

**BUMI ARMADA BERHAD**  
(Company No. 199501041194 (370398-X))  
("Bumi Armada" or "Company")

SUMMARY OF KEY MATTERS DISCUSSED

Twenty-Fourth Annual General Meeting of Bumi Armada Berhad held at 2.00 p.m. on Tuesday, 9 June 2020 at Kuala Lumpur room, Level 21, Menara Perak, 24 Jalan Perak, 50450 Kuala Lumpur, Malaysia.

---

**Directors Present**

*YAM Tunku Ali Redhaudin ibni Tuanku Muhriz (Chairman of Board of Directors, Chairperson of Nomination & Corporate Governance Committee)  
Independent Non-Executive Director*

*Ms Alexandra Elisabeth Johanna Maria Schaapveld\* (Chairperson of Remuneration Committee)  
Independent Non-Executive Director*

*Mr Uthaya Kumar K Vivekananda (Chairperson of Audit Committee and Risk Management Committee)  
Independent Non-Executive Director*

*Mr Chan Chee Beng\*  
Non-Independent Non-Executive Director*

*Ms Maureen Toh Siew Guat  
Non-Independent Non-Executive Director*

*Mr Gary Neal Christenson  
Executive Director/Chief Executive Officer*

**Shareholders Present\***

*162 representing 9,842,827 ordinary shares ("Bumi Armada Shares")*

**Proxies Present\***

*18 representing 3,204,821,100 Bumi Armada Shares including the Chairman who has been nominated as a proxy in respect of 329,666,568 Bumi Armada Shares.*

*\*Attendance via video conference.*

## **1.0 Introduction**

### **1.1 Chairman**

Tunku Ali Redhaudin ibni Tuanku Muhriz, the Chairman of the Board, presided over the Twenty-Fourth Annual General Meeting of the Company (“Meeting” or “24<sup>th</sup> AGM” or “AGM”).

The Chairman welcomed all attendees to the Meeting which was being held via video-conference due to the Company’s health and safety measures against the COVID-19 pandemic. The Chairman explained that conducting the AGM via video-conference is permitted and in compliance with Section 327 of the Companies Act, 2016, the Company’s Constitution, the Government of Malaysia’s guidance for social distancing, and the Securities Commission (“SC”) Guidance and FAQs on the Conduct of General Meetings for Listed Issuers. The SC, in granting its authorization for Bumi Armada to hold its online AGM during the Conditional Movement Control Order period, has requested the Company to inform its shareholders attending this online AGM, to provide feedback through an online survey at any time before 30 June 2020. The survey link is posted on the SC’s website.

The Chairman proceeded to inform the Members that the total number of valid proxy forms received within the stipulated time was 99 representing a total of 3,534,503,968 shares out of which 71 holders of 329,666,568 shares had appointed the Chairman of the Meeting to be their proxy.

The Chairman declared that the requisite quorum for the Meeting was present. He then introduced the Board Members, the Senior Management of Bumi Armada and the representatives of the Company’s external legal counsel and external auditors.

### **1.2 Safety Moment**

The Chairman informed the Meeting that as part of the Company’s continuing effort to promote a strong safety culture, a safety moment would be conducted before the start of each Board and Board Committee meeting.

The Chairman then invited Mr Gary Leong, Head, Health, Safety, Security, Environment and Quality (“HSSEQ”) to brief the Meeting on safety practices at the AGM during the COVID-19 pandemic.

### **1.3 Remarks from the Chairman on the Company’s Performance in 2019**

The Chairman highlighted the key events of 2019 and their impact on the Company’s business. Based on forecasts for a slowing global economy, Governments had reduced interest rates in an attempt to spur domestic consumption, and encourage spending. Oil prices in 2019 were at the USD60 -USD70 per barrel range, and large investments in offshore oil and gas projects remained relatively limited due to political and economic tensions.

### **1.4 Presentation by the CEO and CFO**

At the request of the Chairman, Mr Christenson, the ED/ CEO of Bumi Armada presented an overview of the operational and financial highlights of the Company for the financial year ended 31 December 2019 (“FY 2019”), summarised below:-

(i) HSSEQ Safety First *(Presented by the CEO)*

- Overall HSSEQ performance was in line with targets with zero lost time incidents.
- The Floating Production and Operations (“FPO”) and Offshore Support Vessel (“OSV”) businesses were also recognised by clients for their safety performance and received multiple safety awards.

## (ii) Operations Updates

- No material improvement in Offshore Marine Services (“OMS”) sector in 2019. 11 OSVs have been sold, while industry utilisation rates and charter rates remained low.
- Performance of Armada Kraken had improved significantly throughout 2019 and was expected to continue to perform well in 2020. All other FPO vessels performed at industry standards.

(iii) Key financial targets *(Presented by the CFO)*

- To improve balance sheet and increase cash flow –
  - (a) Repaid USD225 million of debt;
  - (b) Refinanced corporate debt and Malta project debt; and
  - (c) Reduced net working capital.
- To optimise cost and value on OSV segment – total staff cost reduced by 24%.
- To monetise assets that were unlikely to contribute positively in the short-to medium-term –
  - (a) Disposed of 11 OSVs; and
  - (b) Disposed of Armada Perdana.

## (iv) FY 2019 financial results

- Revenue for FY 2019 had decreased from FY 2018 mainly due to completion of LukOil contract in FY 2018 and lack of Subsea Construction (“SC”) charters in FY 2019;
- Other income was boosted by a series of one-off items, including gain on disposal of assets of RM95 million and RM34 million in FY 2017 and in FY 2019 respectively and disposal of joint ventures of RM36 million in FY 2019.
- Selling and distribution and administrative expenses fluctuated year on year mainly due to one-offs including, among others, forex gain/loss, financing costs.
- Operating profit before impairment in FY 2018 was lower than FY 2017 and FY 2019 due to allowance on impairment losses on receivables of RM276 million, lower other operating income and higher foreign exchange losses.
- Lower share of results of joint venture and associates due to decreased contribution from Karapan Armada Sterling III in Q4 2019 due to downtime. Production resumed to normal in 2020. This decrease was offset by tax exemptions obtained for Armada Sterling I and Armada Sterling II.
- Results in FY 2018 and FY 2019 were impacted by impairments of vessels and allowance for impairment losses on receivables. Excluding these impairments, the Group would have recorded a net profit of RM217 million and RM342 million for FY 2018 and 2019 respectively.

- The Group has recognised a non-cash impairment loss of RM234 million (in cost of sales) in relation to the unsuccessful legal claim against Woodside Energy Julimar Pty Ltd (“Woodside”). Armada Balnaves Pte Ltd (“ABPL”) filed an appeal against the Supreme Court decision at the Court of Appeal on 11 March 2020.
- (v) Q1 2020 financial results
- Revenue in Q1 2020 increased by 7% to RM553 million compared to Q4 2019.
  - Reclassification of non-current portion of Armada Kraken debt to non-current liabilities in Q1 2020 led to a net current asset position in Q1 2020 of RM142 million.
  - Impairment on OMS vessels of RM314 million.
  - The Group’s firm order book as at 31 March 2020 stood at RM18 billion. Upon expiration of the firm contract period, certain contracts contain extension options which are generally exercisable on an annual basis.
  - The forward strategy will be the same as the previous year:–
    - (a) Focus on HSSEQ including COVID prevention;
    - (b) Focus on FPO efficiency;
    - (c) Reduce cost and debt;
    - (d) Monetise unutilised assets; and
    - (e) Secure charters for the OMS vessels.

The Chairman thanked the CEO and CFO for their presentation.

## **2.0 Notice of 24<sup>th</sup> AGM**

The Notice of the Meeting was taken as read.

The Chairman informed the Members that the Resolutions tabled would be determined by poll. The poll voting would be done electronically after all the proposed Resolutions have been tabled to the Members for consideration and questions by Members on the proposed Resolutions have been addressed.

## **3.0 Consideration of the Audited Financial Statements for FY 2019 and the Reports of the Directors and Auditors thereon**

The Audited Financial Statements for FY 2019 and the Reports of the Directors and Auditors thereon were taken as read.

## **4.0 Consideration of Proposed Ordinary Resolutions No. 1 to 7**

On the proposal of a Member, Mr Gary Dinesh Selventhiranathan, all 7 proposed Ordinary Resolutions were tabled to the shareholders for deliberation.

## **5.0 Question and Answers (“Q&A”) Session**

Next, questions received by the Company from the Minority Shareholder Watchdog Group (“MSWG”), and the Company’s responses thereto (enclosed as Appendix 1) were displayed on the screen and also read out for the benefit of those present online.

The key questions posed by the Members and proxies present online and the responses to these are set out below:-

(i) Outlook and strategy for FY 2020

The main focus for FY 2020 of the Company included improving FPO efficiency, monetising unutilised assets (non-attributing/non-core assets) and securing charters for the OMS vessels, so to reduce debt and strengthen the Company's performance.

The Company had recorded higher total borrowings in Q1 2020 mainly due to higher USD exchange rates. The Company's borrowings (in USD) had reduced in Q1 2020 based on the loan repayment profile. The Company would continue to look at cost saving initiatives and monetise assets for loan repayments, as well as to increase cash flow.

(ii) Business Updates

- Updates on impairment

In Q1 2020, the Company recognised an impairment of RM314 million for OMS vessels, where approximately 50% were related to OSV. As part of the monetisation exercise to safeguard its assets from further impairment, the Company has put concerted efforts to market and sell vessels which are currently laid-up/idle.

- Expected utilisation for the 32 OSVs and 3 SC vessels in 2020

The Company's Q1 2020 utilisation was 55.7% for the OSVs, and the utilisation was expected to be reduced due to the impact of COVID-19 and Movement Control Order ("MCO") which affected clients' ability to carry on with their projects. Furthermore, if low oil prices continued, this might also further affect the Company's utilisation rates. It is not expected for the SC vessels in the Caspian will find work this year.

- Updates on FPSO

Most of the FPSO contracts were long term unlike the OSV contracts. One of the longest FPSO contracts including its option periods runs until 2042. Over 90% of the Company's firm contract period orderbook is for the FPO segment.

- Updates on the litigation with Woodside

ABPL had filed an appeal against the Supreme Court decision at the Court of Appeal on 11 March 2020, and the Court's decision is not expected to be issued until some time next year.

The Chairman informed that where there were multiple questions on the same subject, the response was addressed together once in an effort to manage the time and efficiency of the AGM as well as provide opportunity to deal with other questions from Members and proxies. One of the multiple questions received was on whether vouchers would be provided as door gifts to those attending the online AGM. In line with the practice of majority of other public listed companies, and as highlighted in the Administrative Guide, no vouchers or gifts would be provided to Members or proxies who attended the online AGM. The Company encouraged Members to continue to ask questions relating to the Company's performance and constructively challenge the Board and Management at future AGMs.

At the close of the Q&A session, Members were encouraged to direct any further questions they might have about the Company to the designated email addresses provided on the Company's website.

## 6.0 Polling

There being no other questions from the floor or any other business to be dealt with at the Meeting, the Chairman invited Encik Mohamed Sophiee Ahmad Nawawi ("Encik Sophiee"), the representative from the Share Registrar, Boardroom Share Registrars Sdn Bhd, to brief the Members and proxies on the electronic-polling procedures.

After the briefing, the Chairman invited the Members and proxies to proceed to cast their vote online as per the procedures briefed by Encik Sophiee.

*(The Meeting took a break at 3.15 p.m. for the polling process. The Meeting resumed at 3.30 p.m.)*

## 7.0 Declaration of Results

The Chairman invited Ms Gladys Tia Hwei Peng, the representative from the scrutineers, Boardroom Corporate Services Sdn Bhd to announce the results of the poll, which had been verified by the scrutineers.

All 7 proposed Ordinary Resolutions were passed and the detailed results were as follows:

No.	Resolutions	For			Against		
		No. of Shares	%	No. of Records	No. of Shares	%	No. of Records
1	To re-elect Mr Uthaya Kumar Vivekananda who retires by rotation in accordance with Rule 131.1 of the Company's Constitution, and who being eligible, offers himself for re-election as a Director of the Company.	3,543,467,722	99.9913	185	307,144	0.0087	39
2	To re-elect Mr Chan Chee Beng who retires by rotation in accordance with Rule 131.1 of the Company's Constitution, and who being eligible, offers himself for re-election as a Director of the Company.	2,750,293,121	77.6642	175	790,968,445	22.3358	46
3	To retain Ms Alexandra Elisabeth Johanna Maria Schaapveld, who would, on 7 June 2020, have served as an Independent Non-Executive Director of the Company for a cumulative term of 9 years, to continue to serve as an INED of the Company until the conclusion of the next annual general meeting of the Company.	2,702,086,203	76.2682	176	840,788,663	23.7318	47
4	To approve the payment of fees and benefits to the Non-Executive Directors up to an amount of RM3.0 million from 9 June 2020 until the conclusion of the next Annual General Meeting of the Company to be held in 2021.	3,539,882,069	99.9872	156	451,596	0.0128	63

No.	Resolutions Ordinary Resolutions	For			Against		
		No. of Shares	%	No. of Records	No. of Shares	%	No. of Records
5	To re-appoint Messrs PricewaterhouseCoopers PLT as Auditors of the Company for the financial year ending 31 December 2020 and to authorise the Directors to fix their remuneration for that year.	2,750,524,223	99.8265	189	4,779,843	0.1735	27
6	Authority to issue new ordinary shares pursuant to Section 75 and Section 76 of the Companies Act, 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.	2,754,891,923	77.7389	176	788,882,943	22.2611	48
7	Proposed offer, grant and/or allotment in respect of ordinary shares in the Company to Mr Gary Neal Christenson, Executive Director/Chief Executive Officer pursuant to the Company's Management Incentive Plan.	2,624,454,228	95.4434	116	125,295,438	4.5566	96

## 8.0 Closure

The Meeting ended at 3.45 p.m. with a vote of thanks to the Members and the Chairman.