

**BUMI ARMADA BERHAD**

Registration No: 199501041194 (370398-X)

**Minutes of the Twenty-Seventh Annual General Meeting (“27<sup>th</sup> AGM” or “AGM”) of Bumi Armada Berhad (“BAB” or “Company”)  
held at 3.30 p.m. on Thursday, 25 May 2023 at Angola Room, Level 7, Menara Perak,  
24 Jalan Perak, 50450 Kuala Lumpur, Malaysia (Broadcast venue)**

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**Directors present at Broadcast Venue**

1. YAM Tunku Ali Redhaudin ibni Tuanku Muhriz (Chairman of Board of Directors, Chairperson of Nomination & Corporate Governance Committee)  
Independent Non-Executive Director
2. Mr Uthaya Kumar K Vivekananda (Chairperson of Audit Committee and Risk Management Committee)  
Independent Non-Executive Director
3. YM Raja Tan Sri Dato’ Seri Arshad bin Raja Tun Uda  
Independent Non-Executive Director
4. Mr Chan Chee Beng  
Non-Independent Non-Executive Director
5. Ms Maureen Toh Siew Guat  
Non-Independent Non-Executive Director
6. Mr Rohan a/l Rajan Rajasooria  
Non-Independent Non-Executive Director
7. Mr Gary Neal Christenson  
Executive Director/Chief Executive Officer (“CEO”)

**Directors present using remote platform**

1. Ms Alexandra Elisabeth Johanna Maria Schaapveld (Chairperson of Remuneration Committee)  
Senior Independent Non-Executive Director
2. YM Tunku Alizakri Raja Muhammad Alias  
Independent Non-Executive Director

**Joint Company Secretary present at Broadcast Venue**

Ms Shamsul Shahrina Mohd Hussein

### **In Attendance at Broadcast Venue**

1. Mr Luke Christopher Targett, Chief Financial Officer
2. BAB Management Team
3. Poll Administrator: Boardroom Share Registrars Sdn Bhd
4. Independent Scrutineer: Sky Corporate Services Sdn Bhd

### **In Attendance using Remote Platform**

1. Representatives from external auditors, PricewaterhouseCoopers PLT ("PwC"): Ms Gan Wee Fong and Mr Nataraj Veeramani
2. Shareholders Present: As per the attendance details [Total: 653 representing 38,682,551 ordinary shares ("BAB Shares")]
3. Proxies Present: As per the attendance details [Total: 295 representing 4,311,650,744 BAB Shares including the Chairman who has been nominated as proxy in respect of 1,114,493,609 BAB Shares]

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### **1.0 Chairman**

- 1.1 Tunku Ali Redhaudin ibni Tuanku Muhriz, the Chairman of the Board of Directors ("Board") of the Company ("Chairman"), presided over the 27<sup>th</sup> AGM. The Chairman welcomed and thanked all shareholders for participating in the live streaming of the 27<sup>th</sup> AGM of BAB remotely from various locations.
- 1.2 The Chairman explained that in line with the Guidance on the conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia, the Board decided that the 27<sup>th</sup> AGM should be held virtually without physical attendance by shareholders and proxies. The Chairman reminded that no audio or video recordings were allowed for the live streamed AGM as participation at the AGM was restricted to shareholders, valid proxies and authorised representatives of corporate shareholders.
- 1.3 The Chairman emphasised that whilst all efforts had been taken to ensure a smooth live streaming, the quality of the broadcast might be affected by the participants' own internet bandwidth connection and stability.
- 1.4 The Chairman proceeded to introduce the Board members and Senior Management who were present at the broadcast venue namely, Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda (Independent Non-Executive Director), Mr Uthaya Kumar Vivekananda (Independent Non-Executive Director), Ms Maureen Toh Siew Guat (Non-Independent Non-Executive Director), Mr Chan Chee Beng (Non-Independent Non-Executive Director), Mr Rohan a/l Rajan Rajasooria (Non-Independent Non-Executive Director), Mr Gary Neal Christenson ("Mr Christenson") (Executive Director and Chief

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Executive Officer), Mr Luke C. Targett (“Mr Targett”) (Chief Financial Officer) and Ms Shamsul Shahrina Mohd Hussein (Joint Company Secretary). The Chairman continued to introduce the other Board members who were participating in the AGM via video conferencing from their respective locations namely, Ms Alexandra Elisabeth Johanna Maria Schaapveld (Senior Independent Non-Executive Director) who joined from Amsterdam, The Netherlands and Tunku Alizakri bin Raja Muhammad Alias (“Tunku Alizakri”) (Independent Non-Executive Director) who joined from Kuala Lumpur and the representatives from PwC, Ms Gan Wee Fong and Mr Nataraj Veeramani.

- 1.5 The Chairman welcomed the newly appointed Directors of the Company, Mr Rohan a/l Rajan Rajasooria, Non-Independent Non-Executive Director (“NINED”) (“Mr Rohan”), who was appointed on 23 November 2022 and Raja Tan Sri Dato’ Seri Arshad bin Raja Tun Uda, Independent Non-Executive Director (“INED”) (“Raja Tan Sri Arshad”), who was appointed on 20 April 2023 and invited them to introduce themselves.
- 1.6 Mr Rohan introduced himself to the shareholders and outlined his 25 years’ experience in financial management and operational roles. He is currently the Group Treasurer of Usaha Tegas Group and has worked on financing structures over the last 14 years in a variety of industries and serves on several boards of companies which Usaha Tegas has interests in. He hoped that his knowledge and experience would complement those of the other Board members, and he looked forward to continuing his service on the BAB Board, subject to the shareholders’ approval.
- 1.7 Raja Tan Sri Arshad introduced himself to the shareholders and highlighted his 33 years of experience with PwC Malaysia, 18 of which he served as Executive Chairman. He was Chairman of the PwC Asia 7 Leadership team for the last 2 years of his career at PwC. He was also formerly a director of Maxis Berhad and Khazanah Nasional Berhad. He hoped that his knowledge and experience would complement those of the other Board members, and he looked forward to serving on the BAB Board again, subject to the shareholders’ approval.
- 1.8 The Chairman stated that he had been advised by the Joint Company Secretary that the quorum for the AGM, in accordance with Rule 91 of the Company’s Constitution, was 3 members present in person or by proxy or in the case of corporations, members present by the representatives appointed pursuant to the provisions of the Constitution and entitled to vote, when the AGM proceeded to business.
- 1.9 The Chairman then proceeded to inform the shareholders that the total number of valid proxy forms received within the stipulated time was 295 appointing 359 proxies and representing a total of 4,311,650,744 BAB Shares out of which 197 holders of 1,114,493,609 BAB Shares had appointed the Chairman of the Meeting to be their proxies. The Chairman then declared that the requisite quorum

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for the AGM was present.

**2.0 Safety Moment**

2.1 The Chairman informed the AGM that as part of the Company's continuing efforts to promote a strong safety culture, a safety moment would be conducted before the start of each Board and Board Committee meetings.

2.2 He then invited Mr Gary Leong, Vice President, Health, Safety and Environment to present a short video presentation on how the Company maintains safety at its operations sites.

**3.0 Remarks from the Chairman on the Company's Performance for financial year ending 31 December 2022 ("FY 2022")**

3.1 The Chairman highlighted the key events of 2022 and the impact on the Company's business. Despite the impact of Covid-19, the Company achieved continued improvement in all aspects of the business in FY 2022, resulting in an increased full-year profit attributable to the Company's owners of RM732.4 million. This was also BAB's highest full-year net profit since its listing on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia") more than a decade ago in 2011.

3.2 BAB continues to place a great deal of attention in improving the Group's safety culture but disappointingly 2 Lost Time Injury ("LTI") cases were reported during the year. BAB has increased leadership vessel visits and embedded an additional senior safety expert on its vessels to reinforce its safety culture and resultant behaviours. BAB continues to put safety as its utmost priority to safeguard its people while protecting its assets and environment.

**4.0 Presentation by the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO")**

4.1 Mr Christenson presented an overview of the operational highlights of the Company for FY 2022, summarised below:-

(i) HSSEQ Safety First

- Safety is Bumi Armada's priority as it wants everyone to go home safe every day. Unfortunately, there were 2 LTIs reported in 2022. A senior safety expert was hired to ensure safety and also strengthen the safety culture on all BAB's vessels.
- BAB being a multinational company, has 800 staff from Angola to Russia and from the North Sea to the Java Sea. Management worked hard to keep the different cultures and people engaged to be part of the Bumi culture. It will continue to do the same if it

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expanded into any new region.

- BAB had been included in the FTSE4GOOD Index in December 2022. It also received the Shell Malaysia Safety Award 2022 – Upstream category and ASEAN Corporate Governance Scorecard award in 2021.

**(ii) Sustainability**

- A new Sustainability Vice President has joined who has implemented the integrated Sustainability program.
- Flare, Fuel and Power Management on FPSOs– 2.5% reduction of GHG emission (>10%).
- Integration of green technology in current and new projects.
- Development of carbon capture and storage projects.
- Commitment to UN Sustainability Development Goals.
- Net Zero Carbon by 2050.

**(iii) Operations**

- All operations performed well throughout 2022 with high performance efficiency.
- Armada Sterling V, which is a partially owned FPSO, was anchored at location and ready for “First Oil”.
- It is the end of an era for the Offshore Support Vessels (“OSV”) division, since the last vessel was sold on 19 May 2023. Management recorded special thanks to the OSV team for many years of service and a great effort right up to the very end.
- Subsea – Grayfer project completion 1H 2023. Multiple projects were expected to be tendered in second half of 2023 through to 2024. In the meantime, the Subsea team would be merged into Operations for greater performance and cost efficiency.

**(iv) Outlook 2023**

- Decreased debt and equity available for the Oil & Gas sector including FPSOs because of green restrictions on many of the banks.
- High volatility in the supply chain due to the roll over from Covid-19, creating delays and price increases.
- Inflation risk for debt and operating costs.
- High oil and gas prices near and midterm.
- Strong growth in the energy transition business.
- Increased demand in the floating solutions market for FPSO, FSRU and FLNG.
- Increase demand for green technology.
- Increased debt and equity available for green technology.

**(v) Strategy 2023**

- Safety – to lead from the start to the end.
- Focus on operational excellence.
- Control costs and continue to reduce debt.
- Growth in core areas – FPSOs, countries, capabilities, clients, partners and green

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technology.

- Maintain crucial relationships with clients and partners.
- Expansion into the energy transition sector in LNG, carbon capture, and renewables.
- Integrated ESG program.
- Partnerships in the Upstream sector.

The CEO invited Mr Targett, the CFO, to brief on the financial performance for FY 2022. Mr Targett presented the following highlights:

(iv) FY2022 financial highlights

- Record profitability/net profit of RM732 million;
- Robust cash generations of pre-financing cashflow of RM2 billion and is the highest pre-financing cashflow since listing in 2011;
- As a result of the profitability and cash generations, BAB has managed to deleverage the balance sheet resulting in a net gearing at the end of FY 2022 being 0.9 and is the lowest since the FY 2015.
- Some of the specific key targets achieved by BAB in FY 2022 included the following:
  - (a) Increased revenue by 11% and among the major contributors include the Grayfer project in Russia and improved financial performance from Armada Kraken;
  - (b) Maintained 99% FPSO uptime;
  - (c) Higher EPS by 27% at 12.38 sen/share;
  - (d) Repaid USD397.5 million (or RM1.7 billion equivalent) of borrowings to bring net gearing below 1.0;
  - (e) Reduced selling, distribution & administrative expenses by 11%;
  - (f) Higher pre-financing cash flows by 6%;
  - (g) Net current assets position as at 31 December 2022;
  - (h) Completed the disposals of 6 OSVs (including 3 ice-class vessels); and
  - (i) Only 1 OSV remaining as at end FY 2022.

(v) Share price performance

- Increase in share price by 1 sen in FY 2022.
- The share price saw a steady climb in 2023.

(vi) Financial results for first quarter ending 31 March 2023 ("Q1 2023") (released on 25 May 2023 to Bursa Malaysia):

- Revenue in Q1 FY2023 compared to Q4 FY2022 was down slightly, due to reduction in Armada Kraken revenue recognised in the quarter and also lower variation orders from Armada Olombendo. Notwithstanding the lower revenue, the net operating profit increased largely due to other income and the reduction in administrative costs and expenses during the quarter. The profit was quite similar to Q4 2022, although Q4 2022

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- was a little higher due to a write back of various tax provisions during that quarter.
- Q1 2023 net operating profit was lower from Q4 2022 mainly due to changes with respect to working capital.
- Cash balance has decreased from year end due to the full repayment of the project finance debt on Armada Kraken, more than 3 months early.

(vii) Order book as at 31 March 2023

- 84% order book from wholly owned FPO units.
- Robust firm order book of RM11.1 billion.
- Certain contracts contain extension options beyond firm contract period with a total potential value of RM9.3 billion.
- The order book as at 31 March 2023 excludes Armada Sterling V which is on site and ready for “First Oil”.

The Chairman thanked the CEO and CFO for their presentations.

**5.0 Notice of 27<sup>th</sup> AGM**

- 5.1 The Notice of the AGM was issued to the shareholders on 26 April 2023, posted on the Company’s website and announced to Bursa Malaysia on 25 April 2023 in accordance with the required notice period. Since there was no objection, the Notice convening the AGM was taken as read.
- 5.2 The Chairman informed the shareholders that the Resolutions tabled would be determined by poll. The poll voting would be done electronically after all the proposed Resolutions had been tabled to the shareholders for consideration and questions by shareholders on the proposed Resolutions had been addressed.

**6.0 Consideration of the Audited Financial Statements for FY2022 and the Reports of the Directors and Auditors therein**

- 6.1 The Chairman presented to the shareholders, the Audited Financial Statements for FY2022, together with the report of the Directors and Auditors thereon (page 97 to 225 of the Annual Report).
- 6.2 As explained in the Notice of the AGM, pursuant to the Companies Act, 2016, the Audited Financial Statements and the Reports of the Directors and Auditors therein were not required to be submitted to a resolution. However, BAB would be pleased to deal with any questions on the Audited Financial Statements and the Reports of the Directors and Auditors.
- 6.3 Since there were no questions, the Audited Financial Statements for FY 2022 and the Reports of the Directors and Auditors therein were taken as read.

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**7.0 Questions and Answers (“Q&A”) Session**

7.1 The Chairman informed that the Minority Shareholders Watch Group (“MSWG”) had sent some questions to BAB ahead of the AGM and the Company had responded to all the questions. MSWG’s questions and the Company’s responses were read out by Ms Sarimah Talib, Vice President Sustainability and External Relations, for the benefit of those present, and appended hereto as **Appendix 1**.

7.2 The Chairman then invited questions from shareholders and proxies present online. The questions received were dealt with by the Chairman and Board members as well as the Senior Management. These questions and the responses are appended hereto as **Appendix 2**.

7.3 The Chairman noted that there have been questions raised from the shareholders regarding door gifts and stated that as set out in the administrative guide that was distributed together with the Notice of the 27<sup>th</sup> AGM, there would be no door gifts.

**8.0 Ordinary Resolution 1 – Payment of Fees and Benefits to the Non-Executive Directors of up to an amount of RM3.25 million from 25 May 2023 until the conclusion of the next AGM of the Company to be held in 2024**

8.1 The Chairman highlighted that details on the proposed Resolution was set out in Explanatory Note 2 of the Notice of the AGM, on page 233 of the Annual Report. The Non-Executive Directors were required to abstain from voting on this proposed Resolution and would ensure that persons connected to them will also abstain due to their interest in this proposal.

8.2 The proposed Ordinary Resolution 1 for consideration is set out below:

“That the payment of fees and benefits to the Non-Executive Directors of up to an amount of RM3.25 million from 25 May 2023 until the conclusion of the next AGM of the Company to be held in 2024, be hereby approved.”

**9.0 Ordinary Resolution 2 – Re-appointment Messrs PricewaterhouseCoopers PLT as Auditors of the Company for the financial year ending 31 December 2023 and to authorise the Directors to fix their remuneration for that year**

9.1 The Chairman highlighted that Messrs PwC, the retiring auditors had indicated their willingness to be re-appointed as the Company’s auditors for the ensuing financial year. The relevant details



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pertaining to the proposed re-appointment was set out in Explanatory Note 3 of the Notice of the AGM, on page 233 of the Annual Report.

9.2 The proposed Ordinary Resolution 2 for consideration is set out below:

“That Messrs. PricewaterhouseCoopers PLT be and is hereby appointed as Auditors of the Company for the financial year ending 31 December 2023 and the Directors be and are hereby authorised to fix their remuneration for that year.”

**10.0 Ordinary Resolution 3 – Re-election of Director Retiring by Rotation**

10.1 The Chairman highlighted that Mr Uthaya Kumar a/l K Vivekananda (“Mr Kumar”) retires by rotation in accordance with Rule 131.1 of the Company’s Constitution, and being eligible, had offered himself for re-election as a Director of the Company. The profile of Mr Kumar was set out on page 55 of the Annual Report.

10.2 The proposed Ordinary Resolution 3 for consideration is set out below:

“That Mr Uthaya Kumar a/l K Vivekananda, a Director who retires by rotation in accordance with Rule 131.1 of the Company’s Constitution, be and is hereby re-elected as a Director of the Company.”

**11.0 Ordinary Resolution 4 – Re-election of Director Retiring by Rotation**

11.1 The Chairman highlighted that Mr Rohan a/l Rajan Rajasooria (“Mr Rohan”) retires by rotation in accordance with Rule 116 of the Company’s Constitution, and being eligible, had offered himself for re-election as a Director of the Company. The justification for his re-election as a director was set out in Explanatory Note 4 of the Notice of the AGM on page 234 of the Annual Report. Mr Rohan’s profile was on page 57 of the Annual Report.

11.2 The proposed Ordinary Resolution 4 for consideration is set out below:

“That Mr Rohan a/l Rajan Rajasooria, a Director who retires by rotation in accordance with Rule 116 of the Company’s Constitution, be and is hereby re-elected as a Director of the Company.”

**12.0 Ordinary Resolution 5 – Re-election of Director**

12.1 The Chairman highlighted that Raja Tan Sri Dato’ Seri Arshad bin Raja Tun Uda (“Raja Tan Sri Arshad”) retires in accordance with Rule 116 of the Company’s Constitution, and being eligible, had

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offered himself for re-election as a Director of the Company. The justification for his appointment as a director was set out in Explanatory Note 4 of the Notice of the AGM on page 234 of the Annual Report. Raja Tan Sri Arshad's profile was on page 56 of the Annual Report.

**12.2 The proposed Ordinary Resolution 5 for consideration is set out below:**

"That Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda, a Director who retires in accordance with Rule 116 of the Company's Constitution, be and is hereby re-elected as a Director of the Company."

**13.0 Ordinary Resolution 6**

**Authority to Issue Ordinary Shares pursuant to Sections 75 and 76 of the Companies Act, 2016 ("CA 2016") and the Main Market Listing Requirements ("MMLR") of Bursa Malaysia**

**13.1 The Chairman stated that this resolution, if approved, would give the Directors authority to issue and allot new ordinary shares up to an amount not exceeding 10% of the total issued shares of the Company until the conclusion of the next AGM of the Company.**

**13.2 In accordance with Sections 75 and 76 of the CA 2016 and MMLR, the Directors need to seek approval from the shareholders at the general meeting in order to have the authority to issue and allot new shares.**

**13.3 The proposed Ordinary Resolution 6 is set out below:-**

"THAT pursuant to Sections 75 and 76 of the CA 2016 and subject to the Constitution of the Company, the MMLR and the approvals of the relevant regulatory authorities, where such approvals are required, the Directors be and are hereby empowered to issue and allot shares in the Company from time to time, at such price, upon such terms and conditions, to such persons and for such purposes as the Directors may, in their absolute discretion deem fit PROVIDED THAT the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares (excluding any treasury shares) of the Company for the time being and that such authority shall continue to be in force until the conclusion of the next annual general meeting of the Company, AND THAT the Directors be authorized to do all such things as they deem fit and expedient in the best interest of the Company to give effect to the issuance of new shares under this resolution including making such applications to Bursa Securities for the listing of and quotation for the additional shares so issued on Bursa Securities pursuant to this resolution."

**14.0 Ordinary Resolution 7**

**Proposed offer, grant and/or allotment in respect of ordinary shares in the Company ("Bumi Armada Shares") to Mr Gary Neal Christenson, Executive Director/Chief Executive Officer pursuant to the Company's Management Incentive Plan ("MIP") – Annual Incentive**

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- 14.1 The Chairman highlighted that the proposed Resolution 7, if approved, would give the Directors the authority to offer, grant, and/ or allot ordinary shares in the Company to Mr Christenson, the CEO pursuant to the MIP, as part of his Annual Incentive. Mr Christenson would be abstaining from voting on this proposed Resolution due to his interest in this proposal and ensure that persons connected to him also abstained.
- 14.2 The details of the proposal were stated in Explanatory Note 6 of the Notice of AGM on page 235 of the Annual Report.
- 14.3 The proposed Ordinary Resolution 7 is set out as below:-
- “THAT authority be and is hereby given to the Directors of the Company to:
- (i) make and/or award, offer and grant pursuant to the MIP, to Mr Gary Neal Christenson, Executive Director/Chief Executive Officer of the Company, at any time and from time to time, commencing from the date of the shareholder’s approval (“**Approval Date**”) and expiring at the conclusion of the AGM of the Company commencing next after the Approval Date or at the expiry of the period within which the next AGM of the Company is required to be held after the Approval Date, whichever is the earlier (“**AI Mandate Period**”) such number of Bumi Armada Shares with a value of up to USD1,500,000 or its equivalent amount in Ringgit Malaysia (converted using the middle rate of Bank Negara Malaysia foreign exchange) based on the 5-day volume weighted average market price of the Bumi Armada Shares preceding the date of the offer as traded on Bursa Malaysia Securities Berhad (rounded up to the nearest 100 Bumi Armada Shares), subject always to the terms and conditions of, and/or any adjustments which may be made pursuant to the provisions of the By-Laws of the MIP;
  - (ii) issue and allot to him, such number of Bumi Armada Shares (whether during or after the AI Mandate Period) comprised in the offers and grants made and/or awarded to him during the AI Mandate; and
  - (iii) take all such actions that may be necessary and/or desirable to give effect to this resolution and to execute, sign and deliver on behalf of the Company, all such documents as they may deem necessary, expedient and/or appropriate, with full powers to assent to any condition, modification, variation and/or amendment thereto as the Directors of the Company may deem fit and in the best interest of the Company.”
- 14.4 As informed by the Company Secretary, Ms Leong Weng Yan and Ms Wong Yong Khee, both being members of the Company had proposed and seconded all the ordinary resolutions number 1 to number 7 as stated in the Notice of the 27<sup>th</sup> AGM dated 26 April 2023.

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- 15.1 There being no other questions from the floor or any other business to be dealt with at the AGM, the AGM proceeded with a short video presentation from the Share Registrar, Boardroom Share Registrars Sdn Bhd, demonstrating the electronic-polling procedures for the benefit of the shareholders and proxies.
- 15.2 Next, the Chairman invited the shareholders and proxies to proceed to cast their votes online. The process took about 20 minutes from 4.50 p.m. to 5.10 p.m.

**16.0 Declaration of Results**

- 16.1 The Chairman invited Ms Chin Chooi Wei, the representative from the scrutineers, SKY Corporate Services Sdn Bhd to announce the results of the poll, which had been verified by the scrutineers.
- 16.2 All 7 proposed Ordinary Resolutions were passed, and the detailed results were as follows:

**POLL RESULTS**

	<b>For</b>	<b>%</b>	<b>Against</b>	<b>%</b>
RESOLUTION 1	4,345,117,212	99.9828	746,981	0.0172
RESOLUTION 2	4,206,511,762	96.7129	142,972,139	3.2871
RESOLUTION 3	4,179,505,922	96.0960	169,798,074	3.9040
RESOLUTION 4	4,276,125,982	98.3136	73,349,094	1.6864
RESOLUTION 5	4,347,612,595	99.9570	1,870,391	0.0430
RESOLUTION 6	3,541,521,890	81.4243	807,943,106	18.5757
RESOLUTION 7	2,933,352,806	67.9232	1,385,281,823	32.0768

**17.0 Closure**

- 17.1 On behalf of the Board, the Chairman thanked Ms Alexandra Elisabeth Johanna Maria Schaapveld and Mr Chan Chee Beng who have served on the Board for 12 years and 19 years respectively for their enormous contribution to BAB.
- 17.2 The Chairman informed that the AGM would be his last AGM with BAB as he would also be retiring upon the conclusion of the meeting and he was pleased to announced that Raja Tan Sri Arshad bin Raja Tun Uda had been appointed as the new Chairman following his retirement.
- 17.3 On behalf of the Board and Management of Bumi Armada, Mr Kumar thanked the Chairman for his many years of dedicated service to the Company. In the last few years that he had been on the Board, he had great pleasure working with the Chairman. The Company had gone through some difficult times and the Chairman had managed to pull the Board together and get the right

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management team to bring the Company to where it is today. He Chairman would surely be missed, and the Board and Management wished him the best in his next endeavours.

17.4    The Meeting ended at 5.25 p.m. with a vote of thanks to the shareholders.



# BUMI ARMADA

Appendix 1

25 May 2023

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-Seventh Annual General Meeting (“27<sup>th</sup> AGM”)**

Thank you for your letter dated 15 May 2023.

Please find our response to the questions raised by you, which will also be highlighted to those who attend our 27<sup>th</sup> AGM scheduled to be held on 25 May 2023:

No.	Question	BAB's Response
<b>Financial Matters</b>		
1.	<p>The Group's administrative expenses reduced by RM12.1 million, or 12.5% in FY 2022 (RM84.8 million) as compared to FY 2021 (RM96.9 million)</p> <p>The Group's revenue however increased by RM243 million or 11.2% from RM2,163 million in FY 2021 to RM2,406 million in FY 2022. (Page 131 of AR)</p> <p>(a) Please explain how the Group was able to reduce administrative expenses in FY 2022 while expanding the growth of its revenue.</p> <p>(b) Please name the three expenses within the administrative expenses that have recorded the lowest increase in FY 2022 as compared to FY 2021.</p> <p>(c) What are the strategies the Group had implemented to ensure the administrative expenses do not rise drastically in FY 2023?</p>	<p>The reduction in administrative expenses in FY2022 was mainly due to unrealised foreign exchange gains. Excluding net foreign exchange gains, our administrative expenses would have increased by RM32.9 million (33.6% increase).</p> <p>Administrative expenses that have the lowest increase are travel expenses, depreciation and professional fees.</p> <p>Stringent budgetary and cost control processes are in place. Notwithstanding that these processes are in place; market prices continue to increase post- pandemic due to external factors which are beyond the control of the management.</p>

No.	Question	BAB's Response
<b>Operational and Financial Matters</b>		
2.	<p>The Group's investment in two joint ventures namely Armada C7 and PT AGN reported losses after tax of RM3.3 million and RM13.3 million respectively in FY 2022 as compared to profit after tax of RM46.0 million and RM77.5 million respectively in FY 2021. (Pages 175 &amp; 176 of AR).</p> <p>Armada C7 reported a much lower revenue of RM36.6 million in FY 2022 as compared to RM87.9 million in FY 2021. Similarly, PT AGN also reported a much lower revenue of RM244.9 million in FY 2022 as compared to RM285.6 million in FY 2021.</p> <p>(a) Why did Armada C7's revenue drop drastically in FY 2022?</p> <p>(b) What actions have been taken to address the drop in revenue of both Armada C7 and PT AGN respectively?</p> <p>(c) What is the outlook for these two companies in FY 2023?</p>	<p>The decrease in revenue for Armada C7 is due to the revision of residual value ("RV") in FY 2022.</p> <p>The decrease in revenue for Armada C7 and PT AGN is due to the revision of RV in FY 2022.</p> <p>The RV for the vessels have been revised downwards to their expected scrap values at the end of their useful lives and lease terms. This is a one-off adjustment and is not expected to recur in future years.</p> <p>Please refer to Note 14 page 177 of the Annual Report FY 2022 for details on the revision of RV.</p>
3.	<p>The Group had recorded consistent higher net profit for the past 4 financial years since FY 2019. The RM721.6 million net profit recorded in FY 2022 was the Group's highest net profit since the company was listed on Bursa. FY 2019 net profit was RM58.6 million. (Page 10 of AR)</p> <p>The Group has also actively reduced its borrowings, further improving the Group's financial position.</p> <p>The Board has not recommended the payment of any dividend for FY 2022 and the past few years. The last dividend paid was in FY 2016.</p> <p>(a) Please explain the reasons why the Board does not recommend any dividend to be paid for FY 2022 as it is in a stronger financial position now.</p> <p>(b) When will be the board consider declaring dividends to shareholders?</p>	<p>(a) We are currently focused on improving the balance sheet by reducing debt, especially at the corporate level. This is particularly important given that interest rates continue to increase. Weighted contractual interest rates of borrowings increased more than 2x compared to the preceding year. Interest expense was reduced only by 8% even though borrowings were reduced by 20% compared to the preceding year.</p> <p>Improving the Group's financial position will enhance its flexibility to bid for new projects.</p> <p>As such, no dividend is recommended to the shareholders for FY 2022.</p> <p>(b) We will continue to review the Company's plans and growth opportunities versus distributing profits to shareholders in the form of dividends.</p>

No.	Question	BAB's Response
<b>Operational and Financial Matters</b>		
4.	<p>The Group has deposits, cash and bank balances denominated in Russian Ruble of an equivalent of RM5.66 million in FY 2022 as compared to RM56.6 million in FY 2021. (Page 120 of AR).</p> <p>Does the Group foresee any difficulty in withdrawing its Russian Ruble in view that US and European Countries have imposed sanctions on Russian due to the Russia-Ukraine war?</p>	<p>As set out in Note 42 (page 216 of the Annual Report FY 2022), the Group's day-to-day operations in Russia continue without being materially affected during FY 2022.</p> <p>The deposits, cash and bank balances in Russia will be used to continue to fund the Group's operations in Russia. In addition, the Company intends to bid for new contracts utilising the vessels located in Russia which will also utilise existing Rubles on hand.</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



**Appendix 2****Questions raised during 27<sup>th</sup> AGM**

No.	Questions	Responses
1.	<b>Teo Cher Ming (100 BAB Shares)</b>  In Annual Report it is mentioned impairment of RM88 million on accrued lease rental. In the company opinion, is there a probability this can be reversed in the future or 0 probability at all?	That impairment is related to the Woodside case and during 2022 the appeal was dismissed by the High Court of Australia. As no further appeal was possible, there is no probability of that impairment being written back to the accounts.
	Has vessel availability for Armada Kraken improved post Q1 2023?	Armada Kraken performed at almost maximum efficiency in Q1 2023 but for Q2 2023, there are plans to switch out transformers and that would provide an impact to the Q2 2023 numbers.
2.	<b>Ng Yu Siong (Proxy)</b>  Do you view disposal of Armada Claire successful? How much was the capex cost of Claire back then?	In terms whether the disposal was successful, BAB has been trying to dispose of the Claire for several years and the recent disposal was the best price considering many significantly lower offers received in the past few years.
	With current balance sheet, what is the possibility of cash call if Armada wins big contracts which requires high capex? Raymond from CIMB keeps raising the possibility of Armada having a rights issue!	We have said all along that BAB's strategy is to get match fit and undertake new projects. Last year, we made a point that funding of new projects is becoming a little different compared to the past. Many potential charterers had significant cash holdings and they did not want to see BAB going into the market and raising aggressive debt. On that basis BAB sees that going forward the charterers will contribute significant funding upfront for projects. Last year, BAB also mentioned the possibility of EPC projects which don't require funding from the Company. So, in line with both of those trends, it really depends on the size of any new project and the sort of funding that BAB is able to get upfront from the potential charterers.

	<p>Why did Kraken revenue decrease if the uptime and performance was good?</p>	<p>The Kraken revenue decreased in Q1 2023 as opposed to Q4 2022 because even though the underlying performance was slightly better in Q1 2023 vs Q4 2022, we recognized a bonus payment in Q4 2022 with respect to the vessels' overall performance for the entire 2022 year. So that is why the reported revenue in Q4 2022 is slightly higher than Q1 2023 even though the vessel itself performed marginally better in Q1 2023.</p>
	<p>What is the plan for sukuk which will mature in 2024.</p>	<p>The sukuk mature in September 2024 and the plan is to review the Company's access to the Ringgit and USD bond markets in early 2024 in light of the prevailing conditions at that time. BAB's current plan is to refinance the sukuk when they fall due in September 2024.</p>
	<p>What will our forecasted debt level look like at the end of 2023?</p>	<p>BAB has an unsecured corporate debt due in May 2024, a related party loan which falls due later this year and BAB has requested an extension of that. BAB will continue to be pay down its debt to the lowest level it possibly can be by year end.</p>
3.	<p><b>Koh Chooi Peng (1,000 BAB Shares)</b></p> <p>The weighted contractual interest/profit rates per annum of borrowings for Terms Loans have increased substantially more than 100% from 3.55% in FY 2021 to 7.84% in FY 2022 (Note 31 - Page 198 of Annual Report)</p> <p>(1) Please explain how the borrowing rates increase by more than 100% in 1 year.</p> <p>(2) Steps taken to reduce the finance cost arising from the steep increase in Term Loans borrowing rates.</p>	<p>The cost has increased largely because of market forces and interest rates increasing globally. Most of BAB's borrowings are referenced to a base rate which is generally LIBOR soon to become SOFR and that has increased significantly in the last 18 months. This trend reinforces BAB's strategy to pay off as much debt as possible in the last few years which leaves BAB with a reduced debt burden and finance cost.</p> <p>BAB notes that its borrowings at the end of 2022 were approximately 64% hedged which means BAB is protected from rising interest rates in the future and leaves 36% of BAB's borrowings which unhedged and always subject to the prevailing market interest rates.</p>

4.	<b>Ravichandran a/I Ramakrisna (80,000 BAB Shares)</b>  In the last AGM (2022) I have asked if we can break the 0.70 cents and Bumi Armada did get past the mark, though briefly. Can I anticipate that Bumi Armada would break the RM1.00 this time around?	BAB does not control the share price, but the market does. All that BAB can do is to make sure that it operates to the best of its ability and achieves the best financial results so that the share price would react accordingly.
5.	<b>Teh Kian Lang (100 BAB Shares)</b>  Labour Issues? How to Manage?	BAB has not encountered any significant labour issues in Malaysia or any of its international locations. Within the North Sea, the offshore workers are represented by the offshore union and in Angola they are represented by the Union/Government.
6.	<b>Hiu Chee Kong (2,000 BAB Shares)</b>  How minimum wage affect the company?	In general, most of BAB are paid above the minimum wage, so there is no impact.
7.	<b>Himmat Singh a/I Satwant Singh (450,000 BAB Shares)</b>  Expansion into the energy transition sector (LNG, carbon capture, renewables etc.) has been mentioned in the previous AGM as well. These are all buzzwords. What specifically is management looking into, and are there any concrete plans in this regard?	There are some concrete plans, but BAB does not provide any guidance unless there is tangible progress. There will be some notifications coming up next month and they are relatively exciting. BAB has done a lot of engineering in those aspects and areas and is looking into the carbon injection market and in places that will be commercially supported by carbon taxes etc.
	CEO mentioned that the Armada Sterling V achieved hook-up in December 2022 and is presently waiting for first oil from subsea contractors and ONGC. Does this mean the delay in first oil is not attributable to the FPSO, and if so, is ONGC paying full bareboat charter rates for the FPSO?	No, the FPSO is ready for the first oil but there has been delays in the subsea system that ONGC is implementing via subcontractors. BAB is patiently waiting for first oil. There are ongoing discussions with ONGC in mitigating the delay.

	<p>What is the update on the Cameia FPSO project? According to Upstream Online news portal, Bumi Armada was the front runner for the project.</p>	<p>The Company does not provide any guidance on commercial projects that it may or might not be working on.</p>
8.	<p><b>Kow Lih Shi (300 BAB Shares)</b></p> <p>This year profit is better due to ringgit?</p>	<p>Generally, BAB's business will record an increase in profit when USD strengthens and conversely reduced profit when USD weakens.</p> <p>The Company has also announced its Q1 2023 results which was solid and ultimately the financial results are dependent on the operational performance of its fleet.</p>
9.	<p><b>Lim San Kim (200 BAB Shares)</b></p> <p>Which sector make profit and which sector making loss.</p>	<p>If you refer to page 147 of the Annual Report, BAB basically has 2 segments which are Operations and others (which include Technology, Engineering and Projects). Both sectors made profits during 2022.</p>
10.	<p><b>Wan Mohd Rushdi bin W A Lah (Proxy)</b></p> <p>How company will sustain revenue during post covid 19?</p>	<p>The nature of BAB's business except for the SC vessels in the Caspian is that we have long term contracts with both firm and option periods and that together with any new projects will sustain the Group in the coming years.</p>
11.	<p><b>Lee Choon Ming (500 BAB Shares)</b></p> <p>May I know if there were any increases in directors' fees or remuneration as compared to a year ago.</p>	<p>No increases to the directors' fees or remuneration.</p>
12.	<p><b>Tan Ze Chien (100 BAB Shares)</b></p> <p>It seems that Bumi Armada's profit level has hit a plateau, is the management laying out a growth plan?</p>	<p>Yes, we are laying outgrowth plan and you will see it developing through the course of this year and in 2024. BAB has laid out the sectors that it would be focusing on and some of these projects are big projects and would need longer time to develop and finalise.</p>