

BUMI ARMADA BERHAD (“BAB” OR THE “COMPANY”)

Subscription of 350,000,000 Convertible Preference Shares by Bumi Armada Offshore Holdings Limited in Bumi Armada Navigation Sdn Bhd

1. INTRODUCTION

Pursuant to Paragraph 10.06 of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), the Board of Directors of BAB (“Board”) wishes to announce that Bumi Armada Offshore Holdings Limited (“BAOHL”), a wholly-owned subsidiary of BAB, had, on 7 March 2018, subscribed for 350,000,000 convertible preference shares (“CPS”) in Bumi Armada Navigation Sdn Bhd (“BAN”), a subsidiary of BAB, in conjunction with the capitalisation of an amount of RM350,000,000 owing by BAN to BAOHL (“Subscription of CPS” or “Transaction”).

2. INFORMATION ON BAN

BAN is a private limited company incorporated in Malaysia on 24 June 1977.

BAN’s principal activity is the provision of marine transportation and support services to offshore oil and gas companies.

The directors of BAN are Chan Chee Beng, Megat Zariman Bin Abdul Rahim and Syed Hasanuddin Bin Syed Hashim.

3. INFORMATION ON BAOHL

BAOHL is a private limited company incorporated in the Marshall Islands on 17 June 2010.

BAOHL is a ship owner, charterer, manager of ships and vessels and also provides marine support and other services to offshore oil and gas companies.

The directors of BAOHL are Pierre Philippe Georges Savy and James Oliver Ellis.

4. DETAILS OF THE SUBSCRIPTION OF CPS

4.1 Subscription of CPS

The shareholdings of BAN before the Subscription of CPS are as follows:

	No. of OS [#]		No. of RPS [@]	%
1 BAB	5,000,000	49	90,000,000	100
2 Wijaya Baiduri Sdn Bhd*	1,740,000	17	-	
3 Wijaya Sinar Sdn Bhd*	1,740,000	17	-	
4 Karisma Mesra Sdn Bhd*	1,740,000	17	-	
	10,220,000	100	90,000,000	

Notes:

Ordinary Shares

@ Redeemable Preference Shares

* Each of Wijaya Baiduri Sdn Bhd, Wijaya Sinar Sdn Bhd and Karisma Mesra Sdn Bhd is a trustee holding its shares in BAN on a discretionary trust for Bumiputra objects.

The consideration for the Subscription of CPS by BAOHL will be satisfied otherwise than by cash and involves the capitalisation of a debt of RM350,000,000 owing by BAN to BAOHL.

Following the issuance of the new CPS, BAN's shareholders will be as follows:

		No. of OS	%	No. of RPS	%	No. of CPS	%
1	BAB	5,000,000	49	90,000,000	100	-	-
2	BAOHL	-	-	-	-	350,000,000	100
3	Wijaya Baiduri Sdn Bhd*	1,740,000	17	-	-	-	-
4	Wijaya Sinar Sdn Bhd*	1,740,000	17	-	-	-	-
5	Karisma Mesra Sdn Bhd*	1,740,000	17	-	-	-	-
		10,220,000	100	90,000,000	100	350,000,000	100

4.2 Basis of Determining the Issue Price of the CPS

The total issue price of the CPS of RM350,000,000 is equivalent to the amount of RM350,000,000 owing by BAN to BAOHL and capitalised for the purpose of the Subscription of CPS.

4.3 Rationale for the Subscription of CPS

The Subscription of CPS is to enable BAN to settle its outstanding debt to BAOHL.

4.4 Financial Effect of the Subscription of CPS

The Transaction will not have a material financial impact to the Company for the financial year ending 31 December 2018.

4.5 Estimated Timeframe for Completion

The Subscription of CPS occurred on 7 March 2018.

5. LIABILITIES TO BE ASSUMED

There are no liabilities, including contingent liabilities and guarantees, to be assumed by the Company arising from the Transaction.

6. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED TO THEM

None of the Directors nor major shareholders of the Company and/or persons connected with them have any interest, direct or indirect, in the Subscription of CPS such as to make this a related party transaction under the MMLR.

7. STATEMENT BY THE BOARD OF DIRECTORS

The Board is of the view that the Subscription of CPS is in the best interest of the Company.

8. HIGHEST PERCENTAGE RATIO

The applicable formula for the calculation of the percentage ratio for the Subscription of CPS is provided under Paragraph 10.02(g)(iii) of the MMLR.

The percentage ratio for the Subscription of CPS is 6.26%, which is the aggregate value of the consideration for the Subscription of CPS, compared with BAB's net assets based on the latest audited financial statements as at FYE 31 December 2016.

9. APPROVAL REQUIRED

The Company is not required to seek its shareholders' approval nor the approval of any relevant authority for the Transaction.

This announcement is dated 7 March 2018.