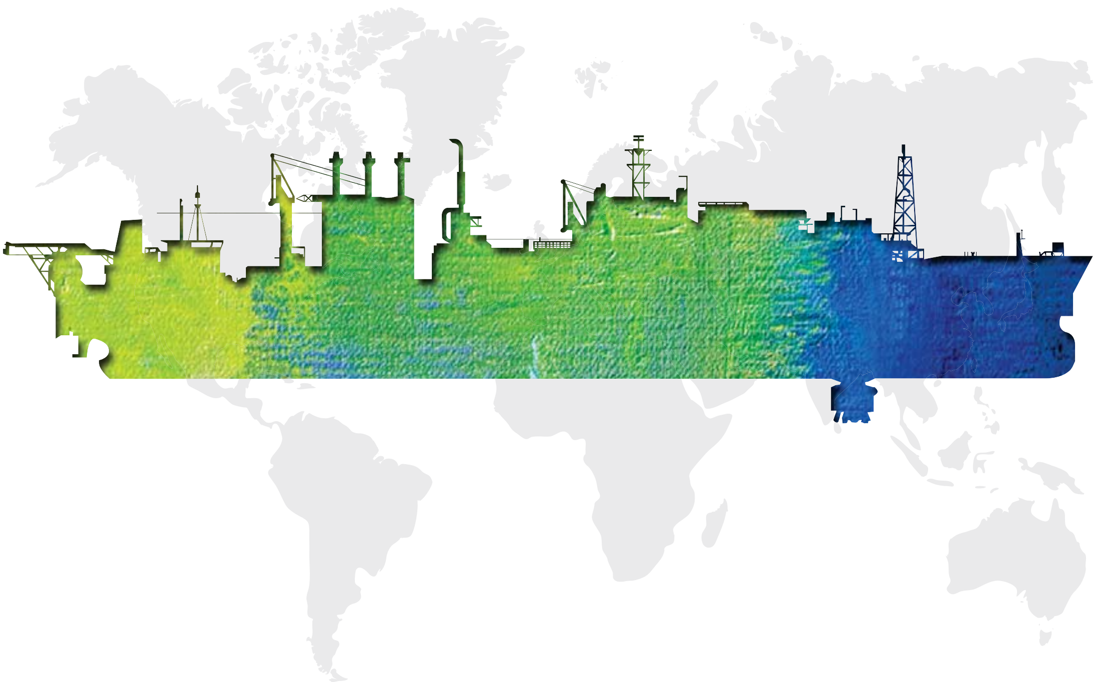
BUMIARMADA



ANNUAL REPORT 2015

TOTAL NUMBER OF EMPLOYEES

1,051 (ONSHORE)

613 (OFFSHORE)

DIVERSITY

EMPLOYEE NATIONALITIES

36

28.4%

FEMALE EMPLOYEES

4 OUT OF 8:
INDEPENDENT DIRECTORS ON THE BOARD

SAFETY TRAINING:

2015
84,087 HOURS

2014
30,365 HOURS

TOTAL INDIVIDUALS TRAINED
68%

Optimising EFFICIENCY

Assessment of resources to meet the needs of the organisation

FPSO & FGS worth

60%

of 2015 revenue

Firm orderbook of

RM 27.5 billion

as at end 2015

Total orderbook of

RM 42.8 billion

as at end 2015

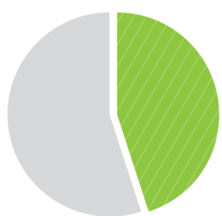
Building CAPABILITIES

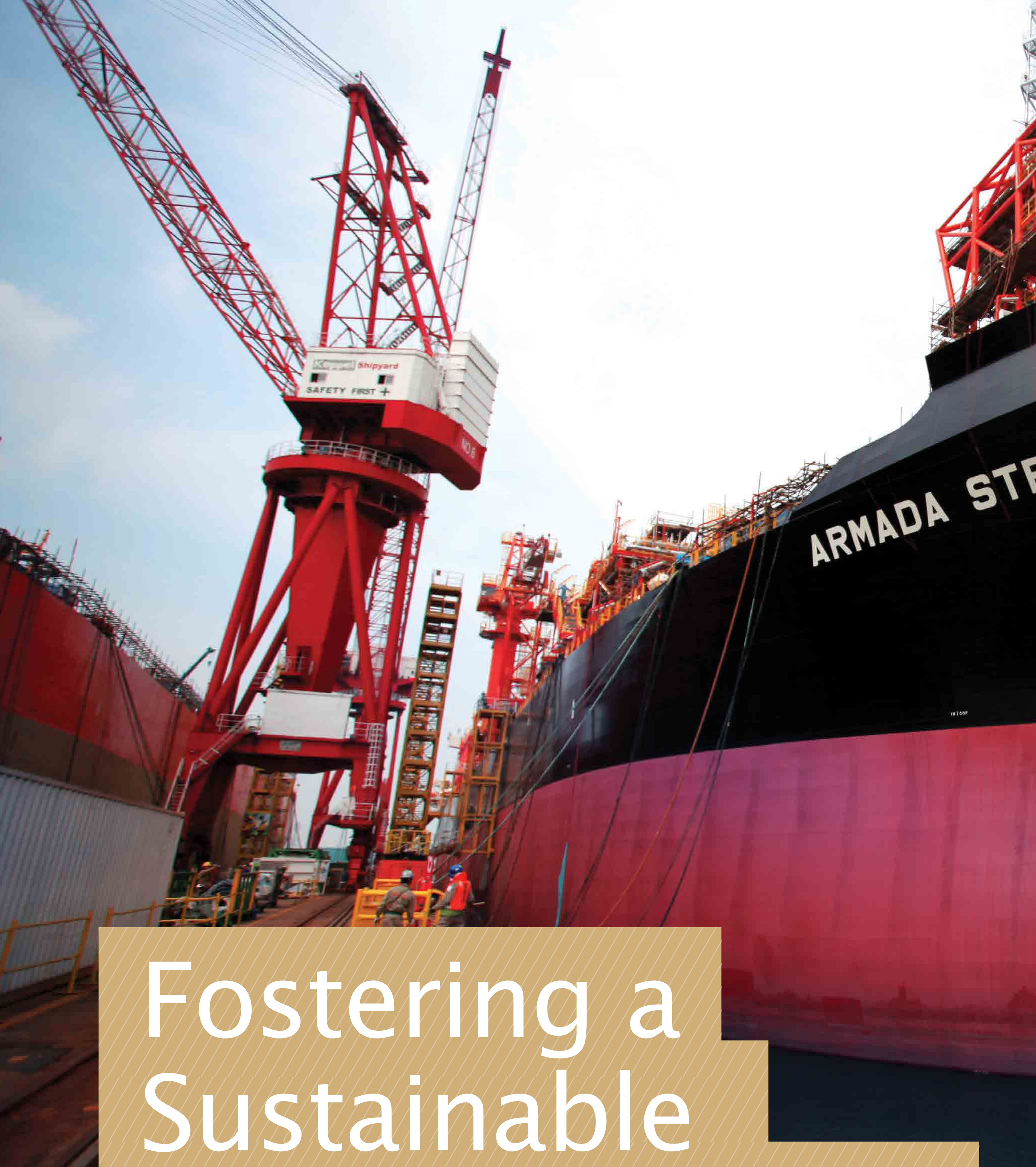
Part of our operating rhythm

10
FPSO & FGS
contracts in hand

54 vessels in the OMS fleet

EBITDA margin of
45%
in 2015





Fostering a Sustainable ORGANISATION

Investing in the environment, communities and governance

Asia & Australia

68%

of total revenue in 2015

Africa

25%

of total revenue in 2015

Latin America

7%

of total revenue in 2015

Vision

To be the trusted global offshore energy facilities and services provider.

Mission

To provide effective integrated floating solutions in a safe, sustainable, reliable and environmentally-friendly manner therefore fuelling the growth of our host nations and communities.

Contents

Corporate Profile

ABOUT BUMI ARMADA BERHAD

Bumi Armada Berhad is a Malaysia-based international offshore energy facilities and services provider with a presence in over 17 countries spread across five continents, supported by over 1,600 people from over 30 nationalities.

Bumi Armada Berhad provides offshore services via three business units – Floating Production, Storage & Offloading ("FPSO") Operations, Floating Gas Solutions ("FGS") and Offshore Marine Services ("OMS"). The three business units are in turn supported by three support units, namely FPSO Sales, Major Projects and Technology & Development.

BUSINESS UNITS FLOATERS

FPSO OPERATIONS

Floating Production, Storage & Offloading Operations

The FPSO Operations business specialises in operating FPSO vessels to meet the specific requirements of the clients, the reservoir and the operational environment. FPSO Operations manages the asset maintenance, production operations and offshore management of the FPSO vessel. The FPSO Operations unit is responsible for the overall integrity of the offshore production facilities' infrastructure, processing equipment and field operational aspects. By using fully integrated systems and the execution model, there has been an improvement in the capability to achieve greater safety, improved efficiency and availability from the floating production assets.

FGS

Floating Gas Solutions

The FGS business is focused on innovative solutions for the offshore liquefied natural gas ("LNG") industry. As a facility owner and operator, FGS is involved in the production and import segments of the LNG value chain, specifically the development of floating liquefaction and storage/regasification solutions.

BUSINESS UNITS SERVICES

OMS

Offshore Marine Services

The OMS business is an amalgamation of the Offshore Support Vessel ("OSV") and Transport & Installation (now referred to as Subsea Construction ("SC")) businesses. Under the OMS business unit, Bumi Armada Berhad owns and operates a fleet of 54 vessels including Anchor Handling Tug Support ("AHTS") vessels, Workboats/Light Construction Support vessels, Platform Support Vessels ("PSVs"), Multi-Purpose Support Vessels ("MPSVs"), DP2 multipurpose vessels and Derrick Lay barges. The OSV fleet is focused in four key markets, namely South East Asia, West Africa, Russia and Latin America, while the key market for the SC activities is the Caspian Sea, with the Armada Installer, a purpose-built Derrick Lay barge.

Corporate Profile

SUPPORT UNITS

FPSO Sales

The FPSO Sales unit specialises in providing competitive floater solutions for the development of offshore oil fields in increasingly challenging environments. We engage with clients well in advance of the tendering stage to understand and identify their requirements, and subsequently draw upon BAB's internal resources and expertise to propose the most technically and commercially feasible solution.

During the tendering stage, the team works with highly competent experts in various FPSO disciplines for critical concept selection, equipment procurement, execution strategy, field installation, and operations. This ensures that the client is provided with the best solution in line with the required technical specifications in an economical and feasible manner.

MAJOR PROJECTS

The Major Projects ("MP") unit provides extensive Engineering, Procurement, Construction and Commissioning ("EPCC") competencies in managing and delivering large projects such as FPSOs, FSOs, FPUs and early production systems within a stringent work schedule, cost, quality and safety framework.

The MP Team is equipped with extensive experience in EPCC project management and takes a systematic approach from conceptual design, detail engineering, construction management, pre-commissioning and start-up. The MP unit works with strategic partners, such as vendors, yards and key technology providers. This gives the business a robust execution model and a competitive edge in providing the client with the optimum product.

TECHNOLOGY & DEVELOPMENT

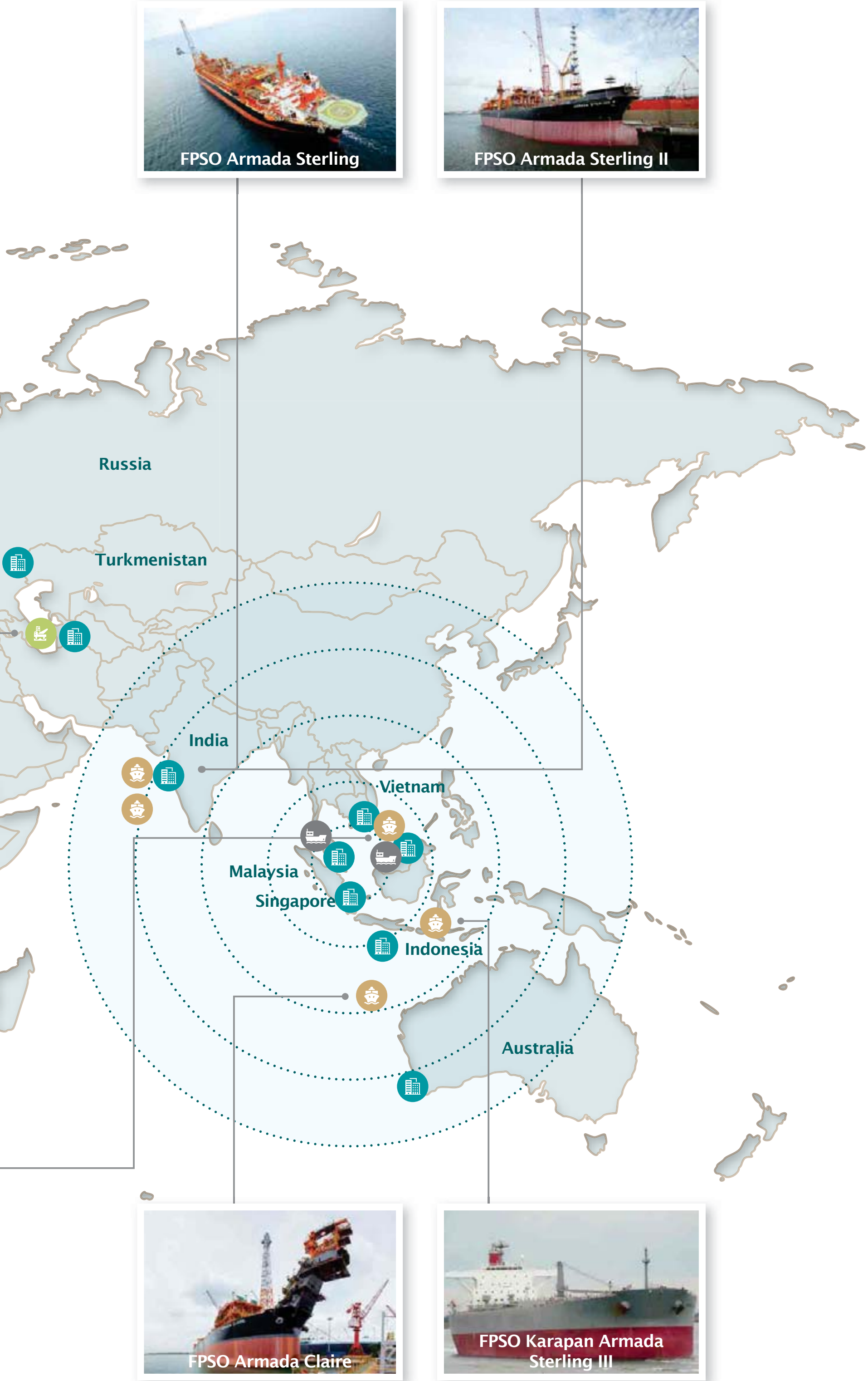
Technical expertise in established and emerging technologies are critical success factors, as are the timely identification, development and/or acquisition of appropriate technologies. This allows the FPSO business to deliver safe, environmentally sustainable and competitive outcomes that enhance the value and reputation of the business. The Technology & Development ("T&D") unit manages the internal development of technologies, whilst also facilitating peer reviews of concept and basic designs prepared by the MP and FPSO Sales teams. Moreover, it enables special projects to be rolled out for the development of innovative technologies such as disconnectable turret mooring systems, high-pressure swivels, topsides technologies and others. These are geared to cover a wide range of topsides, turret, swivel, and marine systems technologies that are applied to the design of floating solutions.

Global Presence

- Shore base/office
- FPSO
- FSU
- OSV *
- SC unit *

Offices:

Angola	Congo	Indonesia	Nigeria
Australia	India	Malaysia	Russia
Brazil			



Main Assets

13
Offices Globally

9
FPSOs

1
FSU

49
OSVs

5
SC units

Singapore

United Kingdom

Turkmenistan

Vietnam

* Key markets

Glossary of Technical and Other Terms

Term	Description
ACT	Accident Control Techniques
AGM	Annual General Meeting
AHTS	Anchor Handling Tug Support, used to provide logistics support to offshore oil rigs, production platforms and other offshore installations, to tow rigs, barges and mobile structures from location to location, as well as making sure their anchors are well placed
AIMS	Asset Integrity Management Systems
BBL Bbl	Barrel(s) of oil
Bbls/day	Barrels per day Barrel is a unit of measure for oil and petroleum products. One barrel is equivalent to about 158.987 litres
bhp	Brake horse power, a measure of an engine's horsepower before the loss in power caused by amongst others, gearbox and other auxiliary components
BOPD	Barrels of oil per day
C7	Cluster-7 field, West Coast of Mumbai, India
CAGR	Compounded Annual Growth Rate
CAMS	Compliance Assurance Management System
CAPEX	Capital Expenditure
CMS	Competency Management System
CO_2	Carbon dioxide
CO_2e	Carbon Dioxide Equivalent Greenhouse gas emissions, including methane emissions, are converted to the quantity of CO2 that would create an equivalent warming effect
D1	D1 field, West Coast of Mumbai, India
DJSI	Dow Jones Sustainability Index
DLB	Derrick Lay Barge
DP	Dynamic Positioning, a computer-controlled system to automatically maintain a vessel's position and heading by using its propellers and thrusters. The dynamic positioning level (e.g. DP2, DP3) indicates the degree and redundant systems built into the safety system to remove redundancy or failure of the system
DSV	Diving Support Vessel
DWT	Deadweight Tonnes
EBITDA	Earnings before finance costs, tax, depreciation, amortisation and impairment/write-down
eni Angola	Eni Angola S.p.A.
EPCC	Engineering, Procurement, Construction and Commissioning
EPIC	Engineering, Procurement, Installation and Commissioning
ESOS	Employee Share Option Scheme established for the grant of options to subscribe for new shares in the Company to eligible employees of our Group and our Executive Directors
FBM KLCI	FTSE Bursa Malaysia Kuala Lumpur Composite Index
FEED	Front End Engineering Design
FGS	Floating Gas Solutions
FLNG	Floating Liquefied Natural Gas
FPSO	Floating Production, Storage & Offloading
FPU	Floating Production Unit
FSO	Floating Storage & Offloading vessel, is similar to a FPSO, but the FSO is not designed and installed with the topsides to process products in the offshore environment
FSRU	Floating Storage and Regasification Units
FSU	Floating Storage Units

Glossary of Technical and Other Terms

Term	Description
H2S	Hydrogen Sulphide
Husky-CNOOC	Husky-CNOOC Madura Limited
HSSEQ	Health, Safety, Security, Environment and Quality
IPO	Initial Public Offering
ISO	International Organisation for Standardisation
JV	Joint Venture
KPI	Key Performance Indicator
LNG	Liquefied Natural Gas
LOI	Letter of Intent
LTI/LTIF	Lost Time Injury/Incident/Lost Time Injury Frequency A work-related injury or illness that renders the injured person unable to return to work on the next morning after the day of the injury or illness
LukOil	OOO "Lukoil-Nizhnevolzhskneft", Russia
Metric tonne, mt	Equivalent to 1,000 kilos, 2,204.61 lbs; 7.5 barrels
MMscf	Million standard cubic feet
MPSV	Multi-Purpose Support Vessel
Net profit	Profit attributable to the Owners of the Company
NOx	Nitrogen Oxide
O&G	Oil and Gas
OMS	Offshore Marine Services
ONGC	Oil and Natural Gas Corporation Limited, India
OPEX	Operating Expenditure
OSV	Offshore Support Vessels
PETROBRAS	Petróleo Brasileiro S.A.
PETRONAS	Petroliam Nasional Berhad
PSV	Platform Support Vessel, designed to supply offshore oil platforms and used for transportation of goods and personnel to and from offshore oil platforms and other offshore structures
RM	Ringgit Malaysia, the lawful currency of Malaysia
ROV	Remotely Operated Vehicles
SEA	Southeast Asia
SC	Subsea Construction
SPCL	Shapoorji Pallonji And Company Private Limited
SPINT	Shapoorji Pallonji International FZE
SURF	Subsea Umbilicals, Risers and Flowlines
T&I	Transport & Installation (renamed as Subsea Construction)
TRIF	Total Recordable Injuries Frequency
UK	United Kingdom
USA	United States of America
USD or US Dollar	United States Dollar, the lawful currency of the US
VLCC	Very Large Crude Carrier

Corporate Information

as at 23 March 2016

Board of Directors

Tunku Ali Redhauddin ibni Tuanku Muhriz
Chairman
Independent Non-Executive Director

Saiful Aznir bin Shahabudin
Independent Non-Executive Director

Alexandra Elisabeth Johanna Maria Schaapveld [(1)]
Independent Non-Executive Director

Steven Leon Newman
Independent Non-Executive Director

Maureen Toh Siew Guat
Non-Independent Non-Executive Director

Shapoorji Pallonji Mistry [(2)]
Non-Independent Non-Executive Director

Chan Chee Beng
Executive Director [(3)]
Acting Chief Executive Officer

Shaharul Rezza bin Hassan
Executive Director
Head of Offshore Marine Services

Ravi Shankar Srinivasan
(Alternate director to Shapoor Mistry)

Audit Committee

Saiful Aznir bin Shahabudin *(Chairperson)*
Alexandra Schaapveld
Maureen Toh Siew Guat
Steven Leon Newman

Executive Committee

Chan Chee Beng *(Chairperson)*
Shaharul Rezza bin Hassan
Maureen Toh Siew Guat

Remuneration Committee

Alexandra Schaapveld *(Chairperson)*
Saiful Aznir bin Shahabudin
Maureen Toh Siew Guat

Risk Management Committee

Steven Leon Newman *(Chairperson)*
Maureen Toh Siew Guat
Shapoor Mistry

Nomination & Corporate Governance Committee

Tunku Ali Redhauddin ibni Tuanku Muhriz *(Chairperson)*
Alexandra Schaapveld
Saiful Aznir bin Shahabudin

Company Secretaries

Noreen Melini binti Muzamli
(LS 0008290)

Noor Hamiza binti Abd Hamid
(MAICSA 7051227)

Registered Address/Head Office

Level 21, Menara Perak
24, Jalan Perak
50450 Kuala Lumpur, Malaysia
Tel : +603 2171 5799
Fax : +603 2163 5799
Website: www.bumiarmada.com
Email : bumiarmada@bumiarmada.com

Share Registrars

Symphony Share Registrars Sdn Bhd
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel : +603 7849 0777
Fax : +603 7841 8151/8152

Auditors

PricewaterhouseCoopers
Level 10, 1 Sentral
Jalan Rakyat
Kuala Lumpur Sentral
50706 Kuala Lumpur, Malaysia
Tel : +603 2173 1188
Fax : +603 2173 1288

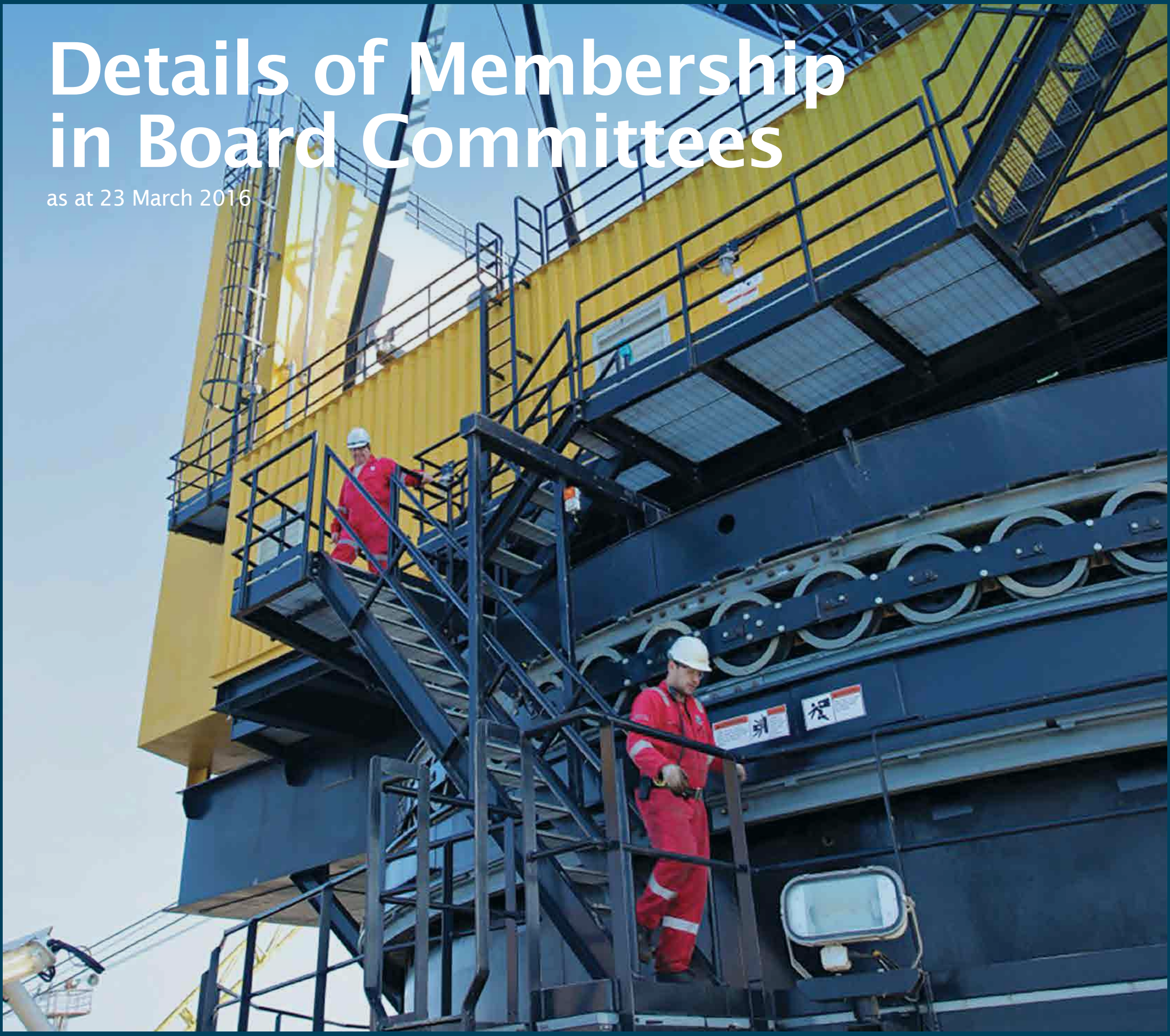
Stock Exchange Listing

Bursa Malaysia Securities Berhad
(Main Market)
Listed since 21 July 2011
Sector : Trading & Services
Stock Code : 5210

In the other sections of the Annual Report:
(1) *She is also referred to as Alexandra Schaapveld.*
(2) *He is also referred to as Shapoor Mistry.*
(3) *He will be re-designated as a Non-Independent Non-Executive Director effective 16 May 2016.*

Details of Membership in Board Committees

as at 23 March 2016



Directors	Board Committees				
	Audit Committee	Remuneration Committee	Nomination & Corporate Governance Committee	Executive Committee	Risk Management Committee
Tunku Ali Redhauddin ibni Tuanku Muhriz	-	-	Chairperson	-	-
Saiful Aznir bin Shahabudin	Chairperson	Member	Member	-	-
Alexandra Schaapveld	Member	Chairperson	Member	-	-
Steven Leon Newman	Member	-	-	-	Chairperson
Maureen Toh Siew Guat	Member	Member	-	Member	Member
Shapoor Mistry	-	-	-	-	Member
Chan Chee Beng	-	-	-	Chairperson	-
Shaharul Rezza bin Hassan	-	-	-	Member	-

Group
Corporate Structure

as at 23 March 2016

BUMIARMADA

100%	Armada TGT Ltd.
100%	Armada Floating Solutions Limited
100%	Armada Oyo Ltd.
100%	Armada Balnaves Pte. Ltd.
50%	Armada D1 Pte. Ltd.
50%	Forbes Bumi Armada Offshore Limited
100%	Bumi Armada (Singapore) Pte. Ltd.
50%	SP Armada Oil Exploration Private Limited
95%	Bumi Armada Navigation Sdn. Bhd.
100%	Offshore Marine Ventures Sdn. Bhd.
100%	Bumi Armada (Labuan) Ltd.
100%	Armada Marine Contractors Caspian Ltd.
100%	Armada Ship Management (S) Pte. Ltd.
100%	Armada Mahakam Limited
100%	Bumi Armada Singapore Holdings Pte. Ltd.
100%	Bumi Armada Offshore Holdings Limited
100%	Bumi Armada Holdings Labuan Ltd.
100%	Bumi Armada Capital Offshore Ltd.
100%	Bumi Armada Capital Malaysia Sdn. Bhd.
100%	Bumi Armada Automation International Sdn. Bhd.
100%	Bumi Armada Engineering Sdn. Bhd.

FPSO & FGS
OMS
Corporate & Others
Joint Venture

- 50% Armada C7 Pte. Ltd.
- 49% Angoil Bumi JV, LDA [1]
- 49% PT. Armada Gema Nusantara
- 49% Armada Madura EPC Limited
- 100% Armada Cabaca Ltd.
- 100% Armada Kraken Pte. Ltd.
- 100% Bumi Armada UK Limited
- 100% Bumi Armada Australia Pty Ltd
- 100% Armada Floating Gas Services Malta Ltd
- 100% Armada Regasification Services Malta Ltd
- 100% Armada Floating Gas Storage Malta Ltd
- 100% Armada Offshore OSV Limited
- 100% Armada Offshore MPSV Limited
  - 100% Bumi Armada Ghana Limited
  - 100% Bumi Armada Offshore Contractor Limited
    - 99% Bumi Armada Marine LLC
    - 99% Bumi Armada Caspian LLC
- 100% Armada Marine Contractors Caspian Pte. Ltd.
- 100% Bumi Armada Ship Management Sdn. Bhd.
- 100% Bumi Armada Navigation Labuan Limited
- 100% Bumi Armada Navigation Labuan International Limited
- 100% Bumi Armada Marine Naryan Mar Pte. Ltd.
- 100% Bumi Armada Marine Uray Pte. Ltd.
- 100% Bumi Armada Marine Pokachi Pte. Ltd.
- 100% Armada Constructor Pte. Ltd.

Note:
[1] Notwithstanding the Group is holding less than 50% equity interest, the investment in Angoil Bumi JV, LDA is classified as a subsidiary (not a joint venture) due to the Group’s control pursuant to the shareholders' agreement.

The full list of BAB Group of Companies are stated on pages 142 to 148 of the Notes to the Financial Statements.

Five-Year
Performance Highlights

Financial Performance (RM'000)	2015	2014	2013	2012	2011
Revenue	**2,179,734**	2,397,339	2,073,004	1,659,184	1,543,896
EBITDA	**981,014**	914,044	994,184	954,819	871,911
(Loss)/Profit for the financial year	**(241,777)**	224,365	435,098	388,018	365,331
(Loss)/Profit attributable to the Owners of the Company	**(234,566)**	218,690	431,191	385,828	359,672
Total assets	**18,072,639**	14,451,890	8,809,665	6,929,759	6,936,242
Total equity	**7,295,772**	6,717,525	4,380,235	3,767,011	3,542,715

More info at www.bumiarmada.com

Share Performance

2015 was a year that saw the weak sentiment from 2014 continue as the global economic slowdown deepened further, interest rates crept up and geopolitical risks increased. Cracks started to show in the Chinese economy and international ties with Iran improved, both of which helped to drive down oil prices to levels not seen since 2004. Brent oil opened the year at USD56.42/barrel and closed 2015 at USD37.28/barrel, a fall of 33.9%.

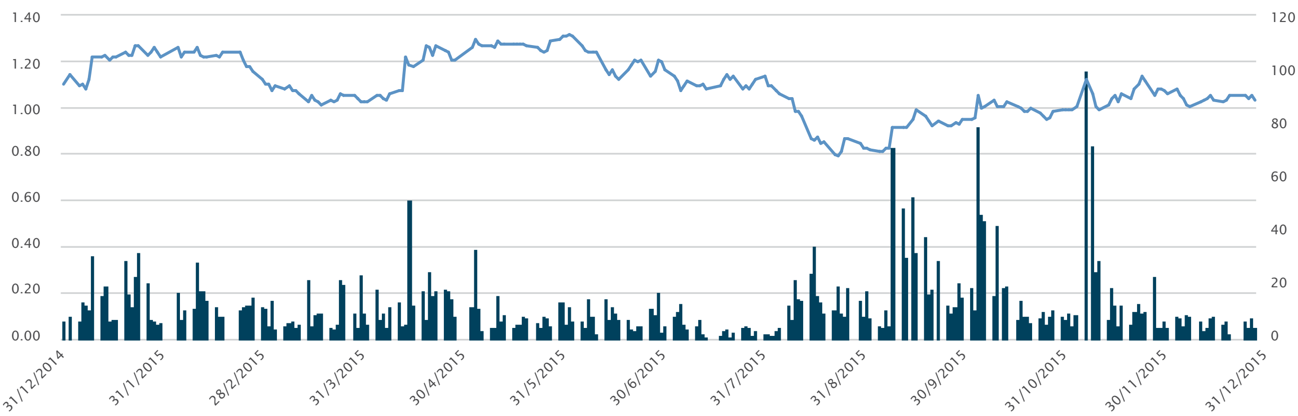
The weak global economy and oil price in 2015 also put pressure on the Malaysian economic outlook and as a result, some of the companies under FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBMKLCI) were not immune to the downturn. The FBMKLCI, which started 2015 at 1,752.77 points was more resilient than oil prices, with the market declining by as much as 12.6%, before recovering to close 2015 at 1,692.51, a fall of 3.2% over the whole year.

Bumi Armada Berhad's share price performance over 2015 was heavily influenced by oil price sentiment and the share price performed somewhere between oil prices and the FBMKLCI. The share price started 2015 at RM1.09 and closed the year at RM1.02, a decline of 6.4% over the course of 2015. During the course of the year, our foreign shareholding percentage declined slightly, from 12.9% to 12.7%, while the number of total shareholders increased by 5.2% to 18,638.

Bumi Armada Share Price	2015 (RM)	2014 (RM)
Year High	**1.30**	2.50
Year Low	**0.79**	1.01
Year Close	**1.02**	1.09
Market Capitalisation (at year end closing)	**6.0 bil**	6.4 bil

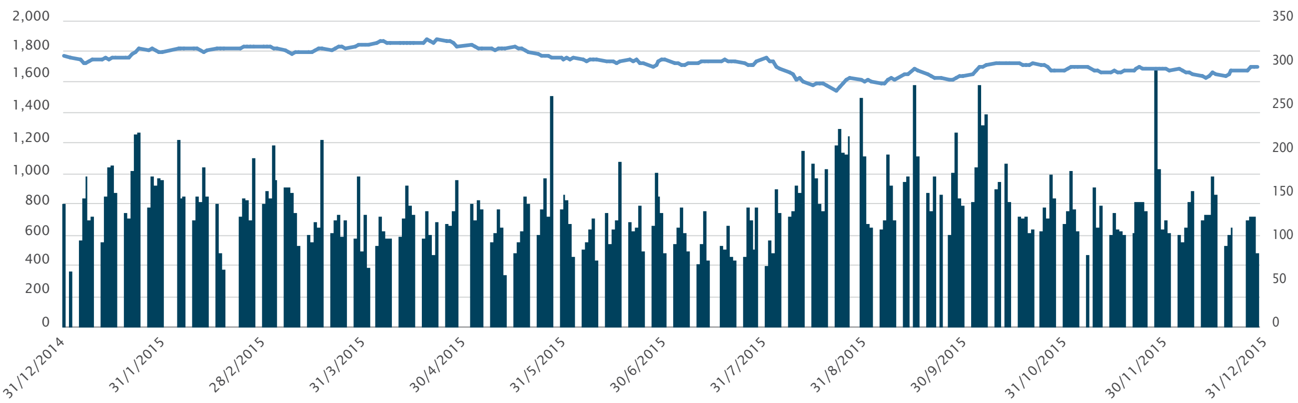
BAB Share Price & Volume Performance

Daily Volume   Closing Price



FBM KLCI Price & Volume Performance

Daily Volume   Closing Price



2015 Milestones

1 Jan

Mr Chan Chee Beng took office as Executive Director/ Acting Chief Executive Officer.

26 Feb

Announcement on Bumi Armada's Q4 2014 financial results.

7 Apr

Bumi Armada announced its FY2014 financial results.

14 Apr

Bumi Armada announced its subsidiaries has signed contracts worth USD300 million to supply, operate and maintain a LNG FSU in Malta.

26 May

Bumi Armada announced its Q1 2015 results.

8 Jun

Announcement on Mr Steven Leon Newman's appointment as an Independent Non-Executive Director of the Company effective 1 July 2015.

Shareholders' approval obtained for the formation of a joint venture with SPCL and SPINT, an indirect wholly-owned subsidiary of SPCL to undertake the engineering, procurement, conversion and construction of a floating production, storage and offloading vessel in relation to Madura Project.

2015 Milestones

7 Jul

Bumi Armada announced that its wholly-owned subsidiary has secured a syndicated term loan facility at an aggregate amount of USD755 million for Kraken Project.

3 Aug

Appointment of Ms Anusoorya Themudu as the new Chief Human Resources Officer of the Company.

27 Aug

Announcement of Bumi Armada's Q2 2015 results.

10 Sep

OSV Ice Class Naming ceremony held in Singapore.

11 Sep

Appointment of Ms Noreen Melini Muzamli as the Joint Company Secretary/ Head, Corporate Secretarial Services.

29 Sep

Included in the Dow Jones Sustainability Index for the 4th consecutive year.

1 Oct

Appointment of Mr. Roland Martland as Head, Health, Safety, Security, Environment and Quality (Corporate)

20 Nov

Announcement of Bumi Armada's Q3 2015 results.

18 Dec

Establishment of the Sustainability Committee

28 Dec

Bumi Armada announced that its wholly-owned subsidiary has secured a syndicated facility not exceeding USD1.1 billion for the 15/06 Angola Project.

Awards & Recognition

Corporate HSSEQ

Two major industry workshops were delivered covering: Environmental risk management, with the UK Institute of Marine Engineering, Science and Technology ("IMAREST") and Maritime/shipping risks with the American Bureau of Shipping ("ABS")

Development Projects

Bumi Armada UK Limited was approved as Installation Contractor for the FPSO Armada Kraken destined to be located in the UK North Sea. This approval was granted under the Offshore Petroleum Licensing (Offshore Safety Directive) Regulations 2015.

Offshore Marine Services

1,075 days without a Lost Work Day Case since last incident for all Subsea Installation activities

Winner of Shell's Marine Contractor Performance Award.

FPSO Operations

FPSO Armada Perdana

- *Two years without a LTI*

FPSO Armada Sterling II

- *One year without recording a LTI*

FPSO Armada TGT 1

- *Four years without a LTI*

More info at www.bumiarmada.com

Corporate Strategy

Strategic Objectives

- To be a top-tier player in floating production and offshore services
- Increase long-term shareholder value, cash flow and returns
- Enhance core capabilities in engineering and operating offshore facilities and assets
- Continue to cultivate and develop long-term stakeholder relationships
- Maintain financial flexibility

Floaters

- Floating Production, Storage & Offloading
- Floating Gas Solutions

Services

- Offshore Marine Services

Growth

- Organic – Tenders And Bids
- Inorganic – Value Enhancing Projects Or Assets

Board of Directors

from left to right:

**Saiful Aznir bin Shahabudin, Alexandra Schaapveld,
Tunku Ali Redhauddin ibni Tuanku Muhriz, Shaharul Rezza bin Hassan**

Board of Directors

from left to right:

Steven Leon Newman, Chan Chee Beng,
Shapoor Mistry, Maureen Toh Siew Guat, Ravi Shankar Srinivasan

Board of Directors' Profiles

Tunku Ali Redhauddin ibni Tuanku Muhriz

Chairman/Independent Non-Executive Director/
Chairperson of Nomination & Corporate Governance Committee

Country	Aged	Date of Appointment
Malaysia	38	Director – 17 January 2013 Chairman – 18 June 2013

Tunku Ali Redhauddin ibni Tuanku Muhriz ("Tunku Ali") brings with him significant experience and knowledge in the global investment field, having been with Khazanah Nasional Berhad ("Khazanah") from 2004 to 2010, where he was a director in the Investments Division.

There, he worked on a number of transformational projects and new investments in Malaysia and throughout Asia. Prior to Khazanah, Tunku Ali gained international client service experience while serving in McKinsey & Company as a management consultant from 1998 to 2004 where he worked on corporate strategy, organisational and governance projects in Europe, North America, and Asia. Presently, Tunku Ali sits on the boards of several companies including Themed Attractions, Resorts and Hotels Sdn Bhd, Iskandar Malaysia Studios Sdn Bhd, Bangkok Bank Berhad and Sun Life Malaysia Assurance Berhad. He is also a Senior Advisor to TPG Capital, a global Private Equity firm. He is Chairman of the Board of Trustees of the Munarah Foundation, Chairman and Founding Trustee of Teach For Malaysia, Chairman of the Board of Governors of Marlborough College Malaysia, Pro-Chancellor of Universiti Sains Islam Malaysia and Patron of Enactus Malaysia Foundation. He graduated with a BA (Hons) in History and Social and Political Sciences from the University of Cambridge and obtained a Master's degree in Public Administration from the John F Kennedy School of Government, Harvard University.

Tunku Ali has no family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest with the Company and has not been convicted of any offence within the past 10 years.

Board of Directors' Profiles

Saiful Aznir bin Shahabudin

Independent Non-Executive Director/ Chairperson of Audit Committee/ Member of Remuneration and Nomination & Corporate Governance Committees

Country	Aged	Date of Appointment
Malaysia	56	1 December 2006

Saiful Aznir bin Shahabudin ("Saiful Aznir") has wide general management experience, having served as the chief executive officer of two companies for an aggregate of more than 10 years.

Currently, he is the group chief executive officer of Sharikat Permodalan Kebangsaan Berhad which he joined in 2002. Prior to that, he was the chief executive officer of Encorp Group, a company involved in property development and media and a partner of Andersen Worldwide where he specialised in privatisation and corporate finance.

He qualified as a Member of the American Institute of Certified Public Accountants and is a member of The Malaysian Institute of Certified Public Accountants. He holds a Master of Business Administration from the University of Chicago and a Bachelor of Business Administration degree from Western Michigan University, in the United States of America.

Saiful Aznir has no family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest with the Company and has not been convicted of any offence within the past 10 years.

Board of Directors' Profiles

Alexandra Schaapveld

Independent Non-Executive Director/ Chairperson of Remuneration Committee/ Member of Audit and Nomination & Corporate Governance Committees

Country

Netherlands

Aged

57

Date of Appointment

8 June 2011

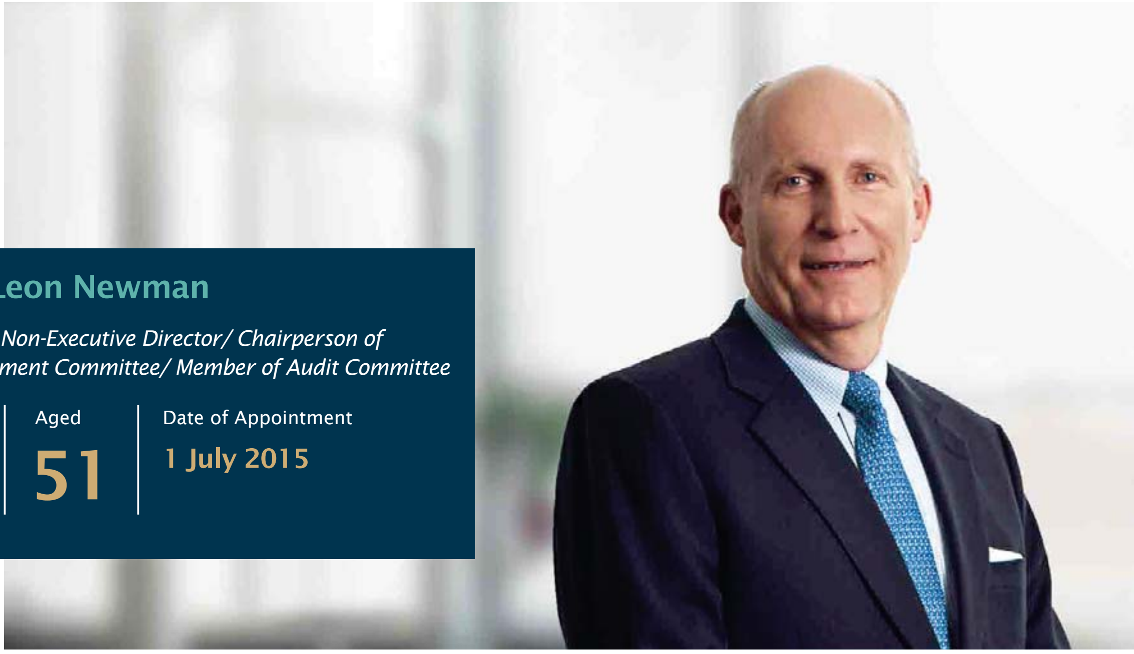
Alexandra Schaapveld spent her entire career at ABN AMRO Bank, which she joined in 1984. The first eight years were spent in Corporate Banking and the subsequent eight years in Investment Banking: equity capital markets and mergers and acquisitions.

She had always been a strong advocate of client relations at the Bank. In 2001, she was made senior executive vice president responsible for sector expertise and in 2004 she became the head of the global clients and investment banking units. After the acquisition of ABN AMRO Bank by a consortium of banks, she became head of Europe for Royal Bank of Scotland in 2008. She is presently a non-executive director of Vallourec S.A. in France, a member of the supervisory board of Holland Casino N.V. and a member of the boards of FMO N.V. Development Bank and Société Générale S.A.

She was educated at the Lycee Francais in many countries, graduated with a degree in Politics, Philosophy and Economics from Oxford University in the UK and subsequently obtained a Master's degree in Development Economics at Erasmus University in The Netherlands.

Alexandra Schaapveld has no family relationship with any Director and/or major shareholder of the Company. She has no conflict of interest with the Company and has not been convicted of any offence within the past 10 years.

Board of Directors' Profiles



Steven Leon Newman

Independent Non-Executive Director/ Chairperson of Risk Management Committee/ Member of Audit Committee

Country	Aged	Date of Appointment
United States of America	51	1 July 2015

Steven Leon Newman ("Steven Newman") was with Transocean Ltd. ("Transocean") between 1994 to 2015 in various capacities, and in various jurisdictions around the globe, including Switzerland, the United States of America, Europe, Indonesia and Brazil.

He was the president and chief executive officer of Transocean from 2010, until his resignation in February 2015. Transocean is a leading global contractor in offshore drilling services with a fleet of over 60 rigs, serving all aspects of offshore drilling around the world. Transocean is headquartered in Geneva, Switzerland, and listed on the New York Stock Exchange, with a market capitalisation of USD3.7 billion. Steven Newman brings with him more than 20 years of corporate experience in strategy development, crisis management, organisational turn-around, leadership team formation, mergers & acquisitions, capital markets transactions and board renewal and development. Prior to joining Transocean, between 1992 and 1994, Steven Newman was a financial analyst with Chevron, based in California. He also served with Mobil E&P, USA, based in Colorado, as a reservoir engineer. Steven Newman is also a member of the board of directors of Dril-Quip, Inc. and SNC-Lavalin Group Inc.

He holds a Bachelor of Science, Magna Cum Laude, Petroleum Engineering from the Colorado School of Mines, and a Master's degree in Business Administration from Harvard University, Graduate School of Business (Harvard Business School).

Steven Newman has no family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest with the Company and has not been convicted of any offence within the past 10 years.

Board of Directors' Profiles

Chan Chee Beng

Executive Director & Acting Chief Executive Officer
Chairperson of Executive Committee

Country	Aged	Date of Appointment
Malaysia	60	Executive Director – 1 January 2015 Non-Executive Director – 2 June 2003

Chan Chee Beng has more than 37 years of experience in general and financial management, investment banking and accounting including stints with Ernst & Young and Morgan Grenfell & Co. Ltd prior to joining the Usaha Tegas Sdn Bhd ("UTSB") Group in 1992 as head of corporate finance.

He is presently an executive director of UTSB and serves on the boards of several other companies in which UTSB has significant interests such as Binariang GSM Sdn Bhd and Maxis Communications Berhad (holding company of Maxis Berhad), having an operational base in Malaysia.

He is also a director of Yu Cai Foundation and MEASAT Satellite Systems Sdn Bhd ("MSS"), a regional satellite operator, and a non-executive director on the board of MEASAT Global Berhad ("MGB"), the holding company of MSS. He is a member of the executive committee of MGB.

He holds a degree in Economics and Accounting from the University of Newcastle-upon-Tyne, United Kingdom and is a Fellow of the Institute of Chartered Accountants in England and Wales.

Chan Chee Beng has no family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest with the Company and has not been convicted of any offence within the past 10 years.

Board of Directors' Profiles

Shapoor Mistry

Non-Independent Non-Executive Director/
Member of Risk Management Committee

Country	Aged	Date of Appointment
Ireland	51	27 October 2014

Shapoor Mistry is the Chairman of Shapoorji Pallonji group ("SP group"), a 150 year old diversified business conglomerate with business interests in Construction, Real Estate, Infrastructure, Water, Oil & Gas and Renewable Energy. The group has a presence in more than 40 countries.

One of the key companies in the SP group, Shapoorji Pallonji Engineering & Construction which specialises in construction, design and build and EPC is the name behind some of the most iconic buildings and structures that dot the architectural and industrial landscape of India as well as several overseas countries.

Shapoor Mistry spearheaded the group's re-entry into the real estate business in 1992 and, in just over a decade, has transformed it into a multi city, diversified asset class business with over 100 million square feet of developable real estate space. It includes the Imperial Tower which is the tallest premium residential property developed by the real estate business and has won several awards at prestigious Asia Pacific Property Awards. The Real Estate business has entered into JVs with several prestigious groups such as the Canadian Pension Plan Investment Board, International Finance Corporation, Asian Development Bank and HDFC amongst others.

With an eye on the emerging technological trends and a vision of transforming the SP group into a diversified conglomerate, the Group took over Afcons Infrastructure Limited in 2000. Afcons, the infrastructure arm of the Group has executed some of the most challenging projects in marine, rail, oil and gas, surface transport and hydro & underground.

Shapoor Mistry was actively involved in the takeover of the Forbes-Gokak business in 2001. As Chairman of Forbes & Company Limited and Eureka Forbes, he has helped the group scale new heights in consumer water treatment, home cleaning, security systems, shipping and logistics and bank transaction management verticals.

Under his leadership, the group diversified into oil and gas services by entering into a JV with Bumi Armada. The JV now owns and operates two FPSOs which are located in the D1 and C7 blocks, offshore India. He is the chairman and a major shareholder of SPCL, the flagship company of the group; and it is a partner with the Company for the JV.

He is a noted philanthropist and has been associated with a number of charities concerning health care (Trustee of the Masina Hospital, Dadysett Charity Trust and Maneckjee Cowasjee Petit Charities trusts) and education (member of The Duke of Edinburgh's Awards World Fellowship, U.K). He holds a degree in Business Administration and Economics from the Richmond College, London.

Shapoor Mistry has no family relationship with any Director and/or major shareholder of the Company. Other than as disclosed above, he has no conflict of interest with the Company. He has not been convicted of any offence within the past 10 years.

Board of Directors' Profiles

Maureen Toh Siew Guat

*Non-Independent Non-Executive Director/
Member of Audit, Risk Management,
Remuneration and Executive Committees*

Country	Aged	Date of Appointment
Malaysia	49	23 April 2014

Maureen Toh Siew Guat ("Maureen Toh") has more than 20 years of legal experience, primarily in corporate, commercial and banking matters and equity/capital markets, including stints with law firms in Kuala Lumpur and Singapore.

Currently, she is the Group General Counsel of UTSB, a Malaysian based investment holding company which has significant interests in companies operating across diverse industries such as telecommunications, media and entertainment, energy and real estate and leisure, including the following companies which are listed on Bursa Malaysia Securities Berhad – Maxis Berhad (integrated communications services group) and Astro Malaysia Holdings Berhad (integrated consumer media entertainment group). She is also a director of MEASAT Satellite Systems Sdn Bhd ("MSS"), a regional satellite operator and a director in a non-executive capacity on the board of MEASAT Global Berhad, the holding company of MSS.

She holds a Bachelor of Law (LL.B) from University Malaya, Malaysia and a Master of Law (LL.M) from Harvard Law School, United States of America.

Maureen Toh has no family relationship with any Director and/or major shareholder of the Company. She has no conflict of interest with the Company and has not been convicted of any offence within the past 10 years.

Board of Directors' Profiles

Shaharul Rezza bin Hassan

Executive Director/ Head of Offshore Marine Services/ Member of Executive Committee

Country	Aged	Date of Appointment
Malaysia	44	2 June 2003

Shaharul Rezza bin Hassan ("Shaharul Rezza") has over 15 years of experience in corporate finance/fund raising and financial management. Prior to joining the Company in September 2005, he worked in the corporate finance department of UTSB for 10 years.

During his tenure with UTSB, he was involved in various corporate exercises such as mergers and acquisitions, restructurings, fund raising and equity public offerings, including the reverse take-over of Malaysian Tobacco Company Bhd (now known as MEASAT Global Berhad) and the acquisition and subsequent privatisation of the company. He is an Executive Director of the Company and heads the Offshore Marine Services business unit. He also sits on the boards of various subsidiaries and joint ventures of the Company.

He holds a Bachelor of Science degree in Economics from the University of Bristol in the United Kingdom.

Shaharul Rezza has no family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest with the Company and has not been convicted of any offence within the past 10 years.

Board of Directors' Profiles

Ravi Shankar Srinivasan

Alternate Director to Shapoor Mistry

Country	Aged	Date of Appointment
India	61	27 October 2014

Ravi Shankar Srinivasan ("Ravi Shankar") is presently the regional director of Forbes and Company Ltd. He is also the head of business initiatives for SPCL primarily in the oil and gas sector.

He had previously worked in Malaysia as regional director, finance and business development for the Norwegian shipping giant, Wilh. Wilhelmsen ASA.

Ravi Shankar holds a degree in Commerce from University of Madras, India. He is a Fellow of The Institute of Chartered Accountants (FCA), India and a Fellow of The Insurance Institute, London (FII).

Ravi Shankar has no family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest with the Company and has not been convicted of any offence within the past 10 years.

Ravi Shankar holds directorships in certain joint venture entities in which the SP group and the Bumi Armada Group are joint venture partners.

Management Team

1

Chan Chee Beng
Executive Director/
Acting Chief Executive Officer

2

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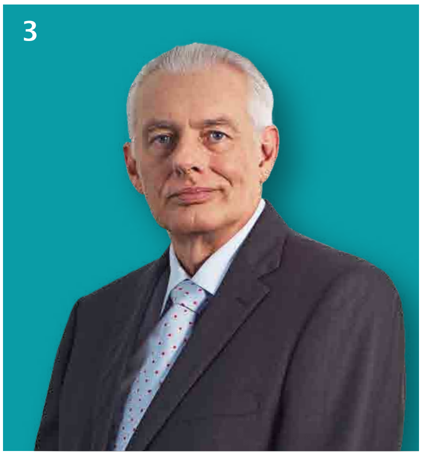

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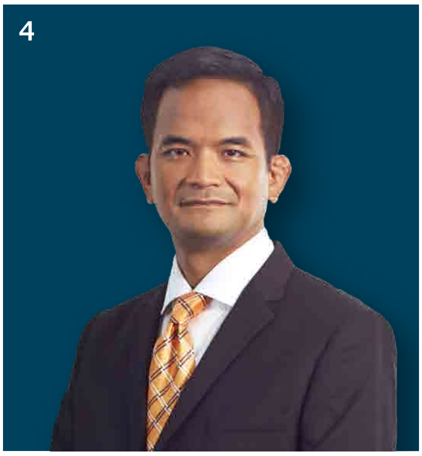

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2. **Kenneth Murdoch**
   Chief Financial Officer

3. **Adriaan Petrus van de Korput**
   Chief Operating Officer

4. **Shaharul Rezza bin Hassan**
   Executive Director/ Head of Offshore Marine Services

5. **Anusoorya Themudu**
   Chief Human Resources Officer

6. **Roland Martland**
   Head of Health, Safety, Security, Environment and Quality

7. **Noreen Melini Muzamli**
   Joint Company Secretary/ Head, Corporate Secretarial Services

Management Team

Chan Chee Beng
Executive Director/ Acting Chief Executive Officer

1

Please refer to his profile in the Board of Directors' profile section.

Kenneth Murdoch
Chief Financial Officer

2

Kenneth Murdoch ("Kenneth") was appointed as the Chief Financial Officer ("CFO") with effect from 18 November 2013. Kenneth is responsible for the Finance, Risk Management, IT, Supply Chain, Corporate Finance and Investor Relations functions at Bumi Armada.

Kenneth brings with him more than 25 years of international exposure and experience as a CFO and financial controller mainly in the oil and gas industry.

Prior to joining Bumi Armada, Kenneth was the CFO of Maersk Oil based in Copenhagen, Denmark. As a member of the Maersk Oil executive team, he was involved in business strategy, driving business performance, mergers and acquisitions and oil and gas reserves reporting.

Before Maersk, Kenneth worked for Schlumberger during which he took on several regional and global roles with increased responsibility in Finance related functions. His assignments in Schlumberger were in various locations around the world including London, Dubai, Moscow, Stavanger, Aberdeen, Houston and Paris.

Kenneth, aged 50, is an Associate of the Chartered Institute of Management Accountants and graduated with a Bachelor of Arts (Hons) in Business Economics from Paisley University in Scotland.

Adriaan Petrus van de Korput
Chief Operating Officer

3

Adriaan Petrus van de Korput ("Jesse") was appointed as the Chief Operating Officer with effect from 26 February 2015. Currently, he is responsible for planning and directing Bumi Armada's Business Units and Operational Support Departments which includes business development, project execution, fleet operations and technology and development. He started with Bumi Armada in 2009 as Senior Vice President Projects.

He first started as a management trainee with SGS Technische Inspecties B.V. in The Netherlands and was promoted to manager of special examinations. He then joined Fluor Corporation in The Netherlands as a contracts engineer, before leaving to join Elf Aquitaine as a contracts manager.

Prior to joining Bumi Armada, he spent 14 years with Bluewater Production Systems B.V. in The Netherlands, first as Manager, Contracts and Procurement, thereafter as Executive Director and Vice President, Floating Production, responsible for FPSO Projects and FPSO Operations.

Jesse, aged 58 holds a Bachelor of Science degree in Mechanics from Technische Hogeschool Rijswijk in The Netherlands and a Master of Science degree in Management from University of Brussels in Belgium.

Shaharul Rezza bin Hassan
Executive Director/ Head of Offshore Marine Services

4

Please refer to his profile in the Board of Directors' profile section.

Management Team

Anusoorya Themudu
Chief Human Resources Officer

5

Anusoorya Themudu ("Soorya") was appointed as the Chief Human Resources Officer effective 3 August 2015. She is responsible for Bumi Armada's global workforce. Soorya is also responsible for Sustainability at Bumi Armada.

Soorya is an experienced HR leader with world class experience gained in a diverse range of blue-chip companies, including Petrofac, General Electric and Eli Lilly. Soorya's experience to date encompasses all aspects of the HR agenda: Talent Acquisition, Reward Strategy, Performance Management, Leadership Development, Organisational Design, Cultural Change, Business Transformation, HR Systems, Employee Relations and Stakeholder Engagement. She has a proven track record in developing and implementing best practices, along with experience in successfully creating, implementing and sustaining leadership development programmes that attract and retain talent. In addition to her work, she also championed the Diversity Initiative at Eli Lilly and General Electric.

Prior to joining BAB, Soorya was the Regional HR Director at Petrofac where she managed the HR function for the SEA region.

Soorya, aged 44 holds a B.Sc (Hons) in Biochemistry from Universiti Putra Malaysia. She is a graduate of Experience HR Leadership Program at GE Global Learning Center in Crotonville (2011) and attended a global leadership program hosted by London Business School for high performing leaders in Petrofac (2014).

Roland Martland
Head, HSSEQ

6

Roland Martland ("Roland") was appointed the Head of Health, Safety, Security, Environment and Quality ("HSSEQ") (Corporate), with effect from 1 October 2015. He is responsible for managing the Corporate HSSEQ function as well as providing governance and assurance on HSSEQ matters for the operational Business Units and FPSO projects.

In his early career, Roland was part of the Piper Alpha investigation team, and assisted in developing the Offshore Safety Case Regulations. Subsequently, Roland held various appointments with Shell, Maersk Oil, Dong Energy, and BP. He was a Director of Safety and Operational Risk in BP (UK) before joining Bumi Armada and has more than 30 years of experience in process safety, asset integrity, operational safety and risk management.

Roland, aged 59 holds a Bachelor Degree in Civil/Structural Engineering from Imperial College London and a MBA from Henley College/Reading University. He is also a Chartered Member of the UK Institution of Occupational Safety and Health and UK Institution of the Civil Engineers.

Noreen Melini Muzamli
Joint Company Secretary/ Head, Corporate Secretarial Services

7

Noreen Melini Muzamli ("Noreen") was appointed as Head, Corporate Secretarial Services effective 1 September 2015 and the Joint Company Secretary effective 10 September 2015. She is responsible for ensuring the provision of effective corporate secretarial services at Bumi Armada and advising the Board and management of Bumi Armada on the compliance with relevant regulations and best practices on corporate governance.

She has more than 14 years of corporate secretarial experience in various sectors which included property development and financial services. Prior to joining BAB, Noreen was attached to the Maybank Group for nine years and her last position was as the Company Secretary of Maybank Investment Bank Berhad and its group of companies, a position she held since November 2010. She was also Regional Head, Corporate Secretarial Services of Maybank Kim Eng Group ("Group"), the investment banking division of Maybank Group and was responsible for ensuring the adoption of group policies and best practices on corporate governance in the 10 countries in which the Group operated. Before Maybank Group, she was with a property developer for more than 5 years assigned to its Legal and Secretarial Department.

Noreen, aged 39 holds a Bachelor of Laws (Hons) from University of Bristol, United Kingdom in 1999 and obtained the Certificate of Legal Practice in 2005. She has held a company secretary license from the Companies Commission of Malaysia since 2001.

Chairman's Message

Dear Shareholders,

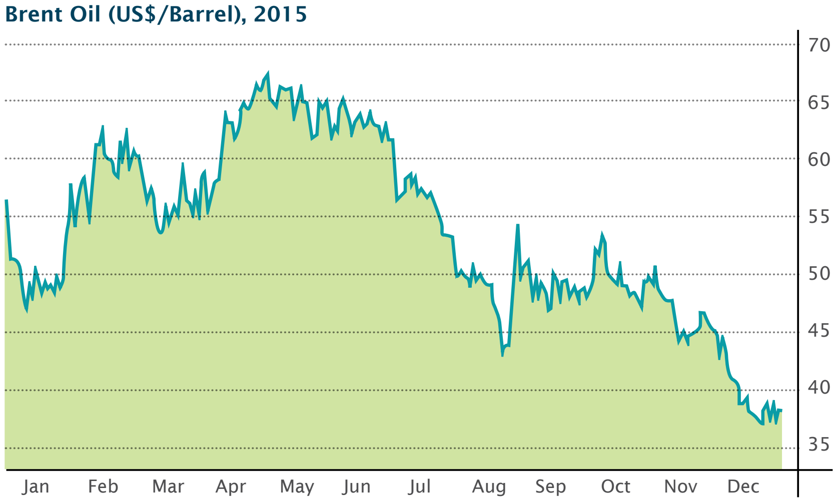
On behalf of the Board of Directors, it gives me pleasure to present to you Bumi Armada's Annual Report for 2015.

Tunku Ali Redhauddin ibni Tuanku Muhriz
Chairman

A Challenging Market

2015 was an extremely challenging year with oil prices weakening during the course of the year to trade between US$35-65 per barrel. The weakness in energy prices, driven by a combination of oversupply and weak demand, has resulted in a significant downturn in the oil and gas industry as producers delayed projects and continued to reduce their investment and expenditure levels. This has resulted in a significant reduction in the level of new activity in the offshore oil and gas sector.

Brent Oil (US$/Barrel), 2015



Chairman's Message

This reduction in activity included significantly weaker demand for exploration and development drilling, which in turn reduced demand for support and subsea vessels, which directly affected our OMS business. The cautious approach taken by oil producers has led to significant delays in new projects including new FPSO projects.

As has been announced by the Company, there is an ongoing dispute with Woodside Energy Julimar Pty Ltd ("Woodside") with regards to the charter and operations of the FPSO Armada Claire in the Balnaves field, off North Western Australia. We have, at this point in time, issued a Writ of Summons in the Supreme Court of Western Australia against Woodside, and the legal process is ongoing.

Given the market downturn, we have had to reduce headcount in line with reduced activity, mainly in the OMS business. Whilst this is never pleasant, I believe that we have taken the necessary steps to ensure that the Group will emerge from this current downturn stronger and in better shape for the future.

Financial Performance

The Group closed 2015 with a full year revenue of RM2.2 billion, 9.1% lower than 2014. The decline in revenue was due to lower activity in the OMS business (both OSV and SC businesses). However, despite the weaker market, the FPSO and FGS businesses continued to register strong growth, with a 37.6% increase in revenue year-on-year, as the conversion of our major projects continued.

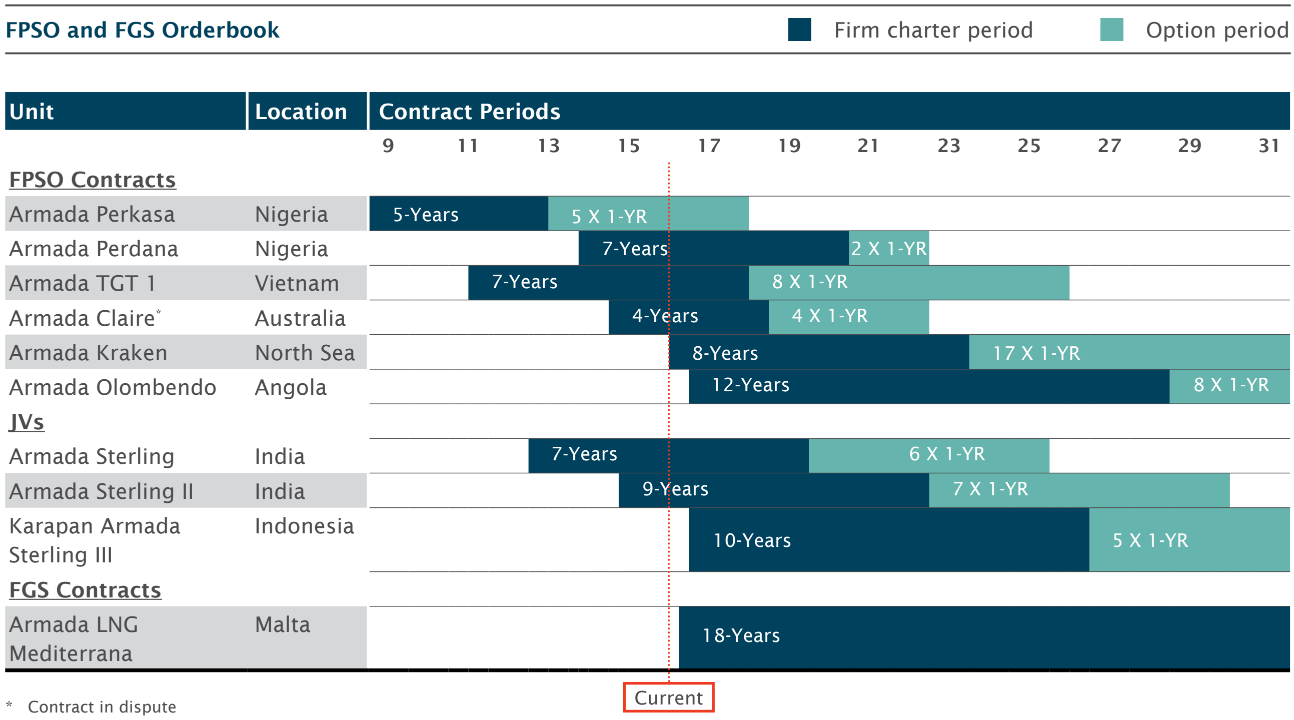
"I believe that we have taken the necessary steps to ensure that the Group will emerge from this current downturn stronger and in better shape for the future."

During the year, the Company took some allowance for doubtful debts and non-cash impairments on specific contracts and assets (i.e. not across the business units). The provisions are prudent in the current market, and the Company will work to fully recover these provisions. On the back of these provisions, and lower overall business activity, the Company registered a net loss of RM234.6 million. If all the provisions were excluded, the Company would have registered a profit of RM369.7 million for the full year 2015. Despite the losses, the Company closed 2015 with net positive cash flow from operations of RM535.4 million.

Key Positives

The conversion of the three FPSO projects continue to progress. They include our two largest ever FPSO projects, namely the Armada Kraken (for the North Sea) and the Armada Olombendo (for Angola), as well as Karapan Armada Sterling III, our first FPSO in Indonesia. All three are expected to leave the shipyard for their respective fields in the second half of 2016, and start producing the combined equivalent of nearly 150,000 barrels of oil per day for our clients when they reach peak production.

FPSO and FGS Orderbook



* Contract in dispute

Chairman's Message

As mentioned in last year's annual report, the Group secured its first gas related project with the LNG FSU project in Malta. The conversion of the LNG carrier into the FSU Armada LNG Mediterrana is progressing well and we expect the unit to be installed in Malta in the fourth quarter of 2016.

The Company has been very focused on these four projects, which will be significant value creators for the Group from late 2016 onwards.

Unwavering Standards for Safety

The safe working environment for our colleagues, employees and anyone that we work in tandem with is of the utmost importance to the Group. Safety awareness and safe operations in the work-place are non-negotiable necessities in our industry. Complacency in hazardous ever-changing conditions can have a disastrous impact on human life and the environment. It is for this very reason that we relentlessly monitor, and constantly seek to improve, our safety performance.

In 2015, we increased both our level of safety observations as well as our near miss reporting frequencies and more than doubled our training man-hours on safety. All of these factors and activities highlight the steps taken to increase proactive safety awareness within the Group. Other achievements during 2015 include a total of 1,075 days without LTI on our subsea installation activities and 365 days without LTI for OSV vessels under charter to Shell. In addition to this, our wholly-owned subsidiary Bumi Armada UK Limited, was approved as Installation Contractor for the FPSO Armada Kraken destined to be located in the North Sea.

Sustainability

Good corporate governance, accountability and environmental awareness remain high on our agenda. We continue to push for improved levels of internal controls and compliance within the Group to ensure that decisions are made with transparency and a full understanding of all relevant factors. The Group takes a holistic approach to sustainability, and we are well aware of our corporate responsibilities in relation to the environment in which we operate and the communities where we work.

To this end, Bumi Armada was, in 2015, recognised for its positive Environmental, Social and Governance ("ESG") efforts by being included in the FTSE4Good Index, the Morgan Stanley Composite Index Sustainability Index and the Dow Jones Sustainability Index. Details of our inclusion in these indices can be found on our website.

A Sustainability Committee has also now been set up that oversees all corporate sustainability efforts. The main areas are in-line with ESG principles, and include, amongst others; supporting the Forest Research Institute of Malaysia (FRIM), sponsoring the Turtle Sanctuary in Cherating Pahang in Malaysia, contributing and working with Pertiwi Soup Kitchen in Kuala Lumpur to feed the less fortunate, contributing to UNICEF on clean water and vaccinations, as well as other initiatives to support and improve communities and the environment where we operate.

Outlook

The depressed oil price that we have seen over the last year is expected to continue well into 2016. Various experts, who monitor and forecast commodity prices, do not foresee an improvement until late 2016 and possibly into 2017. This is based on several factors, including the continuing oversupply of oil and weak global economic growth, which have resulted in low demand.

We also expect that while the market is under severe pressure, there may be potential investment or inorganic growth opportunities. We will be evaluating these on a case-by-case basis to ensure they are a right-fit and value enhancing to our current businesses and strategy. The Board and management will continue to look for growth, but we are very mindful that capital allocation for growth must come with the required returns.

Chairman's Message

Despite a very subdued FPSO market, with only three awards globally during the whole of 2015, the Group has been actively bidding for suitable new projects. We hope to see some of these projects awarded during the course of 2016 and we will make the required announcements if we are successful. In light of the current environment, the Board and management have continued to focus on ensuring that each potential additional project has the right risk and reward balance, so that they are value enhancing to the Group.

Long-term Strength

Your Company remains fundamentally strong. We have been very committed to the delivery of the four new major projects, all of which leave the shipyard in the second half of 2016. These projects will almost double the daily oil production of our six FPSOs currently in production, as well as start our long-term floating gas plans. They will also provide the Group with significant income streams over the long-term with firm contract commitments from our clients running up to 18 years.

These new projects account for a significant portion of our RM27.5 billion firm orderbook, of which 88.7% comes from FPSO and FGS contracts.

The oil industry has always been cyclical, and while this downturn may be the most severe experienced for some time, we believe the sector will eventually recover, and we intend to be stronger when that recovery comes.

Welcome to New Board and Management Members

As I mentioned in last year's report, the Company continues to look to strengthen the Board of Bumi Armada and I would like to take this opportunity to welcome Mr Steven Newman, who joined the Board as an Independent Director in July 2015. As you will have seen from the announcement on his appointment, Steven Newman brings with him over 25 years of oil and gas experience, the last 20 years of which were with the world's largest offshore drilling company, Transocean Ltd, for which he was the President and Chief Executive Officer for five years. His depth and breadth of experience in the oil and gas industry will be invaluable to the Board and management of the Company as we navigate through these choppy conditions.

I am pleased to welcome Mr Leon Andre Harland on board as the new Chief Executive Officer and Executive Director for the Company from 16 May 2016. Leon Harland brings a diverse range of oil and gas experience to Bumi Armada, with a proven track record at SBM Offshore and Heerema Marine Contractors, in the FPSO and FLNG segments, as well as commercial, contracting, engineering and innovation initiatives. We look forward to being able to utilise his in-depth knowledge, experience and enthusiasm to take the Group forward.

During the course of 2015, we also welcomed other new members to Bumi Armada's senior management as we moved to further strengthen the team: Roland Martland joined us as Head of HSSEQ (Corporate), Anusoorya Themudu as Chief Human Resources Officer and Noreen Melini Muzamli in the role of Joint Company Secretary/ Head of Corporate Secretarial Services.

Appreciation

On behalf of the Board, I want to thank the many shareholders and stakeholders of Bumi Armada for your continued support throughout the year. My sincere appreciation also goes to our business partners for their support, and our clients for their confidence in our ability to deliver. Bumi Armada's management and all our employees have worked hard amidst the challenges of the marketplace to help us achieve our goals, and I wish to applaud them for their dedication and commitment to excellence.

I would also like to thank my fellow Board members for their guidance, perspective and commitment in carrying out their roles and helping us cope with what has been an extremely turbulent period in the industry. I would also like to thank Mr. Chan Chee Beng for his firm grip on the helm of the Group in the role of Acting CEO since the beginning of 2015. He was the right man for the job in an environment of consolidation and we look forward to welcome him back to the Board in his capacity as a Non-Executive Director.

Tunku Ali Redhauddin ibni Tuanku Muhriz
Chairman

More info at www.bumiarmada.com

Message from the Acting Chief Executive Officer

Dear Shareholders,

2015 was a turbulent year for the oil and gas market. Record production output by OPEC and the United States in the face of weakening energy demand, due to a stuttering global economy and the threat of structural faults in China's economy, have resulted in a significant oil supply imbalance. As a result, oil prices have plunged as players in the sector cope with what many describe as the worst oil market in over 30 years.

Chan Chee Beng
Executive Director/
Acting Chief Executive Officer

The resultant decline in new activity by national and international oil companies, especially in exploration and development of new projects, has directly impacted demand for our OSV and subsea construction services. In our FPSO & FGS businesses, we have been very much focused on converting the four major projects that come on stream from late 2016, which will allow the Group to convert our strong firm orderbook of RM27.5 billion (as at the end of 2015) into earnings and cash flow in 2017.

Over the last year, the challenging conditions in the market have forced the Board and management to take difficult decisions as we look to reduce cost, improve efficiency and productivity as well as streamline our businesses. We closed down the Oilfield Services business in early 2015, and have merged our OSV and subsea construction businesses into the OMS business, in order to further streamline our chartering activities.

Message from the Acting Chief Executive Officer

Group Performance

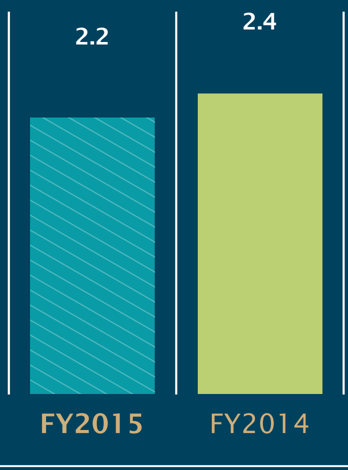
For the financial year ended 31 December 2015 ("FY2015"), the Group posted revenue of RM2.2 billion, a 9.1% decline over the RM2.4 billion registered for the full year in 2014. The FPSO and FGS businesses delivered 59.9% percent of the revenue, while the OMS business contributed 40.1%. The decline in revenue contribution from the OMS business reflects the decline in utilisation of the vessels, which correlates with the downturn in the oil price and reduced exploration and reduced development activities by oil companies.

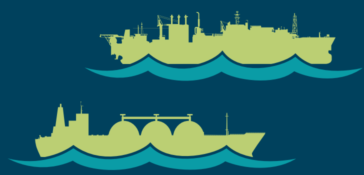
As oil prices fell in 2015, the Group focused on cost efficiency and optimisation. As a result, total selling and distribution costs and administration expenses fell from RM239.8 million in 2014, to RM181.3 million in 2015 with EBITDA margins improving from 38% in FY2014 to 45% in FY2015. With the backdrop of oil price volatility, we will continue to make cost management and optimisation a major focus area for the Group.

Despite our best efforts, the Group registered a net loss for FY2015 of RM234.6 million after taking into account allowance for doubtful debts and non-cash impairments. These impairments were taken on specific vessels and assets or as a result of specific events and not across the entire businesses. The reduction in the carrying value will help to make the impaired assets more competitive in terms of charter pricing, redeployment or potential asset disposals when the market recovers. Excluding the provisions, the Group would have posted a profit of RM369.7 million for FY2015.

While the Group's businesses have been negatively affected by the downturn in oil prices, the underlying fundamentals remain intact, which is highlighted by the Group's ability to continue generating positive cash flow from operations in 2015. We closed the year with RM535.4 million in positive net operating cash flow despite the low fleet utilisation in the OMS business.

Revenue
(RM billion)





FPSO and FGS businesses delivered 59.9% percent of the revenue, while the OMS business contributed 40.1%.

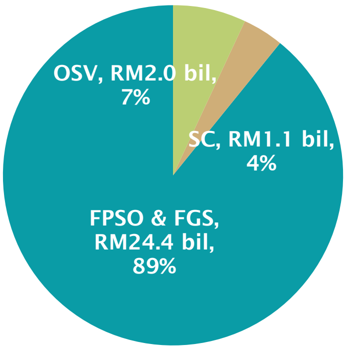
EBITDA margins improving from 38% in FY2014 to 45% in FY2015

Message from the Acting Chief Executive Officer

Bumi Armada's long-term income stream is underpinned by our sizeable firm orderbook of RM27.5 billion (as at end-December 2015). In addition to this, there are also optional extensions that could be worth an additional RM15.3 billion if they were all exercised by our clients. It is the strength of these long-term contracts, predominantly from the FPSO and FGS businesses that underline Bumi Armada's long-term value.

Firm contract period

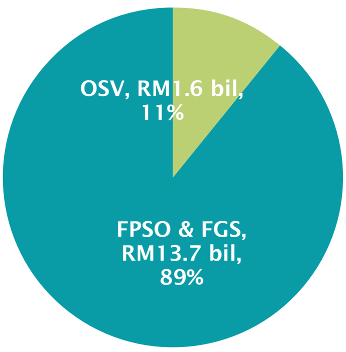
The breakdown of our orderbook with firm contract period by business segments (fleets) is as follows:



Firm contract period orderbook: RM27.5 billion

Optional extension period

The breakdown of our orderbook with optional contract period by business segments (fleets) is as follows:

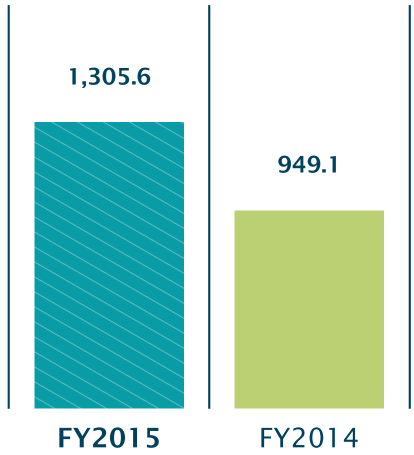


Optional extension period orderbook: RM15.3 billion

Business Unit Performance

FPSO and FGS Revenue

(RM million)



FPSO Operations and FGS

In the first quarter of 2015, the Armada Sterling II, operating under a joint venture in the Cluster-7 field offshore India for ONGC, delivered first oil and achieved final acceptance by ONGC within 10 days. The unit has since processed and delivered over four million barrels of crude oil for our client. Also during 2015, the FPSO Armada TGT 1 in Vietnam continued to maintain an excellent operational track record, maintaining an average uptime of 99.9% for its oil production system and producing 19 million barrels of crude oil.

The on-going conversion of our new FPSO projects for the Kraken Field in the North Sea, Block 15-06 offshore Angola and the BD Field in Indonesia are all progressing. These three projects, which vary in terms of size, operating design and specifications, have challenged our engineering, project management and supply chain teams. The FPSOs, expected to be installed in late 2016 and early 2017, will be significant contributors to the Group's revenue and profits in 2017.

The FPSO Sales unit has also been actively bidding on new prospects in Asia, West Africa and Latin America and we hope to see a decision made on at least one of these projects in 2016. In addition to submitting bids that balance project risks against the requisite returns for the Group, we have been working to secure pre-qualification for other upcoming FPSO projects with large international clients and hope to see bid invitations in 2016.

Message from the Acting Chief Executive Officer

In 2015, the FGS business unit secured its maiden project with the LNG FSU for ElectroGas Malta's gas power plant to provide base load electricity to the island nation of Malta. The contract is to build, lease and operate the FSU for a firm contract period of 18 years and is expected to be delivered in the second half of 2016.

In addition to securing this project, the FGS unit has successfully negotiated a partnership agreement to develop a FEED for a new-build FLNG and has undertake a feasibility for a conversion FLNG concept.

The FGS business unit has also worked to secure pre-qualification on a number of upcoming project bids for FSRU in Asia and the Middle East, as well as to market and secure pre-qualification for future FLNG projects.

The FGS business unit remains at startup stage for the Group currently, but with the currently buoyant FSRU market and the world expecting to see increasing demand for LNG as a cleaner energy source, the development of floating production solutions remains a clear focus area for our future growth. We expect FGS contributions to both revenue and our bottom-line to increase over time as we develop more capability and build a track record in the segment.

The FPSO and FGS businesses' orderbook remains the Group's largest, with RM24.4 billion in firm contracts and approximately RM13.7 billion in optional extensions.

OMS

As mentioned earlier, this is the business unit that is most directly affected by weak oil prices. As oil companies deferred exploration and development activities, demand for support vessels fell and some contracts were suspended due to the clients' cost saving activities. As fleet utilisation fell, we decided to cold-stack vessels that were either not employed or for which demand was expected to be weak in the current environment. There was a clear focus on overhead and operational cost reductions, and despite the weak market, we managed to dispose one idle vessel.

It was not all negative in 2015 however, as we secured a number of new short-term or spot charters. We also completed the three ice-class vessels, which have departed for the Caspian Sea.

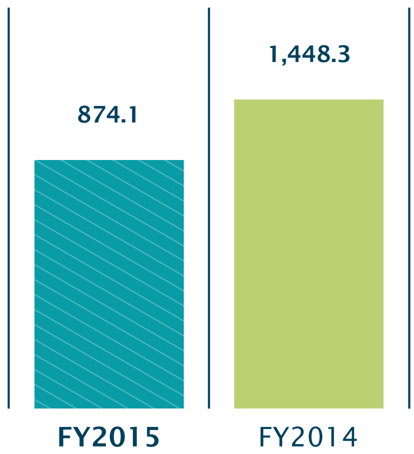
In our SC segment, the Armada Installer continued to work under its contract in Turkmenistan as scheduled with a 100% uptime record. The Armada Installer also completed all work related to Phase 1 of its contract with LukOil and expects to complete Phase 2 over a series of campaigns in 2016-2018. The weak subsea market saw limited work for the Armada Hawk and Armada Condor and we have scaled back activities in this sub-segment as a result.

The OMS business also worked towards opening new markets in Indonesia and Myanmar, both with huge potential in a recovering market.

Despite the challenges, the OMS business unit maintains a relatively healthy firm orderbook of RM3.1 billion with optional extensions of RM1.6 billion.

OMS Revenue

(RM million)



Message from the Acting Chief Executive Officer

"The OSV business was again recognised by Shell Malaysia, with the 2014 Marine Contractor Performance Award for contracted vessels operating with zero LTI during the year."

HSSEQ Performance

The Group continues to instil a safety culture across its organisation and has taken several steps to enhance safety awareness. With concerns about the increasing number of typhoid cases in Malaysia during the year, the Company decided to offer free vaccinations for our employees in Malaysia to safeguard against the risk of catching and spreading the disease. In addition to the vaccination campaign, the Company also held a health day at our office in Kuala Lumpur, offering free general medical check-up and blood tests to all employees. As a global oil and gas asset owner and operator, our HSSEQ department regularly updates the Company on travel and health risks around the world and implement temporary travel restrictions when required. As part of efforts to promote a balanced lifestyle, the Group also continues to offer gym membership subsidies for our employees.

The Group held two workshops during the year to cover environmental management and maritime and shipping risks, to enhance risk awareness for our operations teams. At an operational level, all our operating FPSO units operated without a LTI incident throughout the year, with Armada TGT 1 in Vietnam completing four years of operations without a LTI and Armada Sterling, Armada Sterling II and Armada Claire, not registering a LTI since their respective operational start-up. Our FPSO Operations business was also granted approval as an Installation Contractor, for the Armada Kraken under the Offshore Petroleum Licensing Regulations 2015, based on our capability in developing a suitable HSE management system for the North Sea.

The OSV business was again recognised by Shell Malaysia, with the 2014 Marine Contractor Performance Award for contracted vessels operating with zero LTI during the year. OMS also successfully conducted installation activities for a total of 1,075 days without any LTI incident up to end of 2015.

Sustainability Activities

Bumi Armada remains committed to its policies on building a sustainable business model and continues to adhere to practices set out under the ESG guidelines. In addition to its inclusion in the FTSE4Good Bursa Malaysia Index in early 2015, the Company has also been included as an index constituent in the 2015 Morgan Stanley Composite Index ("MSCI") Global Sustainability Indexes and the Dow Jones Sustainability Emerging Market Index.

Under our current environmental initiatives, we continue to support our carbon offset programme with the FRIM, which is now into its fourth year of the five-year initiative. We are into the second year of sponsorship of the Turtle Sanctuary and Information Centre in Cherating Pahang, providing the necessary infrastructure and equipment to improve conservation efforts for nesting sea turtles. The Group will continue to look for other suitable initiatives to support, not just with funding, in order to raise further awareness of our fragile environment.

As part of our corporate environmental awareness initiative, we monitor our Greenhouse Gas ("GHG") emissions which will normally increase in line with an increase in operational activity. Our efforts are to reduce the rate of increase in GHG emissions relative to our operational expansion.

Year	2012	2013	2014	2015
Safety Observation Frequency	284.4	560.5	720.8	866.0
Near Miss Reporting Frequency	1.26	1.34	1.66	1.80
Management Visit Ratio	7.52	5.20	5.83	5.06
HSE Training Man-hours	12,836	22,710	30,365	84,087
Total Man-hours	5,396,481	6,883,405	7,608,765	6,564,198

Message from the Acting Chief Executive Officer

Year	2014 (t.CO2e/manhours)	2015 (t.CO2e/manhours)	% YTD difference
Fuel (Vessels)	9.0962×10^{-2}	1.0912×10^{-1}	19.96
Electricity (Office)	4.8678×10^{-4}	4.4656×10^{-4}	-8.26
Total Bumi Armada Berhad (Fuel+Electricity)	6.8384×10^{-2}	7.7270×10^{-2}	12.99

Fuel and electricity in a form of ton CO2e is calculated based on operational denominator for environmental KPI - Corporate and Business Units

In terms of societal contributions, the Group continues to support local foundations, such as the Malaysian Community and Education Foundation, to promote education for the under-privileged. We also continue to develop local content initiatives, within countries that we operate in, to provide training and development for communities in the offshore sector. We also support local charity events that raise funds for worthy causes, such as the Bursa Malaysia Bull Charge event.

The Group works to comply with the best governance requirements in order to promote transparency and enhance investor and stakeholder confidence. Bumi Armada seeks to comply with the best practices on compliance and risk awareness and works closely with our Internal and External Auditors to achieve these aims. Further details of our governance processes and initiatives are detailed in the Corporate Governance Statement in this report.

Human Resource Management

In the current environment, we had to optimise the business for us to drive efficiency without risking the quality or capability of the organization. We also took the opportunity to relook at our existing human capital practices and decided to reinforce them with more robust talent management practices. The first initiative we undertook was to enable each of our business units to be more agile in their decision making by implementing a matrix reporting structure, where dedicated functional teams like HR, HSSEQ and Finance are embedded directly in our business units.

Our commitment towards our people development initiatives are being implemented in a more focused and targeted manner. We continue to enhance our team's overall leadership and implementation capabilities as well as specific technical skills to ensure that our team's capabilities are able to meet our clients and project requirements. For 2015, we have had 68% of our personnel trained in various topics revolving around soft and technical skills, with a total of 8,744 training hours across the Group.

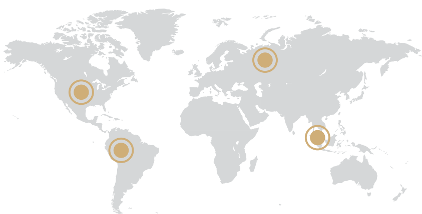
Another commitment we continue to deliver on is our Cadetship Programme. We had a total of 33 cadets graduate from our Cadetship Programme in 2015. This brings the total number of cadets who have graduated from this programme since its inception in 2007 to 103. In addition to the recent graduates, we continue to sponsor 60 Marine Cadets in Akademi Laut Malaysia for their Nautical and Marine Engineering Diplomas while another 10 cadets are gaining shipboard training on our OSVs.

These human capital initiatives are even more crucial for us in 2016 when Bumi Armada is going to deliver four major projects, and to make it all happen we will continue to invest into our biggest asset, our People.

Message from the Acting Chief Executive Officer

FPSO

9 Total number of FPSOs in operation or conversion



17 Total Countries

Bumi Armada has progressively moved up the complexity and value chain of FPSOs.

Prospects

The sustained weakness in oil prices is expected to continue dampening demand for our services and leave oil companies little choice but to defer new projects. We expect oil prices to start to stabilise once there is a balance in supply and demand. This is likely to be the result of either a reduction in the supply of oil (whether by OPEC alone or in conjunction with other oil producing countries) or a meaningful recovery in demand due to increased global economic growth, or a combination of both. Until oil prices stabilise and show signs of recovery, we expect the current slowdown in offshore O&G activity to continue into 2016.

With a backdrop of weak oil prices, oil companies are expected to continue to lower their capex (estimated to be 16% lower* in 2016 than in 2015 across the whole industry) and conserve cash, which means lower new major project spending. As a result, we do not foresee any significant improvement in demand for OMS assets or new charters. On the FPSO project front, we have a number of bids outstanding, some of which we hope will be awarded during 2016 and we hope to secure at least one of these awards. **Source: International Energy Agency ("IEA")*

With this outlook as a backdrop, we will continue to focus on cost efficiency, delivering the projects in hand, building capability and pursuing stable and value-enhancing growth opportunities. On our current projects in hand, the three new FPSOs that are undergoing conversion and the LNG FSU remain our critical focus areas. All these projects will deliver strong earnings and cash flow to the Group in the future and it is imperative that we ensure we deliver this value to the Group and to our clients in this current market.

Our current firm orderbook stands at RM27.5 billion (as at end 2015) will continue to support the Group over the next few years. The Group will continue to identify, bid and pursue selective projects with the aim of securing our fair share of new contracts in what will be a very competitive market environment in both the floating production and services segments.

Message from the Acting Chief Executive Officer

FGS

1st FGS project in Malta

OMS

54 Number of vessels in the OMS business

Appreciation

I would like to take this opportunity to thank all the shareholders, stakeholders and our clients for standing with us in these challenging times. A note of thanks also to our vendors, suppliers and partners, with whom we work hand in hand to grow our business and deliver our projects and services. I would also like to thank the management, onshore and offshore employees in the Bumi Armada family for their hard work, commitment and perseverance throughout the year. Lastly, I would also like to express my gratitude to the Board of Directors for their support and guidance over the last year.

I take this opportunity to welcome Mr Leon Harland, who on 16 May 2016 will take over as Chief Executive Officer and Executive Director of Bumi Armada. I look forward to working with him, and his substantial experience in the industry should serve the Group well moving ahead.

As we move into 2016, I would ask that everyone in the Group remains focused on delivering the four projects that we have in hand, to set the foundations for an even stronger Bumi Armada.

Chan Chee Beng
Executive Director/
Acting Chief Executive Officer

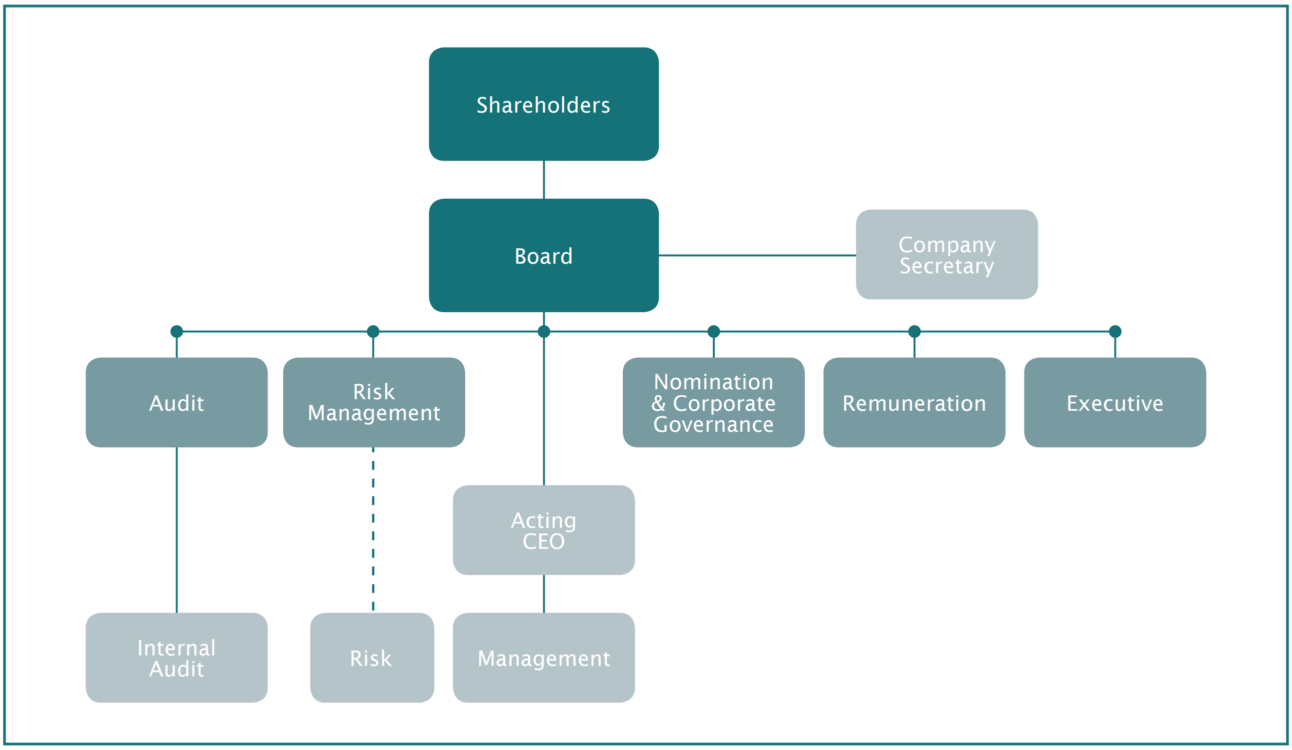
More info at www.bumiarmada.com

Corporate Governance Statement

THE BOARD OF DIRECTORS OF BUMI ARMADA BERHAD ("BUMI ARMADA" OR "COMPANY") IS COMMITTED TO MAINTAINING A HIGH STANDARD OF CORPORATE GOVERNANCE AND ENSURING CONTROLS, SYSTEMS AND PROCESSES ARE IN PLACE THROUGHOUT BUMI ARMADA AND ITS SUBSIDIARIES ("GROUP") TO SAFEGUARD THE GROUP'S BUSINESS AND REALISE ITS VISION TO BE THE TRUSTED GLOBAL OFFSHORE ENERGY FACILITIES AND SERVICES PROVIDER.

This Statement is prepared pursuant to Paragraph 15.25 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and describes the manner in which Bumi Armada has applied the Principles under the 2012 Malaysian Code on Corporate Governance ("CG Code") having regard to the Recommendations therein for the financial year ended 31 December 2015 ("FY2015"). The guidelines outlined in the Corporate Governance Guide ("CG Guide") by Bursa Securities have also been considered in applying the Principles under the CG Code and in preparing this Statement.

The Board will continue to review the Company's governance model to ensure its relevancy in ensuring it achieves its mission to provide effective integrated floating solutions in a safe, sustainable, reliable and environmentally-friendly manner therefore fuelling the Group's growth, as well as the growth of its host nations and communities.



Board Level Committees

Corporate Governance Statement

1. ESTABLISHMENT OF CLEAR ROLES AND RESPONSIBILITIES

1.1 Clear functions of the Board and Management

The Board has collective responsibility for the direction and management of the business and affairs of the Company towards enhancing business prosperity and corporate accountability, with the ultimate objective of realising long-term shareholder value whilst taking into account the interests of other stakeholders. In order to discharge that responsibility, it has to provide the requisite leadership and ensure it has laid the necessary governance structures for effective control of the Company and stewardship over its assets.

The Executive Directors ("ED") are directly responsible for the day-to-day management of the business and operations, for procuring new business and for the commercial and corporate performance of the Company within the parameters of good governance. Non-Executive Directors ("NED") play a vital check and balance role by challenging and scrutinising Management recommendations and proposals in an objective manner and bringing independent judgement to the decision making process at the Board and Board Committee levels.

The Board has adopted the following responsibilities as a primary premise for effective discharge of its fiduciary and leadership functions, which are substantially aligned with the CG Code and conform with international best practice in relation to major accident hazards:

- *Reviewing and adopting a strategic plan for the Group* - The Board has responsibility for reviewing, challenging and approving Management's proposals on strategic plans for the Company and its subsidiaries. The Board is also responsible for monitoring the implementation of strategic plans by Management;
- *Overseeing the conduct of the Group's business* - The Board is responsible for overseeing the performance of Management to determine whether the business of the Group is being properly managed and for ensuring that there are measures in place against which Management's performance can be assessed;
- *Identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures* - The Board is responsible for understanding the principal risks of all aspects of the Group's business and recognises that business decisions involve the taking of appropriate risks, to achieve a proper balance between risks incurred and potential returns to shareholders, and for ensuring that there are systems in place which effectively monitor and manage these risks;
- *Succession planning* - The Board is responsible for ensuring that candidates appointed to top management positions are of sufficient calibre and ensuring that there are programmes in place to provide for the orderly succession of top management;
- *Overseeing the development and implementation of a shareholder communications policy for the Group* - The Board is responsible for ensuring that the Company has a policy in place to enable effective communication with its shareholders and other stakeholders. Such policy include how feedback received from stakeholders is considered by the Company when making business decisions;
- *Reviewing the adequacy and the integrity of management information and internal control systems of the Group* - The Board is responsible for ensuring that there is a sound framework of reporting on internal controls and regulatory compliance; and
- *Providing leadership and assurance on the effective management and monitoring of health, safety and environment risks* - The Board is responsible for ensuring that: the Company implements policies relating to Health, Safety, Security, Environment and Quality ("HSSEQ") based on the goal of zero harm to personnel and the environment; safety and environmental risks are As Low As is Reasonably Practicable ("ALARP") in respect of major accident hazards and the Group adopts best practices to minimise emissions to the environment.

Corporate Governance Statement

During the FY2015, the Board had deliberated on key issues in discharging its duties and responsibilities pursuant to its terms of reference ("TOR"), among others:

(i) Reviewed and approved the strategy and business plan of the Group for the FY2015 based on input from the various heads of department;
(ii) Approved key projects in line with the business plan as well as the respective project financing;
(iii) Reviewed and approved the quarterly financial results for the FY2015 and the financial year ended 2014 ("FY2014") of the Group and their release to Bursa Securities as recommended by the Audit Committee ("AC") of the Board;
(iv) Identified principal risks and ensured the implementation of appropriate internal controls and mitigation measures with overview from the Risk Management Committee ("RMC");
(v) Deliberated on the search for a new Chief Executive Officer ("CEO") with input from the Nomination & Corporate Governance Committee ("NC");
(vi) Ensured that there are programmes in place for succession planning for senior management with monitoring from the NC;
(vii) Deliberated on the annual remuneration of staff including management for FY2014 as per the recommendation of the Remuneration Committee ("RC") of the Board;
(viii) Considered and approved the contents of the Company's 2014 Annual Report, which included the AC Report, the Corporate Governance Statement, Statement on Internal Control and Risk Management and Directors' Responsibility Statement;
(ix) Maintained robust regulatory compliance at all times;
(x) Ensured effective implementation of shareholders and stakeholders communication which enabled feedback received to be considered when making business decisions; and
(xi) Deliberated on the management framework relating to HSSEQ in 2015 and ensured the implementation of the policies relating to HSSEQ for 2016 and effective oversight of related risks.

The Board has delegated specific responsibilities to five Board committees, including the AC, NC, RC, RMC and Executive Committee, all of which operate within their respective approved terms of reference ("TORs"). These Committees assist the Board in making informed decisions through focused and in-depth deliberations on issues within their respective purview. The final decision on all matters, however, lies with the entire Board after considering recommendations by these Committees except to the extent that certain matters are delegated by the Board to the said Committees.

In order for the Company to run smoothly, the Board has also delegated some of its authorities to certain levels of management, including the CEO, within the prescribed limits of authority. Such delegation is made pursuant to the Company's Articles of Association ("Articles"). Decisions and approvals beyond such limits are vested with the Board. A further review of authorities delegated to the Board Committees and Management was undertaken in 2015 to ensure that these were more clearly defined to facilitate a more efficient decision-making process whilst ensuring adequate check and balance. The review also aimed to ensure that the limits of authorities met current best practices in corporate governance.

1.2 Division of Roles and Responsibilities between the Chairman and the CEO

There is a distinct division of roles and responsibilities between the Independent Non-Executive Chairman of the Board and the CEO. The Chairman has a non-executive role while the CEO who is also an ED has executive functions. The previous CEO vacated his position with effect from 1 January 2015 and we have appointed an Acting CEO from that date. A new CEO, who will also be an ED, will be joining the Company effective 16 May 2016 and the Acting CEO will be re-designated as the NED. Further details on the separation of the roles and responsibilities of the Chairman and CEO are set out in Section 3.4 of this Statement.

Pursuant to the CG Code, the Chairman of the Board, Tunku Ali Redhauddin ibni Tuanku Muhriz ("Tunku Ali") is an Independent NED.

Corporate Governance Statement

1.3 Ethical Standards through a Code of Ethics

Since 2006, the Company has in place a Code of Ethics ("COE"), covering business ethics, conflicts of interest as well as gifts and entertainment. Following a review by the NC in 2013, the Board has endorsed the COE. The COE sets out policies prescribing the standard of ethical corporate culture and business conduct required of every employee, as well as policies clearly prohibiting or restricting certain conduct (such as participation in business dealings either directly or indirectly with competitors or suppliers, acceptance of cash gifts and disclosure of confidential information). Employees are required to declare that they have received, read and understood the provisions of the COE as well as agree to abide by it. Failure to comply with the COE may constitute misconduct that could lead to the Company initiating appropriate disciplinary action.

To reinforce the standards prescribed in the COE, the Board (in 2012), established a Whistle Blowing Policy and Procedure to promote responsible corporate conduct across the Group. A Whistle Blowing Committee attends to all whistle blowing complaints received and presents reports on such complaints and the outcomes of preliminary investigations as to the merits of the complaints and whether they warrant further investigations, on a quarterly basis to the AC.

Separately, the Board has adopted a Code of Business Conduct and Ethics specifically applicable to Directors that establishes a standard of ethical behaviour and values to uphold the spirit of responsibility for managing a company. Amongst others, it governs the handling of conflicts of interest, dealings in securities, confidentiality and Company information.

1.4 Strategies that Promote Sustainability

Bumi Armada is committed to being a good global corporate citizen. It believes sustainability is about balancing growth with corporate responsibility, conserving resources for future generations by minimising carbon footprint activities, amongst other things that may have a negative impact on the environment. It also believes in driving efficiency and productivity while returning value to its stakeholders in a variety of ways.

In 2015, the Company moved forward from Corporate Social Responsibility ("CSR") to Corporate Sustainability and used the Environmental, Social and Governance ("ESG") format for its report. To this end, Bumi Armada was, in 2015, recognised for its positive ESG efforts under its Sustainability initiatives by being included in the FTSE4Good Index, the Morgan Stanley Composite Index Sustainability Index and the Dow Jones Sustainability Index. All these indices rate companies based on their efforts to improve the societies in which they operate, make efforts to limit the damage or contribute positively to environmental causes and operate and practice high standards of corporate governance. Throughout 2015, the Company continued its efforts in all three areas, looking to improve efforts where possible in all three areas.

Further details are set out in the Message from the Acting CEO in this 2015 Annual Report.

1.5 Board Members' Access to Information and Advice

The Board has agreed to a protocol for access to information pertaining to the Company and for seeking independent professional advice necessary for the Board and Board Committee members individually or collectively to discharge their duties effectively. Any expenses incurred in seeking independent professional advice are to be borne by the Company. Where the expenses exceed RM50,000, the Chairman's approval is required.

1.6 Support of Company Secretaries

All Directors have access to the advice and services of the Company Secretaries who ensure that adequate processes and procedures are in place and adhered to for the effective functioning of the Board. This includes setting the agenda, convening, facilitating proper conduct and recording proceedings and decisions of the Board and Board Committees. They advise the Board on various matters including Directors' duties, disclosure obligations, compliance with companies and securities laws, regulatory requirements and corporate governance initiatives. They also ensure statutory and meeting records of the Company are properly maintained and relevant disclosures, submissions and filings are made in a timely fashion to the regulators on behalf of the Company and the Board.

Corporate Governance Statement

1.7 Board Charter and Schedule of Matters Reserved for the Board

The Board's role is to provide strategic leadership to the Company within a framework of effective and prudent controls which enables risks to be assessed and managed. It also provides leadership and direction to Management, promotes an ethical and performance-based culture that drives value creation and accountability and contributes towards high quality decision making. In so doing, it considers initiatives and measures that strengthen governance in the various activity streams within the Group.

Recognising the importance of providing clarity to the roles, responsibilities and powers of the Board, separate from the Board Committees and management, a Schedule of Matters Reserved for the Board has been developed and adopted. The setting of business strategy, approval of annual business plan and budget including annual capital and operating expenditure, approval of major new projects and the capital and operating expenditure related to such projects, acquisitions and disposals of strategic investments and joint ventures, borrowings, capital restructuring and annual and quarterly financial statements vest with the Board.

In line with Principle 1 and Recommendation 1.7 of the CG Code, a Board Charter has been developed and adopted in April 2015. The Board Charter sets out the Board's strategic intent and outlines the Board's roles and responsibilities and other matters concerning and regulating the affairs of the Board. It constitutes the terms of reference within which the Board will operate, subject to the provisions of relevant legislations, regulations, governance codes and the Company's Articles of Association ("Articles") and is a source of reference and primary induction literature providing insights to prospective Board members and senior management. Directors, both serving and coming on board, on the role and responsibilities of the Board, the Board Committees and the different categories of Directors as well as the process for scheduling, calling and convening of Board meetings, principal matters reserved for the Board and reference on induction and training of Directors, among other matters.

The Board Charter is reviewed from time to time and at least once in two years to ensure it is updated with changes in the relevant regulations and best practices as well as to ensure its effectiveness and relevance to the Board's objectives. The next review of the Board Charter shall be in 2017.

2. STRENGTHEN THE COMPOSITION OF THE BOARD

2.1 Nomination & Corporate Governance Committee

The Board recognises that the quality of the composition of Board membership, with an appropriate mix of skills, competencies and expertise, is fundamental to how policies and strategies are shaped and contribute to the quality of decision making.

In this regard, the NC is charged with the following primary responsibilities and for making the appropriate recommendations to the Board:

- formulating the nomination, selection, election and succession policies for members of the Board and Board Committees;
- reviewing the optimum size and composition of the Board having regard to the mix of skills, independence and diversity, and formalising a transparent procedure for proposing new nominees to the Board and Board Committees;
- assessing the effectiveness of the Board as a whole and the contribution of each individual Director and member of each Board Committee;
- overseeing Board induction and training; and
- reviewing policies, procedures, measures and initiatives that promote good corporate governance practices in line with Malaysian and international standards as deemed suitable for the Group.

The NC presently comprises three NEDs, all of whom are Independent Directors: Tunku Ali, Ms Alexandra Schaapveld, and Mr Saiful Aznir Shahabudin ("Mr Saiful").

Corporate Governance Statement

The NC met seven times in 2015 to:

- review the Board composition arising from several changes to the Board and to review the eligibility, skills, competencies and experience of new candidates nominated for appointment to the Board and those seeking election/re-election to the Board;
- set a timeline and facilitate the 2014 and 2015 Board and Board Committees assessment process including assessing and reviewing and reporting the findings and making the appropriate recommendations to the Board;
- follow through on actions on succession planning at top management level including the search for a new CEO;
- assess and make recommendations on the training needs of Directors further to a formal analysis done which included the continued practice of briefing to directors by reputable external experts; and
- review policies, initiatives, measures and procedures to strengthen and give effect to matters pertaining to corporate governance, having regard to provisions of the CG Code and in line with global best practices including a review of the Board Charter.

2.2 Criteria for Recruitment and Annual Assessment of Directors

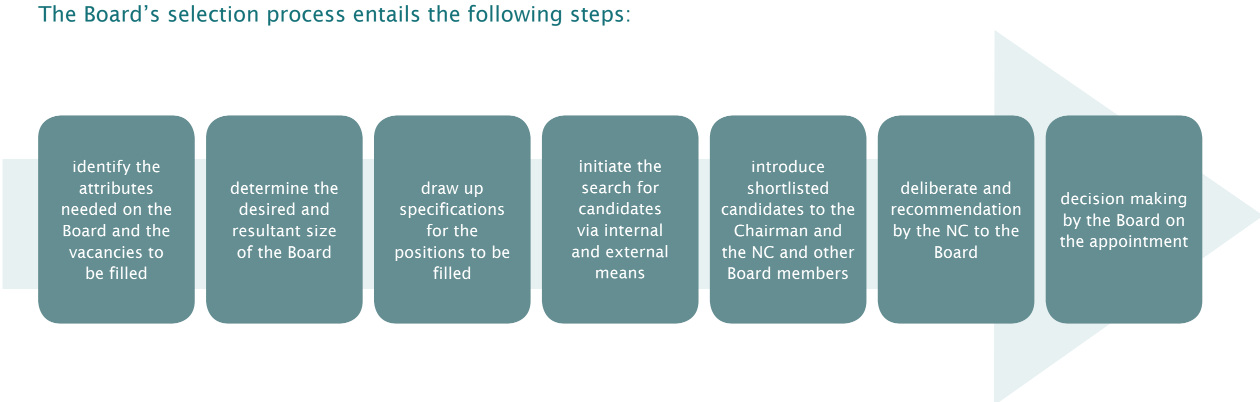
On the recommendation of the NC, a Board Diversity Policy ("Policy") was adopted by the Board in 2013, taking into account the provisions under the CG Code. The Policy was developed to enhance the selection process of candidates to the Board. The Policy reiterates that the Board shall comprise members who collectively have the right mix of qualifications, skills and competencies and other complementary attributes that will best serve the needs of the Company. It identifies gaps in competencies, skills and diversity among members and takes the necessary steps to remedy them to ensure they can add value to the deliberations and decision-making at the Board and Board Committee levels. The Policy also aims to provide a competitive edge to the Company in achieving its corporate and strategic objectives, and with the expectation of enhancing shareholder value.

Measurable objectives, targets and timelines have been set to address the gaps. Persons selected must have the right attributes for the roles they are expected to play. Whilst the Policy recommends and promotes gender and age diversity and aims to increase the representation of women candidates on the Board, it also aims to identify a candidate with engineering qualifications and offshore oil and gas experience, and an additional Independent Director to be appointed to the Board.

In this regard, the appointment of Mr Steven Leon Newman ("Mr Steven Newman") in July 2015 has strengthened the Board composition in respect of offshore operational and technical knowledge given his prior working experience of more than 20 years with Transocean Ltd, including as its CEO from 2010 to February 2015.

Further to the search for a new CEO since early 2015, Mr Leon Andre Harland ("Mr Leon Harland") will be appointed as the CEO and ED effective 16 May 2016, which will further strengthen the Board composition. He has more than 20 years' experience in FPSO, Floating LNG, construction and engineering in several established and reputable international firms. He is recognised for being an outstanding leader who drives business success through teamwork, enthusiasm and innovation. His wealth of experience in the FPSO and FLNG segments are seen as key assets to drive Bumi Armada towards growth, operational excellence and strategic partnerships with clients and stakeholders.

The Board's selection process entails the following steps:



Corporate Governance Statement

The appointed candidate will participate in an induction programme to have a better understanding of the Group's business, operations and functional areas and this will include meeting with other Board members. The NC also reviews the eligibility and performance of Directors who are subject to re-election/election at the AGMs to ensure they will continue to contribute.

Leading up to the 20th AGM, Tunku Ali and Mr Chan Chee Beng are Directors due for retirement by rotation pursuant to Article 113 of the Articles. Being eligible, they have offered themselves for re-election.

Mr Saiful who has served nine years on the Board as an Independent Director as at 1 December 2015, will seek the approval of the shareholders at the 20th AGM to continue to serve as an Independent Director pursuant to Recommendation 3.3 of the CG Code.

In addition Mr Steven Newman who was appointed to the Board on 1 July 2015, will offer himself for election pursuant to Article 120 of the Articles. Mr Leon Harland who will be appointed as an ED on 16 May 2016 will also offer himself for election pursuant to Article 120.

The Board, on the recommendation of the NC, is satisfied that those standing for re-election or election will continue to bring to bear their knowledge, experience and skills and contribute effectively to the Board's discussions, deliberations and decisions based on their performance thus far or their skills and competencies.

For the assessment of the Board and Board Committees in respect of 2015, the Board had in November 2015 reviewed the previous year's assessment criteria and based on the NC's recommendation had approved certain enhancements, which included the refinements of some assessment questions to be more concise and simplified, re-categorisation of questions and change in sequence of order for better flow with the aim to provide more clarity on the areas of assessment. The rating system in the assessment form was also revised from 5 to 3 scores for clearer feedback on areas of assessment.

The assessment criteria covers the Board's duties and responsibilities (Part A), Board and Board Committees' composition and meeting processes (Part B) and observations by the EDs (Part C). Under Part B, the Board Committees are also assessed on whether they have performed their duties as per their respective TORs during the year. The Chairman also meets with each Director in one-on-one sessions for direct feedback.

The results of the assessment were presented to the NC and the Board which approved the Actionable Improvement Programme ("AIP") that identified certain areas of improvement which included periodic review of the development and succession plans for key senior executives and regular visits to key sites and offices to better aid the Directors' understanding of the business and operations. The AIP sets out set clear action plans and responsible persons, and progress against such action plans will be reviewed by the Board on a half-yearly basis.

2.3 Remuneration Policies and Procedures

i) RC Composition and Responsibilities

The RC comprises three NEDs, the majority of whom are independent: Ms Alexandra Schaapveld, Mr Saiful and Ms Maureen Toh.

The Committee is charged with the following primary responsibilities:

- recommend to the Board the policy and framework for Directors' remuneration as well as the remuneration and terms of service of the EDs;
- evaluate the annual performance and reward of the EDs;
- review Management remuneration policies and proposals; and
- review and endorse broad parameters and criteria for the determination of eligibility and basis and criteria for allocations and grant of options under the Company's Employee Share Option Scheme ("ESOS" or "Scheme").

The day-to-day functions relating to the implementation of the Scheme and the exercise of options are handled by the Management level ESOS Management Committee with its own remit.

Corporate Governance Statement

ii) Remuneration Policy and Procedure

The objective of the Group's policy on Directors' remuneration is to attract, retain and incentivise Directors with the right experience, expertise and calibre needed to manage the Group successfully. The remuneration of the EDs is structured so as to link rewards to individual responsibilities and to corporate and individual performance.

In the case of NEDs, their remuneration shall commensurate with their experience, expertise and the level of responsibility and duties undertaken, as well as the roles they are to play on the Board and Board Committees. The Board may draw advice from independent consultants in determining remuneration.

The EDs' remuneration package comprises an all-in fixed component which includes a base salary, benefits-in-kind/emoluments such as company car, driver, health insurance premium coverage; and a variable component which includes short-term incentives in the form of a performance-based bonus. The EDs are also incentivised by way of options to subscribe for the Company's shares under the Company's ESOS. The EDs are not entitled to receive any meeting allowance for Board or Board Committee meetings that they attend.

The NEDs' remuneration comprises fees, meeting allowances and contribution by the Company to the Malaysian Employees Provident Fund ("EPF") for Directors based in Malaysia. However, the contribution to EPF and the payment in lieu thereof were terminated with effect from 1 July 2015.

The Directors also have the benefit of Directors' and Officers' Liability Insurance in respect of liabilities arising when acting in their capacity as Directors and Officers of the Company and Group.

The Articles provide that unless otherwise determined by an ordinary resolution of the Company in a general meeting, the total fees of all NEDs in any year shall be a fixed sum not exceeding in aggregate RM3,000,000 and divisible among the Directors as they may agree, or failing agreement, equally. Any increase in NEDs' remuneration above the cap provided in the Articles shall be approved at a general meeting of the Company. The aggregate fees paid to the NEDs for FY2015 did not exceed the aforementioned fee cap.

The determination of the remuneration of Directors is a matter for the Board as a whole based on the recommendation of the RC. Individual Directors do not participate in decisions regarding their own remuneration packages. The RC met five times in 2015 and the meetings were attended by all members during their respective tenures on the Committee. The RC dealt with the following matters during 2015:

- deliberations and recommendation on the evaluation of performance of the EDs for 2014;
- setting of KPIs for the EDs for 2015;
- review the broad parameters and criteria for employee increments and bonuses for FY2014, as well as the grant of options under the Company's ESOS; and
- review the proposal on the Management Incentive Plan which will be tabled at an Extraordinary General Meeting ("EGM") in 2016 for the shareholders' approval.

Under the By-Laws governing the ESOS, the total number of new shares, which may be issued under options granted pursuant to the Scheme shall not exceed in aggregate 10% of the issued and paid-up share capital of the Company at any time during the subsistence of the ESOS. In addition, the total number of shares which may be issued under options granted to EDs and members of senior management of the Group shall not exceed in aggregate 50% of the total number of shares to be issued under the Scheme ("Permissible Allocation").

Since the commencement of the ESOS up to 31 December 2015, the options under the Permissible Allocation which have been granted to and accepted by our EDs and senior management were 20.66% and 17.12% respectively.

Corporate Governance Statement

iii) Remuneration of Directors

The details of Directors remuneration (both Executive and Non-Executive) is shown under Note 12 of the Company's audited financial statements for the FY2015. The aggregate amounts of emoluments received and receivable by Directors from the Group and the Company during the FY2015 were as follows:

	Group RM'000	Company RM'000
Non-Executive Directors:		
- fees	2,763	2,763
- allowances and defined contribution plan	603	603
Executive Directors:		
- salaries, bonuses, allowances and other staff related costs	851	71
- defined contribution plan	102	9
- share-based payments	2,038	2,038
	6,357	**5,484**

* *Remuneration paid to the EDs includes salaries and bonuses, as well as other benefits and incentives.*
NEDs' remuneration includes fixed fees and meeting allowances.

Benefits-in-kind received by the Directors from the Group and the Company amounted to RM35,000.

The aggregate remuneration of the Directors for the FY2015 analysed into the appropriate bands of RM50,000 is as follows:

Range of Remuneration	Executive Directors	Non-Executive Directors
RM50,001 - RM100,000	1	-
RM200,001 - RM250,000	-	1
RM250,001 - RM300,000	-	1
RM400,001 - RM450,000	-	2
RM450,001 - RM500,000	-	1
RM700,001 - RM750,000	-	1
RM850,001 - RM900,000	1	-

3. REINFORCE INDEPENDENCE

3.1 Annual Assessment of Independence

On the recommendation of the NC, the Board has adopted a policy, procedure and criteria for the assessment of the independence of the Independent Directors in early 2013. An assessment of the independence of the Independent Directors as of 2015 was undertaken in early 2016, which re-affirmed their independence. The policy and procedure also provides for an assessment to be undertaken when new members are appointed to the Board in an independent capacity, prior to their appointment. Confirmation is also required for disclosures for regulatory purposes. However, the Independent Directors are expected to inform the Board any time when circumstances arise which could interfere with their exercise of independent judgment and objectivity or their ability to act in the best interest of the Company. The policy and criteria will be reviewed from time to time.

3.2 Tenure of Independent Directors

A limit of nine years' service is provided for under the criteria for independence in the CG Code which has been incorporated in the Company's Policy on Assessment of the Independence of Directors. Save for Mr Saiful who has served on the Board in an independent capacity for nine years as at 1 December 2015, none of the other Independent Directors have exceeded the limit of nine years' service.

Corporate Governance Statement

Although long tenure may incline towards or be perceived as compromising independence, the Board will review its position and criteria from time to time. This is to ensure that Independent Directors who have the necessary knowledge, skills and competencies, and who continue to exercise independent and objective judgment, play their part effectively on the Board in the best interest of the Company and satisfy the independence criteria, are not excluded based merely on the nine-year tenure criteria.

3.3 Shareholders' approval for re-appointment of Independent Directors who have served for nine years

If the Board is satisfied that an Independent Director meets the qualifications in the preceding paragraph and intends to retain him on the Board, the approval of shareholders will be procured to allow the Director concerned to continue in service beyond nine years, as recommended pursuant to the CG Code. However, the Board will also consider local and global standards of governance in this regard, before making any such recommendation. The Director concerned will abstain from any deliberations at the Board or Board Committee levels on his proposed retention.

Mr Saiful being eligible will be offering himself for re-election as a Director and to continue as an Independent NED at the 20th AGM. He would have served on the Board in an independent capacity for a period of 9 years and almost 6 months as at the date of the 20th AGM.

In considering the re-appointment of Mr Saiful as an Independent Director at the 20th AGM, the Board is satisfied that Mr Saiful will continue to play his independent role effectively based on the following justifications, as recommended by the NC:

(i) he has satisfied the criteria under the definition of Independent Director as per the MMLR;
(ii) he has demonstrated extensive knowledge of the Group's business and operations and objectivity in discussions which ensures effective checks and balances at the meetings' proceedings;
(iii) as the chairman of the AC, he led constructive discussion with Management on matters under the purview of the AC such as reviewing the financial results of the Company and audit issues;
(iv) he has devoted sufficient time and attention to his responsibility as an Independent Director of the Company with exemplary attendance record at Board and Board Committee meetings and actively participates in the respective meetings; and
(v) he has made an annual declaration on independence.

3.4 Separation of positions of the Chairman and CEO

There is a distinct division of roles and responsibilities of the Chairman of the Board and the CEO. The positions of the Chairman and CEO are held by separate individuals in the interest of checks and balances. The current Chairman, Tunku Ali, who assumed the position in June 2013, is an Independent NED.

The Chairman is responsible for creating the conditions necessary for overall Board and individual Director's effectiveness, drawing on their respective knowledge, experience and skills.

His role includes:

- providing leadership at the Board level;
- setting the tone for the Board discussions and deliberations with a view to promoting effective decision-making and performance monitoring to promote the success of the Group;
- setting the tone for the Company's values and standards to ensure the obligations to its shareholders and other stakeholders are understood and met;
- together with the Board, reviewing the organisational structure including the composition of Board Committees to ascertain if it serves the needs of the Company and Board;
- setting the Board agenda with input and advice from the CEO (with primary focus on strategy, value creation, governance and accountability) and the Company Secretary and ensuring timely flow of high quality supporting information;
- working together with the Board and based on the work of the Board Committees, determine the nature and extent of risk appetite of the Group;
- working with the Board in ensuring there is a proper selection, assessment and training programmes for the Directors;

Corporate Governance Statement

- together with the Board, monitoring the implementation of Board decisions and directions and performance of Management; and
- presiding over shareholder meetings and representing the Company at certain key events.

The CEO, who is an ED on the other hand has overall responsibilities over the following:

- the performance of the operational and business units and achievement of the corporate and commercial objectives of the Group including managing the expansion and optimisation of revenue and earnings of each of the business units and enhancing the capital value of the Group;
- working with and advising the Board to define the strategic, corporate and commercial objectives of the Group, preparing its business and operational plans and seeing to their implementation as well as the implementation of the policies, directives and decisions as approved by the Board; and
- providing leadership to Management and having direct oversight for the financial performance, and organizational effectiveness of the Group, which encompasses human resource development, investor relations and building of brand equity, operational excellence, supporting and managing the Company's HSSEQ management system and quality performance initiatives as well as commitment to Corporate Social Responsibility.

The annual KPIs set for the CEO are recommended by the RC and approved by the Board.

3.5 Composition of the Board

There were several changes to the Board in 2015. Mr Steven Newman was appointed to the Board as an Independent NED in July 2015.

Since 1 January 2015, Mr Chan assumed the Acting CEO role and was re-designated as an ED. Throughout 2015, the Board's composition was constituted by at least one-third Independent Directors. The Board currently has four Independent NEDs, two NEDs and two EDs. One of the NEDs has appointed an Alternate Director. As the Chairman is an independent NED, Recommendation 3.5 of the CG Code for a majority of members on the Board to be independent need not be adopted.

The Independent NEDs which currently make up 50% of the Board, provide an effective check and balance in the functioning of the Board. They play a pivotal role in corporate accountabilities as they provide unbiased and independent views, advice, opinions and judgment at the Board and Board Committee deliberations, with regard to the interest of minority shareholders and other stakeholders. None of the NEDs participate in the day-to-day management of the Group. The Independent and Non-Independent NEDs play key roles in the various Board Committees in shaping and contributing ideas and essential feedback towards the development and strengthening of the governance structures and foundations of the Company.

With Mr Leon Harland's appointment as the new CEO and ED, and Mr Chan's re-designation as an NED effective 16 May 2016, the Board will continue to comply with the MMLR for the Board to comprise of at least one-third Independent Directors.

Together, the Directors act in the best interest of the Company and believe that the current Board composition fairly reflects the interests of its shareholders to provide effective leadership, strategic direction and necessary governance to the Group. These Directors bring to the Board a wide and varied range of business, commercial, financial, technical, corporate and legal experience for the effective management of the Group's businesses. The Directors' profiles are presented on pages 28 to 36 of this Annual Report.

3.6 Senior Independent Director

The Board has appointed Ms Alexandra Schaapveld as the Senior Independent Director whom shareholders may raise their concerns to regarding the Group. She may be contacted at her email address: alexandra@bumiarmada.com.

Corporate Governance Statement

4. FOSTER COMMITMENT

4.1 Time commitment

The Directors have demonstrated their commitment to the business of the Board and Board Committees and all Directors, have made time for meetings (see details below) and key events, towards discharging their roles and responsibilities and fiduciary duties as Directors of the Company. Commitment to the time necessary to carry out their duties as Directors is a term of their appointment.

The Directors are aware of the limits of directorships they can hold in public listed companies quoted on Bursa Securities ("PLC"). While the Directors notify the Company Secretaries as and when they are appointed to other directorships, the Company Secretaries also obtains updates of their other directorships every quarter to monitor compliance with the limit. None of the Directors hold directorships in other PLCs. However, certain Directors hold directorships in public companies that are not quoted on Bursa Securities as well as in public or public listed companies that are incorporated outside Malaysia or listed and quoted on other stock exchanges. Details of such directorships are disclosed in their profiles set out in pages 28 to 36 of this Annual Report.

The Board and Board Committee meetings are scheduled at the end of the preceding year for the following calendar year and an annual Schedule of Meetings with an indication of the key business items for each meeting is circulated to all Directors. In November 2015, the Board approved the Board Annual Outline Agenda which specifies the areas of focus the Board wishes to discuss throughout 2016 and ensures that all key matters are deliberated by the Board and topics are well spread out throughout the year.

The Board meets at least five times a year, with additional meetings convened when decisions on urgent matters are required between scheduled meetings. Due notice is given to all Directors of all scheduled meetings while special unscheduled meetings may be subject to shorter notice periods. Papers and documents pertaining to matters on the agenda for the Board and Board Committees meetings are furnished to them in a timely manner before the meeting. However, papers that are deemed urgent may still be submitted to the Company Secretaries at short notice, subject to the approval of the Chairman and the CEO.

In respect of scheduling the meetings, the Board Committees' meetings are usually held at least one day before or prior to the scheduled Board meetings, to allow the Committees to deliberate on matters in detail and escalate to the Board either for noting or for approval.

The minutes of meeting of the Board and various Board Committees incorporate the discussions of the members at the meetings in arriving at decisions in accordance with the Recommendations of the CG Code.

During the FY2015, 11 Board meetings were held of which four meetings were unscheduled meetings. The record of attendance of each Director at the Board meetings of the Company in the FY2015 is as set out below:

Name	No. of Meetings Attended	Percentage of Attendance (%)
Tunku Ali Redhauddin ibni Tuanku Muhriz	11/11	100
Saiful Aznir bin Shahabudin	11/11	100
Alexandra Schaapveld	11/11	100
Chan Chee Beng	11/11	100
Shaharul Rezza bin Hassan	10/11	91
Maureen Toh	11/11	100
Shapoor Mistry	7/11	64
Steven Leon Newman *	4/4	100
Ravi Shankar Srinivasan *(Alternate director to Shapoor Mistry)*	11/11	100

* *Appointment effective 1 July 2015.*

Based on the above, all Directors have complied with the minimum 50% requirement on attendance at Board meetings held in FY2015.

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4.2 Training

The Directors are fully cognisant of the importance and value of enhancing their knowledge and expertise to keep abreast with the latest developments and changes in the following segments:

- the industry in which the Group operates;
- the area of their respective competencies; and
- economic, financial, regulatory, corporate and governance fields.

Trainings add value to their contributions in the deliberations, discussions and decisions at the Board and Board Committee levels. The Directors also feel it is important to develop a better understanding of the business of the Group through visits to the Group's vessels and operating sites where the Group operates.

A Directors Induction and Training Policy and Programme was adopted in 2015 by the Board on the NC's recommendation, to formalise the induction and training activities for Directors.

Mr Shapoor Mistry who was appointed on 27 October 2014 was granted an extension of time up to November 2015 by Bursa Securities to attend the Mandatory Accreditation Programme ("MAP"). Mr Shapoor attended some of the modules in November 2015 and with the approval of Bursa Securities, the remaining modules were completed in February 2016.

Mr Steven Newman who was appointed on 1 July 2015, completed the MAP in October 2015 within the prescribed deadline. Mr Leon Harland will be required to complete the MAP within four months from the date of his appointment as an ED. Save for Mr Leon Harland, all other Directors have attended and completed the MAP.

In 2015, the Directors have also attended and participated in various briefings at the Board and Board Committee meetings, conferences and other programmes covering topics on finance, governance, corporate and global business and industry developments, which they have individually or collectively considered as relevant and useful in the discharge of their duties as Directors.

The Directors are also kept up-to-date with market developments and related issues through Board discussions and meetings with the CEO, Chief Financial Officer ("CFO") and other senior management members of the Group as well as the External and Internal Auditors of the Company.

During the year, several Directors also attended a naming ceremony of three newly constructed ice class vessels including tours of the new vessels.

The Company Secretaries facilitates the organisation of internal training programmes and the Directors' attendance at external programmes while keeping a record of the training received or attended by the Directors. The training records are tabled for review of the NC on a quarterly basis, which assists the Board on the assessment and determination of the training needs of the Directors. During the Board Annual Assessment exercise for FY2015, an analysis of the Directors' training needs was done and the Board had approved the Directors' Training Plan for 2016 as recommended by the NC.

The following internal and external training programmes, briefings, conferences, presentations, etc. as relevant to the Directors individually and collectively, were attended by them in 2015:

Courses/ Seminars/ Programmes/ Workshops/ Conferences Attended	Date	Directors' Name	Company Sponsoring/ Organiser
World Economic Forum Annual Meeting (Davos-Klosters, Switzerland)	21-24 January 2015	TA	World Economic Forum
Geopolitics and Energy Management	7 April 2015	AS	Internal Training conducted by another organisation
World Economic Forum on East Asia (Jakarta, Indonesia)	19-21 April 2015	TA	World Economic Forum
Invest Malaysia Kuala Lumpur	23-24 April 2015	TA	Bursa Malaysia Securities Berhad/ CIMB Bank Berhad
Strategic Agenda Export Finance	11 May 2015	AS	Internal Training conducted by another organisation

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Courses/ Seminars/ Programmes/ Workshops/ Conferences Attended	Date	Directors' Name	Company Sponsoring/ Organiser
Anti-Money Laundering and Counter Terrorism Financing Program	14 May 2015	TA	Internal Training conducted by another organisation
Current global oil and gas upstream environment and expected level of oil and gas price in the short to medium term and its impact on the business of Bumi Armada and the business of our clients and competitors	25 May 2015	TA, SA, AS, CCB, MT, RH, RS	Bumi Armada organised Internal Training presented by an external consultant
Mandatory Accreditation Programme for Directors of Public Listed Companies	10 & 11 June 2015 (RS) 7 & 8 October 2015 (SN) 4 & 5 November 2015 (SPM) 26 February 2016 (SPM)	RS, SN, SPM	Bursatra Sdn Bhd
Young Global Leaders Annual Summit 2015 (Geneva, Switzerland)	10-14 August 2015	TA	World Economic Forum
Effective Management of Operational Risk	25 August 2015	TA	Internal Training conducted by another organisation
CG Breakfast series with directors: Future of Auditor Reporting – The Game Changer for Boardroom	21 September 2015	MT	Bursa Malaysia Securities Berhad
Capital Market Director Programme Module 3 : Risk Oversight and Compliance – Action Plan for Board of Directors	1 October 2015	MT	Securities Industry Development Corporation
MIA International Accountants Conference 2015	26-27 October 2015	SA	Malaysian Institute of Accountants

AS - Alexandra Schaapveld
CCB - Chan Chee Beng
MT - Maureen Toh
RH - Rezza Hassan
RS - Ravi Shankar
SA - Saiful Aznir Shahabudin
SN - Steven Newman
SPM - Shapoor Mistry
TA - Tunku Ali

5. UPHOLD INTEGRITY IN FINANCIAL REPORTING

5.1 Compliance with applicable financial reporting standards

The Board is committed to providing a balanced, clear and understandable assessment of the financial position, performance and prospects of the Group in the disclosures made to the shareholders and the regulatory authorities.

The Board, assisted by the AC, oversees the Group's financial reporting process, compliance with applicable accounting standards and the quality of its financial reporting. The details of the membership of the AC, the qualifications and experience of the members can be found on pages 17, 29 to 31 and 34 of the Annual Report respectively.

The External Auditors provide a quarterly report to the AC which, among others, highlights any changes to the reporting regime and any new Applicable Accounting Standards ("AAS") and provides their views on the application and impact of the AAS and report any area where there is divergence of views with management. Differences in views are then properly debated and resolved with the AC as an independent arbiter.

A statement by the Directors of their responsibilities in preparing the financial statements is set out on page 76 of this Annual Report.

5.2 Assessment of suitability and independence of External Auditors

The Board maintains a formal and transparent professional relationship with the Group's auditors, both Internal and External, through the AC. The role of the AC in relation to these Auditors is described in the TOR of the AC which is available on the Company's website (www.bumiarmada.com).

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The External Auditors are required to declare their independence annually to the AC as specified by the By-Laws issued by the Malaysian Institute of Accountants. This is also specified in the TOR of the AC. The External Auditors have provided such declaration in the annual audit plan presented to the AC. The AC also makes its own assessment of their suitability and independence in connection with the recommendation to retain them as External Auditors for the ensuing year, which is subject to approval of shareholders at the Company's 20th AGM. Such assessment is based on:

- their professionalism;
- their objectivity and independence, in relation to the audit and non-audit services rendered by them based on feedback from the management;
- their performance; and
- their interaction with the AC during AC meetings and at meetings in the absence of management.

A set of Policies and Procedures on Independence of External Auditors, including a framework for engaging them in the provision of non-audit services, together with criteria relating to their performance and independence developed in 2013, has been adopted by the Board and applied by the AC in making its recommendation on whether the External Auditors should be retained. Further to the AC's assessment and recommendation, the Board is satisfied that the External Auditors are suitable and remain independent to continue as the Company's external auditors and recommend their re-appointment to the shareholders at the 20th AGM.

6. RECOGNISE AND MANAGE RISKS

6.1 Sound framework to manage risks

The Board has ultimate responsibility for establishing a sound framework to manage risks.

The Company enhanced its resources and intensified its activities to improve and strengthen its risk management processes and reporting. A series of roundtable discussions, facilitated by the Risk Management Department ("RMD"), with business units and support functions were carried out, to identify risks and the associated mitigation plans. The RMD presents its Risk Management Reports on a quarterly basis to the RMC. The CEO and CFO are also expected to attend the RMC meetings.

The RMC presently comprises three members; two NEDs and an Independent Director. The RMC is chaired by Mr Steven Newman and its other members are Ms Maureen Toh and Mr Shapoor Mistry. The RMC met two times in 2015 to monitor and oversee risk identification, assessment, rating and mitigation measures relating to new and ongoing projects and contracts related to these. The chairperson of the RMC reports to the Board on matters of concern or significant risk exposures and other highlights dealt with at the RMC meetings. The risk management activities are more specifically articulated in the Statement on Risk Management and Internal Control incorporated in this Annual Report.

6.2 Internal audit function

The Board acknowledges its overall responsibility for the Group's system of internal control and its effectiveness, adequacy and integrity to safeguard shareholders' investment and the Group's assets.

As previously reported, on the recommendation of the AC, the Board approved the outsourcing of the internal audit function to an external firm in late 2012. The internal audit function reports directly to the AC. This initiative enables the review of the internal control systems by an independent party. The internal audit function is independent of the activities it audits.

The Statement on Risk Management and Internal Control set on page 69 to 73 of this Annual Report provides an overview of the state of internal controls within the Group.

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7. ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

7.1 Corporate Disclosure Policy

The Board understands the need for timely and accurate disclosures in compliance with the MMLR and for proper procedures and processes to be in place in ensuring the maintenance of confidentiality and proper handling of material price sensitive information, prior to them being announced to Bursa Securities. Various procedures and processes are in place to govern different corporate activities including timely disclosure of the quarterly and annual results. The Corporate Disclosure Policy and Procedure was adopted by the Board in November 2015 in relation to seeking approvals for transactions and handling of material information to comply with the MMLR. The policies and procedures will be reviewed and enhanced from time to time.

7.2 Leverage on Information Technology for Effective Dissemination of Information

The Board believes that constructive and effective investor relations are essential in enhancing shareholder value and recognises the importance of timely dissemination of information to shareholders and other stakeholders as widely as possible for equal and fair access. Such information is communicated through the Annual Reports, Circulars to shareholders, general meeting notices, various disclosures and announcements to Bursa Securities, including quarterly and annual results and reports. Disclosures to Bursa Securities are made via the Bursa Link as well as through press releases where deemed relevant. For ease of access, such information, reports and announcements are also uploaded immediately onto the corporate website of the Company at www.bumiarmada.com. More items and sources of information will be identified for uploading onto the Company's website going forward to reach a wider audience.

8. STRENGTHEN RELATIONSHIP BETWEEN THE COMPANY AND ITS SHAREHOLDERS

8.1 Encourage shareholder participation at general meetings

The AGM is the principal forum for dialogue with shareholders as it offers the Company an opportunity to explain the business and financial performance and operations of the Company. Shareholders' attendance and participation at the AGM is encouraged through several means.

Notice of the Company's AGM is advertised in at least one mainstream newspaper on the date on which it is despatched to shareholders. Such Notice is also announced in advance through the Bursa Link. The Notice is issued together with the annual report in electronic form and the abridged version of the annual report. 22 clear days' notice was given for the 2015 AGM, which is more than the minimum 21 days of notice required to be given. This year, we intend to maintain the practice of giving more than the minimum prescribed notice, to allow shareholders sufficient time to make arrangements to attend the meeting.

When the AGM Notice is despatched, it will also incorporate detailed advice and instructions on members' entitlement to attend the meeting, appoint proxies and the address and deadline for lodgement of Proxy Forms. An Administrative Guide that is sent together with the AGM Notice and Proxy Form also provides pertinent information on the venue of the meeting, parking, directions to the registration and meeting halls and the registration process, to facilitate shareholders' attendance and assist them in their registration.

While the Articles were amended in 2012 to accept electronic lodgement of Proxy Forms, the Company has not implemented this as it has been exploring with its Share Registrars the mechanics of such lodgement. The Company will allow the electronic lodgement of Proxy Forms after such facility is available and tested and when the Company is ready to adopt the same. A proxy need not be a member. The provisions of Section 149 of the Companies Act, 1965 prescribing certain qualifications for proxies are not applicable. In addition, the Articles also allow exempt authorised nominees for multiple beneficial owners in one omnibus account to appoint multiple proxies.

Members present in person or by proxy or via a corporate representative or attorney have the right to attend, speak and vote at the meeting both on a show of hands and/or a poll, pursuant to the Articles. The Chairman also explicitly mentions the members' and proxies' voting rights and their right to demand a poll, during the meeting.

Shareholders are encouraged and given sufficient opportunity to enquire about the Group's activities and prospects as well as to communicate their expectations and concerns at this forum.

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8.2 Poll Voting at General Meetings

No poll was demanded on any resolutions tabled at the 2015 AGM, and neither were any resolutions tabled at the 2015 AGM that were required to be subject to a poll. However, the resolution that was tabled at the EGM immediately held after the 2015 AGM was voted by poll as per the MMLR.

Further to the recent changes to the MMLR issued by Bursa Securities on 25 March 2016 on the requirement for poll voting for any resolution set out in the notice of general meetings which will apply for general meetings held on or after 1 July 2016, the Company will explore providing facilities for poll voting via electronic means to expedite verification and counting of votes.

8.3 Effective communication and proactive engagement

The Board encourages and supports constructive communication with all investors and stakeholders and recognises the importance of timely dissemination of information to the investor community and shareholders. The Board also recognises the importance of communicating the Group's business strategies, updates on the progress of the Group's current business initiatives as well as its financial performance during the year.

In addition to the required timely announcements and public statements made to Bursa Securities, the Company issues media releases and conducts analyst briefings in conjunction with the release of the Group's quarterly and annual financial results.

The Company maintains a corporate website at www.bumiarmada.com which provides access to corporate information about the Group, including the Company's corporate profile, Directors' profiles, senior management, share and dividend information, financial and annual reports, announcements, press releases and investor presentations.

The Company's annual report provides a comprehensive report of the Group's operations, business and financial performance as well as corporate information for the year in review.

At the AGM, the Directors are allocated responsibility to respond to questions that may be raised by shareholders in accordance with their Board or Board Committee roles. The Directors are also encouraged to have direct interaction with the shareholders before and after the AGM.

The Group's Investor Relations function plays an important role in providing a direct communication channel to engage with shareholders, investors and the investment community broadly, both in Malaysia and internationally.

The Company has an Investor Relations Policy in place providing for the following:
- Timely, transparent, consistent and credible information on corporate events, strategies, trends and financial data to the investing public;
- Attending to shareholders or investor enquiries or requests for information;
- Attendance at investor presentations, conferences or other forums or meetings to ensure that the Company's businesses and strategies are clearly and equally understood by as wide an investor base as possible;
- Ensuring that information provided and distributed by the Company to the investing public is in accordance with the regulatory requirements and in accordance with best practices.

The Investor Relations unit has frequent one-on-one and group meetings, both domestically and internationally with analysts, investors and potential investors throughout the year to provide constant communications and updates with the investment community. In 2015, the Company was represented at investment conferences and investor meetings in Kuala Lumpur, Singapore, Hong Kong, London and New York.

Investors may direct their queries regarding the Group to Jonathan Duckett, Head, Corporate Affairs at his email address: jonathan@bumiarmada.com.

COMPLIANCE STATEMENT

The Principles and Recommendations of the CG Code have been considered in making this Statement, and the Board is pleased to note its compliance with the CG Code. The Board recognises that there are still areas for further enhancement and re-affirms its continued efforts to improve on corporate governance standards practiced throughout the Group.

This Statement is made in accordance with a resolution of the Board of Directors dated 14 April 2016.

Statement on Risk Management and Internal Control

INTRODUCTION

In accordance with Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("MMLR") and the 2012 Malaysian Code on Corporate Governance ("CG Code") issued by the Securities Commission, the Board of Directors of Bumi Armada Berhad ("Board") is pleased to provide the following statement that is prepared in accordance with the "Statement on Risk Management and Internal Control – Guidance for Directors of Listed Issuers" issued by the Taskforce on Internal Control with the support and endorsement of the Bursa Securities which outlines the nature and scope of the Group's internal control and risk management during the financial year ended 31 December 2015 ("FY2015").

BOARD'S RESPONSIBILITY

The Board in discharging its responsibilities is fully committed to maintaining a sound internal control environment to safeguard shareholders' investments and the Group's assets.

The Board has overall responsibility for the Group's system of internal control and its effectiveness, as well as for its adequacy and integrity. The system of internal control covers governance, risk management, financial, strategy, organisational, operational, regulatory and compliance matters. This system is designed to manage risks that may impede the achievement of the Group's business objectives rather than to eliminate these risks. Therefore, the system can only provide reasonable and not absolute assurance against material misstatement, loss or fraud. Management is ultimately responsible for ensuring that the policies and procedures on risk and internal control are implemented and enforced.

The Group continues to take measures towards enhancing the adequacy and effectiveness of the risk management and internal control system. The identification, evaluation and management of major risks is an ongoing process and significant efforts have been put in place to improve overall risk management.

The following two (2) committees at the Board level are involved in the oversight of the Group's risk management and internal control systems and procedures:

- Audit Committee
- Risk Management Committee

Summarised below are the main features of the Group's risk management and internal control system.

1. Risk Management

Risk Management Committee ("RMC")

The RMC with its own terms of reference ("TOR") was established in line with good practice, to enable the Board to closely monitor areas of risk exposure. The primary responsibilities of the RMC include:

- The assessment, improvement and monitoring of Group-wide Enterprise Risk Management Framework;
- The creation of a risk-awareness culture which will ensure greater understanding of the importance of risk management and that its principles are embedded in key operational processes and all projects; and
- The identification, assessment, monitoring and management of risks associated with the operations of the Group at the appropriate strategic and policy levels.

Given the Board's recognition of the importance of risk management, the RMC is supported by the Risk Management Department ("RMD"). The RMD is tasked with leading the drive to embed risk management processes at all levels within the Group.

Statement on Risk Management and Internal Control

1. Risk Management (Cont'd)

Enterprise Risk Management Framework

The Group has in place an Enterprise Risk Management Framework ("Framework") with the aim of providing a consistent approach for identifying, evaluating and managing the significant risks faced by the Group and facilitating a reasonably accurate perception of acceptable risk by all employees. Risk management is continuously embedded within the system of internal controls and business environment and is periodically reviewed and updated. Managing risks is a shared responsibility and is integrated within the Group's governance, business processes and operations.

The Framework as endorsed by the RMC contains the following key elements:

- Risk Representatives in each operating unit to spearhead the coordination of risk management activities. These Risk Representatives are responsible for ensuring the timely updating of risks, controls, issues and action plans within their own units. Their updates are then independently validated by the RMD;
- Specified roles and responsibilities at each level of management in the Group in relation to Risk Management;
- Mechanisms, tools and techniques for managing risks in the Group; and
- Guidance on risk reporting. Risk reports are prepared for the RMC and include an assessment of risk, an evaluation of effectiveness of the controls in place and the requirements for further controls.

Key Risk Management Activities for the FY2015

Key activities pertaining to risk management undertaken during the financial year were as follows:

- Compilation of top operating risks (short, medium and long-term risks)
- Refined risk reporting processes to management and the Board
- Rigorous risk reviews on capital projects to comprehend and assess top project risks
- Continued initiatives to create risk awareness within the Group

2. Internal Control Environment and Structure

The key elements of the Group's control environment include:

- **Organisation Structure**
  Besides the aforementioned RMC, the Board is also supported by a number of Board committees that have been established, to assist it in the execution of its governance and other responsibilities namely the Audit, Nomination & Corporate Governance, Remuneration and Executive Committees. Each Committee has its own clearly defined TOR.

  Responsibility for implementing the Group's strategies and day-to-day businesses are delegated to management. The organisation structure sets out clear segregation of roles and responsibilities, lines of accountability and levels of authority to ensure effective and independent stewardship.

- **Budgeting, Monitoring and Reporting Process**
  A detailed budgeting and reporting process has been established. Comprehensive budgets are prepared and submitted by the operating and support service units to the Group Finance Department, which consolidates these into a Group Budget ("Budget") and presents it to the Board for approval on a yearly basis. Upon approval of the Budget, the Group's performance is then tracked and measured against the approved Budget on a regular basis. A reporting system which highlights significant variances against the Budget is in place to track and monitor performance. On a quarterly basis, the results are presented to and reviewed by the Board to enable them to gauge the Group's overall performance compared to the approved Budget and prior periods.

Statement on Risk Management and Internal Control

2. Internal Control Environment and Structure (Cont'd)

- **Limits of Authority**
  The Limits of Authority ("LOA") sets out the authorisation limits for various levels of the Group's management and staff and also those requiring the Executive Committee's and other Board Committees' reviews and Board approvals to ensure accountability, segregation of duties and control over the Group's financial commitments. The LOA is reviewed and updated periodically to reflect business, operational and structural changes and needs. Most recently, this was updated in 2015 to take into account organizational changes and operational needs.

- **Project Sales Tender Evaluation and Approval Policy**
  The Group has in place a Tender Evaluation and Approval Policy to ensure that all tenders participated in by Bumi Armada for potential contracts and projects with the field operator have been reviewed and evaluated for appropriate balance in risk and reward and is consistent with the Group's strategy and risk profile. The policy provides guidelines to mitigate risks and unplanned events which would jeopardise the successful execution and financial outcome of projects. All proposed tenders are required to be comprehensively and thoroughly reviewed by management at various phases in order to make an early assessment of the merits of submitting a tender, assigning appropriate management resources and setting accountabilities, procuring timely approvals, and ensuring maximum project outcome. The LOA specifies the various authority levels for approval, with the Board having the ultimate responsibility.

- **Documented Policies and Procedures**
  Policies and procedures relating to finance, procurement, human resources, information system, project, health, safety, environment and quality management for operating units within the Group have been established and are revised as needed to meet changing business and operational needs.

- **Whistle Blowing**
  The whistle blowing policy and procedure which was adopted by the Board in 2012 is accessible to all employees through the Group's intranet. The policy encourages and enables complainants to report any wrongdoing by any person in the Group to a designated person so that the appropriate action can be taken.

  The Company also provides contact details on its website at www.bumiarmada.com for external parties to report any concerns or wrongdoings by any person in connection with the Group's business, systems, employees or contractors.

  All concerns raised via the whistleblowing channel are treated with strict confidentiality with a Whistle Blowing Committee ("WBC") to consider the merits of whether or not to pursue an investigation on the complaints or concerns raised. The WBC reports to the Audit Committee on complaints or concerns received on a quarterly basis. The policy also includes provisions to safeguard the confidentiality of the whistleblower, with no detriment to the whistleblower if he or she acts in good faith.

- **Procurement**
  The Group Procurement procedures provide the guidelines to govern procurement and the tender bidding process, the technical and commercial evaluation of bids and the subsequent award to successful bidders. Specific Tender Committees with cross-functional representation have been established to provide check and balance, oversight and approval for the various categories of procurement as stipulated in the LOA.

- **Vessel Operations**
  The respective operating units based in different country locations are responsible for identifying, tracking and monitoring compliance with all class requirements and maritime regulations in respect of all vessels located in various countries of operations.

Statement on Risk Management and Internal Control

2. Internal Control Environment and Structure (Cont'd)

- **Quality Management System**
  The Group has implemented a comprehensive Quality Management System which fully complies with ISO 9001:2008 Quality Management Systems – Requirements. The Group operates an audit and compliance programme encompassing the FPSO, OSV and T&I fleet as well as corporate and project groups as required.

- **Health, Safety and Environment ("HSE")**
  The Corporate HSSEQ Department is responsible for setting the overall direction on HSE implementation within the Group and also drives strategies and monitors performance to ensure HSE risks are managed to as low as reasonably practicable. During the year, the Group recorded two Loss Time Injury ("LTI") incidents. The LTI incidents did not have any material financial impact on the Group for FY2015.

  The overall management of Group security falls under the purview of the Head of Health, Safety, Security, Environment and Quality. It is the policy of the Company to ensure the protection of all Company related interests against negative security incidents that have the potential to adversely impact Company personnel, assets and the business. Such protective activities are enacted in a manner commensurate with international best practice and statutory compliance. Systems and processes adopted promote respect for local regulations and cultures. Ultimately the Company considers security a major business enabler, facilitating operational integrity and business continuity across the Group's global portfolio.

- **Audit Committee**
  The Audit Committee comprises wholly of Non-Executive Directors, the majority of whom are Independent Directors. The Audit Committee evaluates the adequacy and effectiveness of the Group's risk management and internal control systems. It also reviews internal control issues identified by the Internal Auditor, External Auditor and management on a quarterly basis. Throughout the financial year, the Audit Committee members are updated on Malaysian Financial Reporting Standards, as well as regulatory requirements in addition to key matters affecting the financial statements of the Group.

  The Audit Committee also reviews and reports to the Board on the engagement of the External Auditors, their independence and the audit plan, including the nature, approach, scope of the plan as well as other external audit matters as appropriate. The current composition of the Audit Committee consists of members who bring with them a wide range of knowledge, expertise and experience both from within the same industry and from other backgrounds as well. They continue to meet regularly and have full and unimpeded access to the Internal and External Auditors as well as all employees of the Group. The Audit Committee also reviewed and approved the Internal Audit Plan during the FY2015. Other activities of the Audit Committee during the FY2015 are disclosed in the Audit Committee Report.

- **Internal Audit**
  The Internal Audit function of the Group is outsourced to an external firm, reporting directly to the Audit Committee. The outsourced Internal Audit function provides an independent review over key processes, monitoring the compliance of policies and procedures, evaluating the adequacy and effectiveness of internal control and risk management systems, and highlighting significant findings and corrective measures in respect of any non-compliance to the Audit Committee.

  Internal audit reports are presented to the Audit Committee during its quarterly meetings. Findings and recommendations are presented to management. Follow-up reviews in respect of previous audits are performed to ensure management carries out the necessary action plans on prior audit recommendations.

Statement on Risk Management and Internal Control

REVIEW OF EFFECTIVENESS

The Board reviews the effectiveness of the risk management and internal control systems with the assistance of the RMC and the Audit Committee through the Group's actual versus planned performance and other key financial and operational performance indicators to determine if the underlying risk management and internal control systems continue to be effective.

Specific transactions, projects or opportunities are also discussed with the Board when required. This allows the Board to determine if new risks have arisen that need to be addressed or action plans and internal controls need to be enhanced to improve results.

The Board does not have formal oversight over the risk management and internal control systems of its joint ventures, as the Board does not have any direct control over their operations. Notwithstanding this, the Company's interests are safeguarded through representations on the boards of the joint ventures and through monitoring controls. These representations and monitoring controls provide the Board with information to assess the performance of the Group's investments.

CONCLUSION

For the year under review, and up to the date of approval of this statement, based on inquiry, information and assurance provided by the Acting Chief Executive Officer and the Chief Financial Officer, the Board is of the view that the Group's risk management and internal control systems are operating adequately and effectively in all material aspects. There were no significant internal control failures or weaknesses that would have resulted in material losses, contingencies or uncertainties requiring separate disclosure in the Annual Report. The internal control procedures will continue to be reviewed in order to improve and strengthen the system to ensure ongoing adequacy, integrity and effectiveness so as to safeguard the Group's assets and shareholders' investments.

This statement is made in accordance with a resolution of the Board of Directors dated 25 February 2016.

Audit Committee Report

The Board of Directors of Bumi Armada Berhad ("Bumi Armada" or "Company") is pleased to present the Audit Committee Report for the financial year ended 31 December 2015 ("FY2015"), pursuant to Paragraph 15.15 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("MMLR") and recommendations under the 2012 Malaysian Code on Corporate Governance ("CG Code").

COMPOSITION AND ATTENDANCE

The Audit Committee ("Committee") comprises four members, all of whom are Non-Executive Directors ("NEDs"). Three of the Committee's members are independent NEDs and one is a Non-Independent NED.

The members of the Committee and details of attendance of each member at the Committee meetings held during 2015 are as set out below:

Name	Status	Independent	Meetings Attended
Saiful Aznir bin Shahabudin	Chairman, Independent NED	Yes	6 out of 6
Alexandra Schaapveld	Independent NED	Yes	6 out of 6
Maureen Toh Siew Guat[1]	Non-Independent NED	No	6 out of 6
Steven Leon Newman[2]	Independent NED	Yes	2 out of 2[3]

[1] *Maureen Toh Siew Guat was appointed as a Committee member with effect from 17 February 2015.*
[2] *Steven Leon Newman was appointed as a Committee member with effect from 1 July 2015.*
[3] *Number of Committee meetings held between 1 July 2015 and 31 December 2015.*

TERMS OF REFERENCE

The Committee is governed by its own terms of reference ("TOR"), which was approved by the Board on 18 June 2011, and are subject to annual review. For the period under review, the TOR was reviewed in February 2015. The TOR is available on the Company's website at www.bumiarmada.com.

SUMMARY OF ACTIVITIES OF THE COMMITTEE

During the year, the key activities undertaken by the Committee include the following:

- Reviewed the quarterly financial results for the FY2015 and annual audited financial statements for the financial year ended 31 December 2014 before recommending them for the Board's consideration and approval;
- Verified the allocation of the options granted in 2014 pursuant to the Company's 2011 Employee Share Option Scheme ("ESOS") to ensure that it was in compliance with the criteria for the basis of allocation of options;
- Reviewed the External Auditors' scope of work and audit plan for the FY2015;
- Reviewed the External Auditors' quarterly audit reports;
- Reviewed and made recommendations to the Board on proposed related party transactions to be entered into by Bumi Armada and its subsidiaries ("Group");
- Reviewed the Statement on Risk Management and Internal Control, Audit Committee Report and Directors' Responsibility Statement and recommended their approval by the Board, for inclusion in the Company's 2014 Annual Report;
- Reviewed the suitability and independence of the External Auditors when they were recommended to be retained;
- Reviewed the Internal Auditors' scope of work and audit plan for the FY2015;
- Reviewed the Internal Auditors' reports following their audits on various business, operational and support units and the status of their past internal audit recommendations;
- Reviewed the Company's Strategy and Business Plan for the FY2015;
- Reviewed the proposed financial budget for the Group for the financial year ending 2016 before recommending them for the Board's consideration and approval.
- Reviewed the assessment on the fixed asset impairment and other financial assets impairments before recommending them for the Board's consideration and approval;
- Reviewed the revised Limits of Authority ("LOA") of the Company as proposed by management and recommended the revised LOA to the Board for approval; and
- Reviewed the Asset Integrity and Maintenance reports and reports of the Whistle Blowing Committee on quarterly basis.

Audit Committee Report

STATEMENT OF VERIFICATION ON ALLOCATION OF OPTIONS PURSUANT TO THE ESOS

Pursuant to Paragraph 8.17(3) of the MMLR, the Committee has verified the allocation of options granted in 2014 pursuant to the ESOS and noted its compliance with the criteria for the basis of allocation of options in accordance with the By-Laws of the ESOS.

INTERNAL AUDIT FUNCTION

The Company's Internal Audit function is outsourced to an external firm. The Internal Audit function is independent from management and performs audit assignments with impartiality, proficiency and due professional care. Reporting directly to the Committee, it undertakes regular and systematic reviews of the system of internal controls so as to provide reasonable assurance that the system continues to operate satisfactorily and effectively within the Group.

On a quarterly basis, the Internal Audit lead presents the results of audits carried out and highlights any significant matters noted to the Committee. The Committee, meeting together or via its Chairman, also holds regular private sessions with the Internal Audit lead to discuss matters relating to or arising from its reviews, including the level of cooperation provided by management as well as their responsiveness in addressing identified issues.

The Internal Audit function utilises a risk-based approach in identifying and prioritising areas for review. The approach is iterative in nature whereby the Company's risk profile is used as the baseline, combined with inputs from stakeholders and the results of prior reviews to derive an internal audit plan. The plan is refreshed periodically to account for latest developments.

During the FY2015, the Internal Audit function carried out the following activities:

i. Prepared and presented the Internal Audit Plan which was based on the Group's risk profile for the review and approval of the Committee;
ii. Based on the approved Internal Audit Plan, the Internal Audit function conducted audits covering selected major projects, key operating business units and support functions. These activities included amongst others, a review of the adequacy and effectiveness of the system of internal controls, compliance with established policies and procedures, laws and regulations, reliability and integrity of information and the means of safeguarding assets;
iii. Recommended improvements and enhancements to the existing system of internal controls, risk management and governance processes;
iv. Presented and discussed audit reports during Committee meetings for the Committee's deliberation;
v. Carried out follow-up reviews and presented the updated status to the Committee; and
vi. Performed ad-hoc and special reviews as requested by Management with the approval of the Committee.

The total cost incurred for the Group's internal audit function in respect of the FY2015 amounted to RM2.45million.

Directors' Responsibility Statement

DIRECTORS OF THE COMPANY ARE REQUIRED TO PREPARE FINANCIAL STATEMENTS FOR EACH FINANCIAL YEAR IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1965, MALAYSIAN FINANCIAL REPORTING STANDARDS AND THE INTERNATIONAL FINANCIAL REPORTING STANDARDS, AND TO LAY THESE BEFORE THE COMPANY AT ITS ANNUAL GENERAL MEETING. IN ADDITION, THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD REQUIRE THAT A LISTED ISSUER PREPARE THE ANNUAL AUDITED FINANCIAL STATEMENTS ON A CONSOLIDATED BASIS.

Directors are also responsible to ensure that the financial statements provide a true and fair view of the financial position of the Group and the Company as at the financial year ended 31 December 2015 and of their financial performance and cash flows for the said financial year.

In preparing these financial statements, the Directors have:

- adopted appropriate accounting policies and applied them consistently;
- made judgements and estimates that are reasonable; and
- appropriately prepared the financial statements on a going concern basis.

The Directors are also responsible for taking reasonable steps to safeguard the assets of the Group to prevent and detect fraud and other irregularities.

Incorporated on pages 78 to 179 of this Annual Report are the financial statements of the Group and the Company for the financial year ended 31 December 2015.

This Statement is made in accordance with a resolution of the Board of Directors dated 23 March 2016.

Financial Statements

Directors' Report

The Directors hereby submit their report to the members together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2015.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services. The principal activities of the Group consist of provision of marine transportation, Floating Production Storage and Offloading operations, vessel construction, engineering and maintenance services to offshore oil and gas companies. Further details are provided in Note 18 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
(Loss)/profit for the financial year attributable to:		
- Owners of the Company	**(234,566)**	164,431
- Non-controlling interests	**(7,211)**	-
	(241,777)	164,431

DIVIDENDS

The dividend paid by the Company since the end of the previous financial year was as follows:

	RM'000
In respect of the financial year ended 31 December 2014 as disclosed in the Directors' report of that financial year:	
Final cash dividend comprising a single tier tax-exempt dividend of 1.63 sen per ordinary share paid on 3 July 2015	95,620

The Board of Directors has recommended for shareholders' approval at the forthcoming Annual General Meeting of the Company, a tax-exempt final cash dividend of 0.82 sen per share in respect of the financial year ended 31 December 2015 which is not taxable in the hands of the shareholders pursuant to Section 54A(3)(d) and (e) of the Income Tax Act, 1967, the entitlement and payment dates for which will be determined at a later date.

Directors' Report

DIVIDENDS (CONT'D)

The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings for the financial year ending 31 December 2016.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year other than as disclosed in the financial statements.

ISSUE OF SHARES

There were no new ordinary shares issued during the financial year.

EMPLOYEE SHARE OPTION SCHEME

On 18 June 2011, the Company's shareholders approved the establishment of Employee Share Option Scheme ("ESOS" or "Scheme") to eligible employees of the Group, including Executive Directors of the Company for a period of 10 years from 28 June 2011 as part of the Company's long term plan to retain employees.

The salient features and other terms of the ESOS are disclosed in Note 35 to the financial statements.

There were no options under the Scheme were granted during the financial year.

DIRECTORS

The Directors of the Company in office during the period since the date of the last report and at the date of this report are as follows:

Tunku Ali Redhauddin ibni Tuanku Muhriz
Saiful Aznir bin Shahabudin
Alexandra Elisabeth Johanna Maria Schaapveld *
Chan Chee Beng
Shaharul Rezza bin Hassan
Maureen Toh Siew Guat
Shapoorji Pallonji Mistry
Ravi Shankar Srinivasan (alternate director to Shapoorji Pallonji Mistry)
Steven Leon Newman (Appointed on 1 July 2015)

** She is also referred to as Alexandra Schaapveld in the other sections of this report*

Directors' Report

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, being arrangements with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate other than share options granted under the ESOS.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits as disclosed in Note 12 to the financial statements) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

DIRECTORS' INTERESTS IN SHARES

According to the Register of Directors' shareholdings, the interests of the Directors in office at the end of the financial year, in shares and options over unissued shares in the Company during the financial year are as follows:

In the Company – Direct Interests

	Number of ordinary shares of RM0.20 each			
	As at 1.1.2015	Acquired	Disposed	As at 31.12.2015
Tunku Ali Redhauddin ibni Tuanku Muhriz [1]	20,000	-	-	20,000
Saiful Aznir bin Shahabudin [2]	1,626,000	-	-	1,626,000
Alexandra Schaapveld [3]	900,000	-	-	900,000
Chan Chee Beng [2]	2,511,200	-	-	2,511,200
Ravi Shankar Srinivasan	432,000	-	-	432,000

[1] Held through a nominee, namely Maybank Securities Nominees (Tempatan) Sdn Bhd.
[2] Held through a nominee, namely CIMSEC Nominees (Tempatan) Sdn Bhd.
[3] Held through a nominee, namely CIMSEC Nominees (Asing) Sdn Bhd.

Directors' Report

DIRECTORS' INTERESTS IN SHARES (CONT'D)

	Number of options over unissued ordinary shares of RM0.20 each			
	As at 1.1.2015	Granted	Exercised	As at 31.12.2015
Shaharul Rezza bin Hassan [4]	9,964,105	-	-	9,964,105

[4] These relate to options over 4.0 million, 1.25 million and 1.25 million unissued shares of RM0.20 each of the Company granted pursuant to the ESOS on 20 July 2011, 19 June 2013 and 19 September 2014 respectively. Each option shall become exercisable, to the extent of one-third of the shares covered thereby; on each of the first three anniversaries of the date of grant. These options also include additional options over 8,714,105 unissued shares of the Company which were granted following the adjustments made pursuant to the ESOS by-Laws, as a result of the Bonus Issue and the Rights Issue undertaken in 2014. During the financial year, 1,204,915 options granted have been vested.

Save as disclosed above, no other Directors in office at the end of the financial year held any interest in shares or options over shares in the Company or in its related corporations during the financial year.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the statements of income, statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(b) to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business, their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

(a) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

Directors' Report

OTHER STATUTORY INFORMATION

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Group or of the Company to meet their obligations when they fall due.

At the date of this report, there does not exist:

(a) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liability of any other person; or

(b) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

In the opinion of the Directors:

(a) the results of the Group's and of the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than as disclosed in the financial statements; and

(b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

AUDITORS

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution dated 26 February 2016.

CHAN CHEE BENG	**SHAHARUL REZZA BIN HASSAN**
DIRECTOR	**DIRECTOR**

Statements of Income

for the financial year ended 31 December 2015

	Note	Group 2015 RM'000	Group 2014 RM'000 Restated	Company 2015 RM'000	Company 2014 RM'000 Restated
Revenue	6	**2,179,734**	2,397,339	**377,453**	423,081
Cost of sales		**(1,766,197)**	(1,819,816)	**(222,271)**	(235,192)
Gross profit		**413,537**	577,523	**155,182**	187,889
Other operating income	7	**90,635**	64,374	**72,469**	27,954
Selling and distribution costs		**(27,735)**	(53,526)	**-**	-
Administrative expenses		**(153,582)**	(186,278)	**(49,292)**	(70,872)
Operating profit before impairment		**322,855**	402,093	**178,359**	144,971
Impairment		**(423,064)**	(29,659)	**-**	(2,027)
Operating (loss)/profit		**(100,209)**	372,434	**178,359**	142,944
Finance costs	8	**(122,684)**	(99,153)	**(65)**	(94)
Share of results of joint ventures	9	**51,501**	35,901	**-**	-
(Loss)/profit before taxation	10	**(171,392)**	309,182	**178,294**	142,850
Taxation	13	**(70,385)**	(84,817)	**(13,863)**	(6,314)
(Loss)/profit for the financial year		**(241,777)**	224,365	**164,431**	136,536
Attributable to:					
Owners of the Company		**(234,566)**	218,690		
Non-controlling interests		**(7,211)**	5,675		
		(241,777)	224,365		
Earnings per share (sen)	14				
- basic		**(4.00)**	4.32		
- diluted		**(4.00)**	4.32		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Comprehensive Income

for the financial year ended 31 December 2015

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
(Loss)/profit for the financial year	**(241,777)**	224,365	**164,431**	136,536
Other comprehensive income/(expense):				
Items that may be reclassified subsequently to profit or loss:				
- Available-for-sale financial assets:				
- Gain on fair value change	**-**	772	**-**	-
- Reclassification to profit or loss	**-**	13,576	**-**	-
- Fair value loss on cash flow hedges	**(132,346)**	(84,458)	**-**	-
- Foreign currency translation differences	**1,044,147**	303,756	**-**	-
- Share of other comprehensive gain of joint ventures	**-**	60	**-**	-
Other comprehensive income for the financial year, net of tax	**911,801**	233,706	**-**	-
Total comprehensive income for the financial year	**670,024**	458,071	**164,431**	136,536
Total comprehensive income attributable to:				
- Owners of the Company	**664,036**	449,321		
- Non-controlling interests	**5,988**	8,750		
	670,024	458,071		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Statement of Financial Position

as at 31 December 2015

	Note	2015 RM'000	2014 RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	16	**14,143,868**	8,459,781
Investments in joint ventures	9	**535,842**	405,178
Available-for-sale financial assets	19	**20,240**	38,103
Accrued lease rentals	20	**117,605**	187,502
Deferred tax assets	21	**35,799**	13,743
Amounts due from joint ventures	22	**62,656**	47,426
TOTAL NON-CURRENT ASSETS		**14,916,010**	9,151,733
CURRENT ASSETS			
Inventories	23	**6,051**	4,830
Amounts due from customers on contract	24	**154,984**	136,605
Trade receivables	25	**513,349**	704,439
Accrued lease rentals	20	**572,922**	786,069
Other receivables, deposits and prepayments	26	**165,324**	139,837
Tax recoverable		**10,894**	9,211
Amounts due from joint ventures	22	**201,687**	149,438
Deposits, cash and bank balances	29	**1,525,718**	3,303,247
		3,150,929	5,233,676
Non-current assets classified as held-for-sale	28	**5,700**	66,481
TOTAL CURRENT ASSETS		**3,156,629**	5,300,157
TOTAL ASSETS		**18,072,639**	14,451,890

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Statement of Financial Position

as at 31 December 2015

	Note	2015 RM'000	2014 RM'000 Restated
LIABILITIES			
LESS: CURRENT LIABILITIES			
Trade payables and accruals		**1,298,857**	699,416
Other payables and accruals	30	**179,327**	207,511
Amounts due to joint ventures	22	**25,189**	18,598
Hire purchase creditors	31	**-**	68
Borrowings	32	**1,770,171**	1,018,123
Derivative financial instruments	33	**22,941**	7,523
Taxation		**72,831**	25,541
TOTAL CURRENT LIABILITIES		**3,369,316**	1,976,780
NET CURRENT (LIABILITIES)/ASSETS		**(212,687)**	3,323,377
LESS: NON-CURRENT LIABILITIES			
Other payables and accruals	30	**456,820**	349,730
Hire purchase creditors	31	**-**	56
Borrowings	32	**6,259,383**	5,174,702
Derivative financial instruments	33	**654,769**	174,227
Deferred tax liabilities	21	**36,579**	58,870
TOTAL NON-CURRENT LIABILITIES		**7,407,551**	5,757,585
NET ASSETS		**7,295,772**	6,717,525
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Share capital	34	**1,173,253**	1,173,253
Reserves	36	**6,084,205**	5,511,946
		7,257,458	6,685,199
NON-CONTROLLING INTERESTS		**38,314**	32,326
TOTAL EQUITY		**7,295,772**	6,717,525

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statement of Financial Position

as at 31 December 2015

	Note	2015 RM'000	2014 RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	16	**5,220**	11,380
Investments in subsidiaries	18	**1,891,340**	1,890,994
Investments in joint ventures	9	**151,943**	151,943
Deferred tax assets	21	**5,905**	1,672
TOTAL NON-CURRENT ASSETS		**2,054,408**	2,055,989
CURRENT ASSETS			
Other receivables, deposits and prepayments	26	**23,301**	25,618
Amounts due from subsidiaries	27	**3,390,999**	1,120,825
Tax recoverable		**-**	2,835
Amounts due from joint ventures	22	**53,278**	34,853
Deposits, cash and bank balances	29	**368,934**	1,755,820
TOTAL CURRENT ASSETS		**3,836,512**	2,939,951
TOTAL ASSETS		**5,890,920**	4,995,940
LIABILITIES			
LESS: CURRENT LIABILITIES			
Other payables and accruals	30	**59,704**	53,586
Amounts due to subsidiaries	27	**1,140,872**	333,476
Amount due to a joint venture	22	**227**	-
Hire purchase creditors	31	**-**	57
Taxation		**8,642**	-
TOTAL CURRENT LIABILITIES		**1,209,445**	387,119
NET CURRENT ASSETS		**2,627,067**	2,552,832
NET ASSETS		**4,681,475**	4,608,821
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Share capital	34	1,173,253	1,173,253
Reserves	36	3,508,222	3,435,568
TOTAL EQUITY		4,681,475	4,608,821

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Statement of Changes in Equity

for the financial year ended 31 December 2015

2015	Note	Attributable to Owners of the Company: Number of shares 34 '000	Nominal value 34 RM'000	Share premium 36(a) RM'000	Foreign exchange reserve 36(b) RM'000	Share option reserve 36(c) RM'000	Hedging reserve 36(d) RM'000	Other reserves 36(e) RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January		5,866,269	1,173,253	3,137,730	352,580	44,862	(94,939)	6,562	2,065,151	6,685,199	32,326	6,717,525
Loss for the financial year		-	-	-	-	-	-	-	(234,566)	(234,566)	(7,211)	(241,777)
Other comprehensive income/(expense) for the financial year, net of tax		-	-	-	1,030,977	-	(132,375)	-	-	898,602	13,199	911,801
Total comprehensive income/(expense) for the financial year, net of tax		-	-	-	1,030,977	-	(132,375)	-	(234,566)	664,036	5,988	670,024
Transactions with owners:												
- Employee share options granted	35	-	-	-	-	3,843	-	-	-	3,843	-	3,843
- Employee share options forfeited	35	-	-	-	-	(3,888)	-	-	3,888	-	-	-
- Dividend paid	15	-	-	-	-	-	-	-	(95,620)	(95,620)	-	(95,620)
At 31 December		5,866,269	1,173,253	3,137,730	1,383,557	44,817	(227,314)	6,562	1,738,853	7,257,458	38,314	7,295,772

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Statement of Changes in Equity
for the financial year ended 31 December 2015

2014	Note	Number of shares 34 '000	Nominal value 34 RM'000	Share premium 36(a) RM'000	Foreign exchange reserve 36(b) RM'000	Share option reserve 36(c) RM'000	Hedging reserve 36(d) RM'000	Other reserves 36(e) RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
		Attributable to Owners of the Company										
At 1 January		2,931,591	586,318	1,764,614	51,713	30,633	(10,355)	(7,786)	1,941,522	4,356,659	23,576	4,380,235
Profit for the financial year		-	-	-	-	-	-	-	218,690	218,690	5,675	224,365
Other comprehensive income/(expense) for the financial year, net of tax		-	-	-	300,867	-	(84,584)	14,348	-	230,631	3,075	233,706
Total comprehensive income/(expense) for the financial year, net of tax		-	-	-	300,867	-	(84,584)	14,348	218,690	449,321	8,750	458,071
Transactions with owners:												
- Employee share options exercised	34,35	1,544	309	5,620	-	(1,129)	-	-	-	4,800	-	4,800
- Employee share options granted	35	-	-	-	-	15,608	-	-	-	15,608	-	15,608
- Employee share options forfeited	35	-	-	-	-	(250)	-	-	250	-	-	-
- Rights issue	34	1,466,567	293,313	1,686,553	-	-	-	-	-	1,979,866	-	1,979,866
- Bonus issue	34	1,466,567	293,313	(293,313)	-	-	-	-	-	-	-	-
- Share issuance expenses		-	-	(25,744)	-	-	-	-	-	(25,744)	-	(25,744)
- Dividend paid	15	-	-	-	-	-	-	-	(95,311)	(95,311)	-	(95,311)
At 31 December		5,866,269	1,173,253	3,137,730	352,580	44,862	(94,939)	6,562	2,065,151	6,685,199	32,326	6,717,525

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statement of Changes in Equity

for the financial year ended 31 December 2015

2015	Note	← Attributable to Owners of the Company → Number of shares 34 '000	Nominal value 34 RM'000	Share premium 36(a) RM'000	Share option reserve 36(c) RM'000	Other reserves 36(e) RM'000	Retained earnings RM'000	Total RM'000
At 1 January		5,866,269	1,173,253	3,137,730	44,862	6,550	246,426	4,608,821
Total comprehensive income for the financial year, net of tax		-	-	-	-	-	164,431	164,431
Transactions with owners:								
- Employee share options granted	35	-	-	-	3,843	-	-	3,843
- Employee share options forfeited	35	-	-	-	(3,888)	-	3,888	-
- Dividend paid	15	-	-	-	-	-	(95,620)	(95,620)
At 31 December		5,866,269	1,173,253	3,137,730	44,817	6,550	319,125	4,681,475

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statement of Changes in Equity
for the financial year ended 31 December 2015

2014	Note	Number of shares 34 '000	Nominal value 34 RM'000	Share premium 36(a) RM'000	Share option reserve 36(c) RM'000	Other reserves 36(e) RM'000	Retained earnings RM'000	Total RM'000
		Attributable to Owners of the Company						
At 1 January		2,931,591	586,318	1,764,614	30,633	6,550	204,951	2,593,066
Total comprehensive income for the financial year, net of tax		-	-	-	-	-	136,536	136,536
Transactions with owners:								
- Employee share options exercised	34,35	1,544	309	5,620	(1,129)	-	-	4,800
- Employee share options granted	35	-	-	-	15,608	-	-	15,608
- Employee share options forfeited	35	-	-	-	(250)	-	250	-
- Rights issue	34	1,466,567	293,313	1,686,553	-	-	-	1,979,866
- Bonus issue	34	1,466,567	293,313	(293,313)	-	-	-	-
- Share issuance expenses		-	-	(25,744)	-	-	-	(25,744)
- Dividend paid	15	-	-	-	-	-	(95,311)	(95,311)
At 31 December		5,866,269	1,173,253	3,137,730	44,862	6,550	246,426	4,608,821

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Cash Flows

for the financial year ended 31 December 2015

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
OPERATING ACTIVITIES					
(Loss)/profit for the financial year		**(241,777)**	224,365	**164,431**	136,536
Adjustments for non-cash items:					
Share of results of joint ventures		**(51,501)**	(35,901)	-	-
Depreciation of property, plant and equipment		**606,658**	476,050	**6,241**	9,695
Fair value through profit and loss on derivative financial instruments		**15,208**	78,307	-	-
Gain on disposal of a subsidiary		**(17,645)**	-	-	-
Gain on disposal of property, plant and equipment		**(104)**	(138)	-	-
Gain on disposal of non-current assets classified as held-for-sale		**(1,009)**	(11,325)	-	-
Impairment					
- investment in a joint venture		**2,691**	-	-	-
- property, plant and equipment		**370,609**	-	-	-
- non-current assets classified as held-for-sale		**24,541**	-	-	-
- available-for-sale financial assets		**25,223**	28,248	-	2,027
- goodwill		-	1,411	-	-
Write down of dividend receivable		-	2,864	-	2,864
Write off of property, plant and equipment		**1,928**	-	-	-
Net allowance for doubtful debts		**167,951**	65,956	-	-
Bad debts written off		**18**	-	-	-
Unrealised foreign exchange gain		**(53,278)**	(59,005)	**(3,360)**	(1,002)
Share-based payment		**3,843**	15,608	**3,843**	15,608
Interest income		**(52,829)**	(28,558)	**(72,383)**	(27,940)
Interest expense		**123,227**	101,606	**65**	94
Dividend income		**(1,841)**	(2,321)	**(148,447)**	(182,501)
Taxation		**70,385**	84,817	**13,863**	6,314
Operating profit/(loss) before changes in working capital		**992,298**	941,984	**(35,747)**	(38,305)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Cash Flows

for the financial year ended 31 December 2015

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Changes in working capital:					
Inventories		**(262)**	1,032	-	-
Trade and other receivables		**(379,772)**	(373,446)	**(14,065)**	17,811
Trade and other payables		**253,785**	308,800	**6,119**	(21,444)
Cash from/(used in) operations		**866,049**	878,370	**(43,693)**	(41,938)
Interest paid		**(233,159)**	(130,349)	**(8)**	(94)
Tax refund		-	1,978	-	259
Tax paid		**(109,981)**	(69,963)	**(6,619)**	(3,864)
Dividend received from joint venture		**12,452**	-	**12,452**	-
NET CASH FLOWS GENERATED FROM/ (USED IN) OPERATING ACTIVITIES		**535,361**	680,036	**(37,868)**	(45,637)
INVESTING ACTIVITIES					
Purchase of property, plant and equipment	A	**(3,568,056)**	(2,128,524)	**(81)**	(2,367)
Proceeds from disposal of property, plant and equipment		**9**	138	-	-
Proceeds from disposal of non-current assets held-for-sale		**10,440**	72,468	-	-
Interest received		**56,750**	23,612	**52,790**	11,659
Investments in joint ventures		**(17,971)**	(77,159)	-	(6,711)
Investments in subsidiaries		-	-	**(36)**	-
Dividend income		-	2,321	**148,447**	182,501
Advances to joint ventures		-	-	**(18,279)**	-
Repayment from joint ventures		-	-	**24**	13,461
Advances to subsidiaries		-	-	**(1,436,206)**	(276,644)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		**(3,518,828)**	(2,107,144)	**(1,253,341)**	(78,101)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Cash Flows

for the financial year ended 31 December 2015

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
FINANCING ACTIVITIES					
Proceeds from bank borrowings		**4,533,941**	3,298,372	-	-
Decrease/(increase) in deposit pledged as security		**600**	(600)	-	-
Repayment of bank borrowings		**(3,558,602)**	(1,099,802)	-	-
Repayment of hire purchase creditors		**(125)**	(188)	**(57)**	(170)
Proceeds from issuance of shares		-	4,800	-	4,800
Proceeds from exercise of rights issue		-	1,979,866	-	1,979,866
Share issuance expenses		-	(25,744)	-	(25,744)
Dividend paid		**(95,620)**	(95,311)	**(95,620)**	(95,311)
NET CASH FLOWS GENERATED FROM/ (USED IN) FINANCING ACTIVITIES		**880,194**	4,061,393	**(95,677)**	1,863,441
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(2,103,273)**	2,634,285	**(1,386,886)**	1,739,703
CURRENCY TRANSLATION DIFFERENCES		**326,344**	33,824	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		**3,301,747**	633,638	**1,754,920**	15,217
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	B	**1,524,818**	3,301,747	**368,034**	1,754,920

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Cash Flows

for the financial year ended 31 December 2015

Notes to the statements of cash flows:

A Additions to property, plant and equipment (Note 16) which were acquired during the financial year were as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Cash	**3,568,056**	2,128,524	**81**	2,367
Movement in property, plant and equipment creditors	**896,171**	542,327	-	-
Interest expense capitalised for construction of vessels	**128,479**	86,987	-	-
	4,592,706	2,757,838	**81**	2,367

B Cash and cash equivalents consist of:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Deposits with licensed banks	**815,342**	2,940,679	**364,844**	1,752,403
Cash and bank balances	**710,376**	362,568	**4,090**	3,417
	1,525,718	3,303,247	**368,934**	1,755,820
Pledged deposits placed with licensed banks	**(900)**	(1,500)	**(900)**	(900)
	1,524,818	3,301,747	**368,034**	1,754,920

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Notes to the Financial Statements

31 December 2015

1 GENERAL INFORMATION

The principal activities of the Company are investment holding and provision of management services. The principal activities of the Group consist of provision of marine transportation, Floating Production Storage and Offloading ("FPSO") operations, vessel construction, engineering and maintenance services to offshore oil and gas companies. Further details are provided in Note 18 to the financial statements.

There have been no significant changes in the principal activities of the Group and Company during the financial year.

The Company is incorporated and domiciled in Malaysia and is listed and quoted on the Official List of the Main Market of Bursa Malaysia Securities Berhad.

The address of the registered office and principal place of business of the Company is as follows:

Level 21, Menara Perak
24, Jalan Perak
50450 Kuala Lumpur
Malaysia.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and Company have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act, 1965 of Malaysia.

The financial statements have been prepared under the historical cost convention, unless otherwise indicated in the summary of significant accounting policies as stated in Note 2 to the financial statements.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying the Group and Company's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3 to the financial statements.

(a) Standards, amendments to published standards and interpretations that are effective

(i) Amendments and annual improvements to MFRS that are effective for the Group and Company's financial year beginning on or after 1 January 2015:

- Amendments to MFRS 119 "Defined Benefits Plans" – Employee Contributions
- Annual Improvements to MFRSs 2010 – 2012 cycle
- Annual Improvements to MFRSs 2011 – 2013 cycle

The adoption of the above amendments and annual improvements that came effect on or after 1 January 2015 did not have significant impact on the financial statements of the Group and Company upon initial application.

Notes to the Financial Statements
31 December 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

(b) Standards, amendments to published standards and interpretations that have been issued but are not yet effective

(i) Amendments and annual improvements to MFRS which are applicable to the Group effective for annual periods beginning on or after 1 January 2016:

- Annual Improvements to MFRSs 2012 - 2014 cycle
- Amendment to MFRS 10 "Consolidated Financial Statements" and MFRS 128 "Investment in Associates and Joint Ventures" - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to MFRS 127 "Separate Financial Statements" - Equity Method in Separate Financial Statements
- Amendments to MFRS 116 "Property, Plant and Equipment" and MFRS 138 "Intangibles Assets" - Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to MFRS 101 "Disclosure Initiative"

The above amendments and annual improvements to MFRS are not anticipated to have any significant impact on the financial statements of the Group upon initial application.

(ii) New MFRS which is applicable to the Group effective for annual periods beginning on or after 1 January 2018:

- MFRS 15 "Revenue from Contracts with Customers"
- MFRS 9 "Financial Instruments"

The adoption of the above new MFRSs may result in a change in accounting policy. The Group will quantify the effect of adopting these standards when the full standard is effective.

2.2 Consolidation

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combination, except for the subsidiary as disclosed in Note 18, where the Group applies predecessor method of merger accounting to account for business combination under common control. Under predecessor method of merger accounting, assets and liabilities acquired are not restated to their respective fair value. They are recognised at the carrying amounts from the consolidated financial statements of the ultimate holding company of the Group and adjusted to conform with the accounting policies adopted by the Group. The difference between any consideration given and the aggregate carrying amounts of the assets and liabilities (as of the date of the transaction) of the acquired entity is recognised as an adjustment to equity. No additional goodwill is recognised.

Notes to the Financial Statements
31 December 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Consolidation (cont'd)

(a) Subsidiaries (cont'd)

The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement and fair value of any pre-existing equity interest in the subsidiary. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair value at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred. If the business combination is achieved in stages, the carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date, any gains or losses arising from such remeasurement are recognised in profit and loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with MFRS 139 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in equity attributable to owners of the Group.

(c) Disposal of subsidiaries

When the Group ceases to consolidate because of a loss of control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss. Gains or losses on the disposal of subsidiaries include the carrying amount of goodwill relating to the subsidiaries sold.

Notes to the Financial Statements
31 December 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Consolidation (cont'd)

(d) Joint arrangements

A joint arrangement is an arrangement in which there is contractually agreed sharing of control by the Group with one or more parties, where decisions about the relevant activities relating to the joint arrangement require unanimous consent of the parties sharing control. The classification of a joint arrangement as a joint operation or a joint venture depends upon the rights and obligations of the parties to the arrangement. A joint venture is a joint arrangement whereby the joint venturers have rights to the net assets of the arrangement. A joint operation is a joint arrangement whereby the joint operators have rights to the assets and obligations for the liabilities, relating to the arrangement.

The Group's interests in joint ventures are accounted for in the consolidated financial statements using the equity method of accounting. Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. Dividends received or receivable from a joint venture are recognised as a reduction in the carrying amount of the investment. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

The Group determines at each reporting date whether there is any objective evidence that the investment in joint venture is impaired. An impairment loss is recognised to the profit or loss for the amount by which the carrying amount of the joint venture exceeds its recoverable amount.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interests in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

When the Group ceases to equity account its joint venture because of a loss of joint control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or financial asset. In addition, any amount previously recognised in other comprehensive income in respect of the entity is accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture is reduced but joint control is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

Notes to the Financial Statements

31 December 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Investments in subsidiaries and joint ventures

In the Company's separate financial statements, investments in subsidiaries and joint ventures are carried at cost less accumulated impairment losses (see accounting policy Note 2.8). On disposal of investments in subsidiaries and joint ventures, the difference between disposal proceeds and the carrying amounts of the investments are recognised in the profit or loss.

The amounts due from subsidiaries of which the Company does not expect repayment in the foreseeable future are considered as part of the Company's investments in the subsidiaries.

2.4 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Costs also include borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (see accounting policy Note 2.9).

Drydocking expenditure represents major inspection and overhaul cost and are depreciated to reflect the consumption of benefits, which are to be replaced or restored by the subsequent drydocking generally performed. The Group has included these drydocking costs as a component within vessel costs in accordance with MFRS 116 "Property, Plant and Equipment".

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised in the profit or loss during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in the profit or loss.

Property, plant and equipment are depreciated on a straight-line basis to allocate the cost to their residual values over their estimated useful lives. Depreciation on vessels under construction commences when the assets are ready for their intended use. Vessels are depreciated on a systematic basis to reflect the pattern in which future economic benefits are expected to be consumed over its estimated useful lives.

The estimated useful lives of the categories of property, plant and equipment are summarised as follows:

Leasehold land and building	50 years
Drydocking expenditure	5 years
Vessels	10 to 30 years
Equipment, furniture, fittings and office equipment	2 to 10 years
Spare parts	1 to 3 years
Motor vehicles	5 years

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at the end of each reporting period.

At the end of the reporting period, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount (see accounting policy Note 2.8).

Notes to the Financial Statements

31 December 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Financial assets

(a) Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables and available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification at initial recognition.

Financial assets at fair value through profit or loss

The Group classifies financial assets at fair value through profit or loss if they are acquired principally for the purpose of selling in the short term, i.e. are held for trading. They are presented as current assets if they are expected to be sold within 12 months after the end of the reporting period; otherwise they are presented as non-current assets. Derivatives are also categorised as held for trading unless they are designated as hedges (see accounting policy Note 2.7). Derivatives are classified as current assets if expected to be settled within 12 months; otherwise they are classified as non-current.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets if collection of the amounts is expected in one year or less they are classified as current assets; otherwise they are presented as non-current assets. The Group's and the Company's loan and receivables are disclosed in Note 41 to the financial statements.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

(b) Recognition and initial measurement

Financial assets are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the profit or loss.

(c) Subsequent measurement - gains and losses

Financial assets at fair value through profit or loss and available-for-sale financial assets are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Changes in the fair values of financial assets at fair value through profit or loss, including the effects of currency translation, interest and dividend income are recognised in the profit or loss in the period in which the changes arise.

Changes in the fair value of available-for-sale financial assets are recognised in other comprehensive income, except for impairment losses and foreign exchange gains and losses on monetary assets are recognised in the profit or loss.

Dividends on available-for-sale equity instruments are recognised in the profit or loss when the Group's right to receive payment is established.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Financial assets (cont'd)

(d) Subsequent measurement - impairment of financial assets

Assets carried at amortised cost

The Group assesses at the end of the reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or "events") has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the profit or loss. If "loans and receivables" has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the reversal of the previously recognised impairment loss is recognised in the profit or loss.

When an asset is uncollectible, it is written off against the related allowance account. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined.

Assets classified as available-for-sale

The Group assesses at the end of the reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired.

For debt securities, the Group uses criteria and measurement of impairment loss applicable for "assets carried at amortised cost" above.

Notes to the Financial Statements

31 December 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Financial assets (cont'd)

(d) Subsequent measurement - impairment of financial assets (cont'd)

Assets classified as available-for-sale (cont'd)

In the case of equity securities classified as available-for-sale, in addition to the criteria for "assets carried at amortised cost" above, a significant or prolonged decline in the fair value of the security below its cost is also considered as an indicator that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss that had been recognised directly in equity is removed from equity and recognised in profit or loss. The amount of cumulative loss that is reclassified to profit or loss is the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss. Impairment losses recognised in profit or loss on equity instruments classified as available-for-sale are not reversed through profit or loss in subsequent periods.

(e) De-recognition

Financial assets are de-recognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group and the Company have transferred substantially all risks and rewards of ownership.

When securities classified as available-for-sale financial assets are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the profit or loss.

(f) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business.

2.6 Financial guarantee contracts

Financial guarantee contracts are contracts that require the Group or the Company to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument.

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with MFRS 137 "Provisions, Contingent Liabilities and Contingent Assets" and the amount initially recognised less cumulative amortisation, where appropriate.

Notes to the Financial Statements

31 December 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Derivative and hedge activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at the end of each reporting period.

The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. Derivatives that do not qualify for hedge accounting are classified as held for trading and accounted for in accordance with the accounting policy set out in Note 2.5. Derivatives that qualify for hedge accounting are designated as cash flow hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction.

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in cash flows of hedged items.

The fair values of various derivative instruments used for hedging purposes are disclosed in Note 33. Movements on the hedging reserve in shareholders' equity are shown in the statement of changes in equity. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income and accumulated in reserves within equity. The gain or loss relating to the ineffective portion is recognised immediately in the profit or loss.

Amounts accumulated in equity are reclassified to the profit or loss in the periods when the hedged item affects the profit or loss. The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in the profit or loss within finance costs.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the transaction is ultimately recognised in the profit or loss.

Notes to the Financial Statements
31 December 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Impairment of non-financial assets

Assets that have an indefinite useful life (e.g. goodwill) are not subject to amortisation and are tested annually for impairment. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets ("cash-generating units"). Assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

The impairment loss is charged to the profit or loss unless it reverses a previous revaluation in which case it is charged to the revaluation surplus. Impairment losses on goodwill are not reversed. In respect of other assets, any subsequent increase in recoverable amount is recognised in the profit or loss unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation surplus.

2.9 Borrowings and borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between initial recognised amount and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting period.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Notes to the Financial Statements

31 December 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost represents material and attributable cost of acquisition and is determined using the first-in, first-out method.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and the estimated costs necessary to make the sale.

2.11 Non-current assets (or disposal groups) held-for-sale

Non-current assets (or disposal groups) are classified as assets held-for-sale if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs of disposal.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position.

2.12 Construction contracts and conversion work

A construction contract is a contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and functions or their ultimate purpose or use. Conversion work represents activities conducted to convert a vessel for its intended used in accordance to the customers' specifications.

When the outcome of a construction contract or conversion work can be estimated reliably, revenue and costs associated with the construction contract or conversion works are recognised as revenue and expenses respectively by reference to the stage of completion of the contract or conversion activity at the end of the reporting period. When it is probable that total costs will exceed total revenue, the expected loss is recognised as an expense immediately.

Variations in contract/conversion work, claims and incentive payments are included in contract revenue to the extent agreed with the customer and are capable of being reliably measured.

The Group uses the "percentage-of-completion method" to determine the appropriate amount to recognise in a given period. The stage of completion is measured by reference to the contract/conversion costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract/conversion.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that is probable will be recoverable.

Notes to the Financial Statements
31 December 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12 Construction contracts and conversion work (cont'd)

For conversion work in relation to vessels built to customers' specifications, these are shown as vessel under construction (under property, plant and equipment) during the conversion phase. Upon completion of the conversion activities, these amounts are recognised as finance lease receivables when the leases commence. Contractual milestone billings during the conversion phase are presented as advances from customers.

For construction contracts, the Group presents as an asset the gross amounts due from customers for contract work for all contracts in progress for which costs incurred plus recognised profits (less recognised losses) exceed progress billings. Progress billings not yet paid by customers and retention are included within "trade receivables". The Group presents as a liability the gross amounts due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses).

2.13 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's and the Company's activities. Revenue is shown net of goods and services tax, value-added tax, returns, rebates and discounts and amounts collected on behalf of third parties and after eliminating sales within the Group.

The Group and the Company recognise revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's and the Company's activities as described below. The Group and the Company base their estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement based on contractual terms. Revenue is recognised on the following bases:

(a) Vessel charter fees and support services

Vessel charter hire fees from FPSO contracts are recognised over the lease term based on classification of the contracts as finance or operating lease determined at the inception of the lease (see accounting policy Note 2.15). Charter hire income from other vessels is recognised upon rendering of services to customers.

Vessel sundry income, commission and agency income are recognised when services are rendered to the customers and recognised on an accrual basis.

(b) Vessel construction, conversion and engineering services

Revenue from construction contracts and conversion works in relation to vessels built to customers' specifications are accounted for under the percentage of completion method (see accounting policy Note 2.12).

(c) Interest income

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables are recognised using the original effective interest rate.

(d) Dividend income

Dividend income is recognised when the Group's and the Company's right to receive payment is established. This applies even if they are paid out of pre-acquisition profits. However, the investment may need to be tested for impairment as a consequence.

Notes to the Financial Statements
31 December 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.13 Revenue recognition (cont'd)

(e) Rental income

The Group earns rental income from the rental of premises to third parties and recognised on an accrual basis.

(f) Sale of goods

Sales are recognised upon delivery of products and customer acceptance, if any, or performance of services, net of sales taxes and discounts, and after eliminating sales within the Group.

(g) Central overhead fees

The Company earns central overhead fees from its subsidiaries and joint ventures as disclosed in Note 38 and recognised on an accrual basis.

2.14 Foreign currencies

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements of the Group and the Company are presented in Ringgit Malaysia, which is the Company's functional currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. However, exchange differences are deferred in other comprehensive income when they arose from qualifying cash flow hedges or are attributable to items that form part of the next investment in a foreign operation.

Translation difference on non-monetary financial assets, such as equities classified as available-for-sale financial assets, are included in other comprehensive income.

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of income presented are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of other comprehensive income.

Notes to the Financial Statements

31 December 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 Foreign currencies (cont'd)

(c) Group companies (cont'd)

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation or a disposal involving loss of joint control over a joint venture that includes a foreign operation) all of the exchange differences relating to that foreign operation recognised in other comprehensive income and accumulated in the separate component of equity are reclassified to profit or loss, as part of the gain or loss on disposal. In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (that is, reductions in the group's ownership interest in joint ventures that do not result in the Group losing significant influence or joint control) the proportionate share of the accumulated exchange difference is reclassified to profit or loss.

Intercompany loans where settlement is neither planned nor likely to occur in the foreseeable future, are treated as part of the parent's net investment. Translation differences arising therefrom are recognised in other comprehensive income.

2.15 Leases

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment, or series of payments, the right to use an asset for an agreed period of time.

(a) Accounting by lessee

Operating leases

Leases of assets where a significant pattern of the risks and rewards of ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are charged to profit or loss on a straight-line basis over the period of the lease.

Contingent rents are recognised as an expense in profit or loss when incurred.

(b) Accounting by lessor

Finance leases

Leases where the Group has transferred substantially all risks and rewards incidental to ownership of the leased assets to the lessees, are classified as finance leases.

The leased asset is derecognised and the present value of the lease receivable (net of initial direct costs for negotiating and arranging the lease) is recognised on the statement of financial position as "finance lease receivables". The difference between the gross receivable and the present value of the lease receivable is recognised as unearned finance income.

Each lease payment received is applied against the gross investment in the finance lease receivable to reduce both the principal and the unearned finance income. The finance income is recognised in profit or loss on a basis that reflects a constant periodic rate of return on the net investment in the finance lease receivable.

Any direct costs incurred by the Group in negotiating and arranging finance leases are added to finance lease receivables and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

Notes to the Financial Statements
31 December 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 Leases (cont'd)

(b) Accounting by lessor (cont'd)

Operating leases

Leases where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

Contingent rents are recognised as income in profit or loss when earned.

2.16 Current and deferred income tax

Tax expense for the period comprises current, withholding and deferred taxes. The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Tax is recognised in the profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Company and its subsidiaries operate and generate taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. This liability is measured using the single best estimate of most likely outcome.

Deferred tax is recognised, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses or unused tax credits can be utilised.

Deferred tax liabilities is provided on temporary differences arising on investment in subsidiaries and joint ventures, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred and income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to tax levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Notes to the Financial Statements
31 December 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.17 Employee benefits

(a) Short term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured the amounts expected to be paid when the liabilities are settled.

(b) Defined contribution plan

The Group's contributions to Employees Provident Fund, a defined contribution plan are charged to profit or loss in the period to which they relate. Once the contributions have been paid, the Group and the Company have no further financial obligations.

(c) Share-based payment

The Group operates an equity-settled, share-based compensation plan ("Employee Share Option Scheme" or "ESOS") under which the Group receives services from employees as consideration for equity options over ordinary shares of the Company. The fair value of the options granted in exchange for the services of the employees are recognised as employee benefit expense with a corresponding increase to share option reserve within equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- excluding the impact of any service and non-market performance vesting conditions; and
- including the impact of any non-vesting conditions.

Non-market vesting conditions and service conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of the reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to share option reserve in equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised. When options are not exercised and lapsed, the share option reserve is transferred to retained earnings. Where the options are granted by shareholders of the Company, the credit in equity is retained as "Other Reserves" when the options are exercised and/or lapsed.

If the terms of an equity-settled amount are modified at a minimum an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share-based payment arrangement or is otherwise beneficial to the employee, as measured at the date verification.

If an equity award is cancelled by forfeiture, when the vesting conditions (other than market conditions) have not been met, any expense not yet recognised for that award, as at the date of forfeiture, is treated as if it had never been recognised. At the same time, any expense previously recognised on such cancelled equity awards are reversed from the accounts effective as at the date of forfeiture.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Notes to the Financial Statements

31 December 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.17 Employee benefits (cont'd)

(d) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of MFRS 137 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

2.18 Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Other receivables generally arise from transactions outside the usual operating activities of the Group. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.19 Goodwill

Goodwill arises from a business combination and represents the excess of the aggregate of fair value of consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired and liabilities assumed on the acquisition date. If the fair value of consideration transferred, the amount of non-controlling interest and the fair value of previously held interest in the acquiree are less than the fair value of the net identifiable assets of the acquiree, the resulting gain is recognised in profit or loss.

Goodwill is not amortised but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and carried at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units ("CGUs"), or groups of CGUs that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at operating segment level. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

2.20 Trade payables and accruals

Trade payables and accruals represent liabilities for goods or services provided to the Group prior to the end of financial year which are unpaid. Trade payables and accruals are classified as current liabilities unless payment is not due within 12 months after the reporting period. If not, they are presented as non-current liabilities.

Trade payables and accruals are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Notes to the Financial Statements

31 December 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.21 Provisions

A provision is recognised when the Group has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed by another party, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditures expected to be required to settle the obligation by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.22 Contingent assets and liabilities

The Group does not recognise contingent assets and liabilities, but disclose its existence in the financial statements, if any.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably. However, contingent liabilities do not include financial guarantee contracts. A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

2.23 Cash and cash equivalents

For the purpose of the statement of cash flows, cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Cash and cash equivalents comprise cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of 3 months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

2.24 Share capital

(a) Classification

Ordinary shares are classified as equity. Other shares are classified as equity and/or liability according to the economic substance of the particular instrument.

(b) Share issue costs

Incremental costs directly attributable to the issue of new shares are shown as a deduction, net of tax, in equity from the proceeds.

(c) Dividends

Liability is recognised for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Group, on or before the end of the reporting period but not distributed at the end of the reporting period.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.25 Earnings per share

The basic earnings per share ("EPS") is calculated by dividing the Group's profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year and excluding treasury shares.

Diluted earnings per share adjusts the figures in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

2.26 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Executive Officer. The Chief Executive Officer, who is responsible for allocating resources and assessing performance of the operating segments, has been identified to make strategic decisions. Segment revenues and expenses are those directly attributable to the segments and include any expenses where a reasonable basis of allocation exists.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the Directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the Group's results and financial position are tested for sensitivity to changes in the underlying parameters. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

3.1 Revenue

Chartering of FPSO and vessels to customers are recognised as revenue based on whether the charter contract arrangement is considered to be an operating lease or finance lease in accordance with MFRS 117 "Leases". Classifications of these contracts as operating leases or finance leases are assessed at the inception of the lease. The estimated useful lives of the vessel and lease payment pattern are relevant in evaluating lease contracts. This assessment requires significant judgements in the following areas:

(i) Lease term

At lease inception, a lease contract is classified as either an operating or a finance lease. The lease term is the "non-cancellable period" for which the Group has contracted to lease the asset together with any further terms for which the lessee has the option to continue to lease the asset, when at lease inception it is reasonably certain that the lessee will exercise the option.

(ii) Purchase option

At lease inception, if it is not reasonably certain that the option will be exercised, the option will not be a part of the basis for classification. If the lessee has an option to purchase the asset at a price that is expected to be sufficiently lower than fair value at the date the option becomes exercisable, the exercise of the option is regarded reasonably certain. The evaluation of the term "reasonably certain" involves judgement. The lessee's purchase option is considered in classifying the lease contract.

Notes to the Financial Statements
31 December 2015

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

3.1 Revenue (cont'd)

(ii) Purchase option (cont'd)

Contracts for leasing and operation of vessels are usually negotiated together. Leasing of vessels is accounted for under MFRS 117 "Leases" and operation of vessels is accounted for under MFRS 118 "Revenue". As the consideration for the leasing component and operation component of vessels are contracted together they may not represent the fair value of the individual component separately. The total consideration paid is allocated between each component based on fair value of each component. This requires estimation based on market rates, comparable transactions and other market related information to be determined at lease inception.

If the terms and conditions of the lease contract change subsequently, management will reassess whether the new arrangements would be classified as a new lease based on the prevailing market conditions.

3.2 Impairment of non-financial assets

The Group periodically reviews non-financial assets, in particular vessels within property, plant and equipment and non-current assets held for sale, to ensure that their carrying values are in line with their recoverable amounts as stated in Note 2.8. The recoverable amount of each vessel, being defined as a cash generating unit, has been determined based on the higher of fair value, less cost of disposal ("FV") and value in-use ("VIU") calculations.

The recoverable amount of each vessel is based on estimates and judgement with respect to key assumptions such as utilisation rates, daily charter rates and the discount rate, amongst others. Several of the Group's contracts are long-term in nature and there can be no certainty that the continuity of these contracts will not be materially affected by conditions such as a deterioration in the oil and gas market or a specific client's financial condition. Should the actual conditions be different to those in our assumptions, there may be an adverse effect on the recoverable amount of our non-financial assets or non-current assets held for sale.

During the financial year, the Group recognised an impairment loss on property, plant and equipment of RM370.6 million (2014: RM Nil) and on non-current assets classified as held-for-sale of RM24.5 million (2014: RM Nil). The impairment assessments for property, plant and equipment and non-current assets classified held-for-sale require the use of estimates as disclosed in Note 16.

3.3 Vessel useful life and residual value

Depreciation depends on the estimated useful lives of the vessels and residual values at the end of their useful lives. The estimated useful lives are based on previous experience and knowledge of the vessels owned by the Group and is normally equal to the design life of the vessel. Assumptions about residual value are based on prevailing market conditions and expected value to be obtained for these vessels at the end of their useful lives in the future. These assumptions by their nature may differ from actual outcome in the future. Where appropriate, the Group will adjust the residual value and useful life of the individual vessel based on the particular conditions of the vessel. These adjustments require judgements to be exercised by management to assess the residual value and useful life for the individual vessels.

3.4 Taxation

The Group is subject to income and withholding taxes in numerous jurisdictions in which the Group operates. Significant judgement is required in determining the worldwide provision for these taxes. There are certain transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for tax based on estimates of assessment of the tax liability due. The Group has also recognised certain tax recoverable for which the Group believe that there is a reasonable basis for recognition. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax recoverable/payable and deferred tax provision where relevant in the financial period in which such determination is made.

Notes to the Financial Statements

31 December 2015

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

3.5 Construction contracts

The Group uses the "percentage-of-completion" method to account for its contract revenue. The stage of completion is measured by reference to the contract costs incurred up to the end of reporting period as a percentage of estimated total costs for each contract.

Significant assumptions based on management's assessment of the contract progress and past experience are used to estimate the total contract costs that affect the stage of completion and the contract revenue respectively.

3.6 Liquidated ascertained damages

The Group may be subject to liquidated ascertained damages ("LADs") arising from delays in delivering the vessels under construction or completing the construction contract. The assessment of likelihood of LADs requires significant judgment. The Group has evaluated the potential LADs based on contractual terms and conditions and is satisfied that the likelihood of LADs is remote as the delays were primarily due to changes in customer specifications. Where the outcome is different from the assessment, such differences may have adverse impact on the project profitability.

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

This note presents information about the Group's and the Company's exposure to risk resulting from its use of financial instruments, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further qualitative disclosures are included throughout these consolidated financial statements.

The Group's activities expose it to a variety of financial risks: market risk including currency risk and interest rate risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Board of Directors identifies and evaluates financial risks in close co-operation with the Group's management.

Foreign currency exchange risk

The Group is exposed to various currencies, primarily the United States Dollar ("USD"). The Group's foreign currency exchange risk arises from the revenue recognised and purchases of material, spares and services for maintenance of its vessels.

The objectives of the Group's foreign currency exchange risk management policies are to allow the Group to effectively manage the foreign exchange fluctuation against its functional currency that may arise from future commercial transactions and recognised assets and liabilities. Foreign currency exchange forward contracts are used to manage foreign currency exchange exposures arising from all known material foreign currency denominated commitments as and when they arise and to hedge the movements in exchange rates by establishing the rate at which a foreign currency monetary item will be settled. Gains and losses on foreign currency exchange forward contracts entered into as hedges of foreign currency monetary items are recognised in the financial statements when the exchange differences of the hedged monetary items are recognised in the financial statements. Cross currency interest rate swap contracts are also used to hedge the volatility in the cash flows attributable to variability in the other currency denominated borrowings once identified to maturity of the borrowings.

If the USD strengthened/(weakened) by 1% against the Ringgit Malaysia ("RM"), the gains/(losses) on translation of the USD denominated receivables, bank deposits and balances, and payables held by companies within the Group, would have been higher/(lower) by approximately RM11.6 million/(RM11.6 million) (2014: RM16.2 million/(RM16.2 million)).

Notes to the Financial Statements
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4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Interest rate risk

The Group's exposure to changes in interest rates relates primarily to the Group's borrowings with floating interest rates. In respect of managing interest rate risks, the floating interest rates of certain long-term loans are hedged in accordance with the Group's policy by fixed rate swaps for the entire maturity period. Short term facilities which bear interest at floating interest rates are used for working capital and bridge financing requirements. The interest rate profile of the Group's borrowings is regularly reviewed against prevailing and anticipated market rates to determine hedging requirements.

The contractual interest rates on borrowings and derivative financial instruments are disclosed on Notes 32 and 33 respectively.

At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments was as follows:

Group	2015 RM'000	2014 RM'000
Variable rate instruments		
Financial liabilities, comprising term loans, bridging loans and revolving credits	**6,499,963**	4,612,511
Less: Interest rate swap contracts	**(1,204,346)**	(1,401,726)
Less: Cross currency interest rate swap contract	**(76,696)**	(104,391)
	5,218,921	3,106,394

The sensitivity of the Group's profit before taxation for the financial year and equity to a reasonable possible change in RM and USD interest rates with all other factors held constant and based on composition of liabilities with floating interest rates at the reporting date are as follows:

	Impact on profit before taxation		Impact on equity [1]	
Group	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
RM				
- increased by 0.5% (2014: 0.5%)	**(883)**	(1,240)	-	-
- decreased by 0.5% (2014: 0.5%)	**883**	1,240	-	-
USD				
- increased by 0.5% (2014: 0.5%)	**25,443**	14,375	**4,068**	4,495
- decreased by 0.5% (2014: 0.5%)	**(25,443)**	(14,375)	**(4,068)**	(4,495)

[1] Represents cash flow hedging reserve

The impact on profit before taxation for the financial year is mainly as a result of interest expenses on floating interest rate borrowings not in a designated hedging relationship. For borrowings in a designated hedging relationship, as these are effectively hedged, the interest rate movements will not have any impact on the profit or loss.

The Company is exposed to the changes in interest rates in relation to an amount due from a subsidiary on floating interest rates as disclosed in Note 27. The Company does not hedge this interest rate risk. If the interest rates increase/(decrease) by 0.5% (2014: 5%), the impact on profit before taxation is approximately RM2.5 million/(RM2.5 million) (2014: RM1.4 million/(RM1.4 million)).

Notes to the Financial Statements
31 December 2015

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Credit risk

Credit risk arises when sales are made on credit terms. The Group's activities limit the exposure and credit risk concentration to major clients in the oil and gas industry. The Group employs a credit policy that ensures clients are subjected to credit checks and outstanding accounts are followed up on a timely basis.

Several of the Group's contracts are long-term. There can be no guarantees that the financial position of the Group's major customers will not materially change during the contracted period. Given the limited number of major partners of the Group and the significant portion they represent of the Group's income, the inability of one or more of them to make full payment on any of the Group's customers may have a significant adverse impact on the financial position of the Group.

The credit risk of the Group arises primarily from the Group's 5 largest customers which accounted for 72% (2014: 52%) of the outstanding trade receivables at the end of the reporting period. The Group believes that the credit risk related to these counterparties is at an acceptable level. The Group assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. As such, management does not expect any counterparty to fail to meet their obligations except for the allowance for doubtful debts provided as disclosed in Note 25 to the financial statements. The carrying amount of each class of financial assets mentioned in Note 22, Note 25, Note 26, Note 27 and Note 29 to the financial statements represent the Group's maximum exposure to credit risk.

Management continues to review the credit risk concentration with respect to other receivables, amounts due from subsidiaries and joint ventures. These relates to receivables with no history of default and management expect these amounts to be recoverable over the course of business.

Liquidity risk

The Group and the Company adopt liquidity risk management by maintaining sufficient cash and availability of funding through an adequate amount of committed credit facilities from financial institutions to support its daily operations. Whenever the Group undertakes additional financing, the repayment and maturity profile of the underlying loans are structured after taking into consideration the cash inflows expected to be generated from the related assets or operations and economic life of the assets or operations being financed.

As at 31 December 2015, the Group's statement of financial position was in a net current liabilities position of RM212.7 million due mainly to the use of short-term corporate borrowings and internally generated funds to finance the Eni 1506 FPSO project ("the Project"). On 23 December 2015, the Group secured a syndicated term loan facility, a standby letter of credit facility and a bank guarantee facility, of a maximum aggregate principal amount of USD1,119.7 million to part finance the Project. The anticipated drawdown within the next 12 months will provide sufficient liquidity to discharge short term obligations as they fall due.

Notes to the Financial Statements

31 December 2015

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Liquidity risk (cont'd)

The table below analyses the Group's non-derivative financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows:

Group	Within 1 year RM'000	More than 1 year and within 2 years RM'000	More than 2 years and within 5 years RM'000	More than 5 years RM'000	Total RM'000
31 December 2015					
Borrowings	2,010,215	898,198	3,655,900	2,898,132	9,462,445
Amounts due to joint ventures	25,189	-	-	-	25,189
Net settled derivative financial instruments					
- interest rate swaps	(5,757)	(144)	391	-	(5,510)
- cross currency interest rate swaps	(54,095)	(58,937)	(111,398)	(660,840)	(885,270)
Trade payables and accruals	1,298,857	-	-	-	1,298,857
Other payables and accruals	179,327	456,820	-	-	636,147

Group	Within 1 year RM'000	More than 1 year and within 2 years RM'000	More than 2 years and within 5 years RM'000	More than 5 years RM'000	Total RM'000
31 December 2014					
Borrowings	1,184,520	1,409,521	2,825,546	1,951,459	7,371,046
Hire purchase creditors	84	24	30	-	138
Amounts due to joint ventures	18,598	-	-	-	18,598
Net settled derivative financial instruments					
- interest rate swaps	(9,918)	(1,781)	3,153	-	(8,546)
- cross currency interest rate swaps	(2,623)	(7,823)	(22,113)	(232,384)	(264,943)
Trade payables and accruals	699,416	-	-	-	699,416
Other payables and accruals	207,511	349,730	-	-	557,241

Notes to the Financial Statements
31 December 2015

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Liquidity risk (cont'd)

The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows:

Company	Within 1 year RM'000	More than 1 year and within 2 years RM'000	More than 2 years and within 5 years RM'000	More than 5 years RM'000	Total RM'000
31 December 2015					
Other payables and accruals	59,704	-	-	-	59,704
Amounts due to joint ventures	227	-	-	-	227
Amounts due to subsidiaries	1,140,872	-	-	-	1,140,872
31 December 2014					
Hire purchase creditors	65	-	-	-	65
Other payables and accruals	53,586	-	-	-	53,586
Amounts due to subsidiaries	333,476	-	-	-	333,476

The corporate guarantees are financial guarantees given to banks for credit facilities granted to subsidiaries.

The maximum amount of the financial guarantees issued to the banks for subsidiary companies' borrowings is limited to the amount utilised by the subsidiaries companies, amounting to RM7,188.9 million as at 31 December 2015 (2014: RM5,404.5 million). The earliest period any of the financial guarantees can be called upon by banks is within the next 12 months. The Company believes that the liquidity risk in respect of the financial guarantees is minimal as it is unlikely that the subsidiary companies will not make payment to the banks when due.

Capital risk management

The Group's and the Company's objectives when managing capital, are to safeguard the Group's and the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares as well as the issue of new debt or return capital to shareholders.

Notes to the Financial Statements
31 December 2015

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Capital risk management (cont'd)

The capital structure qof the Group and the Company consists of borrowings (excluding cash and cash equivalents) and total equity, comprising issued share capital, reserves and non-controlling interests as follows:

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Total borrowings	8,029,554	6,192,825	-	-
Less: Cash and cash equivalents	(1,524,818)	(3,301,747)	(368,034)	(1,754,920)
	6,504,736	2,891,078	(368,034)	(1,754,920)
Total equity	7,295,772	6,717,525	4,681,475	4,608,821
	13,800,508	9,608,603	4,313,441	2,853,901

The Group is required to maintain a certain ratio of total net debt to adjusted earnings before interest, taxation, depreciation, amortisation and impairment, as defined in the facilities agreement. During the financial year, the Group has complied with these requirements.

5 SEGMENT INFORMATION

The Group is organised into 3 main business segments based on the type of operations carried out by its vessels and barges:

- FPSO and Floating Gas Solutions ("FGS") - Own, operate and provide FPSO units, vessels that are used for receiving hydrocarbons sourced from oilfields and FGS focus on innovate solutions for the offshore liquefied natural gas industry.
- Offshore Support Vessel ("OSV") - Own, operates and charter vessels to provide support for exploration, development and production activities in the offshore oil and gas industry.
- Transport and Installation ("T&I") - Provision of conventional installation, floater installation and installation of umbilicals, risers and flexibles as part of FPSO completion or as standalone T&I projects.

The remaining operations of the Group are in "Corporate and others" and comprise engineering services, which are not of a sufficient size to be reported separately, and management and other corporate support services provided to Group entities which are considered incidental to the Group's operating business.

The external revenue reported to the Chief Executive Officer is measured in a manner consistent with that in the Group's statement of income. The cost of sales and allocation of expenses attributable to each segment is based on management's internal allocation basis and may not individually be consistent with the Group's statement of income.

Inter-segment revenue comprises mostly of engineering services provided to the marine charter hire companies within the Group. These transactions are conducted based on terms and conditions negotiated with related parties.

Notes to the Financial Statements
31 December 2015

5 SEGMENT INFORMATION (CONT'D)

	FPSO and FGS RM'000	OSV RM'000	T&I RM'000	Corporate and others RM'000	Elimination RM'000	Group RM'000
2015						
Revenue	1,305,596	538,117	336,021	-	-	2,179,734
Inter-segment revenue	-	-	-	185,865	(185,865)	-
Total revenue	1,305,596	538,117	336,021	185,865	(185,865)	2,179,734
Results						
Segment results	309,658	(117,091)	39,653	13,921	(13,921)	232,220
Impairment	(41,341)	(249,094)	(104,717)	(27,912)	-	(423,064)
Share of results of joint ventures	50,812	689	-	-	-	51,501
Other operating income						90,635
Finance costs						(122,684)
Taxation						(70,385)
Loss for the financial year						(241,777)
2014						
Revenue	949,066	654,626	793,647	-	-	2,397,339
Inter-segment revenue	-	-	-	161,445	(161,445)	-
Total revenue	949,066	654,626	793,647	161,445	(161,445)	2,397,339
Results						
Segment results (restated)	304,180	34,510	(971)	8,800	(8,800)	337,719
Impairment (restated)	-	-	-	(29,659)	-	(29,659)
Share of results of joint ventures	35,753	148	-	-	-	35,901
Other operating income						64,374
Finance costs						(99,153)
Taxation						(84,817)
Profit for the financial year						224,365

Notes to the Financial Statements
31 December 2015

5 SEGMENT INFORMATION (CONT'D)

Although the Group's business segments are managed in Malaysia, they operate in the following main geographical areas:

- Malaysia - mainly charter hire of vessels, marine engineering and consultancy services
- Asia (excluding Malaysia) and Australia, Africa and Latin America – mainly charter hire of vessels and construction/conversion works

Non-current assets other than financial instruments and deferred tax assets managed by the Group in Asia amounted to RM14,679.7 million as at 31 December 2015 (2014: RM9,052.5 million).

Revenue by location of the Group's operation are analysed as follows:

	Group	
	2015	**2014**
	RM'000	**RM'000**
Malaysia	**176,242**	310,055
Asia (excluding Malaysia) and Australia	**1,302,025**	1,418,386
Africa	**554,033**	574,188
Latin America	**147,434**	94,710
	2,179,734	2,397,339

The Group's largest customers (by revenue contribution) are in the FPSO and T&I segments. In 2015, 3 customers contributed revenue individually exceeding 10% of total revenue for the financial year, amounting to RM306.0 million, RM269.5 million and RM262.5 million respectively. In 2014, 3 customers contributed revenue individually exceeding 10% of total revenue for the financial year, amounting to RM349.0 million, RM345.6 million and RM267.9 million respectively.

6 REVENUE

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Vessel charter fees and support services rendered	**1,730,531**	1,815,760	-	-
Construction and conversion work	**449,203**	581,579	-	-
Dividend income	-	-	**148,447**	182,501
Central overhead fees	-	-	**229,006**	240,580
	2,179,734	2,397,339	**377,453**	423,081

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7 OTHER OPERATING INCOME

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Gain on disposal of property, plant and equipment	**104**	138	-	-
Gain on disposal of non-current assets classified as held-for-sale	**1,009**	11,325	-	-
Gain on disposal of a subsidiary	**17,645**	-	-	-
Gain on disposal of scrap materials	**209**	248	-	-
Interest income				
- deposits with licensed banks	**52,829**	28,558	**48,862**	16,299
- loan to a subsidiary	-	-	**23,521**	11,641
Accretion of interest	**2,252**	-	**73**	-
Rental income from buildings	**49**	41	-	-
Insurance claims	**6,127**	14,278	-	-
Dividend income	**1,841**	2,321	-	-
Commission	-	692	-	-
Vessel ancillary fees and others	**8,570**	6,773	**13**	14
	90,635	64,374	**72,469**	27,954

8 FINANCE COSTS

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Interest expense	**123,227**	101,606	**65**	94
Fair value gain on interest rate swaps used for hedging purpose	**(543)**	(2,453)	-	-
	122,684	99,153	**65**	94

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9 INVESTMENTS IN JOINT VENTURES

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Unquoted shares, at cost	**310,390**	264,373	**151,943**	151,943
Share of net assets	**225,452**	140,805	**-**	-
Interests in joint ventures	**535,842**	405,178	**151,943**	151,943

The joint ventures are private companies and there are no quoted market prices available for their shares.

Details of the joint ventures are as follows:

Name of company	Principal activities	Group's effective interest 2015 %	Group's effective interest 2014 %	Country of incorporation
Armada Century Ltd.	Ship owners, charterers, managers of ships and vessels, marine support and other services to offshore oil and gas companies	49	49	British Virgin Islands
Armada C7 Pte. Ltd.	Ship owners, charterers, managers of ships and vessels, marine support and other services to offshore oil and gas companies	50	50	Singapore
Armada D1 Pte. Ltd.	Ship owners, charterers, managers of ships and vessels, marine support and other services to offshore oil and gas companies	50	50	Singapore
Armada Synergy Ltd.[(1)]	To manage and operate vessels for subsea well services and services relating to oil and gas production	51	51	United Kingdom
Century Bumi Limited	Oil and gas exploration, and product and marine services	40	40	Federal Republic of Nigeria

Notes to the Financial Statements

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9 INVESTMENTS IN JOINT VENTURES (CONT'D)

Details of the joint ventures are as follows (cont'd):

Name of company	Principal activities	Group's effective interest 2015 %	Group's effective interest 2014 %	Country of incorporation
Forbes Bumi Armada Offshore Limited	Ship owners, charterers, managers of ships and vessels, logistics and maritime transportation services to the oil and gas industry	50	50	India
Forbes Bumi Armada Limited	Ship owners, charterers, managers of ships and vessels, logistics and maritime transportation services to the oil and gas industry	49	49	India
PT Armada Gema Nusantara	Ship owner and operator	49	49	Indonesia
SP Armada Oil Exploration Private Limited	Marine support and other services to the oil and gas industry	50	50	India
SP Armada Offshore Private Limited	To provide marine support and other service to oil and gas industry and for that purpose to purchase, erect, construct, own, charter, manage vessels and rigs	50	50	India
Armada Madura EPC Limited [2]	Ship owners, charterers, managers of ships and vessels, marine support and other services to offshore oil & gas companies	49	-	Republic of The Marshall Islands

[1] On 25 November 2015, Armada Kamelia Sdn Bhd, a wholly-owned subsidiary of the Company, has filed a voluntarily strike off of Armada Synergy Ltd ("ASL"), a private limited company incorporated in the United Kingdom. ASL was incorporated on 22 November 2013 to participate in the oilfield services ("OFS") business, with the principal activities to manage and operate vessels for subsea well services and services relating to oil and gas production.

Due to challenging market conditions for the oil and gas sector, it was decided earlier this financial year that ASL would exit and cease activities in the OFS business. This is in line with the Group's rationalisation and efficiency plans.

Companies House (UK), in its supplement of the London Gazette on 24 November 2015, published a notice pursuant to Section 100(3) of the Companies Act 2006 (UK) that ASL would be struck off the register and deemed dissolved at the end of three (3) months from the date of the notice. As such, ASL had been dissolved and ceased to be a subsidiary of the Company with effect from 23 February 2016.

Notes to the Financial Statements

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9 INVESTMENTS IN JOINT VENTURES (CONT'D)

Details of the joint ventures are as follows (cont'd):

(2) On 3 March 2015, Armada Madura EPC Limited ("Armada Madura") was incorporated as a wholly-owned subsidiary of Bumi Armada Offshore Holdings Limited ("BAOHL") (a wholly-owned subsidiary of the Company) in the Republic of The Marshall Islands, with an authorised capital of USD50,000 comprising 50,000 shares of USD1.00 each, of which 10 shares have been issued upon incorporation.

On 10 April 2015, the Company, BAOHL, Armada Madura, Shapoorji Pallonji And Company Private Limited ("SPCL") and Shapoorji Pallonji International FZE ("SPINT") (an indirect wholly-owned subsidiary of SPCL) entered into a shareholders agreement ("SHA") with respect to the joint investment in Armada Madura by the Company and BAOHL on the one part, and SPCL and SPINT on the other part, in connection with the engineering, design, acquisition, conversion, development, construction, fitting out, completion, mobilisation, transportation, installation, hook-up, testing, commission and integration of the FPSO at the Madura BD Field ("FPSO Project") to be carried out by Armada Madura, pursuant to which each of BAOHL and SPINT would hold a 50% economic interest and be responsible for 50% of the funding obligations with respect to the FPSO Project, in accordance with the terms of the SHA.

On 20 April 2015, BAOHL and SPINT subscribed for 24,489 and 25,501 new ordinary shares of USD1.00 each in Armada Madura, respectively, and consequently on 22 April 2015, SPINT transferred all of its Armada Madura shares to SPCL. Accordingly, the percentage shareholdings of BAOHL and SPCL in Armada Madura were 48.998% and 51.002% in Armada Madura, respectively. Upon completion of the share transferred above, Armada Madura was accounted as a joint venture in the Group's financial statements.

Details of the assets, liabilities and gain arising from the loss of controlling interest in Armada Madura are as follows:

	Group 2015 RM'000
Property, plant and equipment (Note 16)	65,499
Net current liabilities	(65,499)
Net assets disposed	-
Gain on deemed disposal of a subsidiary	17,645

The above gain results from the realisation of unrealised profit from a transaction with a subsidiary.

Notes to the Financial Statements
31 December 2015

9 INVESTMENTS IN JOINT VENTURES (CONT'D)

Set out below are the summarised financial information of all the joint ventures of the Group:

Group	Armada D1 Pte Ltd RM'000	Armada C7 Pte Ltd RM'000	Amada Madura EPC Limited RM'000	Others RM'000	Total RM'000
2015					
Current assets	391,189	486,665	14,919	209,942	1,102,715
Non-current assets	1,135,274	1,376,436	712,422	22,270	3,246,402
Current liabilities	(244,165)	(334,779)	(240,164)	(271,984)	(1,091,092)
Non-current liabilities	(688,746)	(1,066,148)	(375,751)	-	(2,130,645)
Net assets	593,552	462,174	111,426	(39,772)	1,127,380
The above include the following:					
Cash and cash equivalents	83,789	64,930	12,690	38,605	200,014
Current financial liabilities excluding trade and other payables	(194,708)	(308,156)	(101,929)	(267,111)	(871,904)
Non-current financial liabilities excluding trade and other payables	(643,633)	(1,041,598)	(375,751)	-	(2,060,982)
Revenue	208,373	81,683	108,894	294,923	693,873
Other income/(expenses)	(54,517)	(24,520)	209	(303,267)	(382,095)
Interest income	-	-	2	14	16
Depreciation	(88,061)	-	-	(4,134)	(92,195)
Finance costs	(46,823)	(31,300)	(1,534)	-	(79,657)
Taxation	(9,504)	(5,731)	-	(470)	(15,705)
Profit/(loss) after taxation	9,468	20,132	107,571	(12,934)	124,237

Notes to the Financial Statements

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9 INVESTMENTS IN JOINT VENTURES (CONT'D)

Set out below are the summarised financial information of all the joint ventures of the Group (cont'd):

Group	Armada D1 Pte Ltd RM'000	Armada C7 Pte Ltd RM'000	Others RM'000	Total RM'000
2014				
Current assets	354,772	43,023	58,463	456,258
Non-current assets	1,004,777	1,434,890	43,303	2,482,970
Current liabilities	(168,601)	(972,350)	(81,407)	(1,222,358)
Non-current liabilities	(691,519)	(180,244)	-	(871,763)
Net assets	499,429	325,319	20,359	845,107
The above include the following:				
Cash and cash equivalents	55,100	50,630	1,124	106,854
Current financial liabilities excluding trade and other payables	(154,646)	(952,851)	2,707	(1,104,790)
Non-current financial liabilities excluding trade and other payables	(654,642)	(159,395)	-	(814,037)
Revenue	168,554	78,713	83,765	331,032
Other (expenses)/income	(15,816)	2,515	(70,741)	(84,042)
Interest income	-	7	94	101
Depreciation	(74,340)	-	(4,605)	(78,945)
Finance (costs)/income	(42,218)	342	1	(41,875)
Taxation	(23,323)	(19,546)	(4,719)	(47,588)
Profit after taxation	12,857	62,031	3,795	78,683

Notes to the Financial Statements
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9 INVESTMENTS IN JOINT VENTURES (CONT'D)

Reconciliation of financial information:

Group	Armada D1 Pte Ltd RM'000	Armada C7 Pte Ltd RM'000	Amada Madura EPC Limited RM'000	Others RM'000	Total RM'000
2015					
Net assets	**593,552**	**462,174**	**111,426**	**(39,772)**	**1,127,380**
Group share in %	**50%**	**50%**	**49%**	-	-
Group's share	**296,776**	**231,087**	**54,599**	**(19,208)**	**563,254**
Unrealised profit	**(9,767)**	-	**(17,645)**	-	**(27,412)**
Carrying amount	**287,009**	**231,087**	**36,954**	**(19,208)**	**535,842**

Group	Armada D1 Pte Ltd RM'000	Armada C7 Pte Ltd RM'000	Others RM'000	Total RM'000
2014				
Net assets	499,429	325,319	20,359	845,107
Group share in %	50%	50%	-	-
Group's share	249,714	162,660	873	413,247
Unrealised profit	(9,844)	(916)	2,691	(8,069)
Carrying amount	239,870	161,744	3,564	405,178

The Group's share of profit, total comprehensive income, dividend received and net assets of the joint ventures, after adjustments for equity accounting are as follows:

	Group 2015 RM'000	Group 2014 RM'000
Profit for financial year	**51,501**	35,901
Total comprehensive income for the financial year	**51,501**	35,961
Dividend received	**12,452**	-
Net assets	**535,842**	405,178

Notes to the Financial Statements
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10 (LOSS)/PROFIT BEFORE TAXATION

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
(Loss)/profit before taxation is arrived at after charging/(crediting):				
Auditors' remuneration:				
- fees for statutory audit				
- PricewaterhouseCoopers Malaysia	**1,300**	1,326	**210**	227
- member firms of PricewaterhouseCoopers International Limited	**739**	305	**-**	-
- fees for audit related services	**527**	1,495*	**464**	1,385*
- fees for non-audit services	**1,675**	847	**690**	655
Impairment:				
- property, plant and equipment	**370,609**	-	**-**	-
- non-current assets classified as held-for-sale	**24,541**	-	**-**	-
- investment in a joint venture	**2,691**	-	**-**	-
- available-for-sale financial assets	**25,223**	28,248	**-**	2,027
- goodwill	**-**	1,411	**-**	-
Net allowance for doubtful debts	**167,951**	65,956	**-**	-
Bad debts written off	**18**	-	**-**	-
Write down of dividend receivable	**-**	2,864	**-**	2,864
Write off of property, plant and equipment	**1,928**	-	**-**	-
Depreciation of property, plant and equipment	**606,658**	476,050	**6,241**	9,695
Travel and freight	**40,664**	50,318	**4,522**	3,730
Repairs and maintenance	**134,124**	130,071	**20**	146
Management fees	**6,166**	5,535	**5,564**	5,535
Insurance	**47,619**	40,429	**-**	-
Fuel and oil	**44,918**	91,533	**-**	-

* In the prior financial year, such fees include an amount of RM1.0 million in relation to the Rights Issue which has been netted against share premium.

Notes to the Financial Statements
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10 (LOSS)/PROFIT BEFORE TAXATION (CONT'D)

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Advertisement and recruitment	**2,934**	3,192	**131**	141
Staff costs (Note 11)	**620,066**	530,292	**194,838**	190,131
Other crew costs	**70,015**	54,015	**-**	-
Rental of buildings	**15,603**	14,633	**7,457**	5,585
Hiring of equipment	**131,702**	53,866	**-**	-
Fair value (gain)/loss on derivatives:				
- Interest rate swaps	**(543)**	(2,453)	**-**	-
- Cross currency interest rate swaps	**15,751**	80,760	**-**	-
Net foreign exchange loss/(gain):				
- realised	**38,984**	1,566	**(104)**	1,836
- unrealised	**(53,278)**	(59,005)	**(3,360)**	(1,002)
Maintenance and services cost	**77,915**	63,076	**-**	-
Survey fee	**12,826**	9,503	**-**	-
Consultancy fee	**11,586**	26,002	**1,120**	1,371
Communication expenses	**8,374**	9,086	**-**	-

11 STAFF COSTS

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Wages, salaries and bonuses	**619,339**	612,827	**169,135**	165,404
Defined contribution plan	**27,461**	27,076	**4,806**	5,330
Share-based payments	**3,843**	15,608	**3,843**	15,608
Termination benefits	**21,967**	-	**12,845**	-
Other staff related costs	**63,067**	71,227	**4,209**	3,789
Total staff costs	**735,677**	726,738	**194,838**	190,131

Included in staff costs is Executive Directors' remuneration as disclosed in Note 12 and RM115.6 million (2014: RM196.4 million) which has been capitalised in the Group's property, plant and equipment.

Notes to the Financial Statements

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12 DIRECTORS' REMUNERATION

The aggregate amounts of emoluments received and receivable by Directors from the Group and the Company during the financial year were as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Non-executive Directors:				
- fees	**2,763**	2,068	**2,763**	2,068
- allowances and defined contribution plan	**603**	651	**603**	651
Executive Directors:				
- salaries, bonuses, allowances and other staff related costs	**851**	12,492	**71**	11,257
- defined contribution plan	**102**	148	**9**	-
- share-based payments	**2,038**	7,762	**2,038**	7,762
	6,357	23,121	**5,484**	21,738

Benefits in kind received by the Directors from the Group and the Company amounted to RM35,000 (2014: RM204,352).

13 TAXATION

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Income tax:				
- Malaysian tax	**22,637**	3,774	**18,096**	61
- foreign tax	**101,449**	40,964	**-**	-
Deferred tax (Note 21)	**(53,701)**	40,079	**(4,233)**	6,253
	70,385	84,817	**13,863**	6,314
Income tax:				
- current financial year	**123,073**	52,002	**18,096**	-
- under/(over) provision in respect of prior financial years	**1,013**	(7,264)	**-**	61
	124,086	44,738	**18,096**	61
Deferred tax:				
- origination and reversal of temporary differences (Note 21)	**(53,701)**	40,079	**(4,233)**	6,253
	70,385	84,817	**13,863**	6,314

Notes to the Financial Statements
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13 TAXATION (CONT'D)

The explanation of the relationship between Malaysian tax rate and average effective tax rate is as follows:

	Group		Company	
	2015	2014	2015	2014
	%	%	%	%
Malaysian tax rate	**(25)**	25	**25**	25
Tax effects of:				
- exempt income	**(19)**	(22)	**(21)**	(32)
- difference in tax rates in other countries	**(11)**	3	**-**	-
- withholding tax on foreign sourced income	**30**	7	**-**	-
- expenses not deductible for tax purposes	**62**	10	**4**	7
- deferred tax assets not recognised	**3**	6	**-**	4
- under/(over) provision in prior years	**1**	(2)	**-**	-
	41	27	**8**	4

The Group's effective tax rate for the financial year ended 31 December 2015 was 41%, as compared to the Malaysian statutory rate of 25%. The variance was mainly due to expenses not deductible for tax purposes, changes in the proportion of income of foreign subsidiaries which are subject to different statutory tax rates, withholding taxes deducted at source as well as exempt income which is not taxable.

The Company's effective tax rate for the financial year ended 31 December 2015 was 8% compared to the statutory tax rate of 25% as the Company's income was mainly exempted from tax for the financial year.

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14 EARNINGS PER SHARE

Basic

The basic earnings per share ("EPS") is calculated by dividing the Group's (loss)/profit attributable to Owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

Diluted

The diluted EPS is calculated by dividing the (loss)/profit for the financial year attributable to the Owners of the Company (adjusted for interest income, net of tax, earned on the proceeds arising from the conversion of the ESOS options) by the weighted average number of ordinary shares as adjusted for the basic EPS and includes all potential dilutive shares on both arising from the ESOS options granted by the reporting date, as if the options had been exercised on the first day of the financial year or the date of the grant, if later.

	Basic		Diluted	
	2015	2014	2015	2014
(Loss)/profit attributable to the Owners of the Company for the financial year ended 31 December (RM'000)	**(234,566)**	218,690	**(234,566)**	218,690
Weighted average number of ordinary shares in issue ('000)	**5,866,269**	3,266,154	**5,866,269**	3,266,154
Adjusted for bonus issue and bonus elements of right issues ('000)	-	1,792,400	-	1,792,400
Adjusted weighted average number of ordinary shares in issue for basic and diluted EPS ('000)	**5,866,269**	5,058,554	**5,866,269**	5,058,554
Basic and diluted EPS (sen)	**(4.00)**	4.32	**(4.00)**	4.32

Notes to the Financial Statements

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15 DIVIDENDS IN RESPECT OF ORDINARY SHARES

	Group and Company	
	2015	2014
	RM'000	RM'000
Dividend paid		
In respect of the financial year ended 31 December 2014:		
- Final cash dividend comprising a single tier tax-exempt dividend of 1.63 sen per ordinary share paid on 3 July 2015.	**95,620**	-
In respect of the financial year ended 31 December 2013:		
- Final cash dividend comprising a single tier tax-exempt dividend of 3.25 sen per ordinary share paid on 3 July 2014.	-	95,311

The Board of Directors proposes to recommend for shareholders' approval at the forthcoming Annual General Meeting of the Company, a tax-exempt final cash dividend of 0.82 sen per share in respect of the financial year ended 31 December 2015. This dividend is not taxable in the hands of the shareholders pursuant to Section 54A(3)(d) and (e) of the Income Tax Act, 1967, the entitlement and payment dates for which will be announced at a later date to be determined.

The financial statements for the financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2016.

Notes to the Financial Statements
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16 PROPERTY, PLANT AND EQUIPMENT

Group	Short term leasehold land and building RM'000	Vessels under construction RM'000	Total vessel costs [1] Vessels RM'000	Total vessel costs [1] Dry-docking RM'000	Total vessel costs [1] Total RM'000	Motor vehicles RM'000	Equipment, furniture and fittings, and office quipment RM'000	Spare parts RM'000	Total RM'000
2015									
Net book value									
At 1 January	1,866	2,452,700	5,757,327	84,266	5,841,593	422	149,632	13,568	8,459,781
Additions	-	4,291,984	131,425	61,842	193,267	650	98,408	8,397	4,592,706
Reclassification	-	(87,703)	64,499	24,894	89,393	-	(14,874)	13,184	-
Depreciation charge	(47)	-	(509,384)	(36,637)	(546,021)	(218)	(44,723)	(15,649)	(606,658)
Impairment	-	-	(329,268)	-	(329,268)	-	(41,341)	-	(370,609)
Write off (Note 10)	-	-	-	-	-	-	(1,928)	-	(1,928)
Disposal of a subsidiary (Note 9)	-	-	(65,499)	-	(65,499)	-	-	-	(65,499)
Transfer from/(to) non-current assets classified as held-for-sale (Note 28)	-	-	33,030	6,466	39,496	-	832	591	40,919
Exchange differences	-	718,304	1,179,811	16,271	1,196,082	26	177,735	3,009	2,095,156
At 31 December	1,819	7,375,285	6,261,941	157,102	6,419,043	880	323,741	23,100	14,143,868
At 31 December 2015									
Cost	2,360	7,375,285	9,323,045	277,624	9,600,669	1,978	514,339	46,287	17,540,918
Accumulated depreciation	(541)	-	(2,731,836)	(120,522)	(2,852,358)	(1,098)	(149,257)	(23,187)	(3,026,441)
Accumulated impairment	-	-	(329,268)	-	(329,268)	-	(41,341)	-	(370,609)
Net book value	1,819	7,375,285	6,261,941	157,102	6,419,043	880	323,741	23,100	14,143,868

Included in property, plant and equipment were equipment, furniture and fittings and office equipment amounting to RM67.2 million which have been fully depreciated.

[1] The net book value of vessels at 31 December 2015 under operating lease agreements with charterers was RM2.9 billion.

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16 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Short term leasehold land and building RM'000	Vessels under construction RM'000	← Total vessel costs [1] → Vessels RM'000	Dry-docking RM'000	Total RM'000	Motor vehicles [2] RM'000	Equipment, furniture and fittings, and office quipment RM'000	Spare parts RM'000	Total RM'000
2014									
Net book value									
At 1 January	1,913	161,345	5,559,048	84,366	5,643,414	655	58,935	4,822	5,871,084
Additions	-	1,835,246	725,746	46,222	771,968	99	134,768	15,757	2,757,838
Reclassification	-	330,747	(327,479)	-	(327,479)	-	(3,268)	-	-
Depreciation charge	(47)	-	(413,758)	(23,589)	(437,347)	(337)	(30,781)	(7,538)	(476,050)
Transfer to non-current assets classified as held-for-sale (Note 28)	-	-	(88,021)	(25,931)	(113,952)	-	(12,054)	(191)	(126,197)
Exchange differences	-	125,362	301,791	3,198	304,989	5	2,032	718	433,106
At 31 December	1,866	2,452,700	5,757,327	84,266	5,841,593	422	149,632	13,568	8,459,781
At 31 December 2014									
Cost	2,360	2,452,700	7,979,778	168,151	8,147,929	1,302	254,166	21,106	10,879,563
Accumulated depreciation	(494)	-	(2,222,451)	(83,885)	(2,306,336)	(880)	(104,534)	(7,538)	(2,419,782)
Net book value	1,866	2,452,700	5,757,327	84,266	5,841,593	422	149,632	13,568	8,459,781

Included in property, plant and equipment were equipment, furniture and fittings and office equipment amounting to RM44.9 million which have been fully depreciated.

[1] The net book value of vessels at 31 December 2014 under operating lease agreements with charterers was RM2.6 billion.
[2] The net book value of motor vehicles at 31 December 2014 under hire purchase agreements was RM0.1 million.

Notes to the Financial Statements

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16 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Office equipment, furniture and fittings RM'000	Motor vehicles under hire purchase RM'000	Total RM'000
2015			
Net book value			
At 1 January	**11,325**	**55**	**11,380**
Additions	**81**	**-**	**81**
Depreciation charge	**(6,186)**	**(55)**	**(6,241)**
At 31 December	**5,220**	**-**	**5,220**
At 31 December 2015			
Cost	**57,816**	**500**	**58,316**
Accumulated depreciation	**(52,596)**	**(500)**	**(53,096)**
Net book value	**5,220**	**-**	**5,220**
2014			
Net book value			
At 1 January	18,462	246	18,708
Additions	2,367	-	2,367
Depreciation charge	(9,504)	(191)	(9,695)
At 31 December	11,325	55	11,380
At 31 December 2014			
Cost	57,734	966	58,700
Accumulated depreciation	(46,409)	(911)	(47,320)
Net book value	11,325	55	11,380

Notes to the Financial Statements

31 December 2015

16 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(a) Fixed charges have been created over certain vessels of the Group with net book values amounting to approximately RM3.1 billion (2014: RM2.4 billion) as security for term loans (Note 32).

(b) Included in vessels are borrowing costs amounting to RM128.5 million (2014: RM87.0 million) which were capitalised during the financial year as these were directly attributable to the conversion and construction of these vessels. Borrowing costs were capitalised at the weighted average of general borrowings of 4.20% (2014: 4.70%).

(c) The FPSO contracts include options for the charterers to purchase the respective FPSO vessels or to extend their charter periods beyond the initial lease period. The purchase option values are based on declining agreed prices, which are in excess of the current net book values of the FPSO vessels as at the reporting date.

(d) As a result of the decline in vessel utilisation and day rates, the Group recognised an impairment loss of RM395.1 million comprising impairment loss on property, plant and equipment of RM370.6 million and on non-current assets held for sale of RM24.5 million during the financial year. The Group considered each vessel within a segment as a cash-generating unit, however, they are grouped together for disclosure purpose.

The Group fully impaired surplus equipment of RM41.3 million within the FPSO segment. For OSV vessels, an impairment loss of RM249.1 million was recorded based the total recoverable amount of RM948.0 million of which RM229.0 million were determined based on FV and RM719.0 million were determined based on value in use method ("VIU"). For T&I vessels, an impairment loss of RM104.7 million was recorded based on the total recoverable amount of RM39.9 million of which RM6.4 million were determined based on FV and RM33.5 million were determined based on VIU.

The FV of the vessels have been assessed by independent professional valuers. The assessment is based on the assumption that there exists a willing buyer and seller basis.

The followings are key assumptions used in VIU which is based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances:

- The cash flows projection is based on the remaining useful lives of the vessels;
- Utilisation rates and charter rates are based on historical trends, existing charter contracts and future intended use of vessel;
- Discount rate of 10% is applied; and
- Residual value of 10% of vessel cost at the end of its useful life.

Notes to the Financial Statements

31 December 2015

16 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(d) The sensitivity of the key assumptions with all other variables being held constant to the profit or loss are as follows:

Group	Increase/(decrease) in profit before taxation RM'000
Utilisation rate increased by 5%	129,614
Utilisation rate decreased by 5%	(82,330)
Charter rate increased by 5%	91,624
Charter rate decreased by 5%	(97,126)
Discount rate increased by 1%	(47,053)
Discount rate decreased by 1%	43,446

17 GOODWILL

	Group	
	2015 RM'000	2014 RM'000
As at 1 January	-	1,411
Less: Impairment (Note 10)	-	(1,411)
As at 31 December	-	-

Goodwill were attributable to Bumi Armada Engineering Sdn. Bhd., acquired on 8 June 2006. In the prior financial year, the Group recorded impairment loss of RM1.4 million on the basis that the carrying amount of the goodwill exceeded its recoverable amount.

18 INVESTMENTS IN SUBSIDIARIES

	Company	
	2015 RM'000	2014 RM'000
Unquoted shares, at cost	**30,541**	30,505
7% Cumulative Redeemable Preference Shares, at cost	**16,000**	16,000
	46,541	46,505
Amounts due from subsidiaries	**1,844,799**	1,844,489
	1,891,340	1,890,994

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18 INVESTMENTS IN SUBSIDIARIES (CONT'D)

The Group's equity interest in its subsidiaries, their respective principal activities and country of incorporation are shown below:

Name of company	Principal activities	Group's effective interest 2015 %	Group's effective interest 2014 %	Country of incorporation
Direct subsidiaries:				
Armada Balnaves Pte. Ltd. (2)	Ship owners, charterers, managers of ships and vessels, marine support and other services to offshore oil and gas companies	**100**	100	Singapore
Armada Floating Solutions Limited (3)	Bareboat charter of a floating production storage and offloading unit	**100**	100	The British Virgin Islands
Armada Mahakam Limited (3)	Ship owners, charterers, managers of ships and vessels, marine support and other services to offshore oil and gas companies	**100**	100	The British Virgin Islands
Armada Marine Contractors Caspian Ltd. ("AMCCL") (3)	Ship owners, charterers, managers of ships and vessels, marine support and other services to offshore oil and gas companies	**100**	100	The British Virgin Islands
Armada Offshore DMCEST (1)	Dormant	**100**	100	Dubai, UAE
Armada Oyo Ltd. (3)	Bareboat charter of a floating production storage and offloading unit	**100**	100	The British Virgin Islands
Armada Ship Management (S) Pte. Ltd. (2)	Ship owners, charterers, managers of ships and vessels, marine support and other services to offshore oil and gas companies	**100**	100	Singapore
Armada TGT Ltd.	Ship owners, charterers, managers of ships and vessels, marine support and other services to offshore oil and gas companies	**100**	100	Republic of The Marshall Islands
Armada Kamelia Sdn. Bhd.	Dormant	**100**	100	Malaysia
Bumi Armada (Labuan) Ltd.	Ship owners, charterers, managers of ships and vessels, marine support and other services to offshore oil and gas companies	**100**	100	Federal Territory of Labuan, Malaysia

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18 INVESTMENTS IN SUBSIDIARIES (CONT'D)

The Group's equity interest in its subsidiaries, their respective principal activities and country of incorporation are shown below (cont'd):

Name of company	Principal activities	Group's effective interest 2015 %	Group's effective interest 2014 %	Country of incorporation
Direct subsidiaries (cont'd):				
Bumi Armada (Singapore) Pte. Ltd. ("BASPL") (2)	Ship management and chartering operation and maintenance of FPSO	**100**	100	Singapore
Bumi Armada Automation International Sdn. Bhd. (6)	Investment holding	**100**	100	Malaysia
Bumi Armada Engineering Sdn. Bhd. (4)	Provision of engineering consultancy services	**100**	100	Malaysia
Bumi Armada Navigation Sdn. Bhd. ("BAN")	Provision of marine transportation, and support services to offshore oil and gas companies and vessel construction	**95**	95	Malaysia
Bumi Armada Offshore Holdings Limited ("BAOHL")	Ship owners, charterers, managers of ships and vessels, marine support and other services to offshore oil and gas companies	**100**	100	Republic of The Marshall Islands
Bumi Armada Russia Holdings Limited (3)	Dormant	**100**	100	Republic of The Marshall Islands
Tera Sea Limited (3)	Ship owners, charterers, managers of ships and vessels, marine support and other services to offshore oil and gas companies	**100**	100	Republic of The Marshall Islands
Bumi Armada Holdings Labuan Ltd.	Provision of loans, advances and other facilities, and cash and debt management services, investment and financial risk management, and other treasury management services to Bumi Armada Group of companies	**100**	100	Federal Territory of Labuan, Malaysia
Offshore Marine Ventures Sdn. Bhd.	Provision of integrated service solutions for the supply, operation and maintenance of support vessels and logistics and maritime transportation services to the oil and gas industry	**100**	100	Malaysia

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18 INVESTMENTS IN SUBSIDIARIES (CONT'D)

The Group's equity interest in its subsidiaries, their respective principal activities and country of incorporation are shown below (cont'd):

Name of company	Principal activities	Group's effective interest 2015 %	Group's effective interest 2014 %	Country of incorporation
Direct subsidiaries (cont'd):				
Bumi Armada Capital Offshore Ltd.	Obtaining non-ringgit financing and providing cash and debt management services, investment and financial risk management services and other treasury management services to the Bumi Armada Group of companies	**100**	100	Federal Territory of Labuan, Malaysia
Bumi Armada Capital Malaysia Sdn. Bhd.	Providing and obtaining financing and other facilities, and providing cash and financial management services, investment and financial risk management services and other treasury management services to the Bumi Armada Group of companies	**100**	100	Malaysia
Bumi Armada Marine Holdings Limited ("BAMHL") (2)	Investment holding	**100**	-	The British Virgin Islands
Bumi Armada Singapore Holdings Pte. Ltd. ("BASH") (2)	Investment holding	**100**	-	Singapore
Subsidiary of AMCCL:				
Armada Marine Contractors Caspian Pte. Ltd. (2) & (5)	Chartering of ships, barges and boats with crew	**100**	100	Singapore
Subsidiaries of BAN:				
Armada Indah Sdn. Bhd.	Dormant	**95**	95	Malaysia
Armada Tankers Sdn. Bhd. ("ATSB")	Dormant	**95**	95	Malaysia
Bumi Armada Ship Management Sdn. Bhd.	Managers of ships and vessels, marine support and other services to offshore oil and gas companies	**95**	95	Malaysia
Bumi Care Offshore Production Sdn. Bhd.	Dormant	**57**	57	Malaysia

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18 INVESTMENTS IN SUBSIDIARIES (CONT'D)

The Group's equity interest in its subsidiaries, their respective principal activities and country of incorporation are shown below (cont'd):

Name of company	Principal activities	Group's effective interest 2015 %	Group's effective interest 2014 %	Country of incorporation
Subsidiaries of BAN (cont'd):				
Bumi Armada Navigation Labuan Limited	Shipping on bare boat or time charter basis	**95**	95	Federal Territory of Labuan, Malaysia
Bumi Armada Navigation Labuan International Limited	Shipping on bare boat or time charter basis	**95**	95	Federal Territory of Labuan, Malaysia
Subsidiaries of BAOHL:				
Armada TLDD Limited	Dormant	**100**	100	Republic of The Marshall Islands
Angoil Bumi JV, LDA(8) & (9)	Service provider to the oil and gas industry, especially for repair and maintenance of FPSO and OSV companies	**49**	49	Angola
Bumi Armada Angola Servicos Limited (3)	Dormant	**100**	100	Republic of The Marshall Islands
Bumi Armada Australia Pty. Ltd. (2)	Ship owning, chartering and managing of ships and vessels, marine support and other services to offshore oil and gas companies	**100**	100	Australia
Bumi Armada Do Brasil Servicos Maritimos Ltda (3) & (7)	Dormant	**100**	100	Brazil
Bumi Armada Offshore Contractor Limited ("BAOCL")	Ship owners, charterers, managers of ships and vessels, marine support and other services to offshore oil and gas companies	**100**	100	Republic of The Marshall Islands
Armada Blue LLC (3)	Dormant	**100**	100	The United States of America

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18 INVESTMENTS IN SUBSIDIARIES (CONT'D)

The Group's equity interest in its subsidiaries, their respective principal activities and country of incorporation are shown below (cont'd):

Name of company	Principal activities	Group's effective interest 2015 %	Group's effective interest 2014 %	Country of incorporation
Subsidiaries of BAOHL (cont'd):				
Armada Offshore OSV Limited	Ship owners, charterers, managers of ships and vessels, marine support and other services to offshore oil and gas companies	**100**	100	Republic of The Marshall Islands
Armada Offshore MPSV Limited	Ship owners, charterers, managers of ships and vessels, marine support and other services to offshore oil and gas companies	**100**	100	Republic of The Marshall Islands
Bumi Armada UK Limited (2)	Offshore oil and gas marine services	**100**	100	The United Kingdom
Armada Kraken Limited (3)	Ship owners, charterers, managers of ships and vessels, marine support and other services to offshore oil and gas companies	**100**	100	Republic of The Marshall Islands
Bumi Armada Ghana Limited (2)	Provision of floating production storage and offload and offshore supply vessels	**100**	100	Ghana
Armada Kraken Pte. Ltd. (2)	Ship owners, charterers, managers of ships and vessels, marine support and other services to offshore oil and gas companies	**100**	100	Singapore
Armada Cabaca Ltd.	Ship owners, charterers, managers of ships and vessels, marine support and other services to offshore oil and gas companies	**100**	100	Republic of The Marshall Islands
Armada Etan Limited (3)	Ship owners, charterers, manager of ships and vessels, marine support and other services to offshore oil and gas companies	**100**	-	Republic of The Marshall Islands
Armada Regasification Services Malta Ltd. (9)	Charterers, manager of ships and vessels, marine support and other services to offshore oil and gas companies	**100**	-	Malta

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18 INVESTMENTS IN SUBSIDIARIES (CONT'D)

The Group's equity interest in its subsidiaries, their respective principal activities and country of incorporation are shown below (cont'd):

Name of company	Principal activities	Group's effective interest 2015 %	Group's effective interest 2014 %	Country of incorporation
Subsidiaries of BAOHL (cont'd):				
Armada Floating Gas Services Malta Ltd. [9]	Charterers, manager of ships and vessels, marine support and other services to offshore oil and gas companies	**100**	-	Malta
Armada Floating Gas Storage Malta Ltd. [9]	Ship owners, charterers, manager of ships and vessels, marine support and other services to offshore oil and gas companies	**100**	-	Malta
Subsidiary of BASPL:				
Bumi Armada Nigeria Limited [2]	Dormant	**99**	99	Federal Republic of Nigeria
Subsidiary of ATSB:				
Armada Alpha Sdn. Bhd.	Dormant	**95**	95	Malaysia
Subsidiaries of BAOCL:				
Bumi Armada Caspian LLC [2]	Activities relative to oil and gas industry	**100**	100	Russia
Bumi Armada Marine LLC [3]	Provision of marine support and other services to oil and gas companies	**100**	100	Russia

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18 INVESTMENTS IN SUBSIDIARIES (CONT'D)

The Group's equity interest in its subsidiaries, their respective principal activities and country of incorporation are shown below (cont'd):

Name of company	Principal activities	Group's effective interest 2015 %	Group's effective interest 2014 %	Country of incorporation
Subsidiary of BAMHL:				
Bumi Armada Marine Naryan Mar Pte. Ltd. [(2)]	Ship owners, charterers, manager of ships and vessels, marine support and other services to offshore oil and gas companies	**100**	-	Singapore
Bumi Armada Marine Pokachi Pte. Ltd. [(2)]	Ship owners, charterers, manager of ships and vessels, marine support and other services to offshore oil and gas companies	**100**	-	Singapore
Bumi Armada Marine Uray Pte. Ltd. [(2)]	Ship owners, charterers, manager of ships and vessels, marine support and other services to offshore oil and gas companies	**100**	-	Singapore
Subsidiary of BASH:				
Armada Constructor Pte. Ltd. [(2)]	Ship owners, charterers, managers of ships and vessels, marine support and other services to oil and gas companies	**100**	-	Singapore

(1) The financial statements of these companies are audited by firms other than member firms of PricewaterhouseCoopers International Limited.
(2) These companies are audited by member firms of PricewaterhouseCoopers International Limited, which are separate and independent legal entities from PricewaterhouseCoopers, Malaysia.
(3) These companies are not required by their local laws to appoint statutory auditors.
(4) Shares are held by the entity's directors for the benefit of and on behalf of the Company.
(5) Shares are held through a nominee, namely Malaysia Nominees (Asing) Sendirian Berhad.
(6) Consolidated using predecessor method of merger accounting.
(7) The effective interest of the Company is 99.99%.
(8) Notwithstanding the Group holding less than 50% equity interest, the investment in Angoil Bumi JV, LDA is classified as subsidiary (not a joint venture) due to the Group's control pursuant to the shareholders' agreement.
(9) Auditors not appointed yet.

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19 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Quoted equity securities, outside Malaysia				
At 1 January	**38,103**	46,615	-	-
Less: Impairment (Note 10)	**(25,223)**	(26,221)	-	-
Exchange differences	**7,360**	3,361	-	-
	20,240	23,755	-	-
Less: Fair value gain transfer to equity (Note36(e))	-	14,348	-	-
At 31 December	**20,240**	38,103	-	-
Unquoted debt securities - preference shares - outside Malaysia				
At 1 January	-	2,027	-	2,027
Less: Impairment (Note 10)	-	(2,027)	-	(2,027)
At 31 December	-	-	-	-
Total	**20,240**	38,103	-	-

The fair value of quoted equity securities is determined by reference to published price quotations.

20 ACCRUED LEASE RENTALS

	Group	
	2015 RM'000	2014 RM'000
Current	**572,922**	786,069
Non-current	**117,605**	187,502
	690,527	973,571

20 ACCRUED LEASE RENTALS (CONT'D)

The future minimum lease payments receivable under non-cancellable operating leases are as follows:

	Group	
	2015 RM'000	2014 RM'000
No later than 1 year	**633,097**	498,977
Later than 1 year and no later than 5 years	**1,109,309**	1,429,098
Later than 5 years	-	88,356
	1,742,406	2,016,431

The Group leases vessels under various agreements which terminate between 2016 and 2018. These agreements include extension options. The total contingent rent recognised during the financial year was RM24.7 million (2014: RM Nil) which is included as part of vessel charter fees and support services rendered in Note 6.

21 DEFERRED TAXATION

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the statement of financial position:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Deferred tax assets	**35,799**	13,743	**5,905**	1,672
Deferred tax liabilities	**(36,579)**	(58,870)	-	-
Subject to income tax:				
Deferred tax assets				
- payables	**40,599**	180,227	**6,324**	3,535
- unutilised tax losses	**2,504**	1,835	-	-
- property, plant and equipment	**20,859**	60,605	-	-
	63,962	242,667	**6,324**	3,535
Offsetting	**(28,163)**	(228,924)	**(419)**	(1,863)
Deferred tax assets (after offsetting)	**35,799**	13,743	**5,905**	1,672

Notes to the Financial Statements

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21 DEFERRED TAXATION (CONT'D)

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Deferred tax liabilities				
- property, plant and equipment	**(28,672)**	(35,364)	**(419)**	(1,863)
- receivables	**(28,740)**	(241,996)	**-**	-
- amounts due from customers on contract	**(7,330)**	(10,434)	**-**	-
	(64,742)	(287,794)	**(419)**	(1,863)
Offsetting	**28,163**	228,924	**419**	1,863
Deferred tax liabilities (after offsetting)	**(36,579)**	(58,870)	**-**	-

The movements during the financial year relating to deferred taxation are as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
At 1 January	**(45,127)**	2,370	**1,672**	7,925
(Credited)/charged to the profit or loss (Note 13)				
- property, plant and equipment	**(33,128)**	39	**1,444**	(200)
- receivables	**225,361**	(168,200)	**-**	-
- payables	**(142,305)**	132,396	**2,789**	(5,091)
- unutilised tax losses	**669**	873	**-**	(962)
- amounts due from customers on contract	**3,104**	(5,187)	**-**	-
	53,701	(40,079)	**4,233**	(6,253)
Exchange differences	**(9,354)**	(7,418)	**-**	-
At 31 December	**(780)**	(45,127)	**5,905**	1,672

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31 December 2015

21 DEFERRED TAXATION (CONT'D)

The amount of unabsorbed capital allowance and unutilised tax losses (which have no expiry date) for which no deferred tax asset is recognised in the statement of financial position as it is not probable that taxable profit will be available against which these temporary differences can be utilised are as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Unutilised tax losses	**124,557**	103,389	**8,753**	3,847
Unabsorbed capital allowance	**22,071**	21,606	**22,071**	21,606

22 AMOUNTS DUE FROM/(TO) JOINT VENTURES

The amounts due from joint ventures are unsecured, interest free and ranging from no credit term to 30 days (2014: no credit terms to 30 days) and classified as current except for an amount due from a joint venture of RM62.7 million (2014: RM47.4 million) for the Group which are not expected to be recovered in the next 12 months. As at 31 December 2015, there was no impairment (2014: RM Nil) on amounts due from joint ventures.

The amounts due to joint ventures classified as current are repayable on demand.

Past due but not impaired

Amounts that are past due but not impaired relate to a number of joint ventures for whom there is no recent history of default but remain slow paying. The ageing analysis of amounts due from joint ventures is as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Less than 30 days past due	**1,421**	806	**60**	724
Between 31 and 60 days past due	**3,943**	4,310	**10,105**	1,007
Between 61 and 90 days past due	**5,834**	22,913	**861**	1,606
Between 91 days and 1 year past due	**38,442**	61,916	**9,607**	17,301
More than 1 year past due	**128,281**	48,369	**31,778**	12,033
	177,921	138,314	**52,411**	32,671

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23 INVENTORIES

	Group 2015 RM'000	Group 2014 RM'000
Fuel	**6,051**	4,830

24 AMOUNTS DUE FROM CUSTOMERS ON CONTRACT

	Group 2015 RM'000	Group 2014 RM'000
Aggregate costs incurred	**982,517**	748,321
Profit recognised to-date	**112,114**	126,810
Cumulative contract revenue recognised	**1,094,631**	875,131
Less: Progress billings	**(939,647)**	(738,526)
	154,984	136,605

25 TRADE RECEIVABLES

	Group 2015 RM'000	Group 2014 RM'000
Trade receivables	**818,147**	819,898
Less: Impairment	**(304,798)**	(115,459)
	513,349	704,439

Neither past due nor impaired

With respect to trade receivables that are neither past due nor impaired, these relates to customers with no recent history of default. Management believes that these trade receivables are with customers that are of good credit quality and collectable and as such no impairment provision is necessary.

Past due but not impaired

Amounts that are past due but not impaired relate to a number of customers for whom there is no recent history of default but remain slow paying. The ageing analysis of these receivables is as follows:

	Group 2015 RM'000	Group 2014 RM'000
Less than 30 days past due	**49,437**	52,785
Between 31 and 60 days past due	**27,439**	52,711
Between 61 and 90 days past due	**30,405**	32,312
Between 91 days and 1 year past due	**162,780**	220,306
More than 1 year past due	**12,127**	17,849
	282,188	375,963

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25 TRADE RECEIVABLES (CONT'D)

If the above past due but not impaired receivables had been impaired by 5% (2014: 5%) from management's estimates, the allowance for impairment of the Group would have been higher by RM14.1 million (2014: RM18.8 million).

Impaired and provided for

During the financial year, trade receivables totaling to RM168.0 million (2014: RM66.0 million) were impaired and charged to profit or loss. As at 31 December 2015, the amount of the provision was RM304.8 million (2014: RM115.5 million). The individually impaired receivables mainly relate to a number of customers, which are in unexpectedly difficult financial position due to the current industry conditions.

Movements of the Group's impairment of trade receivables are as follows:

	Group	
	2015 RM'000	2014 RM'000
At 1 January	**115,459**	43,211
Charged to profit or loss (Note 10)	**167,951**	65,956
Exchange differences	**21,388**	6,292
At 31 December	**304,798**	115,459

26 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Other receivables	**88,779**	61,620	**20,229**	22,296
Deposits and prepayments	**75,647**	77,067	**2,960**	2,839
Staff advances	**898**	1,150	**112**	483
	165,324	139,837	**23,301**	25,618

As at 31 December 2015, there was no impairment (2014: RM Nil) on other receivables, deposits and prepayments and staff advances. These amounts are interest free, unsecured and have no fixed term of repayment.

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31 December 2015

27 AMOUNTS DUE FROM/(TO) SUBSIDIARIES

The amounts due from subsidiaries are unsecured and have no fixed term of repayment. These amounts are interest free except for an amount due from a subsidiary of RM500.0 million (2014: RM287.6 million) which bears floating interest rates ranging from 4.69% to 4.86% (2014: 4.22% to 4.80%) per annum. As at 31 December 2015, there was no impairment (2014: RM Nil) on amounts due from subsidiaries.

All balances are non-trade in nature except for an amount of RM355.5 million (2014: RM57.9 million) which are trade in nature.

The amounts due to subsidiaries classified as current are repayable on demand.

28 NON-CURRENT ASSETS CLASSIFIED AS HELD-FOR-SALE

The movements during the financial year relating to non-current assets classified as held-for-sale are as follows:

	Group	
	2015 RM'000	2014 RM'000
Net book value		
At 1 January	**66,481**	-
Transfer from property, plant and equipment (Note 16)	**5,700**	126,197
Transfer to property, plant and equipment (Note 16)	**(46,619)**	-
Impairment (Note 10)	**(24,541)**	-
Disposals	**(9,431)**	(61,143)
Exchange differences	**14,110**	1,427
At 31 December	**5,700**	66,481

29 DEPOSITS, CASH AND BANK BALANCES

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Cash and bank balances	**710,376**	362,568	**4,090**	3,417
Deposits with licensed banks	**815,342**	2,940,679	**364,844**	1,752,403
	1,525,718	3,303,247	**368,934**	1,755,820

Notes to the Financial Statements
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29 DEPOSITS, CASH AND BANK BALANCES (CONT'D)

The weighted average interest rates per annum of deposits with licensed banks that were effective as at the reporting date were as follows:

	Group		Company	
	2015	2014	2015	2014
	%	%	%	%
Deposits with licensed banks	**2.38**	2.52	**3.97**	3.84

Bank balances were deposits held at call with banks and earn interest ranging between 0% to 1.9% (2014: 0% to 1.9%).

Included in deposits with licensed banks were RM0.9 million for the Group and the Company (2014: RM1.5 million and RM0.9 million for the Group and the Company respectively) which have been designated for specific purposes.

Bank deposits are mainly deposits with banks which have high credit-ratings as determined by international credit-rating agencies.

30 OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
		Restated		
Current				
Advances from customers	**19,848**	22,746	-	-
Other payables	**51,004**	138,990	**19,444**	21,240
Accruals	**108,475**	45,775	**40,260**	32,346
	179,327	207,511	**59,704**	53,586
Non-current				
Advances from customers	**456,820**	349,730	-	-
	636,147	**557,241**	**59,704**	**53,586**

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31 HIRE PURCHASE CREDITORS

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Analysis of hire purchase commitments				
- payable within one year	-	84	-	65
- payable between one and two years	-	24	-	-
- payable between two and five years	-	30	-	-
	-	138	-	65
Less: Interest in suspense	-	(14)	-	(8)
	-	124	-	57
Representing hire purchase liabilities				
- due within 12 months	-	68	-	57
- due after 12 months	-	56	-	-
	-	124	-	57

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32 BORROWINGS

	Group 2015 RM'000	Group 2014 RM'000
Current		
Term loans - secured	**936,737**	433,176
Term loans - unsecured	**174,910**	554,240
	1,111,647	987,416
Revolving credits - unsecured	**627,869**	-
Bridging loan - unsecured	**-**	52
Sukuk Murabahah [1] - unsecured	**30,655**	30,655
	1,770,171	1,018,123
Non-current		
Term loans - secured	**2,338,297**	1,184,471
Term loans - unsecured	**2,422,150**	1,880,642
Bridging loan - unsecured	**-**	610,792
Sukuk Murabahah [1] - unsecured	**1,498,936**	1,498,797
	6,259,383	5,174,702
Total borrowings	**8,029,554**	6,192,825

[1] The Sukuk Murabahah was issued by Bumi Armada Capital Malaysia Sdn Bhd under the Shariah principle of Murabahah (via a Tawarruq arrangement) for the full aggregate nominal value of RM1.5 billion for a tenure of 10 years, at a profit rate of 6.35% per annum.

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

	Group 2015 %	Group 2014 %
Bridging loan	**-**	1.50
Revolving credits	**1.51**	-
Term loans	**3.19**	2.75
Sukuk Murabahah	**6.35**	6.35

32 BORROWINGS (CONT'D)

Group	Interest/ profit rate terms	Currency exposure	Total carrying amount RM'000	Maturity profile < 1 year RM'000	1-2 years RM'000	2-5 years RM'000	>5 years RM'000
At 31 December 2015							
Unsecured:							
- term loans	Floating rates varies based on cost of funds ("COF")	RM	445,465	170,465	182,500	92,500	-
	Floating rates varies based on London Interbank Offer Rate ("LIBOR")	USD	2,151,595	4,445	-	2,147,150	-
- Sukuk Murabahah	Fixed rate for a tenure of 10 years	RM	1,529,591	30,655	-	-	1,498,936
- revolving credit	Floating rates varies based on LIBOR	USD	627,869	627,869	-	-	-
Secured:							
- term loans	Floating rates varies based on LIBOR	USD	3,197,891	908,587	438,998	885,707	964,599
	Floating rates varies based on COF	RM	77,143	28,150	27,688	21,305	-
			8,029,554	1,770,171	649,186	3,146,662	2,463,535

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32 BORROWINGS (CONT'D)

Group	Interest/ profit rate terms	Currency exposure	Total carrying amount RM'000	Maturity profile < 1 year RM'000	1-2 years RM'000	2-5 years RM'000	>5 years RM'000
At 31 December 2014							
Unsecured:							
- term loans	Fixed rates depending on disbursement of tranches	RM	50,862	50,862	-	-	-
	Floating rates varies based on cost of funds ("COF")	RM	615,742	170,742	170,000	275,000	-
	Floating rates varies based on London Interbank Offer Rate ("LIBOR")	USD	1,768,278	332,636	-	1,435,642	-
- bridging loan	Floating rates varies based on LIBOR	USD	610,844	52	610,792	-	-
- Sukuk Murabahah	Fixed rate for a tenure of 10 years	RM	1,529,452	30,655	-	-	1,498,797
Secured:							
- term loans	Floating rates varies based on LIBOR	USD	1,513,278	405,488	411,185	696,605	-
	Floating rates varies based on COF	RM	104,369	27,688	27,687	48,994	-
			6,192,825	1,018,123	1,219,664	2,456,241	1,498,797

Notes to the Financial Statements

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32 BORROWINGS (CONT'D)

The term loans were secured as follows (either single security or combination of securities):

(i) Fixed charges over certain vessels in subsidiaries (Note 16).
(ii) Assignment of insurance policies for the vessels charged in (i) above.
(iii) Assignment of charter proceeds for the vessels charged in (i) above.
(iv) Assignment of ship building contracts for the vessels charged in (i) above.
(v) Corporate guarantee from the Company.
(vi) Shares of certain subsidiaries.

Certain bridging loan and term loans facilities were arranged to finance the construction of vessels of the Group and for working capital purpose.

33 DERIVATIVE FINANCIAL INSTRUMENTS

	Group			
	2015		2014	
	Assets RM'000	Liabilities RM'000	Assets RM'000	Liabilities RM'000
Derivatives used for hedging:				
- Interest rate swaps	-	**(3,948)**	-	(6,672)
- Cross currency interest rate swaps	-	**(673,762)**	-	(175,078)
Total	-	**(677,710)**	-	(181,750)
Less: Non-current portion				
Derivatives used for hedging:				
- Interest rate swaps	-	**202**	-	-
- Cross currency interest rate swaps	-	**(654,971)**	-	(174,227)
	-	**(654,769)**	-	(174,227)
Current portion	-	**(22,941)**	-	(7,523)

The fair value of a hedging derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months and, as a current asset or liability, if the maturity of the hedged item is less than 12 months.

As at 31 December 2015, the Group recognised derivative financial liabilities of RM677.7 million (2014: RM181.8 million) on re-measuring the fair values of the derivative financial instruments. Of the increase of RM495.9 million from the previous financial year, an amount of RM488.8 million was included in the cash flow hedging reserve attributable to the Group and non-controlling interests, of which RM356.4 million was recycled to profit or loss while RM15.2 million was recorded as fair value loss from derivative financial instruments through profit or loss.

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33 DERIVATIVE FINANCIAL INSTRUMENTS (CONT'D)

(a) Cross currency interest rate swaps

A subsidiary whose functional currency is in USD had entered into cross currency interest rate swaps used to manage its floating interest rate term loans denominated in RM as disclosed in Note 32.

At 31 December 2015, the fixed interest was 2.85% (2014: 2.85%) per annum and the main floating rate was cost of funds ("COF") plus a margin of 1.75% (2014: COF plus a margin of 1.75%) per annum. The swaps mature on 24 May 2018.

Another subsidiary whose functional currency is in RM had entered into cross currency interest rate swaps to manage forecasted USD receipts that are highly probable.

The notional principal amounts of the outstanding cross currency interest rate swaps at 31 December 2015 were RM1,576.7 million (2014: RM1,454.4 million).

(b) Interest rate swaps

The notional principal amounts of interest rate swap contracts used to manage the floating interest rate risk arising from term loans were RM1,204.3 million (2014: RM1,401.7 million). These interest rate swap contracts receive fixed interest rate ranging from 0.99% to 4.69% (2014: 0.99% to 4.69%) per annum and have the same maturity terms as the bank borrowings.

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34 SHARE CAPITAL

		Company			
		Number of shares		Nominal value	
	Par value RM	2015 '000	2014 '000	2015 RM'000	2014 RM'000
Authorised:					
Ordinary shares					
At 1 January	0.20	**10,000,000**	4,000,000	**2,000,000**	800,000
Additions during the financial year	0.20	-	6,000,000	-	1,200,000
At 31 December	0.20	**10,000,000**	10,000,000	**2,000,000**	2,000,000
Issued and fully paid:					
Ordinary shares					
At 1 January	0.20	**5,866,269**	2,931,591	**1,173,253**	586,318
Issuance of new shares from exercise of employee share options	0.20	-	1,544	-	309
Bonus issue	0.20	-	1,466,567	-	293,313
Rights issue	0.20	-	1,466,567	-	293,313
At 31 December	0.20	**5,866,269**	5,866,269	**1,173,253**	1,173,253

In the prior financial year, the Company has undertaken the following:

(i) Bonus issue of 1,466,567,294 new ordinary shares of RM0.20 each;

(ii) Rights issue of 1,466,567,350 new ordinary shares of RM0.20 each at an issue price of RM1.35 each; and

(iii) Increase in authorised share capital from RM800,000,000 comprising 4,000,000,000 ordinary shares of RM0.20 each to RM2,000,000,000 comprising 10,000,000,000 ordinary shares of RM0.20 each.

The new ordinary shares issued in the prior financial year rank pari passu in all respects with the existing ordinary shares of the Company.

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35 EMPLOYEE SHARE OPTION SCHEME

The Company implemented an Employees' Share Option Scheme ("ESOS" or "Scheme") which came into effect on 28 June 2011 for a period of 10 years to 27 June 2021. The ESOS is governed by the By-Laws which were approved by the shareholders on 18 June 2011. The main features of the Scheme are as follows:

(a) An eligible employee shall pay a sum of RM1.00 as consideration for acceptance of that offer. An option shall be exercisable at a price which is the weighted average of the market price quotation of the shares for the five (5) market days immediately preceding the date on which the options are granted, rounded to the nearest sen, or the par value of the shares, whichever is higher.

(b) Unless otherwise determined by our Board (or such other committee appointed by our Board to administer the ESOS), each option shall become exercisable, to the extent of one-third of the shares covered thereby, on each of the first three (3) anniversaries of the date of grant, if the holder of such option shall have been in the continuous service of the Company or subsidiaries that are not dormant throughout such period. No options shall be exercisable if the exercise of such options would violate any provision of applicable laws, nor shall any options be exercisable more than ten (10) years from the date on which the Scheme became effective.

(c) No option shall be granted pursuant to the ESOS on or after the 10^{th} anniversary of the date on which the Scheme became effective.

(d) The new shares issued upon the exercise of an option will be subject to all the provisions of the Company's Memorandum and Articles of Association and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and shall rank pari passu in all respects with the then existing issued ordinary shares of the Company, save that they will not entitle the holders thereof to receive any rights or bonus issue or dividends or distributions the entitlement date of which precedes the date of the issue of such new shares.

(e) The total number of shares to be issued under the ESOS shall not exceed in aggregate 10% of the issued share capital of the Company at any point of time during the tenure of the ESOS and out of which not more than 50% of the shares shall be allocated, in aggregate, to Executive Directors and senior management of the Group. In addition, not more than 10% of the shares available under the ESOS shall be allocated to any individual employee or Executive Director who, either singly or collectively through persons connected with him/her, holds 20% or more in the issued and paid-up capital of the Company. The Company is in compliance with the requirements with regards to the options granted to the Directors and senior management during the financial year.

Notes to the Financial Statements
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35 EMPLOYEE SHARE OPTION SCHEME (CONT'D)

The fair value as at the grant date of share options granted in the prior financial year was determined using the Black Scholes valuation model, taking into account the terms and conditions upon which the options were granted. The inputs to the model used were as follows:

	2014
Dividend yield (%)	0.78% to 1.66%
Expected volatility (%)	27.1% to 29.8%
Risk-free interest rate (%)	3.11% to 3.57%
Expected life of option (years)	1 to 4 years
Share price at date of grant (RM)	1.83 to 2.39
Exercise price of option (RM)	1.83 to 2.39
Fair value of option at date of grant (RM)	0.26 to 0.50

The expected average life of options is based on historical information, which may not necessarily be indicative of the future exercise pattern that may occur. The expected volatility reflects the assumptions based on the historical volatility on the assumptions that this is indicative of future trends which may also not necessarily be the actual outcome.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2015		2014	
	Average exercise price per share option (RM)	Options ('000)	Average exercise price per share option (RM)	Options ('000)
At 1 January	**2.14**	**112,957**	3.38	50,911
Granted	-	-	2.22	68,838*
Forfeited	**2.24**	**(17,988)**	2.27	(5,248)
Exercised	-	-	1.87	(1,544)
At 31 December	**2.11**	**94,969**	2.14	112,957

* Adjusted as a result of the Bonus Issue and the Rights Issue in the prior financial year.

Out of the 94,969,255 outstanding options (2014: 112,957,221 outstanding options), 74,643,011 options (2014: 39,929,599 options) were exercisable as at the end of the reporting period.

There were no options exercised in the financial year ended 31 December 2015. In the prior financial year ended 31 December 2014, 1,543,800 shares were issued at a weighted average price of RM1.87 each. The related weighted average share price at the time of exercise was RM 2.29 per share.

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35 EMPLOYEE SHARE OPTION SCHEME (CONT'D)

Share options outstanding at end of the financial year have the following expiry dates and exercise prices:

Grant/Vest	Expiry date	Exercise price in RM per share option	Share options ('000) 2015	2014
2011/2012	2016	1.82	**935**	1,541
2011/2013	2016	1.82	**1,979**	2,828
2011/2014	2016	1.82	**13,388**	14,696
2011/2015	2016	1.82	**22,574**	22,574
2012/2013	2017	2.25	**3,725**	6,008
2012/2014	2017	2.25	**4,028**	6,391
2012/2015	2017	2.25	**5,371**	8,522
2013/2013	2018	2.27/2.28	**3,859**	3,859
2013/2014	2018	2.27/2.28/2.43	**4,606**	4,606
2013/2015	2018	2.27/2.28/2.43	**5,892**	5,892
2013/2016	2018	2.43	**996**	996
2014/2015	2019	1.83/2.39	**8,284**	10,513
2014/2016	2019	1.83/2.39	**8,284**	10,513
2014/2017	2019	1.83/2.39	**11,048**	14,018
			94,969	112,957

* The number of options and exercise price above reflect the adjustments done for the Bonus Issue and the Rights Issue in the prior financial year.

36 RESERVES

(a) Share premium

Share premium of the Group and of the Company represents premium arising from the issuance of ordinary shares of the Company at issue price above the nominal value.

(b) Foreign exchange reserve

The foreign exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of entities that have functional currency different from the Group's presentation currency.

(c) Share option reserve

The share option reserve comprises the cumulative value of employee services received for the issue of share options by the Company. The fair value, measured at grant date of the share options granted to these employees is recognised as an employee expense in profit or loss and a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options.

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36 RESERVES (CONT'D)

(d) Hedging reserve

The hedging reserve comprises the effective portion of the fair value changes on derivatives under cash flow hedges.

(e) Other reserves

Other reserves represents the preference share redemption reserve for the Company and a subsidiary amounting to RM0.3 million (2014: RM0.3 million) and fair value change of a call option granted to a former executive director of RM6.3 million (2014: RM 6.3 million).

37 COMMITMENTS

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
(i) Capital expenditure for property, plant and equipment not provided for in the financial statements:				
- authorised and contracted	**1,212,538**	892,420	-	-
- authorised but not contracted	**3,885,120**	7,673,842	-	-
	5,097,658	8,566,262	-	-
(ii) Commitments for amounts payable under operating leases for rental of premises:				
- payable within one year	**13,298**	13,678	**8,096**	6,822
- payable later than one year and not later than five years	**10,992**	39,342	**2,842**	29,403
- payable later than five years	**7,049**	10,180	-	3,184
	31,339	63,200	**10,938**	39,409

The Group and the Company have entered into lease arrangements (classified as operating leases) for office premises with durations varying from 1 to 9 years and 1 to 2 years respectively (2014: 1 to 10 years and 2 to 3 years respectively).

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38 SIGNIFICANT RELATED PARTY DISCLOSURES

The related parties of the Group and the Company are:

(a) Subsidiaries

Details of the subsidiaries are shown in Note 18.

(b) Joint ventures

Details of the joint ventures are shown in Note 9.

(c) Key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and the Company either directly or indirectly. The key management personnel of the Group and the Company include Directors of the Company and certain members of senior management of the Company and of the Group.

Usaha Tegas Sdn Bhd ("UTSB") is a party related to the Company by virtue of its substantial equity interest in Objektif Bersatu Sdn Bhd ("OBSB"), a substantial shareholder of the Company. The ultimate holding company of UTSB is PanOcean Management Limited ("PanOcean"). PanOcean is the trustee of a discretionary trust, the beneficiaries of which are members of the family of Ananda Krishnan Tatparanandam ("TAK") and foundations including those for charitable purposes. Although PanOcean and TAK are deemed to have an interest in the shares of the Company through UTSB's deemed interest in OBSB, they do not have any economic or beneficial interest in such shares as such interest is held subject to the terms of such discretionary trust.

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38 SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D)

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions. The related party transactions described below were carried out on terms and conditions agreed with related parties.

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
(i) Transactions with UTSB Management Sdn Bhd [1]				
- reimbursable costs incurred in respect of management services agreement	**1,549**	12,272	**1,549**	12,272
- management fees	**10,074**	5,535	**10,074**	5,535
(ii) Telecommunication expenses to Maxis Berhad [2]	**1,974**	2,762	**680**	2,621
(iii) Rental to Malaysian Landed Property Sdn Bhd [3]	**7,713**	7,086	**7,039**	6,960
(iv) Transactions with joint ventures:				
- ship management fee to Century Bumi Limited	**4,385**	15,077	**-**	-
(v) Transaction with key management:				
Key management personnel compensation:				
- Non-executive Directors fees	**2,763**	2,719	**2,763**	2,719
- salaries, bonus, allowances and other staff related costs	**8,266**	31,067	**7,486**	29,078
- defined contribution plan	**1,797**	4,154	**1,703**	3,915
- share-based payment	**2,038**	11,228	**2,038**	11,228
(vi) Central overheads fees charged/ (reversed)				
- subsidiaries	**-**	-	**237,054**	235,458
- joint ventures	**(8,048)**	5,122	**(8,048)**	5,122
(vii) Payment on behalf of:				
- subsidiaries	**-**	-	**1,481,612**	340,301
- joint ventures	**14,974**	131,439	**5,194**	37,631
(viii) Repayment on behalf by subsidiaries	**-**	-	**(174,610)**	(137,742)

(1) Subsidiary of UTSB, an indirect major shareholder of the Company.
(2) Subsidiary of a joint venture, in which UTSB has a significant equity interest.
(3) Subsidiary of a company in which TAK has a 100% equity interest.

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39 FAIR VALUES

The carrying amounts of financial assets and financial liabilities of the Group and the Company at the reporting date approximated their fair values except as set out below:

Group	Carrying amount 2015 RM'000	Carrying amount 2014 RM'000	Fair value 2015 RM'000	Fair value 2014 RM'000
Fixed rate term loans and Sukuk Murabahah (Note 32)	**1,529,591**	1,580,314	**1,483,474**	1,531,621

The fair values of amounts due from joint ventures and fixed rate term loans are within Level 3 of the fair value hierarchy.

The Group estimates the fair value of fixed rate term loans, Sukuk Murabahah and amounts due from joint ventures by discounting future contractual cash flows at the current market interest rate available to the Group for similar financial instruments. The discount rates to determine fair value of fixed rate term loans, Sukuk Murabahah and amounts due from joint ventures ranging between 4.00% and 6.52% respectively (2014: 4.00% and 6.53% respectively).

The Group believes that its estimate of fair value is appropriate and the use of different methodologies or assumptions could lead to different measurement of fair value.

40 CONTINGENT LIABILITIES

	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Bank guarantees extended to third parties	**1,134,677**	679,757	**892,783**	467,089
Corporate guarantees given to banks for credit facilities granted to subsidiaries	-	-	**7,188,911**	5,404,523
	1,134,677	679,757	**8,081,694**	5,871,612

The corporate guarantees are financial guarantees given to banks for credit facilities granted to subsidiaries. Total borrowings, of which corporate guarantees are given, are disclosed above. The fair value on initial recognition of corporate guarantees was not material as the possibility of default by subsidiaries is negligible.

The Company is exposed to credit risk arising from financial guarantee contracts given to banks for subsidiaries' borrowings where the maximum credit risk exposure is the amount of borrowings utilised by the subsidiaries. The Company believes that the financial guarantee contracts are unlikely to be called by the subsidiaries' banks.

The maximum amount of the financial guarantees issued to the banks for subsidiary companies' borrowings is limited to the amount utilised by the subsidiary companies, amounting to RM7,188.9 million as at 31 December 2015 (2014: RM5,404.5 million). The earliest period the financial guarantee can be called upon by the banks is within the next 12 months. The Company believes that the liquidity risk in respect of the financial guarantees is minimum as it is unlikely that the subsidiary companies will not make payment to the banks when their respective borrowings fall due.

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41 FINANCIAL INSTRUMENTS BY CATEGORY

Analysis of the financial instruments for the Group is as follows:

	Available-for-sale RM'000	Loans and receivables RM'000	Total RM'000
At 31 December 2015			
Financial assets:			
Available-for-sale financial assets	20,240	-	20,240
Trade receivables	-	513,349	513,349
Other receivables excluding deposits and prepayments	-	89,677	89,677
Amounts due from joint ventures	-	264,343	264,343
Deposits, cash and bank balances	-	1,525,718	1,525,718
	20,240	2,393,087	2,413,327

	Other financial liabilities at amortised costs RM'000	Derivatives used for hedging RM'000	Total RM'000
At 31 December 2015			
Financial liabilities:			
Trade payables and accruals	1,298,857	-	1,298,857
Other payables and accruals	151,009	-	151,009
Borrowings	8,029,554	-	8,029,554
Amounts due to joint ventures	25,189	-	25,189
Derivative financial instruments	-	677,710	677,710
	9,504,609	677,710	10,182,319

	Available-for-sale RM'000	Loans and receivables RM'000	Total RM'000
At 31 December 2014			
Financial assets:			
Available-for-sale financial assets	38,103	-	38,103
Trade receivables	-	704,439	704,439
Other receivables excluding deposits and prepayments	-	62,770	62,770
Amounts due from joint ventures	-	196,864	196,864
Deposits, cash and bank balances	-	3,303,247	3,303,247
	38,103	4,267,320	4,305,423

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41 FINANCIAL INSTRUMENTS BY CATEGORY (CONT'D)

Analysis of the financial instruments for the Group is as follows (cont'd):

	Other financial liabilities at amortised costs RM'000	Derivatives used for hedging RM'000	Total RM'000
At 31 December 2014			
Financial liabilities:			
Trade payables and accruals	699,416	-	699,416
Other payables and accruals	184,765	-	184,765
Borrowings	6,192,825	-	6,192,825
Hire purchase creditors	124	-	124
Amounts due to joint ventures	18,598	-	18,598
Derivative financial instruments	-	181,750	181,750
	7,095,728	181,750	7,277,478

The table below analyses financial instruments carried at fair value, by valuation method. 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)

The fair value of financial instrument traded in active market is based on quoted market price at the balance sheet 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 are used to determine fair value for the 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.

Notes to the Financial Statements
31 December 2015

41 FINANCIAL INSTRUMENTS BY CATEGORY (CONT'D)

The following table presents the Group's financial assets and liabilities that were measured at fair value as at 31 December 2015:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial assets:				
Available-for-sale financial assets	**20,240**	-	-	**20,240**
Amount due from a joint venture	-	-	**62,656**	**62,656**
Financial liabilities:				
Derivatives used for hedging				
- Cross currency interest rate swaps	-	**(673,762)**	-	**(673,762)**
- Interest rate swaps	-	**(3,948)**	-	**(3,948)**

The following table presents the Group's financial assets and liabilities that were measured at fair value as at 31 December 2014:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial assets:				
Available-for-sale financial assets	38,103	-	-	38,103
Amount due from a joint venture	-	-	47,426	47,426
Financial liabilities:				
Derivatives used for hedging				
- Cross currency interest rate swaps	-	(175,078)	-	(175,078)
- Interest rate swaps	-	(6,672)	-	(6,672)

Notes to the Financial Statements

31 December 2015

41 FINANCIAL INSTRUMENTS BY CATEGORY (CONT'D)

Analysis of the financial instruments for the Company is as follows:

	2015 RM'000	2014 RM'000
Financial assets classified as loans and receivables:		
Other receivables excluding deposits and prepayments	**20,341**	22,779
Amounts due from subsidiaries	**3,390,999**	1,120,825
Amounts due from joint ventures	**53,278**	34,853
Deposits, cash and bank balances	**368,934**	1,755,820
	3,833,552	2,934,277
Financial liabilities classified at amortised costs:		
Other payables and accruals	**59,704**	53,586
Amounts due to subsidiaries	**1,140,872**	333,476
Amount due to joint venture	**227**	-
Hire purchase creditors	**-**	57
	1,200,803	387,119

It was not practical to estimate the fair value of the Group's and the Company's investment in unquoted preference shares due to lack of comparable quoted prices in an active market and the fair value cannot be reliably measured.

The carrying amounts of financial instruments of the Group and the Company with a maturity of less than one year at the reporting date are assumed to be approximate their fair values.

Notes to the Financial Statements
31 December 2015

42 COMPARATIVE FIGURES

The following comparative figures of the Group have been reclassified to conform with current financial year's presentation, which more appropriately reflects the nature of relevant transactions.

	As previously reported 31.12.2014 RM'000	Effects of reclassification RM'000	As restated 31.12.2014 RM'000
Group			
Statement of Income			
Cost of sales	(1,713,260)	(106,556)	(1,819,816)
Selling and distribution costs	(155,233)	101,707	(53,526)
Administrative expenses	(220,786)	34,508	(186,278)
Impairment	-	(29,659)	(29,659)
Segment Information			
Segment results (including impairment)			
FPSO	282,204	21,976	304,180
OSV	47,358	(12,848)	34,510
T&I	3,321	(4,292)	(971)
Corporate and others	(13,159)	(7,700)	(20,859)
Consolidated Statement of Financial Position			
Current liabilities			
Other payables and accruals	(557,241)	349,730	(207,511)
Non-current liabilities			
Other payables and accruals	-	(349,730)	(349,730)

Costs and expenses attributable to activities that directly support operations, previously classified in selling and distributions costs or administrative expenses, have been reclassified to cost of sales.

	As previously reported 31.12.2014 RM'000	Effects of reclassification RM'000	As restated 31.12.2014 RM'000
Company			
Statement of Income			
Administrative expenses	(72,899)	2,027	(70,872)
Impairment	-	(2,027)	(2,027)

43 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 26 February 2016.

Notes to the Financial Statements
31 December 2015

44 SUPPLEMENTARY INFORMATION

The following analysis of realised and unrealised retained earnings at the legal entity level is prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to the Main Market Listing Requirements of Bursa Securities, as issued by the Malaysian Institute of Accountants whilst the disclosure at the Group level is based on the prescribed format by Bursa Securities.

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Total retained earnings of the Company and subsidiaries				
- realised	**1,553,718**	1,910,467	**309,860**	243,752
- unrealised	**52,498**	13,878	**9,265**	2,674
	1,606,216	1,924,345	**319,125**	246,426
Total share of retained earnings from joint ventures				
- realised	**162,400**	168,179	-	-
- unrealised	**(29,763)**	(27,373)	-	-
	132,637	140,806	-	-
Total retained earnings	**1,738,853**	2,065,151	**319,125**	246,426

The disclosure of realised and unrealised retained earnings above is solely for compliance with the directive issued by Bursa Securities and should not be used for any other purpose.

The disclosure of realised and unrealised retained earnings has been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Main Market Listing Requirements of Bursa Securities, as issued by the Malaysian Institute of Accountants whilst the disclosure at the Group level is based on the prescribed format by Bursa Securities.

Statement by Directors

Pursuant To Section 169(15) Of The Companies Act, 1965

We, Chan Chee Beng and Shaharul Rezza bin Hassan, two of the Directors of Bumi Armada Berhad, state that, in our opinion, the financial statements set out on pages 83 to 175 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2015 and of the results of the Group and of the Company and the cash flows of the Group and of the Company for the financial year ended on that date in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 26 February 2016.

CHAN CHEE BENG
DIRECTOR

SHAHARUL REZZA BIN HASSAN
DIRECTOR

Statutory Declaration

Pursuant To Section 169(16) Of The Companies Act, 1965

I, Kenneth Murdoch, being the officer primarily responsible for the financial management of Bumi Armada Berhad, do solemnly and sincerely declare that the financial statements set out on pages 83 to 175 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

KENNETH MURDOCH

Subscribed and solemnly declared by the above named Kenneth Murdoch in Kuala Lumpur on 26 February 2016, before me.

COMMISSIONER FOR OATHS

Independent Auditors' Report

to the members of Bumi Armada Berhad
(Incorporated in Malaysia)
(Company No. 370398 X)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Bumi Armada Berhad on page 83 to 175, which comprise the statements of financial position as at 31 December 2015 of the Group and of the Company, and the statements of income, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on Notes 1 to 43.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 December 2015 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 18 to the financial statements.

(c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Independent Auditors' Report

to the members of Bumi Armada Berhad
(Incorporated in Malaysia)
(Company No. 370398 X)

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 44 on page 176 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad ("Bursa Malaysia") and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants

SUBATHRA A/P GANESAN
(No.3020/08/16 (J))
Chartered Accountant

Kuala Lumpur
26 February 2016

Additional Compliance Information

In compliance with the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad, the following additional information is provided:

1. Non-audit Fees

The amount of non-audit fees incurred for services rendered by the Company's External Auditors to the Company and its subsidiaries for the financial year ended 31 December 2015 was RM1.7 million.

2. Sanctions/Penalties

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or Management by relevant regulatory bodies during the financial year ended 31 December 2015, which have material impact on the operations or financial position of the Group.

3. Material Contracts

Save as disclosed below, there are no other material contracts entered into by the Company and its subsidiaries which involved the interest of Directors and major shareholders, either still subsisting at the end of the financial year ended 31 December 2015 or entered into since the end of the previous financial year:

(1) In connection with a charter contract with ONGC dated 10 August 2011 for the provision of a floating production, storage and offloading facility ("Armada Sterling") for charter and deployment at the D1 field located on the west coast of Mumbai, India and for the operation and maintenance of Armada Sterling to be carried out by Forbes Bumi Armada Offshore Limited ("FBAOL") ("D1 Project"), the following arrangements had been entered into by the Company:

(i) the Company and Forbes & Company Limited ("Forbes") had jointly incorporated FBAOL and a shareholders agreement was entered into on 13 January 2012 with respect to the parties' joint investment in FBAOL for D1 Project; and

(ii) pursuant to a shareholders agreement dated 16 April 2012, the Company, SPCL (then known as Shapoorji Pallonji and Company Limited) and Clean Environment Investments Co. Ltd ("CEICL") had jointly incorporated Armada D1 Pte Ltd for the purpose of owning and converting a vessel into Armada Sterling and chartering the same via bareboat charter to FBAOL, which in turn entered into a time charter with ONGC.

In conjunction with the abovementioned joint venture arrangement, the respective joint venture partners are required to make their respective cash contributions to fund the joint venture companies. Further, cash payments were also made by Armada D1 Pte Ltd to the Company and its related companies for services rendered to Armada D1 Pte Ltd in relation to the joint venture arrangements.

(2) Another similar joint venture arrangement was entered into by the Company's wholly-owned subsidiary, Bumi Armada Offshore Holdings Limited ("BAOHL") with SPCL, in connection with another charter contract with ONGC dated 13 March 2013 for the provision of a floating production, storage and offloading facility ("Armada Sterling II") for charter and deployment at the Cluster-7 field located on the west coast of Mumbai, India and for the operation and maintenance of Armada Sterling II to be carried out by SP Armada Oil Exploration Company Limited ("SPAOL") ("C7 Project") whereby:

(i) the Company and SPCL had jointly incorporated SPAOL with respect to the parties' joint investment in SPAOL for C7 Project; and

(ii) BAOHL, SPCL and CEICL had jointly incorporated Armada C7 Pte Ltd for the purpose of owning and converting a vessel into Armada Sterling II and chartering the same via bareboat charter to SPAOL, which in turn entered into a time charter with ONGC;

for which the terms of the joint venture are consistent with terms as set out in the respective shareholders agreements for D1 Project.

(3) In connection with (a) a charter contract with Husky-CNOOC Madura Limited dated 10 December 2014 for the provision of a floating production, storage and offloading facility ("FPSO") for charter and deployment at the Madura BD field, offshore East Java, Indonesia and for the operation and maintenance of the FPSO to be carried out by an unincorporated consortium comprising BAOHL and PT Armada Gema Nusantara ("PT AGN") ("Project

Additional Compliance Information

Madura") and (b) a sale and purchase agreement dated 10 April 2015 between Armada Madura EPC Limited ("Armada Madura") and PT AGN whereby Armada Madura will engineer, procure, convert, construct and complete the FPSO for sale and delivery to PT AGN, to enable PT AGN to perform its obligations under the aforesaid charter contract, a shareholders agreement was entered into on 10 April 2015 by the following parties with respect to the joint investment in Armada Madura:

(i) the Company and BAOHL;

(ii) SPCL and SPINT; and

(iii) Armada Madura.

In conjunction with the above mentioned joint venture arrangement, the respective joint venture partners are required to make their respective cash contributions to fund the joint venture companies. Further, there are also cash payments required to be made by Armada Madura to the Company and SPCL and their respective related companies for services rendered to Armada Madura in relation to the joint venture arrangements.

Mr. Shapoor Mistry is a director of BAB and also a director of Forbes and SPCL and also a major shareholder of SPCL by virtue of the SPCL shares held by him and persons connected with him. All the joint venture arrangements listed above are still subsisting. However, the joint ventures concerning D1 Project and C7 Project were not regarded as related party transactions then as Mr. Shapoor Mistry was only appointed as a director of the Company on 27 October 2014. As for the joint venture in respect of Project Madura, the Company had obtained its shareholders' approval at an Extraordinary General Meeting held on 8 June 2015.

(4) In relation to Project Madura as per item 3 above, BAOHL has granted loans to Armada Madura totalling USD12,500,000.00 (equivalent to RM49,912,500.00*) todate, with similar rate and terms for the purpose of ordinary business operations in respect of the Project Madura and general corporate purposes. The loans are unsecured, bears a fixed interest rate of 5% p.a. and repayable at the end of 24 months from the disbursement date. BAOHL has provided an advance to Armada Madura of USD5,000,000.00 (equivalent to RM19,965,000.00*) towards subscription for redeemable preference shares at a fixed interest rate of 5% p.a. These advances are unsecured and repayable on demand.

* Exchange rate USD1.00 = RM3.9930 as at 23 March 2016.

4. Utilisation of Proceeds from Rights Issue

Gross proceeds of RM1,979.9 million were raised from the Rights Issue which was undertaken by the Company in 2014 ("Proceeds").

The status of utilisation of the Proceeds as at 23 March 2016 was as follows:

	Proposed utilisation RM'million	Actual utilisation RM'million	Estimated timeframe for utilisation upon listing of Rights Shares	Remaining balance RM'million
Capital expenditure	1,760.0	1,760.0	Within 24 months	-
General working capital	164.9	195.1	Within 24 months	(30.2)
Estimated expenses for the Corporate Exercises [(1) & (2)]	55.0	24.8	Within 24 months	30.2
Total gross proceeds	1,979.9	1,979.9		-

[(1)] *The Corporate Exercises included the Bonus Issue and Rights Issue as defined and detailed in the Circular to our Shareholders dated 23 June 2014 ("Circular") with further information on the Rights Issue as disclosed in the Abridged Prospectus dated 12 September 2014 ("Abridged Prospectus").*

[(2)] *From the previous allocation of RM55.0 million of the Proceeds to cover estimated expenses for the Corporate Exercise, RM24.8 million has been utilised for such expenses, while the balance of RM30.2 million has been reallocated to be used for general working capital requirements. The reallocation is not considered a deviation from the proposed utilisation because it is contemplated and detailed in the Circular and the Abridged Prospectus.*

Analysis of Shareholdings

as at 23 March 2016

Authorised Share Capital	: RM2,000,000,000 divided into 10,000,000,000 ordinary shares of RM0.20 each
Issued and Paid-up Share Capital	: 5,866,269,344 ordinary shares of RM0.20 each totalling RM1,173,253,869
Class of Shares	: Ordinary shares of RM0.20 each
Voting Right	: One vote per ordinary share ("Shares")

ANALYSIS BY SIZE OF SHAREHOLDINGS BASED ON THE RECORD OF DEPOSITORS

Size of Shareholdings	No. of Shareholders		No. of Shares Held		% of Total Issued Shares	
	Malaysian	Foreign	Malaysian	Foreign	Malaysian	Foreign
Less than 100	367	2	5,144	3	0.00	0.00
100 - 1,000	1,469	22	1,009,777	14,250	0.02	0.00
1,001 - 10,000	11,181	114	60,214,496	619,300	1.03	0.01
10,001 - 100,000	6,033	201	194,859,792	8,438,261	3.32	0.14
100,001 - 293,313,466*	901	332	1,985,388,083	733,433,838	33.84	12.50
293,313,467 and above**	3	-	2,882,286,400	-	49.13	0.00
Total	19,954	671	5,123,763,692	742,505,652	87.34	12.66
Grand Total	20,625		5,866,269,344		100.00	

* Less than 5% of total issued Shares
** 5% and above of total issued Shares

ANALYSIS BY CATEGORY OF SHAREHOLDERS BASED ON THE RECORD OF DEPOSITORS

Category of Shareholders	No. of Shareholders		No. of Shares Held		% of Total Issued Shares	
	Malaysian	Foreign	Malaysian	Foreign	Malaysian	Foreign
Individual	15,104	174	284,388,814	12,405,203	4.85	0.21
Banks/Finance Companies	29	1	927,533,350	195,000	15.81	0.0
Investment Trusts/ Foundation/ Charities	2	0	271,500	0	0.00	0.0
Other Types of Companies	194	3	2,447,193,456	2,016,200	41.72	0.03
Government Agencies/ Institutions	4	0	6,853,000	0	0.12	0.0
Nominees	4,621	493	1,457,523,572	727,889,249	24.85	12.41
Total	19,954	671	5,123,763,692	742,505,652	87.34	12.66
Grand Total	20,625		5,866,269,344		100.00	

Analysis of Shareholdings
as at 23 March 2016

DIRECTORS' INTERESTS

Directors' Direct and Indirect Interests in the shares and options over unissued shares in the Company and in its related corporations as at 23 March 2016, based on the Registers maintained under Section 134 of the Companies Act, 1965 (the "Act") of the Company and its related corporations are set out below:

1. In the Company - Issued Ordinary Shares ("Shares")

Name	No. of Shares of RM0.20 each		% of Total Issued Shares	
	Direct	Indirect	Direct	Indirect
Tunku Ali Redhauddin ibni Tuanku Muhriz	20,000[(1)]	-	Negligible	0.00
Saiful Aznir bin Shahabudin	2,126,000[(2)]	-	0.04	0.00
Alexandra Schaapveld	900,000[(3)]	-	0.02	0.00
Chan Chee Beng	2,511,200[(2)]	-	0.04	0.00
Ravi Shankar Srinivasan[(4)]	432,000	-	0.01	0.00

(1) Held through a nominee, namely Maybank Securities Nominees (Tempatan) Sdn. Bhd.
(2) Held through a nominee, namely CIMSEC Nominees (Tempatan) Sdn. Bhd.
(3) Held through a nominee, namely CIMSEC Nominees (Asing) Sdn. Bhd.
(4) Alternate Director to Shapoor Mistry

2. In the Company - Unissued Shares

Name	No. of Unissued Shares of RM0.20 each	
	Direct	Indirect
Shaharul Rezza bin Hassan	9,964,105[(1)]	-

(1) These relate to options over unissued shares of RM0.20 each of the Company, granted pursuant to the Company's Employee Share Option Scheme ("ESOS").

Analysis of Shareholdings
as at 23 March 2016

SUBSTANTIAL SHAREHOLDERS' INTERESTS BASED ON THE REGISTER OF SUBSTANTIAL SHAREHOLDERS OF THE COMPANY

The direct and indirect interests of the Substantial Shareholders in the shares of the Company ("Shares") as at 23 March 2016, based on the Register of Substantial Shareholders of the Company are as set out below:

Name	Direct		Indirect	
	No. of Shares Held	%	No. of Shares Held	%
Objektif Bersatu Sdn Bhd	2,048,288,000	34.92	-	0.00
Employees Provident Fund Board	466,351,300	7.95	-	0.00
AmanahRaya Trustees Berhad - Amanah Saham Bumiputera	448,386,600	7.64	-	0.00
Ombak Damai Sdn Bhd	414,603,000	7.07	-	0.00
Dato' Ahmad Fuad bin Md Ali	2,050,000	0.03	414,603,000[(1)]	7.07
Datuk Abdul Farish bin Abd Rashid	1,250,000	0.02	414,603,000[(1)]	7.07
Saluran Abadi Sdn Bhd	-	0.00	360,002,600[(2)]	6.14
Farah Suhanah binti Ahmad Sarji	-	0.00	360,002,600[(3)]	6.14
Mutu Saluran Sdn Bhd	-	0.00	2,048,288,000[(4)]	34.92
Usaha Tegas Sdn Bhd	-	0.00	2,048,288,000[(5)]	34.92
Pacific States Investment Limited	-	0.00	2,048,288,000[(6)]	34.92
Excorp Holdings N.V.	-	0.00	2,048,288,000[(7)]	34.92
PanOcean Management Limited	-	0.00	2,048,288,000[(7)]	34.92
Ananda Krishnan Tatparanandam	-	0.00	2,048,288,000[(8)]	34.92

Notes :

(1) *Deemed interest by virtue of their respective shareholdings in Ombak Damai Sdn Bhd pursuant to Section 6A of the Companies Act, 1965 ("Act").*

(2) *Saluran Abadi Sdn Bhd's ("SASB") deemed interest in the Shares arises through its wholly-owned subsidiaries, namely, Karisma Mesra Sdn Bhd, Wijaya Baiduri Sdn Bhd and Wijaya Sinar Sdn Bhd (collectively, the "SASB Subsidiaries"). The SASB Subsidiaries hold their respective direct equity interest in the Shares under discretionary trusts for Bumiputera objects. As such, SASB does not have any economic interest in such Shares as such interest is held subject to the terms of such discretionary trusts.*

(3) *Farah Suhanah binti Ahmad Sarji's ("FSH") deemed interest in the Shares held by the SASB Subsidiaries arises by virtue of her 99.999% direct equity interest in SASB. See note (2) above for SASB's deemed interest in the Shares. However, she does not have any economic interest in such Shares as such interest is held subject to the terms of the discretionary trusts referred to in note (2) above.*

(4) *Mutu Saluran Sdn Bhd's ("MSSB") deemed interest in the Shares arises by virtue of MSSB holding 100% equity interest in Objektif Bersatu Sdn Bhd ("OBSB").*

(5) *Usaha Tegas Sdn Bhd's ("UTSB") deemed interest in the Shares held by OBSB arises by virtue of the deemed interest of MSSB in the Shares. UTSB holds 100% equity interest in MSSB which in turn holds 100% equity interest in OBSB. See note (4) above for MSSB's deemed interest in the Shares.*

(6) *Pacific States Investment Limited's ("PSIL") deemed interest in the Shares held by OBSB arises by virtue of the deemed interest of UTSB in the Shares. PSIL holds 99.999% equity interest in UTSB. See note (5) above for UTSB's deemed interest in the Shares.*

(7) *PanOcean Management Limited ("PanOcean") holds 100% equity interest in Excorp Holdings N.V. which in turn holds 100% equity interest in PSIL. See note (6) above for PSIL's deemed interest in the Shares. 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 is deemed to have an interest in the Shares, PanOcean does not have any economic or beneficial interest in such Shares, as such interest is held subject to the terms of such discretionary trust.*

(8) *TAK's deemed interest in the Shares arises by virtue of PanOcean's deemed interest in the Shares. See note (7) above for PanOcean's deemed interest in the Shares. Although TAK is deemed to have an interest in the Shares, he does not have any economic or beneficial interest in such Shares, as such interest is held subject to the terms of a discretionary trust referred to in note (7) above.*

Analysis of Shareholdings

as at 23 March 2016

TOP 30 LARGEST SECURITIES ACCOUNT HOLDERS BASED ON THE RECORD OF DEPOSITORS

No.	Name	No. of Shares Held	% of Total Issued Shares
1.	Objektif Bersatu Sdn Bhd	2,048,288,000	34.92
2.	AmanahRaya Trustees Berhad Amanah Saham Bumiputera	448,386,600	7.64
3.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board	385,611,800	6.57
4.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Ombak Damai Sdn Bhd (PB)	253,500,000	4.32
5.	Karisma Mesra Sdn Bhd	236,278,650	4.03
6.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank for Ombak Damai Sdn Bhd (PBCL-0G0080)	157,120,000	2.68
7.	AmanahRaya Trustees Berhad Amanah Saham Wawasan 2020	146,934,400	2.50
8.	Kumpulan Wang Persaraan (diperbadankan)	85,357,100	1.46
9.	HSBC Nominees (Asing) Sdn Bhd Exempt AN for JPMorgan Chase Bank, National Association (U.S.A.)	82,563,721	1.41
10.	Wijaya Sinar Sdn Bhd	78,759,550	1.34
11.	AmanahRaya Trustees Berhad Amanah Saham Malaysia	66,258,000	1.13
12.	AmanahRaya Trustees Berhad AS 1Malaysia	55,112,100	0.94
13.	HSBC Nominees (Asing) Sdn Bhd BBH And Co Boston for Vanguard Emerging Markets Stock Index Fund	53,531,140	0.91
14.	Lembaga Tabung Haji	51,962,800	0.89
15.	Cartaban Nominees (Tempatan) Sdn Bhd Exempt AN for Eastspring Investments Berhad	46,163,900	0.79
16.	Wijaya Baiduri Sdn Bhd	44,964,400	0.77
17.	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)	43,986,600	0.75
18.	CIMB Group Nominees (Tempatan) Sdn Bhd CIMB Bank Berhad (EDP 2)	41,853,323	0.71
19.	Citigroup Nominees (Asing) Sdn Bhd Exempt AN for Citibank New York (Norges Bank 14)	40,608,100	0.69
20.	HSBC Nominees (Asing) Sdn Bhd Exempt AN for J.P. Morgan Bank Luxembourg S. A. (2)	40,493,248	0.69
21.	DB (Malaysia) Nominee (Asing) Sdn Bhd BNYM SA/NV For People's Bank of China (SICL ASIA EM)	36,579,400	0.62
22.	Cartaban Nominees (Asing) Sdn Bhd Exempt AN for State Street Bank & Trust Company (West CLT 0D67)	36,490,577	0.62
23.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (AFFIN-HWG)	34,650,000	0.59
24.	Citigroup Nominees (Tempatan) Sdn Bhd Exempt AN for AIA Berhad	34,250,800	0.58
25.	Citigroup Nominees (Asing) Sdn Bhd Exempt AN for Citibank New York (Norges Bank 12)	26,630,700	0.45
26.	Cartaban Nominees (Asing) Sdn Bhd GIC Private Limited For Government of Singapore (C)	20,471,500	0.35
27.	Citigroup Nominees (Asing) Sdn Bhd Exempt AN for Citibank New York (Norges Bank 9)	19,742,000	0.34
28.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For Affin Hwang Select Opportunity Fund (3969)	17,270,200	0.29
29.	AmanahRaya Trustees Berhad Amanah Saham Didik	16,242,400	0.28
30.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (ABERDEEN)	15,650,400	0.27

List of Properties

as at 31 December 2015

No.	Location	Tenure	Remaining lease period (year)	Land area/ built-up area (square feet)	Description of existing use	Age of building (year)	Net Book Value RM'000
1.	Lot 704 Bintulu Industrial Estate Mile 2 1/2 Miri Road 97008 Bintulu, Sarawak	Leasehold	28 years (23.10.2043)	12,809	2-storey office building and showhouse	31 (23.07.1984)	201
2.	Lot 2395, Block 4 Miri Concession Land District Piasau 98000 Miri, Sarawak	Leasehold	43 years (13.04.2059)	11,755	4-storey office building	10 (18.11.2005)	1,618

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Twentieth Annual General Meeting ("20th AGM") of Bumi Armada Berhad ("Bumi Armada" or "Company") will be held at 10.00 a.m. on Monday, 23 May 2016 at Ballrooms 1 & 2, 1st Floor, Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur, Malaysia for the following purposes:-

AS ORDINARY BUSINESS*

1. To consider the audited Financial Statements of the Company for the financial year ended 31 December 2015 and the Reports of the Directors and Auditors therein.
   (Please see Explanatory Note 1)

2. To declare a tax exempt final cash dividend of 0.82 sen per share in respect of the financial year ended 31 December 2015 to the members of the Company, as recommended by the Directors. **Resolution 1**
   (Please see Explanatory Note 2)

3. To re-elect Chan Chee Beng who retires by rotation in accordance with Article 113 of the Company's Articles of Association, and who being eligible, offers himself for re-election as a Director of the Company. **Resolution 2**
   (Please see Explanatory Note 3)

4. To re-elect Tunku Ali Redhauddin ibni Tuanku Muhriz who retires by rotation in accordance with Article 113 of the Company's Articles of Association, and who being eligible, offers himself for re-election as a Director of the Company. **Resolution 3**
   (Please see Explanatory Note 3)

5. To elect Steven Leon Newman as a Director of the Company in accordance with Article 120 of the Company's Articles of Association, and who being eligible, offers himself for election as a Director of the Company. **Resolution 4**
   (Please see Explanatory Note 3)

6. To elect Leon Andre Harland as a Director of the Company in accordance with Article 120 of the Company's Articles of Association, and who being eligible, offers himself for election as a Director of the Company. **Resolution 5**
   (Please see Explanatory Note 3)

7. To re-appoint Messrs PricewaterhouseCoopers as Auditors of the Company for the financial year ending 31 December 2016 and to authorise the Directors to fix their remuneration for that year. **Resolution 6**
   (Please see Explanatory Note 4)

Notice of Annual General Meeting

AS SPECIAL BUSINESS*

To consider and if thought fit, to pass the following Ordinary Resolutions, with or without modifications:

8. Continuing in Office as an Independent Non-Executive Director of the Company.

   "THAT Saiful Aznir bin Shahabudin, who would, on 1 December 2016, have served as an Independent Non-Executive Director for a cumulative term of 10 years, be and is hereby re-appointed as an Independent Non-Executive Director of the Company until the conclusion of the next annual general meeting of the Company". **Resolution 7**
   (Please see Explanatory Note 3)

9. Authority to issue new ordinary shares pursuant to Section 132D of the Companies Act, 1965 (the "Act") and the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"). **Resolution 8**

   "THAT subject to the Act, the Articles of Association of the Company, and the approvals of any relevant governmental/regulatory authorities where required, the Directors be and are hereby authorised and empowered to issue and allot new ordinary shares in the Company:

   (i) at any time, upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit; and/or

   (ii) in pursuance of any offer, agreement, option, or any other instruments (collectively the "Instruments") to be made, granted, or issued by them (as the case may be), while the approval under this resolution remains in force, AND THAT the Directors be and are hereby further authorised to make, grant or issue such Instruments which would or might require new ordinary shares in the Company to be issued after the expiration of the approval hereof;

   provided that:

   (i) the number of shares or Instruments to be issued pursuant to the authority granted under this resolution, when aggregated with all shares issued in the preceding 12 months and/or shares that are capable of being issued from the Instruments issued in the preceding 12 months (calculated in accordance with the MMLR), does not exceed 10% of the issued and paid-up share capital (excluding treasury shares) of the Company at the time of issuance of the shares or issuance, making or granting of the Instruments except where the shares and/or the Instruments are issued with the prior shareholder approval in a general meeting in accordance with the precise terms and conditions of the issue; and

   (ii) for the purpose of determining the number of shares which are capable of being issued from the Instruments, each Instrument is treated as giving rise to the maximum number of shares into which it can be converted or exercised,

   and such authority under this resolution shall continue to be in force until the conclusion of the next annual general meeting of the Company or when it is required by law to be held, whichever is earlier, and that:

   (a) approval and authority be and are given to the Directors of the Company to take all such actions that may be necessary and/or desirable to give effect to this resolution and in connection therewith to enter into and execute on behalf of the Company any instrument, agreement and/or arrangement with any person, and in all cases with full power to assent to any condition, modification, variation and/or amendment (if any) in connection therewith; and

   (b) the Directors of the Company be and are also empowered to obtain, if required, the approval for the listing of and quotation on Bursa Securities for the additional shares to be or so issued."
   (Please see Explanatory Note 5)

Notice of Annual General Meeting

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT DATES

NOTICE IS ALSO HEREBY GIVEN that subject to the approval of the members at the 20th AGM of the Company, to be held on 23 May 2016, a tax exempt final cash dividend of 0.82 sen per share in respect of the financial year ended 31 December 2015 will be paid on 18 August 2016 to the Company's members whose names appear in the Record of Depositors of the Company maintained by Bursa Malaysia Depository Sdn Bhd on 1 August 2016.

A Depositor shall qualify for entitlement to the dividend in respect of:

i) shares transferred into the Depositor's securities account before 4.00 p.m. on 1 August 2016 in respect of transfers; and
ii) shares bought on Bursa Securities on a cum entitlement basis according to the Rules of Bursa Securities.

By Order of the Board
Noreen Melini binti Muzamli
(LS0008290)
Noor Hamiza binti Abd Hamid
(MAICSA 7051227)
Joint Company Secretaries

Kuala Lumpur
28 April 2016

Instructions for Appointment of Proxy

1. A member of the Company entitled to attend and vote at this meeting is entitled to appoint one or more proxies to attend and vote for him/her provided that the number of proxies appointed shall not be more than two except in the circumstances set out in Note 2. A proxy may but need not be a member of the Company, and the provision of Section 149(1)(b) of the Act, shall not apply to the Company. There shall be no restriction as to the qualification of the proxy.

2. Where a member of the Company is an authorised nominee, it may appoint at least one proxy in respect of each securities account it holds to which ordinary shares in the Company are credited. Each appointment of proxy by an authorised nominee shall be by a separate instrument of proxy which shall specify the securities account number and the name of the beneficial owner for whom the authorised nominee is acting. For an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

3. The instrument appointing a proxy shall:
   (i) in the case of an individual, be signed by the appointor or by his/her attorney; and
   (ii) in the case of a corporation, be either under its common seal or signed by its attorney or by an officer on behalf of the corporation.

4. Where a member appoints more than one proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.

5. The instrument appointing a proxy must be deposited at the office of the **Company's Share Registrars, Symphony Share Registrars Sdn Bhd at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia, not less than 48 hours before the time appointed for holding the meeting** or adjourned meeting or in the case of a poll, not less than 24 hours before the taking of the poll; otherwise the instrument of proxy shall not be treated as valid and the person so named shall not be entitled to vote in respect thereof. Faxed copies of the duly executed form of proxy are not acceptable.

Notice of Annual General Meeting

6. A proxy may vote on a show of hands and on a poll. If the form of proxy is returned without an indication as to how the proxy shall vote on any particular matter, the proxy may exercise his discretion as to whether to vote on such matter and if so, how. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting and the instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

7. The lodging of a form of proxy does not preclude a member from attending and voting in person at the meeting should the member subsequently decide to do so.

Members Entitled to Attend

8. For the purpose of determining members who shall be entitled to attend the 20th AGM, only the Company's members whose names appear in the Record of Depositors of the Company maintained by Bursa Malaysia Depository Sdn Bhd on 18 May 2016 shall be entitled to attend the said meeting or appoint proxies to attend on their behalf.

EXPLANATORY NOTES

1) Audited Financial Statements and the Reports of the Directors and Auditors therein

The audited Financial Statements and the Reports of the Directors and Auditors therein for the financial year ended 31 December 2015, will be laid before the Company at the 20th AGM for consideration of the members pursuant to the Act. There is no requirement for the members to approve them and hence, the matter will not be put forward for voting.

2) Final cash dividend

The Directors have recommended a tax exempt final cash dividend of 0.82 sen per share in respect of the financial year ended 31 December 2015, which if approved, will be paid on 18 August 2016 to those members whose names appear on the Record of Depositors of the Company maintained by Bursa Malaysia Depository Sdn Bhd as at close of business on 1 August 2016.

3) Re-election/Election of Directors

Pursuant to Article 113 of the Company's Articles of Association ("Articles"), at least 1/3 of Directors should retire by rotation or if that number is not a multiple of three, then the number nearest to 1/3 should retire. Further, pursuant to Article 120 of the Articles, any Director of the Company appointed by the Board of Directors ("Board") pursuant to Article 120 shall not be taken into account in determining the Directors who are to retire by rotation. Presently we have eight Directors on the Board, out of whom, one of them, namely Mr Steven Leon Newman was appointed by the Board on 1 July 2015 pursuant to Article 120. Accordingly, two Directors will be up for retirement by rotation pursuant to Article 113 at the 20th AGM. Tunku Ali Redhauddin ibni Tuanku Muhriz, a Non-Executive Director of the Company and Mr Chan Chee Beng, an Executive Director* of the Company, are due for retirement at the 20th AGM having been last re-elected at the 2013 Annual General Meeting, and being eligible, they have offered themselves for re-election as Directors of the Company.

In addition, Mr Saiful Aznir bin Shahabudin who was appointed as an Independent Director of the Company on 1 December 2006, would on 1 December 2016 have served in that capacity for 10 years. Pursuant to Principle 3, Recommendation 3.3, of the 2012 Malaysian Code on Corporate Governance, the Board must justify and seek shareholders' approval in the event it retains as an independent director, a person who has served in that capacity for more than nine years. Please refer to the Corporate Governance Statement on pages 61 in the Annual Report 2015 for the justification on the re-appointment of Mr Saiful Aznir bin Shahabudin as an Independent Director of the Company.

* *Mr Chan Chee Beng will be re-designated as a Non-Independent Non-Executive Director effective 16 May 2016.*

Notice of Annual General Meeting

Mr Steven Leon Newman who was appointed as a Director of the Company by the Board on 1 July 2015, is required to submit himself for election at the 20th AGM pursuant to Article 120. On being eligible, he has offered himself for election pursuant to Article 120. His recent appointment was based on the Nomination & Corporate Governance Committee's recommendation after considering relevant criteria in respect of his appointment including his experience, qualifications, potential contribution and time commitments. The Board was also satisfied that his appointment will further strengthen the composition of the Board.

Mr Leon Andre Harland whose appointment as the Chief Executive Officer/ Executive Director of the Company will take effect on 16 May 2016, is required to submit himself for election at the 20th AGM pursuant to Article 120. On being eligible, he has offered himself for election pursuant to Article 120.

The Board is satisfied that the Directors standing for re-election or election will continue to bring to bear their knowledge, experience and skills and contribute effectively to the Board's discussions, deliberations and decisions.

All Directors offering themselves for re-election or election, as the case may be, have consented to the same.

For details of the Directors who are standing for re-election or election, viz Tunku Ali Redhauddin ibni Tuanku Muhriz, Mr Chan Chee Beng, Mr Steven Leon Newman, Mr Leon Andre Harland and Mr Saiful Aznir bin Shahabudin, please refer to the Statement accompanying this Notice as well as the Directors' Profiles on pages 28, 29, 31 and 32 of the Annual Report 2015.

4) Re-appointment of Auditors

Messrs. PricewaterhouseCoopers ("PwC"), the auditors of the Company have expressed their willingness to continue in office as auditors of the Company for the financial year ending 31 December 2016. The Board has approved the Audit Committee's recommendation that they be retained after taking into account relevant feedback on their experience, performance and independence following a formal assessment.

5) Authority to issue ordinary shares pursuant to Section 132D of the Act and the MMLR

Proposed Resolution 8 is to seek a renewal of the general authority pursuant to Section 132D of the Act and the MMLR for the issue and allotment of new ordinary shares in the Company.

As at 23 March 2016, the Company has not issued any new shares from the exercise of options by employees under the Company's Employee Share Option Scheme ("ESOS") pursuant to the previous mandate. The previous mandate will expire at the conclusion of the 20th AGM to be held on 23 May 2016.

Proposed Resolution 8, if passed, would enable Directors to issue and allot new ordinary shares up to an amount not exceeding ten per centum (10%) of the Company's issued share capital from time to time. This will, among others, provide them the flexibility to raise funds, including but not limited to further placement of shares for purposes of funding future investment project(s), working capital and/or acquisitions without convening a general meeting which will be both time and cost consuming. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next annual general meeting of the Company.

At this juncture, there is no decision to carry out any placement of new shares. Should there be a decision to do so after the said authority has been given, the Company will make the appropriate announcement on the purpose and/or utilisation of proceeds arising from such issuance and allotment.

Statement Accompanying Notice of Annual General Meeting

STATEMENT ACCOMPANYING NOTICE OF THE TWENTIETH ANNUAL GENERAL MEETING OF BUMI ARMADA BERHAD ("Bumi Armada" or the "Company") pursuant to Paragraph 2.28(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

Further details of individuals who are standing for re-election/election as Directors

Name	Chan Chee Beng
Age	60
Date of Appointment	2 June 2003
Length of Service	12 years 9 months
Nationality	Malaysian
Qualification	Degree in Economics and Accounting from the University of Newcastle-upon-Tyne, United Kingdom
Position in the Company	Executive Director*/ Acting Chief Executive Officer since 1 January 2015. Prior to that since 2 June 2003 he was a Non-Independent Non-Executive Director. Chairman of the Executive Committee (since 10 June 2014)
Working Experience and Occupation	Chan Chee Beng has more than 30 years of experience in investment banking, financial management and accounting including stints with Ernst & Young and Morgan Grenfell & Co. Ltd prior to joining the Usaha Tegas Sdn Bhd (UTSB) Group in 1992 as head of corporate finance.
Other directorship of public companies incorporated pursuant to the Companies Act, 1965	Maxis Communications Berhad, MEASAT Global Berhad
Details of any interest in the securities of the Company and its subsidiaries	Direct beneficial interest in 2,511,200 ordinary shares of RM0.20 each in the Company registered in the name of CIMSEC Nominees (Tempatan) Sdn. Bhd.
Family relationship with any director and/or major shareholder of the Company	None
Conflict of interest that he has with the Company	None
List of convictions for offences within the past 10 years other than traffic offences, if any (only for penalties made public)	None

* He will be re-designated as a Non-Independent Non-Executive Director effective 16 May 2016.

Statement Accompanying Notice of Annual General Meeting

Name	Tunku Ali Redhauddin ibni Tuanku Muhriz ("Tunku Ali")
Age	38
Date of Appointment	17 January 2013
Length of Service	3 years 2 months as Director 2 years 8 months as Chairman
Nationality	Malaysian
Qualification	BA (Hons) in History and Social and Political Sciences from the University of Cambridge Master's degree in Public Administration from the John F Kennedy School of Government, Harvard University
Position in the Company	Independent Non-Executive Director (since 17 January 2013) Independent Non-Executive Chairman of Board of Directors (since 18 June 2013) Chairman of the Nomination & Corporate Governance Committee (since 10 June 2014)
Working Experience and Occupation	Tunku Ali brings with him significant experience and knowledge in the global investment field having been with Khazanah Nasional Berhad (Khazanah) from 2004 to 2010, where he was a director in the Investments Division. There, he worked on a number of transformational projects and new investments in Malaysia and throughout Asia. Prior to Khazanah, Tunku Ali gained international client service experience while serving in McKinsey & Company as a management consultant from 1998 to 2004 where he worked on corporate strategy, organisational and governance projects in Europe, North America, and Asia.
Other directorship of public companies incorporated pursuant to the Companies Act, 1965	Bangkok Bank Berhad and Sun Life Malaysia Assurance Berhad
Details of any interest in the securities of the Company and its subsidiaries	Direct beneficial interest in 20,000 ordinary shares of RM0.20 each in the Company registered in the name of Maybank Securities Nominees (Tempatan) Sdn. Bhd.
Family relationship with any director and/or major shareholder of the Company	None
Conflict of interest that he has with the Company	None
List of convictions for offences within the past 10 years other than traffic offences, if any (only for penalties made public)	None

Statement Accompanying Notice of Annual General Meeting

Name	Steven Leon Newman ("Steven Newman")
Age	51
Date of Appointment*	1 July 2015
Length of Service	8 months
* *He was appointed by the Board pursuant to Article 120 of the Company's Articles of Association. He is therefore subject to election at the 20th AGM of the Company*	
Nationality	American
Qualification	Bachelor of Science, Magna Cum Laude, Petroleum Engineering from the Colorado School of Mines Master's degree in Business Administration from Harvard University, Graduate School of Business (Harvard Business School)
Position in the Company	Independent Non-Executive Director (since 1 July 2015) Member of the Audit Committee (since 1 July 2015) Chairperson of the Risk Management Committee (since 1 July 2015)
Working Experience and Occupation	Steven Newman was with Transocean Ltd. (Transocean) between 1994 to 2015 in various capacities, and in various jurisdictions around the globe, including Switzerland, the United States of America, Europe, Indonesia and Brazil. He was the President and Chief Executive Officer of Transocean from 2010, until his resignation in February 2015. Steven Newman brings with him more than 20 years of corporate experience in strategy development, crisis management, organisational turn-around, leadership team formation, mergers & acquisitions, capital markets transactions and board renewal and development. Prior to joining Transocean, between 1992 and 1994, he was a Financial Analyst with Chevron, based in California. He also served with Mobil E&P, USA, based in Colorado, as a Reservoir Engineer.
Other directorship of public companies incorporated pursuant to the Companies Act, 1965	None
Details of any interest in the securities of the Company and its subsidiaries	None
Family relationship with any director and/or major shareholder of the Company	None
Conflict of interest that he has with the Company	None
List of convictions for offences within the past 10 years other than traffic offences, if any (only for penalties made public)	None
List of convictions for offences within the past 10 years other than traffic offences, if any (only for penalties made public)	None

Statement Accompanying Notice of Annual General Meeting

Name	Leon Andre Harland ("Leon Harland")
Age	46
Date of Appointment*	16 May 2016
Length of Service	-
* *He was appointed by the Board pursuant to Article 120 of the Company's Articles of Association. He is therefore subject to election at the 20th AGM of the Company*	
Nationality	Dutch
Qualification	Master of Science Degree - Civil (Offshore) Engineering from Delft University of Technology
Position in the Company	Chief Executive Officer/ Executive Director (since 16 May 2016)
Working Experience and Occupation	Leon Harland has more than 20 years' experience in FPSO, Floating LNG, construction and engineering in several established and reputable international firms. He was with Shell Research in The Netherlands in 1994 as an Offshore Engineer and for the following three years he was a Research Scientist, Delft University of Technology, Delft, The Netherlands, Shell Oil Research, Houston, USA. He worked at SBM, the largest FPSO operator in the world from 1998 until 2011 where he held various positions in engineering, project management and business development. From 2008 to 2011, he was a Director of FLNG Business, SBM Offshore, Monaco. He joined Heerema Marine Contractors, The Netherlands as a Senior Vice President Commercial in 2012. From 2013 until April 2016, he was the Executive Vice-President, Commercial & Technology and a member of the Board of Management, with joint responsibility for the Company's performance, and direct responsibility for all commercial, contracting, engineering and innovation initiatives.
Other directorship of public companies incorporated pursuant to the Companies Act, 1965	None
Details of any interest in the securities of the Company and its subsidiaries	None
Family relationship with any director and/or major shareholder of the Company	None
Conflict of interest that he has with the Company	None
List of convictions for offences within the past 10 years other than traffic offences, if any (only for penalties made public)	None
List of convictions for offences within the past 10 years other than traffic offences, if any (only for penalties made public)	None

Statement Accompanying Notice of Annual General Meeting

Name	Saiful Aznir bin Shahabudin
Age	56
Date of Appointment	1 December 2006
Length of Service	9 years 4 months
Nationality	Malaysian
Qualification	Member of the American Institute of Certified Public Accountants. Member of The Malaysian Institute of Certified Public Accountants. Bachelor of Business Administration degree from Western Michigan University, USA. Master of Business Administration from the University of Chicago, USA.
Position in the Company	Independent Non-Executive Director (1 December 2006) Chairperson of the Audit Committee (since 13 February 2007) Member of the Remuneration Committee (reappointed on 10 June 2014) Member of the Nomination & Corporate Governance Committee (reappointed on 17 February 2015)
Working Experience and Occupation	Saiful Aznir bin Shahabudin has wide general management experience, having served as the chief executive officer of two companies for an aggregate of more than ten years. Currently, he is the group chief executive officer of Sharikat Permodalan Kebangsaan Berhad which he joined in 2002. Prior to that, he was chief executive officer of Encorp Group, a company involved in property development and media and a partner of Andersen Worldwide where he specialised in privatisation and corporate finance. None
Other directorship of public companies incorporated pursuant to the Companies Act, 1965	None
Details of any interest in the securities of the Company and its subsidiaries	Direct beneficial interest in 2,126,000 ordinary shares of RM0.20 each in the Company registered in the name of CIMSEC Nominees (Tempatan) Sdn Bhd
Family relationship with any director and/or major shareholder of the Company	None
Conflict of interest that he has with the Company	None
List of convictions for offences within the past 10 years other than traffic offences, if any (only for penalties made public)	None

Note:
Save as disclosed, the above Directors have no family relationship with any Director and/or major shareholder of the Company, have no conflict of interest with the Company and have not been convicted of any offence within the past 10 years.

FORM OF PROXY

BUMI ARMADA BERHAD (370398-X)
(Incorporated in Malaysia)

I/We, ______________________________ *NRIC (new and old)/*Passport No./ *Company No. ____________________
[FULL NAME IN BLOCK LETTERS] [COMPULSORY] [COMPULSORY]

of ____ and telephone no. ____________
[ADDRESS]

being a member of Bumi Armada Berhad (the "Company"), hereby appoint ______________________________
[FULL NAME IN BLOCK LETTERS] [COMPULSORY]

*NRIC No./*Passport No. ____________________ of ______________________________
[COMPULSORY] [ADDRESS]

and/or ______________________________ *NRIC No./*Passport No. ____________________
[FULL NAME IN BLOCK LETTERS] [COMPULSORY] [COMPULSORY]

of ____
[ADDRESS]

or failing *him/*her, THE CHAIRMAN OF THE MEETING as *my/*our *proxy/*proxies to vote for *me/*us and on *my/*our behalf at the **Twentieth Annual General Meeting of the Company to be held on 23 May 2016 at 10.00 a.m. at Ballrooms 1 & 2, 1st Floor, Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur, Malaysia** and at any adjournment thereof.

*I/*We indicate with an "X" in the spaces below how *I/*we wish *my/*our vote to be cast:

No.	Ordinary Resolutions	For	Against
1	To declare a tax exempt final cash dividend of 0.82 sen per share for the financial year ended 31 December 2015.		
2	To re-elect Chan Chee Beng as a Director of the Company in accordance with Article 113 of the Company's Articles of Association.		
3	To re-elect Tunku Ali Redhauddin ibni Tuanku Muhriz as a Director of the Company in accordance with Article 113 of the Company's Articles of Association.		
4	To elect Steven Leon Newman as a Director of the Company in accordance with Article 120 of the Company's Articles of Association.		
5	To elect Leon Andre Harland as a Director of the Company in accordance with Article 120 of the Company's Articles of Association.		
6	To re-appoint Messrs. PricewaterhouseCoopers as Auditors of the Company.		
7	To re-appoint Saiful Aznir bin Shahabudin as an Independent Non-Executive Director of the Company until the conclusion of the next annual general meeting of the Company.		
8	To authorise the Directors to allot and issue new ordinary shares pursuant to Section 132D of the Companies Act, 1965 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.		

Subject to the above stated voting instructions, *my/*our *proxy/*proxies may vote or abstain from voting on any resolutions as *he/*she/*they may think fit.

<table>
<tr>
<td>If appointment of proxy by an individual or a corporation is under hand

____
Signed by *individual member/*officer or attorney of member/*authorised nominee of
____
(beneficial owner)</td>
<td>No. of shares held : ______________
Securities Account No.: ____________
(CDS Account No.) (Compulsory)

Date :</td>
<td rowspan="2">The proportions of *my/*our holding to be represented by *my/*our *proxy/*proxies are as follows :

First Proxy
No. of shares : ______________
Percentage : ______________ %

Second Proxy
No. of shares : ______________
Percentage : ______________ %</td>
</tr>
<tr>
<td>If appointment of proxy by a corporation is under seal

The Common Seal of
____
was hereto affixed in accordance with its Articles of Association in the presence of :-

__________ __________
Director *Director/*Secretary

in its capacity as *member/*attorney of member/*authorised nominee of
____
(beneficial owner)</td>
<td>Seal

No. of shares held : ______________
Securities Account No.: ____________
(CDS Account No.) (Compulsory)

Date :</td>
</tr>
</table>

** Delete if inapplicable*

NOTES :

1. A member of the Company entitled to attend and vote at this meeting is entitled to appoint one or more proxies to attend and vote for him/her provided that the number of proxies appointed shall not be more than two except in the circumstances set out in Note 2. A proxy may but need not be a member of the Company, and the provision of Section 149(1)(b) of the Companies Act, 1965 (the "Act") shall not apply to the Company. There shall be no restriction as to the qualification of the proxy.

2. Where a member of the Company is an authorised nominee, it may appoint at least one proxy in respect of each securities account it holds to which ordinary shares in the Company are credited. Each appointment of proxy by an authorised nominee shall be by a separate instrument of proxy which shall specify the securities account number and the name of the beneficial owner for whom the authorised nominee is acting. For an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

3. The instrument appointing a proxy shall:
   (i) in the case of an individual, be signed by the appointor or by his/her attorney; and
   (ii) in the case of a corporation, be either under its common seal or signed by its attorney or by an officer on behalf of the corporation.

4. Where a member appoints more than one proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.

5. The instrument appointing a proxy must be deposited at the office of the **Company's Share Registrars, Symphony Share Registrars Sdn Bhd at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia, not less than 48 hours before the time appointed for holding the meeting** or adjourned meeting or in the case of a poll, not less than 24 hours before the taking of the poll; otherwise the instrument of proxy shall not be treated as valid and the person so named shall not be entitled to vote in respect thereof. Fax copies of the duly executed form of proxy are not acceptable.

6. A proxy may vote on a show of hands and on a poll. If the form of proxy is returned without an indication as to how the proxy shall vote on any particular matter, the proxy may exercise his discretion as to whether to vote on such matter and if so, how.

7. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting and the instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

8. The lodging of a form of proxy does not preclude a member from attending and voting in person at the meeting should the member subsequently decide to do so.

9. **Personal Data Privacy**

   By submitting the duly executed proxy form, the member and his/her proxy consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the AGM, and any adjournment thereof.

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STAMP

THE SHARE REGISTRARS OF
BUMI ARMADA BERHAD
(Company No.:370398-X)

Symphony Share Registrars Sdn Bhd
Level 6, Symphony House
Pusat Dagangan Dana 1, Jalan PJU 1A/46
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