



BUMIARMADA

BUMI ARMADA BERHAD

199501041194 (370398-X)

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 SEPTEMBER 2024

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 third quarter ended 30 September 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 Quarters Period Ended		
		30.09.2024 RM'000	30.09.2023 RM'000	+ / (-) %	30.09.2024 RM'000	30.09.2023 RM'000	+ / (-) %
Revenue		551,860	524,795	5	1,766,257	1,510,106	17
Cost of sales		(239,393)	(283,467)		(757,802)	(872,902)	
Gross profit		312,467	241,328	29	1,008,455	637,204	58
Other operating income		23,743	33,370		68,555	131,819	
Selling and distribution costs		(575)	(495)		(1,437)	(2,171)	
Administrative expenses		(74,968)	(51,714)		(154,594)	(106,636)	
Operating profit before impairment		260,667	222,489	17	920,979	660,216	39
(Impairment)/Reversal of impairment		(27)	484		1,579	3,159	
Operating profit		260,640	222,973	17	922,558	663,375	39
Finance costs		(75,102)	(83,025)		(231,677)	(258,382)	
Share of results of joint ventures and associates		15,002	25,095		50,123	65,977	
Profit before taxation		200,540	165,043	22	741,004	470,970	57
Taxation	18	292	(292)		(8,609)	(3,170)	
Profit for the financial period		200,832	164,751	22	732,395	467,800	57
Attributable to:							
- Owners of the Company		211,328	177,766	19	717,829	497,546	44
- Non-controlling interests		(10,496)	(13,015)		14,566	(29,746)	
		200,832	164,751		732,395	467,800	
Basic earnings per share (sen)	27	3.57	3.00		12.11	8.40	
Diluted earnings per share (sen)	27	3.57	3.00		12.11	8.40	

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Individual Quarter Ended		Cumulative Quarters Period Ended	
		30.09.2024 RM'000	30.09.2023 RM'000	30.09.2024 RM'000	30.09.2023 RM'000
Profit for the financial period		200,832	164,751	732,395	467,800
Other comprehensive (expense)/income					
Items that may be reclassified subsequently to profit or loss					
- Cash flow hedges		(43,867)	(7,383)	(69,482)	(55,585)
- Costs of hedging		2,829	3,004	10,182	54,536
- Foreign currency translation differences		(752,019)	37,459	(607,058)	335,681
- Share of other comprehensive expense of a joint venture		-	(249)	-	(790)
Items that will not be reclassified to profit or loss:					
- Financial assets at fair value through other comprehensive income:					
- Gain on fair value change		10,268	5,078	21,616	33,806
Other comprehensive (expense)/income for the financial period, net of tax		(782,789)	37,909	(644,742)	367,648
Total comprehensive (expense)/income for the financial period		(581,957)	202,660	87,653	835,448
Total comprehensive (expense)/income attributable to:					
- Owners of the Company		(583,417)	216,005	63,618	868,567
- Non-controlling interests		1,460	(13,345)	24,035	(33,119)
		(581,957)	202,660	87,653	835,448

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 30.09.2024 RM'000	As at 31.12.2023 RM'000
NON-CURRENT ASSETS			
Property, plant and equipment	11	2,723,343	3,256,254
Investments in joint ventures		937,987	1,130,548
Investments in associates		36,599	42,619
Financial assets at fair value through other comprehensive income		12,361	52,453
Finance lease receivables		3,523,123	4,206,498
Amount due from a joint venture		-	15,984
Amounts due from associates		503,718	532,838
Derivative financial instruments	22	7,124	20,857
Deferred tax assets		9,881	9,840
TOTAL NON-CURRENT ASSETS		7,754,136	9,267,891
CURRENT ASSETS			
Finance lease receivables		331,658	333,738
Trade receivables	20	544,353	671,303
Other receivables, deposits and prepayments		31,196	32,316
Contract assets		680	498
Amounts due from joint ventures		2,302	177
Amounts due from associates		26,566	28,360
Derivative financial instruments	22	21,746	41,586
Tax recoverable		17,051	35,523
Deposits, cash and bank balances		1,100,051	704,720
TOTAL CURRENT ASSETS		2,075,603	1,848,221
TOTAL ASSETS		9,829,739	11,116,112
LESS: CURRENT LIABILITIES			
Trade payables and accruals		99,997	117,014
Other payables and accruals		176,545	192,417
Contract liabilities		19,240	26,219
Amounts due to joint ventures		1,481	1,597
Amounts due to associates		28,510	58,349
Leases		17,824	45,542
Borrowings	21	670,435	2,273,253
Derivative financial instruments	22	-	539,630
Taxation		11,207	10,855
TOTAL CURRENT LIABILITIES		1,025,239	3,264,876
NET CURRENT ASSETS/(LIABILITIES)		1,050,364	(1,416,655)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

	Note	As at 30.09.2024 RM'000	As at 31.12.2023 RM'000
LESS: NON-CURRENT LIABILITIES			
Other payables and accruals		99,196	104,355
Contract liabilities		34,982	28,768
Leases		33,176	48,223
Borrowings	21	2,967,559	2,081,272
Deferred tax liabilities		5,686	8,997
TOTAL NON-CURRENT LIABILITIES		3,140,599	2,271,615
NET ASSETS		5,663,901	5,579,621
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Share capital		4,338,585	4,335,448
Reserves		1,393,481	1,336,373
		5,732,066	5,671,821
NON-CONTROLLING INTERESTS		(68,165)	(92,200)
TOTAL EQUITY		5,663,901	5,579,621
NET ASSETS PER SHARE (RM)		0.96 *	0.94

* Based on 5,927,875,444 ordinary shares in issue as at 30 September 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)/ Retained earnings 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	-	-	-	-	-	-	717,829	717,829	14,566	732,395
Other comprehensive (expense)/income for the financial period, net of tax	-	-	(616,528)	-	(59,299)	21,616	-	(654,211)	9,469	(644,742)
Total comprehensive (expense)/income for the financial period, net of tax	-	-	(616,528)	-	(59,299)	21,616	717,829	63,618	24,035	87,653
Transfer of gain on disposal of financial assets at fair value through other comprehensive income to retained earnings	-	-	-	-	-	(43,305)	43,305	-	-	-
Transactions with owners:										
- Shares issued pursuant to the management incentive plan	5,209	3,137	-	(3,137)	-	-	-	-	-	-
- Management incentive plan granted	-	-	-	122	-	-	-	122	-	122
- Reversal of management incentive plan granted due to modification of payment arrangement	-	-	-	(3,495)	-	-	-	(3,495)	-	(3,495)
At 30 September 2024	5,927,875	4,338,585	1,026,391	68	25,229	14,894	326,899	5,732,066	(68,165)	5,663,901

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	-	-	-	-	-	-	497,546	497,546	(29,746)	467,800
Other comprehensive income/(expense) for the financial period, net of tax	-	-	339,054	-	(1,839)	33,806	-	371,021	(3,373)	367,648
Total comprehensive income/(expense) for the financial period, net of tax	-	-	339,054	-	(1,839)	33,806	497,546	868,567	(33,119)	835,448
Transactions with owners:										
- Shares issued pursuant to the management incentive plan	4,619	3,072	-	(3,072)	-	-	-	-	-	-
- Management incentive plan granted	-	-	-	3,322	-	-	-	3,322	-	3,322
At 30 September 2023	5,922,666	4,335,448	1,766,986	5,509	132,816	46,406	(268,748)	6,018,417	(84,097)	5,934,320

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Period Ended 30.09.2024 RM'000	Period Ended 30.09.2023 RM'000
OPERATING ACTIVITIES		
Profit for the financial period	732,395	467,800
Adjustments for non-cash items:		
Share of results of joint ventures and associates	(50,123)	(65,977)
Gain on disposal of joint ventures	-	(18,398)
Gain on disposal of property, plant and equipment and non-current assets held-for-sale	-	(60,654)
Depreciation of property, plant and equipment	224,979	248,319
Fair value loss on ineffective portion of cash flow hedges	301	1,186
Fair value gain on financial assets at fair value through profit or loss	(6,733)	-
Reversal of impairment (net)	(1,579)	(3,159)
Unrealised foreign exchange loss	50,968	17,867
Share based payment - Management incentive plan granted	122	3,322
Interest income	(56,146)	(35,619)
Interest expense	220,738	252,764
Accretion of interest	10,638	4,432
Dividend income	(1,301)	(452)
Taxation	8,609	3,170
Operating profit before changes in working capital	1,132,868	814,601
Changes in working capital:		
Finance lease receivables	247,388	209,059
Trade and other receivables	36,120	100,160
Trade and other payables	(70,921)	(116,600)
Joint ventures and associates	2,380	6,101
Cash from operations	1,347,835	1,013,321
Interest paid	(317,237)	(263,682)
Tax refunded (net)	8,173	1,423
Dividend received from joint ventures	165,964	26,694
NET CASH FLOWS GENERATED FROM OPERATING ACTIVITIES	1,204,735	777,756
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(251)	(880)
Proceeds from disposal of property, plant and equipment and non-current assets classified as held-for-sale	-	152,615
Proceeds from disposal of financial assets at fair value through other comprehensive income	66,607	-
Proceeds from disposal of financial assets at fair value through profit or loss	6,733	-
Proceeds from disposal of investments in joint ventures	-	15,171
Additional investment in joint ventures	-	(3)
Advances to an associate	(68,934)	(100,600)
Interest received	37,563	35,612
Dividends received from financial assets at fair value through other comprehensive income	1,301	452
Repayment from a joint venture	14,304	3,318
Proceeds from redemption of redeemable preference shares in a joint venture	-	49,304
NET CASH FLOWS GENERATED FROM INVESTING ACTIVITIES	57,323	154,989

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	Period Ended 30.09.2024 RM'000	Period Ended 30.09.2023 RM'000
FINANCING ACTIVITIES		
Proceeds from borrowings	1,704,520	-
Repayment of borrowings	(2,486,045)	(1,068,243)
Repayments of lease liabilities	(3,020)	(3,083)
NET CASH FLOWS USED IN FINANCING ACTIVITIES	(784,545)	(1,071,326)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	477,513	(138,581)
CURRENCY TRANSLATION DIFFERENCES	(82,182)	51,653
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	1,100,051	751,919
Cash and cash equivalents consist of:		
Deposits with licensed banks	883,035	605,145
Cash and bank balances	217,016	146,774
	1,100,051	751,919

EXPLANATORY NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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.

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) Standards and amendments to published standards 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 2025:
 - Amendments to MFRS 121 “The Effects of Changes in Foreign Exchange Rates” – Lack of Exchangeability
- (ii) Amendments to MFRS which are applicable to the Group beginning on or after 1 January 2026:
 - Amendments to MFRS 9 “Financial Instruments and MFRS 7 “Financial Instruments: Disclosures” – Amendments to the Classification and Measurement of Financial Instruments
 - Amendments that are part of Annual Improvements – Volume 11:
 - Amendments to MFRS 1 “First-time Adoption of Malaysian Financial Reporting Standards”
 - Amendments to MFRS 7 “Financial Instruments: Disclosures”
 - Amendments to MFRS 9 “Financial Instruments”
 - Amendments to MFRS 10 “Consolidated Financial Statements”
 - Amendments to MFRS 107 “Statement of Cash Flows”
- (ii) Standards which are applicable to the Group beginning on or after 1 January 2027:
 - MFRS 18 “Presentation and Disclosure in Financial Statements”
 - MFRS 19 “Subsidiaries without Public Accountability: Disclosures”

The adoption of the above standards and 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 30.09.2024 RM’000	YTD 30.09.2023 RM’000	Change RM’000
Segment revenue			
Operations	1,739,259	1,493,289	245,970
Others	26,998	16,817	10,181
Total revenue	1,766,257	1,510,106	256,151
Profit for the financial period	732,395	467,800	264,595
Finance costs	(231,677)	(258,382)	26,705
Share of results of joint ventures and associates	50,123	65,977	(15,854)
Depreciation of property, plant and equipment	(224,979)	(248,319)	23,340

The Group generated revenue of RM1,766.3 million for the financial period ended 30 September 2024 (“YTD 2024”), an increase of RM256.2 million compared to the financial period ended 30 September 2023 (“YTD 2023”). Operations segment revenue increased due to settlement of the operating fee escalation of Armada Olombendo FPSO⁽¹⁾ and lower revenue in YTD 2023 due to the failure of Armada Kraken FPSO’s hydraulic submersible pump (“HSP”) transformers.

The Group generated a profit of RM732.4 million for YTD 2024, an increase of RM264.6 million compared to YTD 2023 mainly due to higher contribution from Armada Kraken FPSO and Armada Olombendo FPSO, offset by lower other income due to the gain on disposal of vessels in YTD 2023.

With reference to Note 10 Segmental Information, the Operations segment result increased to RM1,142.3 million for YTD 2024 compared to RM817.3 million for YTD 2023 mainly due to higher contribution from Armada Kraken FPSO and Armada Olombendo FPSO. The Others segment result had higher losses of RM64.9 million for YTD 2024 compared to a loss of RM40.5 million in YTD 2023 mainly due to higher foreign exchange loss arising from translation of intercompany balances and fixed deposits 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	3rd Quarter 2024 RM’000	2nd Quarter 2024 RM’000	Change RM’000
Segment revenue			
Operations	543,138	561,905	(18,767)
Others	8,722	16,954	(8,232)
Total revenue	551,860	578,859	(26,999)
Profit for the financial period	200,832	268,455	(67,623)
Finance costs	(75,102)	(77,458)	2,356
Share of results of joint ventures and associates	15,002	31,968	(16,966)
Depreciation of property, plant and equipment	(72,022)	(76,535)	4,513

The Group generated revenue of RM551.9 million for the quarter ended 30 September 2024 (“Q3 2024”), a decrease of RM27.0 million compared to the previous quarter. The decrease in revenue in the Operations segment was mainly due to lower revenue from variation order for Armada Olombendo FPSO and the weakening of USD against MYR. The Others segment had higher revenue in Q2 2024 mainly from provision of engineering services to the Group’s jointly-owned FPSO vessels.

The Group generated a profit of RM200.8 million for Q3 2024, a decrease of RM67.6 million compared to Q2 2024 mainly due to foreign exchange loss arising from translation of intercompany balances and fixed deposits denominated in foreign currency in Q3 2024 and lower share of results of joint ventures and associates.

2. MANAGEMENT COMMENTARY (CONTINUED)

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

With reference to Note 10 Segmental Information, the Operations segment result decreased from RM369.4 million in Q2 2024 to RM343.3 million in Q3 2024 mainly due to foreign exchange loss arising from translation of intercompany balances denominated in foreign currency and lower gross profit. The Others segment reported a loss of RM34.3 million in Q3 2024 compared to a loss of RM5.8 million in Q2 2024, mainly due to foreign exchange loss arising from translation of intercompany balances and fixed deposits denominated in foreign currency in Q3 2024.

(C) Review of consolidated statement of financial position

Financial Indicators	As at 30.09.2024 RM'000	As at 31.12.2023 RM'000	Change RM'000
Total assets	9,829,739	11,116,112	(1,286,373)
Total liabilities	(4,165,838)	(5,536,491)	1,370,653
Total equity	(5,663,901)	(5,579,621)	(84,280)

As at 30 September 2024, the Group had total assets of RM9,829.7 million, a decrease of 12% compared to 31 December 2023 and total liabilities of RM4,165.8 million, a decrease of 25% compared to 31 December 2023. This is mainly due to weakening of USD against MYR which contributed to the reduction in balances denominated in USD. The decrease in total liabilities is also contributed to by the repayment of borrowings in YTD 2024.

(D) Review of consolidated statement of cash flows

Financial Indicators	YTD 30.09.2024 RM'000	YTD 30.09.2023 RM'000	Change RM'000
Net cash flows generated from operating activities	1,204,735	777,756	426,979
Net cash flows generated from investing activities	57,323	154,989	(97,666)
Net cash flows used in financing activities	(784,545)	(1,071,326)	286,781
Net increase/(decrease) in cash and cash equivalents	477,513	(138,581)	616,094

The Group had higher net cash flows generated from operating activities in YTD 2024 compared to YTD 2023 mainly due to higher operating profit and dividends received from joint ventures in YTD 2024.

Net cash flows generated from investing activities in YTD 2023 were higher than YTD 2024 due to proceeds from the disposal of vessels which was offset by higher advances to an associate.

In YTD 2024, the Group repaid bank debt of RM2,486.0 million, offset by proceeds from borrowings of RM1,704.5 million.

(E) Critical accounting estimates and judgements

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”) for Oil and Natural Gas Corporation of India

Armada Sterling V FPSO has completed the necessary tests and successfully achieved final acceptance on 1 July 2024.

The Group holds a 30% interest in associates involved in the 98/2 Project. The associates are in discussions with the charterer on outstanding claims.

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.

As previously explained, in light of the straight-line accounting depreciation of certain assets, we will review the difference between net book value and value-in-use (“VIU”) for impairment purposes for the financial year ending 31 December 2024. The VIU will be computed using key assumptions such as expected contractual period of the vessel, charter fees, prevailing discount rate, inflation rate, and residual value. Impairment may be recognised as a result. Any impairment would not reduce the Group’s cash flows.

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 30 September 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 30 September 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

Other than the repayment of RM1,500.0 million Sukuk Murabahah as disclosed in Note 21, 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 30 September 2024.

9. DIVIDENDS PAID

There were no dividends paid during the financial period ended 30 September 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. With effect from 1 September 2024, Technology, Engineering and Projects sub-segment within the “Others” reportable segment has been renamed to Technology, Engineering, Projects and Asset Integrity.

- (i) Operations – provision of FPSO vessels, Floating Gas Solutions unit, Subsea Construction assets and marine related services.
- (ii) Others – consists of the following:
- Technology, Engineering, Projects and Asset Integrity – Provides engineering consultancy and project management services for new business developments and operated assets.
 - 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 and cumulative quarters ended 30 September 2024 and 30 September 2023 are as follows:

Individual Quarter Ended 30.09.2024	Operations RM'000	Others RM'000	Elimination RM'000	Total RM'000
Revenue	543,138	8,722	-	551,860
Inter-segment revenue	-	28,490	(28,490)	-
Results				
Segment results	343,258	(34,312)	-	308,946
Depreciation of property, plant and equipment	(71,311)	(711)	-	(72,022)
Impairment	(27)	-	-	(27)
Share of results of joint ventures and associates	15,004	(2)	-	15,002
Subtotal	286,924	(35,025)	-	251,899
Other operating income				23,743
Finance costs				(75,102)
Taxation				292
Profit for the financial period				200,832

Individual Quarter Ended 30.09.2023	Operations RM'000	Others RM'000	Elimination RM'000	Total RM'000
Revenue	524,277	518	-	524,795
Inter-segment revenue	-	23,830	(23,830)	-
Results				
Segment results	305,798	(32,781)	-	273,017
Depreciation of property, plant and equipment	(83,183)	(715)	-	(83,898)
Reversal of impairment/(Impairment)	485	(1)	-	484
Share of results of joint ventures and associates	25,695	(600)	-	25,095
Subtotal	248,795	(34,097)	-	214,698
Other operating income				33,370
Finance costs				(83,025)
Taxation				(292)
Profit for the financial period				164,751

10. SEGMENT INFORMATION (CONTINUED)

The information of each of the Group's business units for the individual and cumulative quarters ended 30 September 2024 and 30 September 2023 are as follows: (continued)

Cumulative Quarters Ended 30.09.2024	Operations RM'000	Others RM'000	Elimination RM'000	Total RM'000
Revenue	1,739,259	26,998	-	1,766,257
Inter-segment revenue	-	70,841	(70,841)	-
Results				
Segment results	1,142,307	(64,904)	-	1,077,403
Depreciation of property, plant and equipment	(222,818)	(2,161)	-	(224,979)
Reversal of impairment	1,579	-	-	1,579
Share of results of joint ventures and associates	66,336	(16,213)	-	50,123
Subtotal	987,404	(83,278)	-	904,126
Other operating income				68,555
Finance costs				(231,677)
Taxation				(8,609)
Profit for the financial period				732,395

Cumulative Quarters Ended 30.09.2023	Operations RM'000	Others RM'000	Elimination RM'000	Total RM'000
Revenue	1,493,289	16,817	-	1,510,106
Inter-segment revenue	-	70,480	(70,480)	-
Results				
Segment results	817,256	(40,540)	-	776,716
Depreciation of property, plant and equipment	(246,002)	(2,317)	-	(248,319)
Reversal of impairment/(Impairment)	3,160	(1)	-	3,159
Share of results of joint ventures and associates	65,252	725	-	65,977
Subtotal	639,666	(42,133)	-	597,533
Other operating income				131,819
Finance costs				(258,382)
Taxation				(3,170)
Profit for the financial period				467,800

Segmental revenue for Operations is mainly denominated in USD.

11. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

As at 30 September 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

There are no material events which have arisen in the interval between the end of this reporting period and the date of this report, except as disclosed below:

- (a) The Group's wholly owned subsidiary, Bumi Armada UK Limited ("BAUK") entered into an Engineering, Procurement, Construction, Installation and Modification agreement with EnQuest Heather Limited ("EnQuest") on 29 October 2024 for the provision of a Flare Gas Recovery System on the Magnus platform located in blocks 211/12a and 211/7a of the UK North Sea ("the Agreement"). The Agreement is expected to be carried out over approximately four (4) years with an estimated contract value of GBP 50.0 million.
- (b) The Group's wholly owned subsidiary, Armada TGT Ltd ("ATL") has successfully secured a 2-year firm period extension for the Supply and Lease of Armada TGT1 FPSO to Hoang Long Joint Operating Company ("HLJOC") pursuant to a Bareboat Charter Contract ("BBC") for the Te Giac Trang field located offshore Vietnam, via the execution of a BBC Amendment Addendum dated 13 November 2024 between ATL and HLJOC ("Extension"). The Extension commenced on 15 November 2024 and will expire on 7 December 2026. The aggregate contract value is approximately USD74.4 million. Apart from the contract value, the Extension was finalised based on terms consistent with the terms of the BBC.
- (c) On 14 November 2024, Bumi Armada Berhad ("the Company") entered into a non-binding memorandum of understanding ("MOU") with MISC Berhad ("MISC") to explore a prospective merger with MISC's offshore business via an all shares transaction ("Proposed Merger"). It is contemplated that the merged entity arising from the Proposed Merger will be among the leading floating production businesses globally with the capacity to compete in the growing and capital intensive offshore floating production segment. Pursuant to the MOU, in the event both parties agree to proceed with the Proposed Merger, the parties may enter into negotiations on definitive agreement(s). The MOU is effective for a period of nine months from the date of the MOU, until the execution of definitive agreement(s) or termination of the MOU, whichever is the earliest unless otherwise agreed by the parties. The MOU is not intended to have a legal and binding effect save for certain clauses relating to, among others, exclusivity and confidentiality.

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 30 September 2024 and 31 December 2023 are as follows:

	As at	As at
	30.09.2024	31.12.2023
	RM'000	RM'000
- authorised but not contracted	<u>2,668</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 RM57.7 million as at 30 September 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.

16. SIGNIFICANT RELATED PARTY DISCLOSURES

The significant related party transactions undertaken during the individual and cumulative quarters period ended 30 September 2024 and 30 September 2023 are described below:

	Individual Quarter Ended 30.09.2024 RM'000	Individual Quarter Ended 30.09.2023 RM'000	Cumulative Quarters Period Ended 30.09.2024 RM'000	Cumulative Quarters Period Ended 30.09.2023 RM'000
(a) Management and engineering services charged to joint ventures and associates				
- revenue	11,604	566	28,729	11,302
- other operating income	2,765	-	2,765	11,802
(b) Telecommunication expenses to Maxis Broadband Sdn. Bhd. ⁽¹⁾	(173)	(136)	(355)	(244)
(c) Rental to Malaysian Landed Property Sdn. Bhd. ⁽²⁾	(957)	(1,000)	(2,870)	(2,936)
(d) Management fees to UTSB Management Sdn. Bhd. ⁽³⁾	(1,350)	(1,309)	(4,000)	(5,185)
(e) Transaction with Pacific Mezzanine Capital (Jersey) Limited (“PMC”) ⁽³⁾				
- repayment of borrowings	(70,499)	-	(211,503)	(16,876)
- interest expense	(2,326)	(6,278)	(15,627)	(17,920)
(f) Transactions with associates				
- advances	40,085	36,426	68,934	100,600
- interest income	6,133	5,245	18,119	13,538
- conversion of advances to redeemable preference shares	(10,023)	-	(58,473)	-
(g) Key management personnel compensation				
- Non-Executive Directors’ fees	(562)	(561)	(1,709)	(1,955)
- salaries, bonus and allowances and other staff related costs	(5,035)	(5,438)	(18,435)	(14,992)
- defined contribution plan	(105)	(140)	(396)	(345)
- share-based payment – management incentive plan reversal/(granted)	(904)	(1,168)	3,368	(3,311)
(h) Dividend income from joint ventures	23,437	-	167,459	26,694
(i) Redemption of redeemable preference shares	-	27,665	-	27,665
(j) Payment on behalf of joint ventures	10	1	211	112

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.

16. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

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 Quarter Ended		Cumulative Quarters Period Ended	
	30.09.2024 RM'000	30.09.2023 RM'000	30.09.2024 RM'000	30.09.2023 RM'000
Income tax:				
- Current year	2,706	1,583	12,806	3,626
- Prior year	(933)	-	(777)	(281)
Deferred tax	(2,065)	(1,291)	(3,420)	(175)
Taxation	(292)	292	8,609	3,170

The Group’s effective tax rates for the individual and cumulative quarters ended 30 September 2024 were less than 1% and 1% respectively. The differences 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 30 September 2024 and 31 December 2023 is as follows:

	As at 30.09.2024 RM'000	As at 31.12.2023 RM'000
Current	544,353	658,900
Less than 30 days past due	-	7,630
Between 31 and 90 days past due	-	4,313
More than 1 year past due	-	460
	<u>544,353</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.

21. BORROWINGS

	As at 30.09.2024		As at 31.12.2023			As at 30.09.2023		
	Denominated in USD 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	458,291	458,291	707,625	-	707,625	713,715	-	713,715
Unsecured:								
Sukuk Murabahah ⁽¹⁾	-	-	-	1,530,962	1,530,962	-	1,506,919	1,506,919
Term loans ⁽¹⁾	212,144	212,144	34,666	-	34,666	625,830	-	625,830
Total short-term debts	670,435	670,435	742,291	1,530,962	2,273,253	1,339,545	1,506,919	2,846,464
LONG-TERM DEBTS								
Secured:								
Term loans	1,094,832	1,094,832	1,625,318	-	1,625,318	1,802,229	-	1,802,229
Unsecured:								
Term loans ⁽¹⁾	1,872,727	1,872,727	455,954	-	455,954	-	-	-
Total long-term debts	2,967,559	2,967,559	2,081,272	-	2,081,272	1,802,229	-	1,802,229
Total borrowings	3,637,994	3,637,994	2,823,563	1,530,962	4,354,525	3,141,774	1,506,919	4,648,693

21. BORROWINGS (CONTINUED)

⁽¹⁾ The Group has secured syndicated facilities with a 6-year tenor at an aggregate principal amount of up to USD400.0 million (RM1,649.4 million) (“the Facilities”), which have been fully disbursed with the entire proceeds applied towards the redemption and settlement of the Sukuk Murabahah of RM1,500.0 million and all its related cross currency and interest rate hedge liabilities.

As the Facilities are repayable over 6 years, amounts due more than 12 months from the balance sheet date have been classified as non-current liabilities.

As at 30 September 2024, all borrowings have floating interest rates. One of the term loan facilities has been partially hedged using Interest Rate Swap, as disclosed in Note 22. The proportion of borrowings between floating interest rates and fixed interest rates after hedging is 70%:30%.

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

	30.09.2024	31.12.2023	30.09.2023
	%	%	%
Term loans	8.79	8.67	8.75
Sukuk Murabahah	-	6.35	6.35

Borrowings as at 30 September 2024 decreased by 16% as compared to 31 December 2023 mainly due to repayment of bank borrowings and weakening of USD against MYR.

22. DERIVATIVE FINANCIAL INSTRUMENTS

Details of derivative financial instruments outstanding as at 30 September 2024 and 31 December 2023 are as set out below:

Types of Derivative	<u>As at 30.09.2024</u>		<u>As at 31.12.2023</u>	
	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	314,350	21,746	334,044	41,586
- 1 to 3 years	685,678	7,059	731,709	20,023
- More than 3 years	89,993	65	396,596	834
	<u>1,090,021</u>	<u>28,870</u>	<u>1,462,349</u>	<u>62,443</u>
Cross currency interest rate swaps				
- Less than 1 year	-	-	1,500,000	(539,630)
	<u>-</u>	<u>-</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 30 September 2024 represents the effective portion of the deferred fair value gains 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 30 September 2024 and 31 December 2023 except as set out below:

	As at 30.09.2024		As at 31.12.2023	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Finance lease receivables	3,854,781	4,305,542	4,540,236	5,114,916
Amount due from a joint venture	-	-	15,984	15,662
Amounts due from associates	503,718	458,175	532,838	466,803
Sukuk Murabahah	-	-	1,530,962	1,511,058

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 30 September 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 30.09.2024				
Financial assets:				
Financial assets at fair value through other comprehensive income	12,361	-	-	12,361
Derivatives used for hedging				
- Interest rate swaps	-	28,870	-	28,870

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 30 September 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 Quarter Ended 30.09.2024 RM'000	Individual Quarter Ended 30.09.2023 RM'000	Cumulative Quarters Ended 30.09.2024 RM'000	Cumulative Quarters Ended 30.09.2023 RM'000
Profit before taxation is arrived at after (crediting)/charging:				
(a) Other operating income				
- Interest income	(20,682)	(13,561)	(56,146)	(35,619)
Dividend income from financial assets at fair value through other comprehensive income	-	-	(1,301)	(452)
- Gain on disposal of a joint venture	-	(18,080)	-	(18,398)
Gain on disposal of property, plant and equipment and non-current assets held-for- sale	-	-	-	(60,654)
- Management and engineering services charged to joint ventures and an associate	(2,765)	-	(2,765)	(11,802)
- Insurance claim	(250)	(1,465)	(1,316)	(3,675)
- Fair value gain on financial assets at fair value through profit or loss	-	-	(6,733)	-
- Others	(46)	(264)	(294)	(1,219)
(b) Interest expense	71,527	81,333	220,738	252,764
(c) Accretion of interest	3,087	1,613	10,638	4,432
(d) Depreciation of property, plant and equipment	72,022	83,898	224,979	248,319
(e) Impairment/(Reversal of impairment)				
- Trade receivables	27	(484)	(919)	(3,159)
- Other receivables	-	-	257	-
- Amount due from a joint venture	-	-	(917)	-
(f) Net foreign exchange loss				
- realised	855	7,986	6,422	5,573
- unrealised	44,037	15,317	50,968	17,867
(g) Fair value loss on ineffective portion of cash flow hedges	488	79	301	1,186
(h) Termination and retrenchment expenses	(43)	496	933	1,713

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 30 September 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 30 September 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 Quarter Ended		Cumulative Quarters Ended	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
Profit attributable to Owners of the Company (RM’000)	211,328	177,766	717,829	497,546
Weighted average/adjusted weighted average number of ordinary shares in issue for basic EPS (’000)	5,925,426	5,919,886	5,925,426	5,919,886
Basic EPS (sen)	3.57	3.00	12.11	8.40
Diluted EPS (sen)	3.57	3.00	12.11	8.40

BY ORDER OF THE BOARD

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

Kuala Lumpur
22 November 2024