



BUMI ARMADA

25 May 2022

Badan Pengawas Pemegang Saham Minoriti Berhad
(Minority Shareholders Watch Group)
Level 23, Unit 23-2, Menara AIA Sentral
No. 30, Jalan Sultan Ismail
50250 Kuala Lumpur

Attention: Mr Devanesan Evanson, Chief Executive Officer

Dear Sir,

**BUMI ARMADA BERHAD (“BAB” or the “GROUP”)
- Twenty-Sixth Annual General Meeting (“26th AGM”)**

Thank you for your letter dated 18 May 2022.

Please find our response to the questions raised by you, which will also be highlighted to those who attend our 26th AGM scheduled to be held on 25 May 2022:

No.	Question	BAB's Response
Operational and Financial Matters		
1.	<p>A subsidiary of the Group in Russia is involved in the design, procurement construction, and installation of a 16-inch subsea multiphase pipeline at the V. Grayfer field located in the Caspian Sea, Russia. The offshore construction work is expected to be completed in 2022. (Page 56 of AR)</p> <p>(a) Will there be a delay in the completion of the offshore construction work due to the Russian-Ukrainian conflict?</p> <p>(b) Does the Group expect a delay in the payment of work performed?</p> <p>(c) What currency will be used to pay for the work performed as Russia has difficulty in paying US dollars?</p>	<p>We are progressing the works as planned and the offshore construction work is targeted to complete in 2022.</p> <p>We expect to receive payment in accordance with the contractual terms and we do not expect any delay at this juncture.</p> <p>The currency of payment is Russian rubles.</p>
2.	<p>The Company has 3 Offshore Support Vessels, (“OSV”), 2 Subsea Construction (“SC”) vessels and 1 Shore Base/Office operating in Russia. (Page 3 of AR).</p> <p>The disposal of the 3 OSV has been completed in January 2022, with two other assets remaining.</p> <p>(a) What were the revenue contribution of the 2 SC vessels and 1 Shore Base/Office respectively in FY 2021?</p>	<p>In FY2021, Russia contributed less than 1% of the Group's revenue.</p>

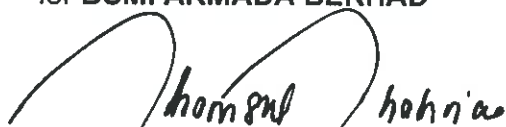
No.	Question	BAB's Response
	<p>(b) Has the 2 SC vessels utilisation rate been impacted by the sanctions imposed on Russia? If yes, how much is the reduction in the utilisation rate for the SC vessels.</p> <p>(c) Did the 2 SC vessels incur additional impairment charge because of the Russian-Ukrainian conflict? If yes, what is the new depreciation charge?</p>	<p>The 2 SC vessels are being used for the contract signed by a subsidiary, to design, procure, construct and install the 16-inch subsea multiphase pipeline at the V. Grayfer located in the Caspian Sea, Russia. There is no impact presently on the operations of the 2 SC vessels.</p> <p>There is no impairment charge on the 2 SC vessels in Q1 2022.</p>
3.	<p>The Group can focus on growth for the first time in years by expanding the Group's core business to include the energy transition sector. (Page 13 of AR)</p> <p>(a) Please name the energy transition sector the Group has identified to expand into.</p> <p>(b) Has the Group started any new business venture in the energy transition? Sector? If yes, please name the new business venture.</p>	<p>The Group aims to achieve Net Zero Emission by 2050 through initiatives that can effectively reduce carbon emissions. Such initiatives include:</p> <ul style="list-style-type: none"> a) Adoption of green technology in new projects. b) Continue to fund engineering studies and pursue business development for: <ul style="list-style-type: none"> • Zero GHG emissions FPSOs and FLNG vessels. • Carbon capture and storage facilities. c) Improvement of energy efficiency of our current operations. d) Minimise lifecycle carbon footprint throughout our supply chain. e) Prioritise the development of offshore carbon sequestration business. f) Expand our LNG re-gas business to drive cleaner energy alternatives. <p>In terms of natural gas, the Group currently has one FSU project in operation in Malta. We are also progressing our Mumbai Port FSRU project and we will make an announcement on further details of the project once these are available.</p> <p>In terms of zero GHG emissions FPSOs and FLNG vessels, carbon capture and storage facilities as well as offshore carbon sequestration business, these are still in the development stage.</p>
4.	<p>The classification of a secured term loan from Mezzanine Equities N.V. ("MENV") of RM125.0 million as current liabilities as the repayment of the loan is due within 12 months from the balance sheet date. (Page 193 of AR)</p> <p>(a) Has the company succeeded in extending the repayment date? If yes, what is the new due date?</p>	<p>The Group is currently in discussion with MENV to extend the repayment date.</p>

No.	Question	BAB's Response
	(b) Are there new changes to the terms of the secured term loan? If yes, please provide the new terms of the secured term loan.	We do not expect changes to the terms of the secured term loan.
Corporate Governance Matters		
5.	<p>The Audit Committee is instilling a compliance culture within the Group, in particular Angola for FY 2022. (Page 61 of AR)</p> <p>(a) Was there any financial loss due to the breaches of compliance in Angola in procurement and internal control procedures in FY 2021? If yes, what was the amount.</p> <p>(b) What are the measures taken to instill the compliance culture in Angola?</p>	<p>No financial loss was recorded.</p> <p>During the height of the COVID outbreak, management from the head office were not able to visit the overseas locations. Oversight on these overseas operations was done via online video calls and remote audits.</p> <p>With the easing of travel restrictions, going forward, to enhance the compliance culture in Angola, there will be additional scrutiny placed on Angola. This includes more frequent visits and oversight by senior management and enhanced Internal Audit and Compliance reviews, in addition to existing measures already carried out.</p>

We trust the above clarifies. Kindly acknowledge receipt of this letter by signing and returning to us the duplicate copy of the same.

Thank you.

Yours faithfully
for **BUMI ARMADA BERHAD**



SHAMSUL SHAHRINA BINTI MOHD HUSSEIN
Joint Company Secretary / Head
Corporate Secretarial Services