RAMUNIA HOLDINGS BERHAD ("RAHB" OR THE "COMPANY")

PROPOSED ACQUISITION OF A FLOATING PRODUCTION, STORAGE & OFFLOADING ("FPSO") – DEEP PRODUCER VESSEL KNOWN AS MT LAURITA ("FPSO DP1") ("PROPOSED ACQUISITION")

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1. INTRODUCTION

We refer to the announcement dated 22 March 2011 whereby the Company had on 21 March 2011 executed an agreement ("**Preliminary Agreement**") with Drydocks World – Dubai LLC ("**DWD**") and NTM Refectio II AS ("**NTM**") (collectively referred to as the "**Owners**") in relation to FPSO DP1. FPSO DP1 is owned by DP Producer AS ("**DPP**"), which is in turn owned by DWD and NTM in equal proportion. The Preliminary Agreement sets out a preliminary arrangement between RAHB and the Owners, which entails, amongst others, the following :-

(a) RAHB to secure marketing rights to FPSO DP1 for purposes of submitting bids for the FPSO projects specified in the Preliminary Agreement involving Malaysian and regional oil companies; and

(b) RAHB to conduct due diligence and enter into negotiations with a view of entering into a definitive sale and purchase agreement which will set out the full terms and conditions of the potential acquisition of FPSO DP1,

for a period of up to 7 July 2011 or such extended period to be mutually agreed in writing by RAHB and the Owners.

On behalf of the Board of Directors of RAHB ("**Board**"), AmInvestment Bank Berhad (a member of AmInvestment Bank Group) ("**AmInvestment Bank**") is pleased to announce that the Company had on 7 July 2011 entered into a memorandum of agreement ("**Agreement**") with DPP for the proposed acquisition by RAHB of FPSO DP1 from DPP for a purchase consideration of United States Dollar ("**USD**") 82.5 million (approximately RM248.37 million based on the exchange rate of USD1.0000 = RM3.0105 as at 6 July 2011), to be satisfied entirely in cash.

Further details of the Proposed Acquisition including the salient terms and conditions of the Agreement are set out in the ensuing sections. RAHB and DPP shall be collectively defined hereon as the "**Parties**", and "**Party**" shall be construed accordingly.

2. DETAILS OF THE PROPOSED ACQUISITION

2.1 Background Information On The Proposed Acquisition

The Proposed Acquisition shall entail the Company acquiring FPSO DP1 from DPP for a purchase consideration of USD82.5 million ("**Purchase Consideration**"), to be satisfied entirely in cash. Please refer to Section 2.3 below for further details of the manner in which the Purchase Consideration is to be satisfied.

2.2 Basis And Justification Of Arriving At The Purchase Consideration

The purchase consideration of USD82.5 million was arrived at on a willing-buyer willing-seller basis after taking into consideration the following :-

(a) commercial negotiations with the Owners after taking into consideration the distressed state of the original owner of FPSO DP1, i.e. FPSOcean AS ("**FPSOcean**"). FPSOcean was declared bankrupt in February 2009 and the Owners had taken ownership of FPSO DP1 on behalf of the secured bondholders;

(b) a discount of USD47.5 million or 36.5% to the market value of FPSO DP1 of USD130.0 million ("**Market Value**") as ascribed by Offshore Construction Consultants LLC ("**OCC**"), an independent provider of engineering consultancy services for the oil and gas ("**O&G**") industry; and

(c) the prospects of time charter arrangement for any FPSO projects being secured which is expected to provide a long-term, sustainable and stable income stream to the RAHB group of companies ("**RAHB Group**" or "**Group**").

2.3 Salient Terms Of The Agreement

The Proposed Acquisition shall be subject to the terms and conditions set out in the Agreement, of which the salient terms are as follows :-

(a) Purchase Consideration and Deposit

The Purchase Consideration is to be satisfied in the following manner :

(1) 10% of the Purchase Consideration consisting of :

(i) USD0.50 million, being the initial deposit which has been paid on 21 March 2011 upon signing of the Preliminary Agreement;

(ii) USD7.75 million to be paid within three (3) banking days from the date of receipt by RAHB of the original Agreement signed by DPP ("**Deposit**"); and

(2) the balance purchase consideration of USD74.25 million ("**Balance Purchase Consideration**") to be paid into an escrow account to be dealt with and released to DPP two (2) banking days after receipt of confirmation from the Norwegian International Ship Register that they have all documents and fees necessary to discharge the existing mortgage on the FPSO DP1, change the ownership from DPP to RAHB, and register a new mortgage on the FPSO DP1 in favour of RAHB's financier.

The above USD74.25 million held under escrow will not be released from the escrow account to DPP until the FPSO DP1 has been registered to the title of RAHB and a new mortgage on the FPSO DP1 in favour of RAHB's financier has been registered. Please refer to Section 2.6 for further details of the Company's source of funding for the Proposed Acquisition.

(b) Condition on Delivery

The FPSO DP1 is being sold on a strictly "as is" basis.

(c) Conditions Precedent

The obligation of RAHB to purchase the FPSO1 under this Agreement are subject to RAHB obtaining the approval of its shareholders at a general meeting for the Proposed Acquisition on the terms and conditions set out in the Agreement in accordance with the rules and regulations of Bursa Malaysia Securities Berhad ("**Bursa Securities**"), the governing stock exchange and other relevant authorities.

In the event RAHB fails to obtain the above shareholders approval by 20 September 2011 or such later date as may be agreed :-

(i) DPP shall be entitled to retain the USD1,500,000 being the initial deposit and a further USD1,000,000; and

(ii) the balance of the deposit amounting to USD6,750,000 together with interest earned if any shall be released immediately to RAHB,

whereafter the Agreement shall be null and void.

(d) Encumbrances

DPP warrants that the FPSO DP1 is free from all charters, encumbrances, mortgages, liens, maritime liens, or any other debts or claims including the claims listed in the Agreement, of which DPP undertakes to procure the release of such claims prior to the delivery of the FPSO DP1. DPP undertakes to indemnify RAHB against all consequences of claims made against FPSO DP1 which have been incurred prior to the time of the delivery.

(e) RAHB's Default

If RAHB fails to pay the Deposit or fails to give a notice of readiness to DPP for delivery by 4 October 2011 or fails to pay the Balance Purchase Consideration into the escrow account within two (2) banking days after receipt of confirmation from the Norwegian International Ship Register that they have all documents and fees necessary to discharge the existing mortgage on the FPSO DP1, change the ownership from DPP to RAHB, and register a new mortgage on the FPSO DP1, then the above event would constitute an event of default which will entitle DPP to cancel the Agreement.

In the event RAHB fails to pay the Deposit and the Agreement is cancelled by DPP then DPP is entitled to retain the initial deposit of USD500,000. If RAHB fails to give notice of readiness before 4 October 2011 or pay the Balance Purchase Consideration into the escrow account and the Agreement is cancelled by DPP then DPP is entitled to retain the total deposit of USD8,250,000.

(f) DPP's Default

If DPP fails to validly complete a legal transfer within ten (10) banking days following the receipt of a notice of readiness from RAHB then RAHB will have an option to cancel the Agreement. If RAHB elects to cancel the Agreement, the total deposit of USD8,250,000 together with interest earned shall be released to RAHB immediately and DPP shall compensate RAHB for their proven losses if the failure is due to proven negligence.

(g) Governing Law and Arbitration

The Agreement is governed by and construed in accordance with the laws of England and any dispute arising out of or in connection with this Agreement shall be referred to and finally resolved by arbitration in Singapore.

(h) Nomination

Upon execution of the Agreement but latest by a date falling fourteen (14) days prior to the delivery date of the FPSO DP1, RAHB may nominate another company which is a subsidiary or an affiliate company as buyers under the Agreement. RAHB must then issue a performance guarantee in favour of DPP.

2.4 Liabilities To Be assumed

Save for the liabilities incurred in the ordinary course of business, RAHB will not assume any liabilities (including contingent liabilities and guarantees) pursuant to the Proposed Acquisition.

2.5 Assets Acquired Free From Encumbrances

DPP warrants that FPSO DP1, at the time of delivery, is free from all charters, encumbrances, mortgages, liens, maritime liens or any other debts or claims whatsoever including the claims listed in the Agreement in respect of which DPP agrees to procure their release prior to delivery. DPP undertakes to indemnify RAHB against all consequences of claims made against FPSO DP1 which have been incurred prior to the time of delivery.

2.6 Source Of Funding

RAHB proposes to finance up to RM201.3 million or approximately 81% of the Purchase Consideration (approximately RM248.37 million) via bank borrowings and the remainder via internally generated funds.

2.7 Additional Financial Commitment

The conversion and modification works on the FPSO DP1 is strictly dependent on the specifications according to specific field requirements. Accordingly, the additional financial commitment cannot be ascertained at this point in time.

The additional financial commitment, if any, will be funded by RAHB via bank borrowings and internally generated funds.

2.8 Information On FPSO DP1

Condition	:	Vessel condition 'as is where is' basis as on 30 January 2011 *
Date and place built	:	1981 in Tsuneishi Shipyard, Japan
Length overall	:	243.8 meter ("**m**")
Length between perpendicular	:	235.0 m
Depth	:	19.5 m
Breadth	:	32.2 m
Draft fully loaded	:	12.5 m
Displacement fully loaded	:	82,450 tonnes
Deadweight summer draft	:	68,140 tonnes

* *'as is where is' basis means the vessel with her condition including equipments and machineries remaining the same from the date of inspection carried out by RAHB on 30 January 2011*

Based on the latest records available as at 30 November 2008, FPSOcean has capitalised USD268 million on FPSO DP1, including the cost of acquisition of the vessel ("**Book Value**").

The assessment of the market value of FPSO DP1 by OCC was after taking into account the following factors :-

(a) The FPSO DP1's present good condition;

(b) Earlier sales of similar size but less complete and/or technically advanced FPSOs;

(c) The value of the time and capital invested (approximately USD274 million) in the FPSO project by its original owner, FPSOcean; and

(d) The present strong market situation for FPSOs.

2.9 Information On DPP And The Owners

(a) DPP

DPP is a limited company incorporated in Norway on 16 May 2006.

It is currently under bankruptcy or liquidation proceedings.

(b) DWD

DWD, through its subsidiaries, operates a network of shipyard facilities that stretches from the Middle East to Southeast Asia. It provides marine-related services, including ship repair, conversion, and construction services. The company repairs tankers, dredgers, and containers and liquefied natural gas (LNG) / liquefied petroleum gas (LPG), dry cargo, fishing, and coastal ships. It also provides its services through a network of agents in the United Arab Emirates and internationally. The company was founded in 2007 and is based in Dubai, the United Arab Emirates. DWD operates as a subsidiary of Dubai World Corporation.

(Source : www.drydocks.gov.ae)

FPSO DP1 is owned by DPP, which is in turn owned by DWD and NTM in equal proportion.

(c) NTM

NTM is a special purpose vehicle which is owned by a trust set up by Norsk Tillitsmann ASA, a Trustee who acts on behalf of all bondholders who earlier extended financing directly to DPP. Security for the financing was a mortgage on FPSO DP1.

FPSO DP1 is owned by DPP, which is in turn owned by DWD and NTM in equal proportion.

4. RATIONALE OF THE PROPOSED ACQUISITION

The Proposed Acquisition provides an excellent opportunity for RAHB to tap into and participate in the development of marginal oilfields and deepwater fields in Malaysia and the region.

The exploration, production, storage and offloading activities associated with the upstream O&G sector involves a chain of connected activities ranging from, *inter-alia*, fabrication of offshore structures, provision of offshore terminals, marine support services, transportation and installation, operations and maintenance and drilling.

The oil terminals in the upstream sector comprise both onshore and offshore terminals. The offshore terminals consist of either floating storage and offloading ("**FSO**") or FPSO system. FPSO is a moored ship-shaped facility with three (3) phase separation process for crude oil from subsea wells and storing and offloading the crude oil into shuttle tankers.

The Proposed Acquisition also presents an immediate opportunity for RAHB to participate in any direct negotiations, invitation to bids and requests for new proposals for the proposed deployment of FPSOs, to be undertaken by Malaysian and regional oil companies, where the demand is increasing within the backdrop of higher oil prices.

The deployment of FPSO DP1, either for RAHB's own use as a field developer and operator in the marginal oilfield development or to be leased to clients, will be based on a "first come first served" basis.

In this respect, the Proposed Acquisition is a strategic initiative by the Company to expand its service offering within the upstream O&G services sector.

RAHB will further benefit from carrying out engineering, procurement, construction, installation and commissioning ("**EPCIC**") works relating to the conversion and modification of the FPSO DP1 to meet client's specifications according to specific field requirements.

The EPCIC contract for the eventual conversion is expected to contribute positively to the earnings of RAHB.

Ramunia Fabricators Sdn Bhd ("**RFSB**"), a wholly-owned subsidiary of RAHB, has a 10-year track record building a total of eleven (11) completed topsides installed offshore on a fixed support substructure (or jacket) piled to the seabed. With the FPSO DP1, RFSB would be able to add another topside construction to its experience list. The only difference is that the topsides will be built on the open deck of a floating tanker ship, and moored to the seabed via a weather vaning turret system or anchor spread mooring.

Thus, the conversion of the FPSO DP1 will provide RAHB with the necessary credentials to expand its EPCIC works on the FPSO and FSO market.

5. OVERVIEW AND PROSPECTS

As at end-December 2009, there were 68 oil producing fields in Malaysia and crude oil reserves stood at 5.80 billion barrels. The reserves are expected to last 24 years (1 January 2009: 5.52 billion barrels; 22 years) based on current production levels. Petronas Nasional Berhad ("**PETRONAS**") discovered the Anjung Kecil oil field in offshore Sarawak in 2010.

In the first half of 2010, higher production of natural gas in the country offset the lower production of crude oil. Crude oil production contracts 3.8% as a result of unplanned shutdowns on oil facilities, as well as compliance with production limits set under the National Depletion Policy and PETRONAS' Reservoir Management Plan programme.

(Source: Economic Report 2010/2011)

In 2009, Malaysia's combined oil, gas and energy sectors represented 19% of the country's total GDP. Through the Economic Transformation Plan ("**ETP**") introduced in 2010, the Malaysian Government is focused on sustaining upstream production, enhancing downstream growth, making the country the number on Asian hub for oilfield services and building a sustainable energy platform for growth. Through Enhanced Oil Recovery (EOR) process, the development of marginal fields and intensifying exploration activities, the country is targeting an additional 221,500 barrels per day ("**bpd**") of oil production. The country is also targeting to gain 15% of the shallow water and 50% of the deepwater market in Asia Pacific by 2020. These initiatives alone are expected to require total investment of RM100.8 billion.

(Source: Economic Transformation Programme, 2010)

On 3 March 2011, PETRONAS announced plans to invest RM250 billion in exploration activities and the replacement of ageing assets over the next five (5) years in order to sustain its current level of production. Annual investments between RM50 billion and RM55 billion for the next five (5) years would focus on replacing ageing assets as compared to the budgeted RM40 billion for the current financial year. According to PETRONAS president Datuk Shamsul Azhar Abbas, significant capital expenditure will be required to maintain the integrity of PETRONAS' ageing assets, adding that 60% of its major producing oilfields have an average age of 26 years.

The oil and gas industry in Malaysia is set to be focusing more towards deepwater exploration especially in the Sabah and Sarawak regions. PETRONAS has a total of 106 marginal oilfields with some 580 million barrels of oil to be developed. Currently, 25% have been shortlisted for development with two (2) risk-service contract recently awarded to a consortium formed by Kencana Petroleum Berhad, SapuraCrest Petroleum Berhad and Petrofac Energy Developments Sdn Bhd to develop and produce petroleum resources in Berantai, Terengganu over a 9-year period starting from 31 January 2011. *(Source: http://www.btimes.com.my dated 28 January 2011 and http://biz.thestar.com.my dated 26 February 2011)*

The world economy is expected to grow by 3.9% in 2011, unchanged from the previous forecasts although growth forecast for the US economy has been reduced to 2.6% from 2.9% and Euro-zone growth has been increased to 1.7% from 1.5%. Japan's economy is forecast to decline by 0.1% following recent events while developing Asia is expected to contribute the most to global growth in 2011, with China growing by 9.0% and India by 8.1%.

World oil demand is forecast to grow by 1.4 million bpd in 2011, following an increase of 2.1 million bpd in the previous year. The Japanese earthquake, along with economic uncertainty in the US is keeping oil demand estimates in an adjustment mode and is imposing a downside risk for the year's forecasts. At the same time, China's economy is roaring ahead of all expectations, which has implications on the country's consumption. As a result of the offsetting demand trends, the risks look to be nearly balanced at the present time.

Non-Organisation of the Petroleum Exporting Countries ("**OPEC**") oil supply is expected to increase by 0.6 million bpd in 2011, following the growth of 1.1 million bpd in 2010. This represents an upward revision of 65 thousand bpd over previous estimates. OPEC natural gas liquids ("**NGL**") and non-conventional oils are expected to average 5.3 million bpd in 2011, an increase of 0.4 million bpd over the previous year. In April, total OPEC crude oil production was estimated to average 28.99 million bpd, an increase on 70 thousand bpd over the previous month.

(Source: Monthly Oil Market Report, OPEC, May 2011)

Offshore O&G capital expenditure in the Asian region is expected to increase to USD79.5 billion between 2010 and 2014, up from USD56.1 billion from 2005 to 2009. Malaysia and Indonesia are expected to be the leading capital expenditure contributors, with total capital expenditure of USD17.3 billion. In addition, Malaysia is expected to make significant forays into deepwater oil and gas development while Indonesia is also seeking to develop its offshore gas reserves.

Capital expenditure on pipeline and fixed platforms will dominate regional offshore O&G capital expenditure. Together, they will account for approximately 79% of total Asia offshore capital expenditure between 2010 and 2014. The strong presence of fixed platforms reflects the dominance of shallow water developments, but it is also expected that deepwater developments in the region will start gaining momentum.

(Source: Offshore Asia Pacific Oil & Gas Market Update Report To 2014, Infield)

Given the above, the Board is of the opinion that the dynamics of the O&G industry shall remain favourable, with supply continuing to be tight amidst strengthening demand. Led by Malaysia and Indonesia, Asia Pacific offshore capital expenditure is expected to continue growing at a fast rate, as companies continue to place emphasis on offshore exploration and production. In addition, with the Malaysian Government's promotion of ETP and the O&G sector, RAHB expects many new oil and gas contracts will be announced in the near future. As such, the Proposed Acquisition will provide RAHB with better infrastructure and capabilities to secure oil and gas contracts being rolled out under the ETP.

The prospects of the Proposed Acquisition are highly linked to the dynamics in the O&G industry in South East Asia and primarily in Malaysia. With the prospects for the O&G industry appearing positive, as indicated above, with increases expected in capital expenditure of O&G companies, the Group is expected to benefit positively from the greater demand for FPSO resulting from an increased activity in the O&G sector in the region.

Based on the above, the Board is of the view that the prospects of the Group going forward would be positive should the Proposed Acquisition materialise.

6. RISK FACTORS IN RELATION TO THE PROPOSED ACQUISITION

The Proposed Acquisition is not expected to materially change the risk profile of the Group's business as the Group is principally involved in fabrication of offshore oil and gas related structure and other related civil works, manufacturing of offshore pedestal cranes, provision of upstream activities in the oil and gas industry, provision of yard development and management and administrative services, provision of training and related services, fabrication of offshore oil and gas steel structures and platforms and all related activities. The Group will continue to be exposed to similar business, operational, financial and investment risks inherent in the O&G industry. These risks include, but are not limited to the following :-

6.1 Business Risks

The profitability of the Group will depend on the conditions in the oil and gas industry, notably on the level of O&G exploration, drilling and production activities in the world.

Depending on the market price of O&G products, companies exploring for oil and gas may curtail their activities, thereby reducing their demand for FPSOs. There can be no assurance that the activity levels of the Group will increase upon completion of the Proposed Acquisition. Any protracted period of low drilling and production activities would likely have an adverse impact on the business and profitability of the Group.

6.2 Dependence On FPSO Contract

The expected profit contribution from FPSO DP1 is highly dependent on the Group obtaining a FPSO contract. Any cause for a delay or the Company being unable to secure a FPSO contract would have an adverse impact on the Group. Nevertheless, the Company is confident that it will secure a FPSO contract based on, inter-alia, the following reasons :-

(a) there are increasing demand for FPSOs worldwide;

(b) the Company is currently in negotiations to secure a contract with several potential clients; and

(c) there are increasing number of prospective offshore projects both in Malaysia and worldwide.

6.3 Completion Risk

In the event the Proposed Acquisition fails to be completed by the Completion Date, or the Conditions Precedent as set out in Section 2.3(c) of this Announcement, have not been fulfilled or waived, or there is a breach of warranties in the Agreement, the Agreement may be terminated. The management of RAHB together with its advisers will monitor the status and progress of the Proposed Acquisition and endeavour to meet and fulfil all the Conditions Precedent.

6.4 Borrowings

The Company intends to borrow USD66.0 million to finance the Proposed Acquisition. Accordingly, the aggregate borrowings of the Group will thereby increase immediately from the completion of the Proposed Acquisition. Based on the audited financial statement of the Group for the financial year ended ("**FYE**") 31 October 2010, the Group had zero borrowings.

Pursuant to the Proposed Acquisition, the Group's proforma debt and gearing will increase to RM201.30 million and 1.22 times respectively as set out in Section 7.1 of this Announcement.

As with any agreement relating to the extension of loan facilities by financial institutions, there may be certain covenants, fixed asset charges, pledges and liens imposed on the Company. Failure by the Company to meet any of the stipulated covenants may result in a default.

6.5 Investment Risk

The Proposed Acquisition will result in the Group being exposed to the marginal oil fields development segment of the upstream O&G activities. There is no assurance that the anticipated benefits of the Proposed Acquisition will be realised or that the Company will be able to recoup its investment. Furthermore, the duration required to recoup its investment could be longer than anticipated.

The above risk is partially mitigated as the Purchase Consideration is at a discount of USD47.5 million and USD185.5 million to the Market Value and Book Value of FPSO DP1.

6.6 Competition

The Group may face competition from other players in the FPSO business. Other players in the industry may have proven track record, greater resources and market presence as compared to the Group and therefore, may be better positioned than the Group to compete.

Nevertheless, RAHB believes that the thread from potential new entrants is relatively low due to the high barriers of entry inherent in the industry which include high capital costs, extensive licensing requirements and the complexity of the FPSO business.

6.7 Operational Risks

The operations of the Group would be subject to inherent risks in the oil and gas industry such as fire, natural disasters, explosions, pipeline ruptures and spills. In extreme circumstances, the above risks could result in loss of human life or serious injury, environmental pollution, significant damage to equipment and machinery as well as damage to the Group's reputations.

Pursuant to the Proposed Acquisition, the Group would be susceptible to maritime risks such as rig collisions, bad weather conditions and piracy which could result in serious injury or loss of human life and damage to equipment.

There can be no assurance that adverse operational factors will not adversely affect the business and financial performance of the Group. Nevertheless, RAHB will take the necessary steps to ensure proper procedures are in place to mitigate such risk, including ensuring that the Group's operations are adequately insured.

7. EFFECTS OF THE PROPOSED ACQUISITION

The Proposed Acquisition will not have any effect on the issued and paid-up share capital of RAHB and the substantial shareholders' shareholdings in RAHB.

7.1 Net Assets ("NA") And Gearing

For illustrative purposes, based on the audited consolidated balance sheet of RAHB as at 31 October 2010, the proforma effect of the Proposed Acquisition on the NA and gearing of the Group is set out below :-

	Audited as at 31 October 2010 (RM'000)	**After Proposed Acquisition (RM'000)**
Share capital	331,420	331,420
Share premium	97,528	97,528
Retained earnings / (Accumulated losses)	(263,953)	[(1)] (263,953)
Shareholders' funds / NA	**164,995**	**164,995**
NA per Share in RAHB (RM)	**0.25**	**0.25**
Interest bearing borrowings	-	201,300
Gearing	**-**	**1.22**

Note:

(1) Before taking into consideration the expenses to be incurred in relation to the Proposed Acquisition

7.2 Earnings And Earnings Per Share ("EPS")

Any impact on earnings and EPS of the Group for the 14 months period ending 31 December 2011 will depend on RAHB securing a FPSO contract and the commencement of work on the contract.

The Proposed Acquisition is expected to contribute positively to the future earnings of the Group.

8. APPROVALS REQUIRED

The Proposed Acquisition is conditional upon the following approvals being obtained :-

(a) RAHB obtaining the approval of its shareholders at a general meeting for the Proposed Acquisition

(b) the Securities Commission Malaysia ("**SC**"), if required; and

(c) such other approvals, consents, authorisations, permits and/or waivers of any authority necessary or appropriate to permit Completion.

The Proposed Acquisition is not conditional upon any other proposals.

9. DEPARTURE FROM THE EQUITY GUIDELINES OF THE SC ("SC GUIDELINES")

To the best of the knowledge of the Board, the Proposed Acquisition does not depart from the SC Guidelines.

10. MAJOR SHAREHOLDERS' AND DIRECTORS' INTERESTS

None of the major shareholders and directors of the Company as well as persons connected with them have any interest, direct and/or indirect, in the Proposed Acquisition.

11. DIRECTORS' STATEMENT

The Board, after having considered all aspects of the Proposed Acquisition (including but not limited to the rationale, prospects and financial effects), is of the opinion that the Proposed Acquisition is in the best and long-term interest of the Company and its shareholders.

12. PERCENTAGE RATIO

The highest percentage ratio applicable to the Proposed Acquisition pursuant to Paragraph 10.02(g) of the Main Market Listing Requirements of Bursa Securities is 150.5% which is computed by dividing the aggregate value of the consideration given in relation to the transaction with the audited NA of the RAHB Group as at 31 October 2010.

13. ADVISER

AmInvestment Bank has been appointed as Adviser to RAHB for the Proposed Acquisition.

14. APPLICATION TO THE RELEVANT AUTHORITIES

Applications to the relevant authorities for the Proposed Acquisition, if any, are expected to be submitted within two (2) months from the date of this Announcement.

15. ESTIMATED TIME FRAME FOR COMPLETION

Barring any unforeseen circumstances, the Proposed Acquisition is expected to be completed in September 2011.

16. CIRCULAR TO SHAREHOLDERS

A circular to shareholders setting out the details of the Proposed Acquisition will be sent to shareholders in due course.

17. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents will be made available for inspection at the Company's office at Level 23, Tower B, Menara UOA Bangsar, No.5 Jalan Bangsar 1, 59000 Kuala Lumpur during normal business hours from Monday to Friday (except public holidays) for a period of three (3) months from the date of this Announcement :-

(a) Agreement; and

(b) Expert opinion letter by OCC.

This Announcement is dated 8 July 2011.