCING ACTIVITIES	(123,102)	(491,416)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	176,067	(164,001)
CURRENCY TRANSLATION DIFFERENCES	20,971	2,692
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	704,720	838,847
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	901,758	677,538
Cash and cash equivalents consist of:		
Deposits with licensed banks	679,825	618,992
Cash and bank balances	221,933	58,546
	901,758	677,538

EXPLANATORY NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2024

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 2023 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 2023. The results of the joint ventures and associates are based on unaudited management accounts.

As at 31 March 2024, the Group’s current liabilities exceeded its current assets by RM1,150.9 million mainly due to the classification of Sukuk Murabahah of RM1,500.0 million and its corresponding derivative financial liabilities of RM606.6 million as current liabilities as the repayment is due within 12 months from the balance sheet date (i.e. September 2024).

A cash flow forecast for the 12 months from the date of approval of the financial statements was prepared to assess and confirm the appropriateness of the going concern basis for the preparation of the financial statements of the Group. Based on the cash flow forecast, the Group has sufficient funds to fulfil its obligations for the next 12 months from the date of approval of the financial statements, with the assumption that the Sukuk Murabahah will be refinanced on or before its due date in September 2024. The Group is confident that the Sukuk Murabahah will be refinanced based on the following: there is sufficient time to conclude the new financing, the Group has received binding letters of commitment from the financiers for participation of the new financing amount of USD400.0 million (RM1,890.0 million), and the Group’s strong operating cash flows and significant cash holdings. As of the date of this Report, the Group has commenced loan documentation with the financiers and expects to conclude the new financing within the next few months.

The actions taken to address the Group’s debt obligations are disclosed in Note 21.

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 2023, other than those disclosed below:

(a) Amendments to published standards that are effective:

- (i) 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 did not have any significant impact on the financial statements of the Group.

(b) Amendments to published standards that have been issued but are not yet effective:

- (ii) Amendments to MFRS which are applicable to the Group beginning on or after 1 January 2025:
 - Amendments to MFRS 121 “The Effects of Changes in Foreign Exchange Rates” – Lack of Exchangeability

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 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 31.03.2024 RM’000	YTD 31.03.2023 RM’000	Change RM’000
Segment revenue			
Operations	634,216	529,124	105,092
Others	1,322	14,863	(13,541)
Total revenue	635,538	543,987	91,551
Profit for the financial period	263,108	195,914	67,194
Finance costs	(79,117)	(91,774)	12,657
Share of results of joint ventures and associates	3,153	27,053	(23,900)
Depreciation of property, plant and equipment	(76,422)	(82,138)	5,716

The Group generated revenue of RM634.2 million for the financial period ended 31 March 2024 (“YTD 2024”), an increase of RM105.1 million compared to the financial period ended 31 March 2023 (“YTD 2023”). Revenue from the Operations segment increased mainly due to higher revenue from Armada Olombendo FPSO⁽¹⁾ resulting from resolution of outstanding issues with the charterer which includes escalation of the operating fee pursuant to the charter agreement, and higher revenue from Armada Kraken FPSO resulting from higher vessel availability. Revenue from the Others segment was lower mainly due to lower revenue from engineering services.

The Group generated a profit of RM263.1 million for YTD 2024, an increase of RM67.2 million compared to YTD 2023 mainly due to higher contribution from Armada Olombendo FPSO and Armada Kraken FPSO, offset by lower share of results from joint ventures and associates mainly due to the share of loss from associates involved in the conversion of the Armada Sterling V FPSO. The associates incurred costs during the start-up phase, but has not commenced full charter hire.

With reference to Note 10 Segmental Information, the Operations segment result increased to RM429.6 million for YTD 2024 compared to RM317.9 million for YTD 2023 mainly due to higher contribution from Armada Olombendo FPSO and Armada Kraken FPSO. The Others segment result decreased to a loss of RM24.8 million for YTD 2024 compared to a profit of RM3.7 million in YTD 2023 mainly due to the lower revenue from engineering services and higher foreign exchange loss arising from translation of intercompany balances denominated in foreign currency in YTD 2024.

Note:

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

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

Financial Indicators	1st Quarter 2024 RM’000	4th Quarter 2023 RM’000	Change RM’000
Segment revenue			
Operations	634,216	621,437	12,779
Others	1,322	1,546	(224)
Total revenue	635,538	622,983	12,555
Profit/(Loss) for the financial period	263,108	(174,763)	437,871
Finance costs	(79,117)	(80,013)	896
Share of results of joint ventures and associates	3,153	(3,142)	6,295
Depreciation of property, plant and equipment	(76,422)	(85,151)	8,729
Impairment (net)	946	(477,964)	478,910

2. MANAGEMENT COMMENTARY (CONTINUED)

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

The Group generated revenue of RM635.5 million for the quarter ended 31 March 2024 (“Q1 2024”), a marginal increase of RM12.6 million compared to the quarter ended 31 December 2023 (“Q4 2023”).

The Group generated a profit of RM263.1 million for Q1 2024, compared to a loss of RM174.8 million for Q4 2023 mainly due to impairment of Armada Kraken FPSO and Subsea Construction (“SC”) assets in Q4 2023.

With reference to Note 10 Segmental Information, the Operations segment result decreased from RM480.3 million in Q4 2023 to RM429.6 million in Q1 2024 mainly due to one-off events occurred in Q4 2023 i.e. resolution of outstanding issues with the charterer which resulted in higher contribution from Armada Kraken FPSO and closure of the Offshore Support Vessels (“OSV”) division which resulted in reversal of accrued costs, offset by higher contribution from Armada Olombendo FPSO resulting from resolution of outstanding issues with the charterer which includes escalation of the operating fee pursuant to the charter agreement. The Others segment reported a loss of RM24.8 million in Q1 2024 compared to a loss of RM22.8 million in Q4 2023, mainly due to higher foreign exchange loss arising from translation of intercompany balances denominated in foreign currency in Q1 2024.

(C) Review of consolidated statement of financial position

Financial Indicators	As at 31.03.2024 RM’000	As at 31.12.2023 RM’000	Change RM’000
Total assets	11,594,104	11,116,112	477,992
Total liabilities	(5,584,546)	(5,536,491)	(48,055)
Total equity	(6,009,558)	(5,579,621)	(429,937)

As at 31 March 2024, the Group had total assets of RM11,594.1 million, an increase of 4% compared to 31 December 2023, mainly due to the following:

- 1) Higher trade receivables following resolution of outstanding issues with the charterer of Armada Olombendo FPSO and overdue balances which were subsequently settled in April 2024.
- 2) Increase in deposits, cash and bank balances due to net cash flows generated from operating activities which is offset by repayment of borrowings.
- 3) Favourable exchange rate as at March 2024 contributed to the increase in asset balances denominated in USD.

As at 31 March 2024, the Group had total liabilities of RM5,584.5 million, marginally higher than the balances as at 31 December 2023.

(D) Review of consolidated statement of cash flows

Financial Indicators	YTD 31.03.2024 RM’000	YTD 31.03.2023 RM’000	Change RM’000
Net cash flows generated from operating activities	271,929	288,318	(16,389)
Net cash flows generated from investing activities	27,240	39,097	(11,857)
Net cash flows used in financing activities	(123,102)	(491,416)	368,314
Net increase/(decrease) in cash and cash equivalents	176,067	(164,001)	340,068

The Group had lower net cash flows generated from operating activities in YTD 2024 compared to YTD 2023 mainly due to overall unfavourable changes in working capital, offset by higher operating profit and dividend received from a joint venture in YTD 2024.

The Group had lower net cash flows generated from investing activities in YTD 2024 compared to YTD 2023 mainly due to proceeds from redemption of preference shares in a joint venture in YTD 2023, offset by repayment from a joint venture in YTD 2024.

In YTD 2024, the Group repaid bank debt of RM122.1 million, lower than YTD 2023 repayment of RM490.4 million.

2. MANAGEMENT COMMENTARY (CONTINUED)

(E) Critical accounting estimates and judgements

Construction of a FPSO for the ONGC NELP Block KG – DWN 98/2 Development Project Cluster-II field (“Field”) located on the east coast of Kakinada, offshore India (“98/2 Project”) for Oil and Natural Gas Corporation of India (“ONGC”)

The Group holds a 30% interest in associates involved in the 98/2 Project. Armada Sterling V FPSO is currently in the progress of performing the necessary tests to achieve final acceptance which is required for the vessel charter to commence. During this start-up phase, the associates are entitled to certain revenue, but the charterer has withheld certain amounts from payments pending ongoing discussions regarding this and additional outstanding claims that are being worked on to achieve resolution.

3. PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2024

We are pursuing new opportunities in targeted markets. We will continue to focus on the following;

- Safety and health of all employees, partners and assets;
- Improve the operational performance of our vessels;
- Maintain and further develop effective relationships with our clients and partners;
- Secure new projects in core regions and with our preferred partners;
- Building our energy transition pathway towards achieving net zero goal by 2050 or earlier, by focusing on carbon emission reduction and carbon injection technologies and solutions including the Bluestreak joint venture; and
- Explore complementary business opportunities in the upstream sector.

4. QUALIFICATION OF PRECEDING AUDITED FINANCIAL STATEMENTS

There was no qualification to the audited financial statements for the preceding financial year ended 31 December 2023.

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 2024.

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 2024.

7. CHANGES IN ESTIMATES

There were no changes in estimates of amounts reported in prior financial years that have a material effect on the unaudited condensed consolidated financial statements of the Group.

8. ISSUANCE OR REPAYMENT OF DEBT AND EQUITY SECURITIES

There were no issuances or repayments of debt securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the financial period ended 31 March 2024.

9. DIVIDENDS PAID

There were no dividends paid during the financial period ended 31 March 2024.

10. SEGMENT INFORMATION

The Group is organised into 2 reportable segments to reflect the nature of activities carried out by its business units, as follows:

- (i) Operations – provision of FPSO vessels, Floating Gas Solutions unit, OSV vessels, SC 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 information of each of the Group’s business units for the individual quarter ended 31 March 2024 and 31 March 2023 are as follows:

Individual/Cumulative Quarter Ended 31.03.2024	Operations RM'000	Others RM'000	Elimination RM'000	Total RM'000
Revenue	634,216	1,322	-	635,538
Inter-segment revenue	-	12,954	(12,954)	-
Results				
Segment results	429,648	(24,837)	-	404,811
Depreciation of property, plant and equipment	(75,693)	(729)	-	(76,422)
Reversal of impairment	946	-	-	946
Share of results of joint ventures and associates	28,269	(25,116)	-	3,153
Subtotal	383,170	(50,682)	-	332,488
Other operating income				16,860
Finance costs				(79,117)
Taxation				(7,123)
Profit for the financial period				263,108

Individual/Cumulative Quarter Ended 31.03.2023	Operations RM'000	Others RM'000	Elimination RM'000	Total RM'000
Revenue	529,124	14,863	-	543,987
Inter-segment revenue	-	17,324	(17,324)	-
Results				
Segment results	317,857	3,671	-	321,528
Depreciation of property, plant and equipment	(81,318)	(820)	-	(82,138)
Reversal of impairment	1,317	-	-	1,317
Share of results of joint ventures and associates	25,557	1,496	-	27,053
Subtotal	263,413	4,347	-	267,760
Other operating income				24,044
Finance costs				(91,774)
Taxation				(4,116)
Profit for the financial period				195,914

Segmental revenue for Operations is mainly denominated in USD.

11. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

As at 31 March 2024, 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. 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 2024 and 31 December 2023 are as follows:

	As at 31.03.2024 RM'000	As at 31.12.2023 RM'000
- authorised but not contracted	<u>2,749</u>	<u>2,919</u>

14. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Group's contingent liabilities comprising bank guarantees extended to third parties amounted to RM50.9 million as at 31 March 2024 as compared to RM49.5 million as at 31 December 2023. There are no material contingent assets to be disclosed.

15. 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, except as disclosed below:

- (a) On 16 January 2024, Armada Upstream Investment B.V. ("AUIBV"), a wholly-owned subsidiary of the Company, incorporated Armada Akia Holdings B.V and Armada Talu Holdings B.V. ("ATHBV") to participate in, manage and supervise businesses and companies involved in the Akia Work Area and other potential new ventures in Indonesia.
- (b) On 17 January 2024, AUIBV incorporated Armada Kojo Holdings B.V. to participate in, manage and supervise businesses and companies involved in other potential new ventures in Indonesia.
- (c) On 17 January 2024, ATHBV incorporated Armada Talu B.V. to undertake potential upstream exploration and production projects in Indonesia.
- (d) On 18 January 2024, Armada Etan Limited, a wholly-owned subsidiary of the Company incorporated Armada Kojo B.V. to undertake upstream exploration and production projects in Indonesia.
- (e) On 9 February 2024, Bumi Armada Nigeria Limited was dissolved at the expiration of three months following the filing of the Account and Return of Final Meeting with the Commission for the Members' Voluntary Winding Up in accordance with Section 631(4) of the Companies and Allied Matters Act 2020.

16. SIGNIFICANT RELATED PARTY DISCLOSURES

The significant related party transactions undertaken during the individual and cumulative quarter year ended 31 March 2024 and 31 March 2023 are described below:

	Individual/ Cumulative Quarter Ended 31.03.2024 RM'000	Individual/ Cumulative Quarter Ended 31.03.2023 RM'000
(a) Management and engineering assistance charged to joint ventures and an associate		
- revenue	-	8,980
- other operating income	-	11,802
(b) Telecommunication expenses to Maxis Broadband Sdn. Bhd. ⁽¹⁾	(87)	(54)
(c) Rental to Malaysian Landed Property Sdn. Bhd. ⁽²⁾	(955)	(942)
(d) Management fees to UTSB Management Sdn. Bhd. ⁽³⁾	(1,325)	(1,938)
(e) Interest expense to Pacific Mezzanine Capital (Jersey) Limited (“PMC”) ⁽³⁾	(6,654)	(5,767)
(f) Transactions with associates		
- advances	2,876	-
- interest income	6,128	3,953
(g) Key management personnel compensation		
- Non-Executive Directors’ fees	(560)	(674)
- salaries, bonus and allowances and other staff related costs	(5,417)	(4,646)
- defined contribution plan	(185)	(129)
- share-based payment – management incentive plan granted	(1,367)	(1,105)
(h) Dividend received from a joint venture	56,587	-
(i) Payment on behalf of joint ventures	-	100

Objektif Bersatu Sdn Bhd (“OBSB”) is a substantial shareholder of the Company. Usaha Tegas Sdn Bhd (“UTSB”) is a deemed substantial shareholder of the Company by virtue of its 100% equity interest in OBSB. 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 each deemed to have an interest in the shares of the Company, they do not have any economic or beneficial interest in the shares as such interest is held subject to the terms of the discretionary trust.

In 2023, Armada Akia B.V., a subsidiary of the Group (as Operator with 51% participating interest) and its co-bidder, Pexco Tarakan NV (“Pexco”) (with 49% participating interest), signed a production sharing contract (“PSC”) with the Ministry of Energy and Mineral Resources of Indonesia with respect to the Akia Work Area in the Tarakan Basin, North Kalimantan Province, Indonesia. The PSC is a related party arrangement, as TAK is a deemed substantial shareholder of the Company and also holds a 100% indirect interest in Pexco.

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/Cumulative Quarter Ended	
	31.03.2024 RM'000	31.03.2023 RM'000
Income tax:		
- Current year	6,230	2,373
- Prior year	91	1
Deferred tax	802	1,742
Taxation	7,123	4,116

The Group's effective tax rates for the individual and cumulative quarter ended 31 March 2024 were 3%. The difference in the effective tax rates and the Malaysian statutory tax rate of 24% are mainly due to income not subject to tax.

19. STATUS OF CORPORATE PROPOSALS ANNOUNCED

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

20. TRADE RECEIVABLES

The standard credit terms of trade receivables ranged from 0 to 60 days. Ageing analysis of trade receivables as at 31 March 2024 and 31 December 2023 is as follows:

	As at 31.03.2024 RM'000	As at 31.12.2023 RM'000
Current	769,757	658,900
Less than 30 days past due	95,224	7,630
Between 31 and 90 days past due	-	4,313
Between 91 days and 1 year past due	19	-
More than 1 year past due	-	460
	<u>865,000</u>	<u>671,303</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. The amounts which are less than 30 days past due as at 31 March 2024 have been collected subsequent to the period end.

21. BORROWINGS

	As at 31.03.2024			As at 31.12.2023			As at 31.03.2023		
	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 ⁽¹⁾	735,947	-	735,947	707,625	-	707,625	650,291	-	650,291
Unsecured:									
Sukuk Murabahah ⁽²⁾	-	1,507,249	1,507,249	-	1,530,962	1,530,962	-	6,646	6,646
Term loans	60,344	-	60,344	34,666	-	34,666	2,252	-	2,252
Total short-term debts	796,291	1,507,249	2,303,540	742,291	1,530,962	2,273,253	652,543	6,646	659,189
LONG-TERM DEBTS									
Secured:									
Term loans	1,545,397	-	1,545,397	1,625,318	-	1,625,318	1,934,765	-	1,934,765
Unsecured:									
Sukuk Murabahah	-	-	-	-	-	-	-	1,499,942	1,499,942
Term loans	444,339	-	444,339	455,954	-	455,954	921,311	-	921,311
Total long-term debts	1,989,736	-	1,989,736	2,081,272	-	2,081,272	2,856,076	1,499,942	4,356,018
Total borrowings	2,786,027	1,507,249	4,293,276	2,823,563	1,530,962	4,354,525	3,508,619	1,506,588	5,015,207

21. BORROWINGS (CONTINUED)

- (1) Included in the short-term secured term loans is a 3-year secured term loan of USD29.9 million (RM141.3 million) from PMC, 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 (i.e. September 2024). The term loan was drawn down from MENV, a wholly-owned subsidiary of UTSB (refer to Note 16), and was novated to PMC on 30 March 2023.
- (2) Sukuk Murabahah of RM1,500.0 million is classified as current liabilities as the repayment is due within 12 months from the balance sheet date (i.e. September 2024). The Group is confident that the Sukuk Murabahah will be refinanced based on the following: there is sufficient time to conclude the new financing, the Group has received binding letters of commitment from the financiers for participation of the new financing amount of USD400.0 million (RM1,890.0 million), and the Group's strong operating cash flows and significant cash holdings. As of the date of this Report, the Group has commenced loan documentation with the financiers and expects to conclude the new financing within the next few months.

In addition to refinancing the Sukuk Murabahah, the Group is taking the following measures to further manage and strengthen the cash flow position:

- Pursue collections from customers; and
- Optimise cost structure.

As at 31 March 2024, the proportion of borrowings between floating interest rates and fixed interest rates is 65%:35%. One of the term loan facilities 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 proportion of borrowings between floating interest rates and fixed interest rates after hedging is 32%:68%.

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

	31.03.2024	31.12.2023	31.03.2023
	%	%	%
Term loans	8.69	8.67	8.15
Sukuk Murabahah	6.35	6.35	6.35

Borrowings as at 31 March 2024 decreased by 1% as compared to 31 December 2023 mainly due to repayment of bank borrowings.

22. DERIVATIVE FINANCIAL INSTRUMENTS

Details of derivative financial instruments outstanding as at 31 March 2024 and 31 December 2023 are as set out below:

Types of Derivative	As at 31.03.2024		As at 31.12.2023	
	Contract/ Notional amount RM'000	Fair value assets/ (liabilities) RM'000	Contract/ Notional amount RM'000	Fair value assets/ (liabilities) RM'000
Derivatives used for hedging:				
Interest rate swaps				
- Less than 1 year	348,748	42,022	334,044	41,586
- 1 to 3 years	763,918	25,498	731,709	20,023
- More than 3 years	306,681	1,134	396,596	834
	<u>1,419,347</u>	<u>68,654</u>	<u>1,462,349</u>	<u>62,443</u>
Cross currency interest rate swaps				
- Less than 1 year	1,500,000	(606,606)	1,500,000	(539,630)
	<u>1,500,000</u>	<u>(606,606)</u>	<u>1,500,000</u>	<u>(539,630)</u>

There have been no changes since the end of the previous financial year ended 31 December 2023 in respect of the following:

- the credit risk associated with the derivatives as these are used for hedging purposes;
- the cash requirements of the derivatives;
- the policies in place for mitigating or controlling the risks associated with the derivatives; and
- the related accounting policies.

The Group's hedging reserve as at 31 March 2024 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 2024 and 31 December 2023 except as set out below:

	As at 31.03.2024		As at 31.12.2023	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Finance lease receivables	4,588,854	5,139,601	4,540,236	5,114,916
Amount due from a joint venture	728	671	15,984	15,662
Amounts due from associates	557,045	495,293	532,838	466,803
Sukuk Murabahah	<u>1,507,249</u>	<u>1,467,259</u>	<u>1,530,962</u>	<u>1,511,058</u>

The fair value of finance lease receivables, amount due from a joint venture, amounts due from associates 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 2024 and 31 December 2023, by valuation method.

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
As at 31.03.2024				
Financial assets:				
Financial assets at fair value through other comprehensive income	65,552	-	-	65,552
Derivatives used for hedging				
- Interest rate swaps	-	68,654	-	68,654
Financial liabilities:				
Derivatives used for hedging				
- Cross currency interest rate swaps	-	(606,606)	-	(606,606)

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 2024 and 31 December 2023, by valuation method. (continued)

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
As at 31.12.2023				
Financial assets:				
Financial assets at fair value through other comprehensive income	52,453	-	-	52,453
Derivatives used for hedging				
- Interest rate swaps	<u>-</u>	<u>62,443</u>	<u>-</u>	<u>62,443</u>
Financial liabilities:				
Derivatives used for hedging				
- Cross currency interest rate swaps	<u>-</u>	<u>(539,630)</u>	<u>-</u>	<u>(539,630)</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 period and the comparative period. 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/ Cumulative Quarter Ended 31.03.2024 RM'000	Individual/ Cumulative Quarter Ended 31.03.2023 RM'000
Profit before taxation is arrived at after (crediting)/charging:		
(a) Other operating income		
- Interest income	(16,173)	(11,329)
- Gain on disposal of a joint venture	-	(318)
- Management and engineering services charged to an associate	-	(11,802)
- Insurance claim	(671)	(414)
- Others	(16)	(181)
(b) Interest expense	75,577	88,647
(c) Accretion of interest	3,752	1,378
(d) Depreciation of property, plant and equipment	76,422	82,138
(e) Reversal of impairment		
- Trade receivables	(946)	(1,317)
(f) Net foreign exchange loss		
- realised	2,806	1,531
- unrealised	10,206	5,961
(g) Fair value (gain)/loss on ineffective portion of cash flow hedges	(212)	1,749
(h) Termination and retrenchment expenses	563	1,217

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 ended 31 March 2024.

25. MATERIAL LITIGATION

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

26. DIVIDENDS

No dividend was declared or recommended for the current financial period ended 31 March 2024.

27. EARNINGS PER SHARE

The basic earnings per share (“EPS”) is calculated by dividing the Group’s profit attributable to Owners of the Company by the average number of ordinary shares in issue during the financial period.

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/Cumulative Quarter Ended	
	31.03.2024	31.03.2023
Profit attributable to Owners of the Company (RM’000)	240,543	201,010
Weighted average/adjusted weighted average number of ordinary shares in issue for basic EPS (’000)	5,922,666	5,918,047
Basic EPS (sen)	4.06	3.40
Diluted EPS (sen)	4.06	3.40

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
30 May 2024