

7. APPROVALS AND CONDITIONS

7.1 CONDITIONS OF APPROVALS

The Public Offering was approved by the following authorities as follows:-

<u>Authorities</u>	<u>Date</u>
SC	9 August 2004, 16 December 2004 and 27 December 2004
Unit Pematuhan Ekuiti, Jabatan Pengambilalihan dan Percantuman of the SC	9 August 2004

The conditions imposed by the authorities and status of compliance are as follows:-

Conditions Imposed By SC / Unit Pematuhan Ekuiti, Jabatan Pengambilalihan dan Percantuman of the SC	Status of Compliance
<u>Letters dated 9 August 2004 and 27 December 2004 approving the listing of Ramunia via re-listing of SHB and the placement of additional number of Shares as may be required in order to meet the public shareholding spread by Remcorp respectively</u>	
1. The information circular to shareholders of SHB must include disclosures on, inter-alia, the following:- <ul style="list-style-type: none"> (i) detailed explanation as to how the losses suffered by SHB over the past financial years were incurred; (ii) details of all the Company's contracts in hand; (iii) the Company's risk management plan; (iv) the Company's succession plan; (v) details on trade debtors' position, the ageing analysis and, for amounts exceeding the credit period, comments by directors on the recoverability of the amounts; (vi) the details on any encumbrances attached to the acquired property; and (vii) the details on the valuation methodology of the Ramunia Assets Acquisitions and justifications on the reasonableness of the PE used. 	Complied as set out in the information circular
2. In relation to the trade debtors of the Group, if relevant:- <ul style="list-style-type: none"> (i) full provision should be made for all overdue trade debtors which are in dispute or under legal action, or for amounts which have been outstanding for more than six (6) months; 	Complied. A written undertaking from Ramunia was furnished to the SC on 8 December 2004

7. APPROVALS AND CONDITIONS (CONT'D)

Conditions Imposed By SC/ Unit Pematuhan Ekuiti, Jabatan Pengambilalihan dan Percantuman of the SC	Status of Compliance
(ii) the directors of Ramunia should confirm and submit a declaration that debts exceeding credit period are recoverable and that full provision has been made to the accounts/forecast/projections in accordance with paragraph (i) above; and	Complied. The confirmation by the directors of Ramunia was submitted to the SC on 8 December 2004
(iii) Remcorp would have to compensate for any bad debts which, at the completion date of the Restructuring Scheme, had not been provided for or disclosed in the information circular.	Complied. A written confirmation by Remcorp was furnished to the SC on 8 December 2004
3. In relation to the Acquisition of TR Yard:-	
(i) the Company is advised to rectify the error in the land area shown as 7.689 hectare in the title document for PTD421A whereas the survey plan contained within the same document showed a land area of 11.736 hectare;	To be complied. Ramunia has, in its letter dated 7 December 2004 undertaken to the SC that it will apply to the Land Office to rectify the error upon presentation of the transfer of the TR Yard at the relevant Land Office or Registry and use its best endeavour to obtain approval for all the unapproved buildings or structures erected on site and subsequently issued with the CF within twelve (12) months from the date of SC's approval dated 9 August 2004
(ii) the Company is to provide an undertaking that it will use its best endeavour to obtain approval for all the unapproved buildings or structures erected on site and subsequently issued with the CF within twelve (12) months from the date of SC's approval dated 9 August 2004; and	To be complied. Ramunia has, in its letter dated 7 December 2004 undertaken to the SC that it will apply to the Land Office to rectify the error upon presentation of the transfer of the TR Yard at the relevant Land Office or Registry and use its best endeavour to obtain approval for all the unapproved buildings or structures erected on site and subsequently issued with the CF within twelve (12) months from the date of SC's approval dated 9 August 2004
(iii) to make quarterly announcement to Bursa Securities on the status of the above applications and to update the SC when such announcements are made.	Will be complied upon listing of Ramunia on the Second Board of the Bursa Securities
4. AmMerchant Bank and Ramunia to comply with the following conditions in relation to the issuance of ICULS:-	
(i) AmMerchant Bank and Ramunia to obtain the SC's prior approval should there be any change to the terms and conditions of the ICULS issue;	Complied. The proposed amendments to certain terms and conditions of the ICULS was approved by the SC via its letter dated 16 December 2004
(ii) prior to the issuance of the ICULS, AmMerchant Bank should submit the following information or documents to the SC:- (a) date of issue of the ICULS; (b) a certified true copy of the executed trust deed; and (c) a hard copy and soft copy in diskette or CD-ROM (in "PDF" format) of the complete terms and conditions of the ICULS in the format prescribed therein.	Complied. The relevant information or documents have been submitted to the SC by AmMerchant Bank via its letter dated 17 December 2004
5. AmMerchant Bank/Ramunia must ensure that the Bumiputera equity holding in Ramunia must be at least 30% of the enlarged issued and paid-up capital of Ramunia upon the completion of the Restructuring Scheme.	Noted and will be complied.

7. APPROVALS AND CONDITIONS (CONT'D)

Conditions Imposed By SC/ Unit Pematuhan Ekuiti, Jabatan Pengambilalihan dan Percantuman of the SC	Status of Compliance
6. The investigative audit report must be completed and submitted to the SC on or before 1 September 2004, being six (6) months after the appointment of the investigative auditor.	The investigative audit report was submitted to the SC on 1 September 2004.
7. Remcorp to provide profit guarantee for the financial years ending 31 October 2004 and 31 October 2005, as voluntarily proposed by Remcorp and such profit guarantee arrangements must be finalized before the implementation of the Restructuring Scheme.	Complied. Please refer to Section 7.3 of this prospectus.
8. AmMerchant Bank and Ramunia to comply with any other terms and conditions as stipulated in the SC Guidelines.	Noted.
Letter dated 16 December 2004 approving the revision of certain terms of the ICULS	
1. AmMerchant Bank and Ramunia are required to make full disclosure to all parties involved in the issuance of ICULS regarding the revision of the ICULS' terms and obtained their approval, if required	Complied. AmMerchant Bank and Ramunia had obtained the approvals for the revision of the ICULS' terms from Remcorp and the SA via their respective letters dated 17 December 2004.
2. AmMerchant Bank and Ramunia are required to obtain any approval from any other relevant authorities	Save for the SC, AmMerchant Bank and Ramunia are not required to obtain any approval from any other relevant authorities
3. AmMerchant Bank is required to confirm the compliance with conditions (1) and (2) above in writing to the SC	Complied. AmMerchant Bank had, via its letter dated 17 December 2004 confirmed compliance with conditions (1) and (2) above to the SC

In addition, the equity structure approved by the Unit Pematuhan Ekuiti, Jabatan Pengambilalihan dan Percantuman of the SC via its approval letter dated 9 August 2004 are as follows:-

	Before Restructuring Scheme⁽¹⁾	After Restructuring Scheme
	%	%
Bumiputera	100	75
Non-Bumiputera	-	25
Foreign	-	-
Total	100	100

(1) Upon incorporation of Ramunia

7.2 MORATORIUM ON SHARES

Pursuant to Chapter 6.24 of the SC Guidelines, for all Second Board applicant companies, the affected shareholders will not be allowed to sell, transfer or assign their shareholdings amounting to 45% of the nominal issued and paid-up share capital for one (1) year from the date of admission of the company to the Second Board of the Bursa Securities.

7. APPROVALS AND CONDITIONS (CONT'D)

Accordingly, in compliance with Chapter 6.24 of the SC Guidelines, Remcorp will not be allowed to sell, transfer or assign the 95,558,374 Shares under moratorium which represents 45% of the enlarged issued and paid-up capital of Ramunia for one (1) year from the date of admission of Ramunia to the Official List of the Second Board of the Bursa Securities, as follows:-

Name of shareholder	No. of Shares held after Restricted Offer For Sale and Placement	% of enlarged issued and paid-up capital (%)	No. of Shares held under moratorium	% of enlarged issued and paid-up capital (%)
Remcorp	135,263,956	64	95,558,374	45

The abovementioned moratorium is also imposed on the ultimate shareholders of Remcorp. The shareholders have provided an undertaking that they shall not sell, transfer or assign their respective shareholdings under moratorium in accordance with the SC Guidelines. The restriction, which is fully accepted by the aforementioned substantial shareholders, is specifically endorsed on the share certificates representing their respective shareholdings in Ramunia which are under moratorium to ensure that Ramunia's registrars do not register any transfer not in compliance with the restriction imposed by the SC.

The endorsement affixed on the share certificates is as follows:-

*"The shares comprised herein are not capable of being sold, transferred or assigned for the period as determined by the Securities Commission ("**Moratorium Period**"). The shares comprised herein will not constitute good delivery pursuant to the Rules of the Exchange during the Moratorium Period. No share certificates will be issued to replace this certificate during the Moratorium Period unless the same shall be endorsed with this restriction".*

7.3 PROFIT GUARANTEE**7.3.1 Profit Guarantee**

In consideration of Ramunia entering into the RFSB Share Sale Agreement, Remcorp represents, warrants and undertakes to Ramunia that profit after tax of RFSB shall not be less than RM12,216,177 for the eighteen (18) month period ending 31 October 2004 and shall not be less than RM17,148,440 for the financial year ending 31 October 2005.

(RM12,216,177 and RM17,148,440 are hereinafter referred to as "**Guaranteed Sum(s)**")

If in any financial period/year, the profit after tax certified by the auditors of Ramunia or an independent auditor, as the case may be ("**Certified PAT**"), is less than the Guaranteed Sum for that corresponding period/year, Remcorp shall pay the Shortfall (defined hereunder).

Remcorp shall irrevocably and unconditionally within fourteen (14) days upon receipt of a written notice from Ramunia, pay to Ramunia in cash the amount by which the Guaranteed Sum exceeds the profits stated in the Certified PAT ("**Shortfall**"). If Remcorp fails to pay for the Shortfall within the said fourteen (14) days, then without prejudice to any other right of Ramunia, Remcorp shall pay interests on the Shortfall calculated at the rate of ten per centum (10%) per annum commencing from the due date until the date of actual receipt by Ramunia. The Shortfall or any part thereof outstanding together with interest thereon shall until payment, be a charge upon the Designated Securities (as defined hereunder).

7. APPROVALS AND CONDITIONS (CONT'D)

7.3.2 Margin and Topping Up

Remcorp shall deposit the ICULS or such stocks, shares and securities which may be approved by AmTrustee Berhad ("**Stakeholder**") (collectively "**Designated Securities**") with the Stakeholder as securities for Guaranteed Sum as such time and in the manner stated in the PGA.

At all times during the continuance of the PGA, Remcorp undertakes to keep up or maintain the value of the ICULS or such stocks, shares and securities which may be approved by Stakeholder calculated at the average of the closing prices of the Designated Securities traded on the Bursa Securities on each of the preceding five (5) market days (if the Designated Securities are listed) or the nominal or par value (if the Designated Securities are not listed) ("**Price**") at a sum not less than RM44,046,925, equivalent to 150% of the aggregate amount of the Guaranteed Sums ("**Maximum Margin**") and Remcorp further undertakes to deliver to the Stakeholder such number of Designated Security or such other stocks, shares and securities or other collateral as may be approved by the Stakeholder in order to maintain the Maximum Margin.

In the event that the value of the Designated Securities falls below RM36,705,771, equivalent to 125% of the aggregate amount of the Guaranteed Sums ("**Minimum Margin**"), Remcorp shall within fourteen (14) days upon receiving notification from the Stakeholder, deposit with the Stakeholder such further Designated Securities or such other stocks, shares and securities which may be approved by the Stakeholder, the value of which shall not be less than the Maximum Margin.

The Stakeholder and/or Ramunia may when it deems fit request Remcorp to deposit additional Designated Securities or other stocks, shares or securities or other collateral in the event that the Designated Securities or other stocks, shares or securities already deposited with the Stakeholder have been delisted from the Bursa Securities and/or are otherwise no longer acceptable by the Stakeholder and Ramunia as security for the Guaranteed Sums.

If there is no Shortfall for the financial period ending 31 October 2004 or if there is a Shortfall, the Shortfall has been duly settled in accordance with the provisions of the PGA, the Maximum Margin shall be reduced to the sum of RM25,722,660 equivalent to 150% of the Guaranteed Sum for RFSB in the financial year ending 31 October 2005 ("**2005 Maximum Margin**") and the Minimum Margin shall be reduced to the sum of RM21,435,550 equivalent to 125% of the Guaranteed Sum for RFSB the financial year ending 31 October 2005 ("**2005 Minimum Margin**").

If Designated Securities have been deposited with the Stakeholder in excess of the 2005 Maximum Margin and Remcorp shall subject to Remcorp having complied with the terms and obligations under the Principal Agreement, TR Yard Sale and Purchase Agreement and the RFSB Share Sale Agreement, be entitled to request the Stakeholder to release part of the Designated Securities provided that the value of the Designated Securities after the release calculated at the Price is not less than the 2005 Maximum Margin.

7.3.3 Termination

The PGA shall terminate upon receipt by the Stakeholder of a written notice from Ramunia confirming the discharge of Remcorp from its liabilities under the PGA.

Upon termination of the PGA, the Stakeholder shall be deemed to be released of its obligations under the PGA. Upon such discharge, the Stakeholder shall be entitled to transfer or cause to be transferred at the cost and expense of Remcorp the Designated Securities into such securities account maintained by Remcorp under the Securities Industry (Central Depositories) Act 1991 as Remcorp may have notified the Stakeholder in writing and in the absence of such notification, the Stakeholder shall not be obliged to

7. APPROVALS AND CONDITIONS (CONT'D)

transfer the Designated Securities to any securities account and shall hold the Designated Securities in trust for Remcorp.

7.3.4 Amendment

The PGA may not be amended, varied or modified and the obligations of Remcorp may not be released, discharged, amended or varied in any manner whatsoever except by an instrument in writing executed by Ramunia, Stakeholder and Remcorp provided that no amendments to paragraph 7.3.1 above shall be effective unless it is in writing executed by Ramunia, Stakeholder and Remcorp and the prior written consent of the SC for such amendments has been obtained.

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8. RELATED-PARTY TRANSACTIONS / CONFLICT OF INTEREST**8.1 EXISTING AND PROPOSED RELATED-PARTY TRANSACTIONS AND CONFLICT OF INTEREST**

Save as disclosed below, there are no other transactions between the Group and the Promoters, directors, substantial shareholders, persons connected with such directors and/or substantial shareholders, key management and/or key technical personnel of Ramunia Group:-

Companies in the Group	Nature of transaction	Interested Promoter/ director/ substantial shareholder or persons connected	Nature of Interest	Transaction Value (RM)
RFSB	Letter dated 20 January 2004 from Remcorp to RFSB granting the licence to occupy and the right of use of TR Yard in consideration of a sum of RM100,000 per month. The said sum is subsequently revised to a nominal sum of RM10 per month with the same terms and conditions via a letter dated 27 January 2004	Remcorp	Remcorp has only one (1) subsidiary company, RFSB which is engaged in the major fabricator business and operates TR Yard. Accordingly, there is no conflict of interest arising from this related-party transaction	120 per annum
RFSB	Letter dated 13 December 2004 from Ramunia addressed to Remcorp and RFSB whereby Ramunia as the beneficial owner of TR Yard confirmed and agreed to the licence and revision of the licence fee granted by Remcorp to RFSB above	Ramunia	Ramunia is an investment holding company with only one (1) subsidiary company, RFSB, which is engaged in the major fabricator business and operates TR Yard. Accordingly, there is no conflict of interest arising from this related-party transaction	-
RFSB	Upon Ramunia becoming the registered proprietor of TR Yard, the licence between Remcorp and RFSB dated 20 January 2004 will be terminated and a new licence will be granted by Ramunia to RFSB Letter dated 1 June 2002 from Ramunia Resources Sdn Bhd granting RFSB a licence to occupy and the right of use in respect of the office space located at 8 th Floor, Plaza Pekeliling, Jalan Kampar, Off Jalan Tun Razak, 50400 Kuala Lumpur with immediate effect and shall continue to be valid unless otherwise terminated on mutual agreement	Ramunia Resources Sdn Bhd, a wholly-owned subsidiary company of Remcorp	Remcorp is the holding company of Ramunia Resources Sdn Bhd and ultimate holding company of RFSB. As it is only a rental arrangement between the subsidiary companies of Remcorp, there is no conflict of interest arising from this related-party transaction	120,000 per annum

8. RELATED-PARTY TRANSACTIONS / CONFLICT OF INTEREST (CONT'D)

Companies in the Group	Nature of transaction	Interested Promoter/ director/ substantial shareholder or persons connected	Nature of Interest	Transaction Value (RM)
Ramunia	Acquisition of TR Yard pursuant to the TR Yard Sale And Purchase Agreement	Remcorp	This is a related party transaction between Remcorp and its subsidiary, namely Ramunia, entered into pursuant to the Restructuring Scheme. Accordingly, there is no conflict of interest arising from this related-party transaction	105,000,000
Ramunia	Acquisition of RFSB pursuant to the RFSB Share Sale Agreement	Remcorp	These related party transactions between Remcorp and its subsidiary, namely Ramunia had been entered into pursuant to the Restructuring Scheme. Accordingly, there is no conflict of interest arising from the said related-party transactions	100,000,000
Ramunia	Profit guarantee granted by Remcorp in favour of Ramunia pursuant to the PGA	Remcorp		Remcorp guaranteed that the profit after tax of RFSB shall not be less than RM12,216,177 and RM17,148,440 for the eighteen (18) month period ending 31 October 2004 and the financial year ending 31 October 2005 respectively
Ramunia	Declaration of Trust dated 13 December 2004 entered into by Remcorp in favour of Ramunia whereby Remcorp as legal and beneficial owner of TR Yard declares, among others that it holds TR Yard in favour of Ramunia absolutely until such time that TR Yard is registered in the name of Ramunia	Remcorp		Not applicable

8. RELATED-PARTY TRANSACTIONS / CONFLICT OF INTEREST (CONT'D)

Companies in the Group	Nature of transaction	Interested Promoter/ director/ substantial shareholder or persons connected	Nature of Interest	Transaction Value (RM)
Ramunia	<p>Power of Attorney dated 13 December 2004 executed by Remcorp in favour of the SA and Ramunia whereby Remcorp appoints the SA or Ramunia or any of its duly authorised directors or officers, do all such acts and things as may be necessary for the completion of the sale and purchase transactions in the manner set out in the TR Yard Sale And Purchase Agreement including but not limited to the execution of the memorandum of transfer over the TR Yard Land</p>	Remcorp	<p>This is a related party transaction between Remcorp and its subsidiary, namely Ramunia, entered into pursuant to the Restructuring Scheme. Accordingly, there is no conflict of interest arising from this related-party transaction</p>	Not applicable

8. RELATED-PARTY TRANSACTIONS / CONFLICT OF INTEREST (CONT'D)

Save for the letter dated 27 January 2004 revising the consideration arising from the licence granted from Remcorp to RFSB to occupy and the right of use of TR Yard for RM10 per month set out in Section 8.1 of this prospectus, the directors and the substantial shareholders of Ramunia confirm that all the business transactions between the Group and the Promoters, directors, substantial shareholders, persons connected with such directors and/or substantial shareholders, key management and/or key technical personnel were on an arms length basis and were based on commercial terms. The Audit Committee of Ramunia will monitor any related party transactions to ensure these transactions are carried out on an arms-length basis and were based on commercial terms.

8.2 TRANSACTIONS UNUSUAL IN THEIR NATURE OR CONDITIONS

There is no transaction that is unusual in their nature or conditions, involving goods, services, tangible or intangible assets, to which the Group was a party in respect of the past one (1) financial year and the subsequent financial period thereof immediately preceding the date of this prospectus.

8.3 OUTSTANDING LOANS MADE BY CORPORATION OR ANY OF ITS PARENT OR SUBSIDIARIES TO/FOR THE BENEFIT OF RELATED PARTIES

Save as disclosed below, there is no outstanding loans (including guarantees of any kind) made by the Group or its parent to or for the benefit of the related parties in respect of the past fourteen (14) month period ended 30 June 2004 up to the date of this prospectus.

- (i) Corporate guarantee dated 23 October 2002 given by Remcorp in favour of Alliance Bank Malaysia Berhad up to the principal amount of RM25,800,000 for the benefit of RFSB in relation to banking facilities granted to RFSB;
- (ii) Corporate guarantee dated 30 December 2003 given by Remcorp in favour of Alliance Bank Malaysia Berhad up to a principal amount of RM105,000,000 for the benefit of RFSB in relation to banking facilities granted to RFSB;
- (iii) Guarantee and indemnity dated 19 July 2004 given by Remcorp in favour of Bumiputra-Commerce Bank Berhad up to a principal amount of RM27,000,000 for the benefit of RFSB in relation to banking facilities granted to RFSB;
- (iv) Corporate guarantee dated 4 October 2004 given by Remcorp in favour of Affin Bank Berhad up to a principal amount of RM61,700,000 for the benefit of RFSB in relation to banking facilities granted to RFSB;
- (v) Corporate guarantee dated 11 December 2002 given by Remcorp in favour of Alliance Finance Berhad up to a principal amount of RM10,000,000 for the benefit of RFSB in relation to hire purchase facilities granted to RFSB;
- (vi) Guarantee of Hire Purchase Agreement dated 26 August 2004 given by Remcorp in favour of MBf Leasing Sdn Bhd up to a principal amount of RM505,485 for the benefit of RFSB in relation to hire purchase facilities granted to RFSB;
- (vii) Pursuant to the financing facilities obtained by RFSB with Alliance Bank Malaysia Berhad, Ramunia is required to provide a corporate guarantee in favour of Alliance Bank Malaysia Berhad upon the listing of Ramunia on the Second Board of the Bursa Securities;
- (viii) Debenture dated 15 November 2001 by RFSB in favour of Bank Islam (L) Ltd. creating fixed and floating charges over RFSB's assets and undertakings, movable and immovable, both present and future for the benefit of Remcorp pursuant to Al-Ijarah Al-Muntahiyah Bit-Tamlik Facility of USD 30,390,000 granted to Remcorp; and

8. RELATED-PARTY TRANSACTIONS / CONFLICT OF INTEREST (CONT'D)

- (ix) Deed of Assignment of operating proceeds dated 15 November 2001 whereby RFSB assigns to Bank Islam (L) Ltd. all its rights, benefits and interest in and to all monies in RFSB's Al-Wadiah Account maintained with Bank Islam Malaysia Berhad and all rights, powers, remedies and privileges in connection with the said monies for the benefit of Remcorp pursuant to Al-Ijarah Al-Muntahiyah Bit-Tamlik Facility of USD 30,390,000 granted to Remcorp.

There is no foreign currency loans made by the Group to or for the benefit of the related parties.

8.4 INTEREST IN SIMILAR BUSINESS

As at the date of this prospectus and to the best of knowledge and belief of the directors and substantial shareholders of Ramunia, none of the directors or substantial shareholders and/or key management of Ramunia are interested, directly or indirectly in any business carrying on a similar trade as the Group.

8.5 PROMOTIONS OF ANY MATERIAL ASSETS ACQUIRED/TO BE ACQUIRED WITHIN TWO (2) YEARS PRECEDING THE DATE OF THIS PROSPECTUS

Save as disclosed below, none of the other directors and substantial shareholders has any interest, direct or indirect, in the promotion of or in any material assets acquired or proposed to be acquired or disposed or proposed to be disposed of or leased or proposed to be leased to the Company or any of its subsidiary company within the two (2) years preceding the date of this prospectus:-

- (i) Pursuant to the RFSB Share Sale Agreement, Ramunia acquired the RFSB Shares from its substantial shareholder, Remcorp for a total consideration of RM100,000,000 satisfied in the following manner:-
- the issuance of 80,000,000 Shares at par credited as fully paid-up together with 116,000,000 detachable Warrants on the basis of twenty-nine (29) Warrants for every twenty (20) Shares issued for the acquisition of RFSB Shares; and
 - the issuance of 80,000,000 ICULS at its nominal value; and
 - the issuance of 80,000,000 ICPS at par.
- (ii) Pursuant to the TR Yard Sale and Purchase Agreement, Ramunia acquired TR Yard from Remcorp for a total consideration of RM105,000,000 satisfied in the following manner:-
- the issuance of 84,000,000 Shares at par credited as fully paid-up together with 121,800,000 detachable Warrants on the basis of twenty-nine (29) Warrants for every twenty (20) Shares issued for the acquisition of TR Yard;
 - the issuance of 84,000,000 ICULS at its nominal value; and
 - the issuance of 42,000,000 ICPS at par.
- (iii) Letter dated 20 January 2004 from Remcorp to RFSB granting the licence to occupy and the right of use of TR Yard in consideration of a sum of RM100,000 per month. The said sum is subsequently revised to a nominal sum of RM10 with the same terms and conditions via a letter dated 27 January 2004; and

8. RELATED-PARTY TRANSACTIONS / CONFLICT OF INTEREST (CONT'D)

- (iv) Letter dated 13 December 2004 from Ramunia addressed to Remcorp and RFSB whereby Ramunia as the beneficial owner of TR Yard confirmed and agreed to the licence and revision of the licence fee granted by Remcorp to RFSB set out in section 8.5(iii) of this prospectus.

8.6 DECLARATION BY THE ADVISERS

AmMerchant Bank is the Creditor of the SHB Group whose total debt due and owing will be treated in accordance with the terms set out in the WP. As at the Cut-Off Date, the debt arising from corporate guarantees provided by SHB to AmMerchant Bank for credit facilities given to SSSB represents 1.3% of the total amount due to Creditors. Notwithstanding the above, AmMerchant Bank is of the view that there is no conflict of interest as Adviser for the implementation of the Restructuring Scheme as set out in Section 5.2 of this prospectus. The Restructuring Scheme was prepared based on Remcorp's tender proposal where Remcorp was selected as a white knight for SHB under a tender exercise conducted by the SA on 16 October 2003. Furthermore, the recovery to the stakeholders including the Creditors is independently determined by the SA under the WP and has been independently reviewed by an independent adviser appointed by Danaharta. Accordingly, AmMerchant Bank hereby confirms that there is no conflict of interest with respect of their capacity as Adviser for the Restructuring Scheme.

AmTrustee Berhad confirmed that there is no conflict of interest with respect of their capacity as trustee for the ICULS holders and stakeholder pursuant to the PGA.

Zul Rafique & Partners had advised Commerce International Merchant Bankers Berhad in relation to the Previous S.176 Restructuring Scheme. However, they are of the view that there is no conflict of interest situation in acting as the solicitors for the Restructuring Scheme. In addition, both the SA and Ramunia were informed of the said prior engagement and they have no objection to Zul Rafique & Partners' current appointment.

Ernst & Young acted for Remcorp in another separate proposed transaction which has subsequently been aborted. However, Ernst & Young is of the view that the current engagement as the SA does not give rise to conflict of interest.

Shamsir Jasani Grant Thornton acted as a monitoring accountant for SSSB pursuant to PN 4 of the Bursa Malaysia Securities Listing Requirements and is currently the auditors for Ramunia and RFSB. Nonetheless, they are of the view that there is no conflict of interest situation in acting as reporting accountants for the Restructuring Scheme.

Irhamy & Co. Chartered Surveyors confirmed that there is no conflict of interest with respect of their capacity as an independent registered valuers for TR Yard.

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9. OTHER INFORMATION CONCERNING THE CORPORATION / GROUP

9.1 INFORMATION ON LAND AND BUILDINGS

A summary of the land and buildings owned by the Group is as follows:-

Date of Valuation/ market value	Title Identification / Postal Address	Approximate Age of Building / Tenure / Date of Expiry of Lease	Description and existing Use	Name of Registered Owner	Land area / Built up area	Restriction in Interest	Encumbrances	Date of issuance of CF	Prices paid/ Date of Transaction	Revaluation surplus/ Note (4)	Audited Net Book Value @ 30 June 2004 (RM)
19.11.2003/ RM105million	HS(D) 8585 PTD No.421, HS(D) 14211 PTD No.421A and HS(D) 8586 PTD No.501 of Mukim Pantai Timor, District of Kota Tinggi, State of Johor Darul Takzim	The buildings are estimated to be approximately 15 to 20 years with details set out in Note (1) / All the titles are sixty (60) years leasehold interests expiring on the following dates:- PTD No.421 : 18.12.2050 PTD No.421A: 27.1.2054 PTD No.501 : 18.12.2050	Purpose-built steel fabrication facilities which undertake steel fabrication of offshore platforms of approximately 21,000 MT for Fabrication Yard No.1 and approximately 10,000 MT for Fabrication Yard No. 2	Remcorp Note (2)	36.422 hectares/ 32,633 sq m	Tanah yang dikumiakan ini tidak boleh dijual, dipejak, digadaai atau dipindahmilik dengan apa cara sekalipun termasuk dengan cara menggunakan surat perjanjian bermaksud untuk melepaskan/me jual tanah ini tanpa kebenaran Pihak Berkuasa Negeri	None	RM105 million/ 20 December 2004	Note (4)	Note (5)	

Note :-

(1) The buildings erected on the TR Yard Land are as follows :-

No.	Buildings	Built-up area(sq m)
1.	Production Office Nos. 1 & 2	1,088.07 each
2.	Mechanical & Piping Workshop, Open Sided Workshop and Fabrication Workshop	1,934.59, 234.11 and 1,578.59 respectively
3.	Toilet Block Nos. 1 & 2, Guard House, Surau and Covered Car Parks	63.36 & 9.30, 5.20, 53.5 and 540.70 respectively
4.	Power House	71.53
5.	Store Nos. 1 & 2	738.76 & 986.62 respectively

9. OTHER INFORMATION CONCERNING THE CORPORATION / GROUP

(2) The registered proprietor is Remcorp whilst the beneficial owner is Ramunia by virtue of the Declaration of Trust by Remcorp detailed in Section 3.2(viii) above.

(3) The following were not made available to Remcorp since its acquisition of TR Yard from the previous owner in year 2001:-

(i) approved building plans of the production office no.2, open sided workshop, guard house, surau and covered car parks of TR Yard; and

(ii) CF for all the buildings located on TR Yard Land.

The laws regulating the requirement of CF are the SDBA and the UBBL By-Law 28 of the UBBL provides that no person shall occupy or permit to be occupied any building or any part thereof unless a CF, a partial CF or a temporary CF has been issued under the UBBL for such building and any failure to comply with the UBBL shall render such person liable to prosecution under the SDBA. Failure to comply with By-Laws 28 of the UBBL shall render the person liable on conviction to a fine not exceeding RM2,000 and a further fine not exceeding RM100 for every day the offence is continued after conviction. It is also stated under Section 72 of the SDBA that contravention of the UBBL may entitle the local authority to serve a notice on the owner requiring the owner to demolish such building and/or take such steps as may be ordered by the local authority.

Given that the original plans and drawings of the buildings were not made available, a fresh application by Remcorp would be onerous, costly and time consuming as the survey drawings, design calculation, layout plan and other technical documentation have to be prepared from scratch. Hence, Remcorp had requested MDKT via several meetings with them to consider its application based on the earlier application by the previous owner. Since then, Remcorp has been following up with MDKT for its approval. However, in March 2004, MDKT had subsequently verbally reverted that a fresh application by Remcorp is required.

Following MDKT's decision released in March 2004, Remcorp continued with their efforts to expedite matters and had a meeting with MDKT together with other technical departments in June 2004, where MDKT had on 2 July 2004, approved all building plans previously submitted by a qualified consultant engineers based in Johor Bahru for the buildings located on TR Yard, namely Lots 501, 421 and 421A. The qualified consultant engineers prepared submissions and building plans prior to the acquisition of TR Yard by Remcorp from Promet Berhad. They were contracted and appointed by Remcorp in June 2004 to prepare and submit other relevant documentation for MDKT's approval of CF for buildings located on TR Yard. On 6 July 2004, the temporary CF in relation to the facilities on TR Yard were issued by MDKT. As at the date of this prospectus, the qualified consultant engineers is in the midst of finalising other relevant documentation for the facilities and buildings located on TR Yard in relation to the application for the permanent CF. On 8 December 2004, Ramunia has via its letter to the SC dated 7 December 2004 given its undertaking to use its best endeavour to obtain approval for all the unapproved buildings or structures erected on TR Yard and subsequently issued with the permanent CF within twelve (12) months from the date of the SC's approval dated 9 August 2004.

(4) Ramunia acquired TR Yard based on the independent valuation of RM105,000,000 by Ithamy & Co. Chartered Surveyors via their letter dated 9 June 2004.

9. OTHER INFORMATION CONCERNING THE CORPORATION / GROUP

- (5) *The Acquisition of TR Yard was completed on 20 December 2004. Accordingly, TR Yard was not reflected in the Group's audited financial statements for the fourteen (14) month period ended 30 June 2004.*

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9. OTHER INFORMATION CONCERNING THE CORPORATION / GROUP (CONT'D)

9.2 ACQUISITIONS OF PROPERTIES DURING TWO (2) YEARS PRECEDING THE VALUATION

The properties set out in Section 9.1 above were not subject to any acquisition in the two (2) years preceding the date of the valuation.

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10. FINANCIAL INFORMATION**10.1 HISTORICAL FINANCIAL INFORMATION**

Below is the summary results of the proforma consolidated results of Ramunia Group for the period ended 30 April 2002, the financial year ended 30 April 2003 and the fourteen (14) month period ended 30 June 2004, prepared based on the assumption that the Group has been in existence throughout the period under review. The proforma consolidated results are prepared for illustrative purposes only and should be read in conjunction with the accompanying notes and assumptions included in the Accountants' Report in Section 11 of this prospectus.

	Period ended 2002 (RM'000)	Financial year ended 2003 (RM'000)	Fourteen-month period ended 30 June 2004 (RM'000)
Revenue	105	39,032	103,657
Gross Profit	5	3,611	9,306
(Loss)/Earnings before finance costs, research and development expense, depreciation, amortisation, preliminary expenses and taxation	(599)	1,623	5,789
Finance costs	(1)	(94)	(1,027)
Research and development expenses	-	-	-
Depreciation	(1)	(194)	(767)
Amortisation	-	-	-
Preliminary expenses	(7)	-	-
Other income	161	391	2,424
Exceptional items	-	-	-
Share of profits of associated companies and joint ventures	-	-	-
(Loss)/Profit before taxation	(447)	1,726	6,419
Taxation	-	(390)	(2,037)
(Loss)/Profit after taxation	(447)	1,336	4,382
Extraordinary items	-	-	-
Minority interests	-	-	-
Net (loss)/profit	(447)	1,336	4,382
No. of Shares assumed in issue*	212,351,942	212,351,942	212,351,942
Basic gross (loss per Share)/EPS (sen)	(0.21)	0.81	3.02
Basic net (loss per share)/EPS (sen)	(0.21)	0.63	2.06

Note:-

RFSB was incorporated on 17 January 2001 and hence its first audited financial year end is 30 April 2002, whilst Ramunia has no audited financial statements as at the date of this prospectus as it was incorporated on 18 November 2003.

* *Based on issued share capital of 212,351,942 Shares assuming that the Ramunia Assets Acquisitions and Debt Settlement had taken effect throughout the years*

The financial statements of Ramunia Group for the years under review were not subjected to any audit qualification.

10. FINANCIAL INFORMATION (CONT'D)**10.2 ANALYSIS OF HISTORICAL FINANCIAL INFORMATION****10.2.1 Segmental Analysis Of Revenue and Operating Profit**

Ramunia Group is currently principally involved in major fabrication of offshore structure in Malaysia through RFSB, hence the breakdown and analysis of revenue and operating profits by company, products/services and market/geographical are not applicable.

10.2.2 Overview Of Revenue and Operating Profit

During the financial year ended 30 April 2003, RFSB turnaround and recorded a profit before tax of RM1.7 million at the back of a revenue of RM39 million. These translated into an increase in both revenue and profit before tax of more than 100%. The said improvement in revenue and profit before tax were mainly due to RFSB's first project with Petronas Carigali, namely the major fabrication of jacket, topside and compression module for Petronas Carigali's gas fields located in offshore Sabah.

RFSB's results continued to improve and registered a significant increase in revenue and profit before tax by more than 100%, being RM64.6 million and RM4.7 million respectively during the fourteen (14) month period ended 30 June 2004. The improvement was mainly due to the contribution from its projects with ExxonMobil, Shell and other new contracts.

Save for the gross profit of approximately 5% for the period ended 30 April 2002 due to high start up costs for its first project, the gross profit of RFSB has been fairly consistent for the financial year ended 30 April 2003 and the fourteen (14) month period ended 30 June 2004, at approximately 9%.

10.2.3 Impact of Foreign Exchange / Interest Rates / Commodity Prices on Operating Profits

There was no material impact from foreign exchange, interest rates and commodity prices on operating profits for the periods under review.

10.2.4 Taxation

There was no tax expense for the period ended 30 April 2002 as RFSB was in a tax loss position.

For the financial year ended 30 April 2003, the effective tax rate was lower than the statutory tax rate due to utilisation of unabsorbed tax losses and unutilised capital allowances brought forward.

However, the effective tax rate for the fourteen (14) month period ended 30 June 2004 was higher than the statutory rate as certain expenses were not allowable for tax deduction.

10.2.5 Exceptional And Extraordinary Items

There was no extraordinary and exceptional item for the financial years under review.

10.3 FINANCIAL PERFORMANCE, POSITION AND OPERATIONS

Save as disclosed in Sections 1.7, 3, 10.2, 10.4 and 10.6 of this prospectus, the directors are of the view that the financial performance, position and operations of the Group are not affected by any of the following:-

10. FINANCIAL INFORMATION (CONT'D)

- (i) Any known trends, demands, commitments, events or uncertainties that have had, or that the corporation reasonably expects to have, a material favourable or unfavourable impact on financial performance, position and operations of the corporation/group;
- (ii) Any material capital expenditure commitments, the purpose of such commitments and the anticipated source of funds;
- (iii) Any unusual, infrequent events or transactions or any significant economic changes that have materially affected the financial performance, position and operations of the corporation/group; and the extent to which the financial performance, position and operations of the corporation/group was so affected; and
- (iv) Any known events, circumstances, trends, uncertainties and commitments that are reasonably likely to make the historical financial statements not indicative of future financial performance and position.

10.4 WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES, MATERIAL COMMITMENT AND LITIGATIONS**(i) Working Capital**

The directors of Ramunia are of the opinion that, after taking into account the cash flow position and the banking facilities available, the Group will have adequate working capital for a period not less than twelve (12) months from the date of issue of this prospectus.

(ii) Borrowings

As disclosed below, the total borrowings in the form of project financing, trade facilities which include letters of credit, bank guarantee, short term advances, hire purchase and ICULS can be analysed as follows:-

Borrowings	As at 30 November 2004 Amount (RM'000)	Proforma after Restructuring Scheme Amount (RM'000)
Long Term borrowings		
• Interest bearing	3,187	5,263*
• Non-interest bearing	-	-
	3,187	5,263
Short Term borrowings		
• Interest bearing	29,027	29,027
• Non-interest bearing	-	-
	29,027	29,027
Total Borrowings	32,214	34,290

* *taking into account the liability portion of the ICULS*

The Group has no foreign currency borrowings. Save for late payment of certain hire purchase facilities, Ramunia has confirmed that there has been no default on payments of either interest and/or principal in respect of any borrowings of Ramunia Group throughout the past one (1) financial year and the subsequent period thereof, immediately preceding the date of this prospectus.

(iii) Contingent Liabilities and Material Commitment

Save for the claims disclosed in Section (iv) below, there is neither contingent liability nor material commitment incurred by the Group as at 30 November 2004.

10. FINANCIAL INFORMATION (CONT'D)**(iv) Material Litigations**

Save as disclosed below, as at 30 November 2004, neither Ramunia nor its subsidiary company are engaged in any material litigation and arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Group and the directors do not know of any proceedings pending or threatened or of any facts likely to give rise to any proceedings which might materially and adversely affect the position or business of the Group:-

(a) HTM Ogma Engineering (M) Sdn Bhd v. RFSB (Johor Bahru High Court Summons No. MT3-22-571-2004)

The Plaintiff's claim is based upon the service provided by the Plaintiff to RFSB for the provision of skilled, semi skilled and general workers and based on a letter dated 13 October 2003 from RFSB to the Plaintiff where RFSB stated that it had agreed to pay the outstanding sum of RM259,653. The Plaintiff also claims interest on the said sum at the rate of 8% per annum from 2 September 2003 until full payment.

RFSB filed its defence and counterclaim on 10 September 2004 where RFSB had also counterclaimed against a former employee of RFSB, his wife and another on the basis of a breach of confidence, conflict of interest, breach of fidelity and lifting the corporate veil.

The decision of the court will very much depend on the evidence proved before it and the solicitors of RFSB are of the opinion that RFSB has a legitimate defence to the Plaintiff's claim.

(b) Claim by Haven Engineering Works Sdn Bhd ("HEW")

By letter dated 15 September 2004, HEW made a claim of RM154,579.42 against RFSB in respect of Invoice Nos. 2004/05/026 (RM122,375.38) and 2004/06/043 (RM32,204.04), for services rendered, together with late interest charges of 1.5% per month.

By letter dated 20 September 2004 to HEW's solicitors, RFSB's solicitors intimated to HEW that a sum of RM121,174.78 is still due and owing by HEW's sister company, Haven Engineering Sdn Bhd ("HE"), and which balance sum arose out of a global settlement of sums due as between RFSB, HEW and HE around August 2004.

The solicitors of RFSB are of the opinion that although the claim by HEW of RM154,579.42 is not disputed, this amount should be set off as against the sum of RM121,174.78 due from HE to RFSB as HEW's present claim was also a part of the global settlement made between the parties in August 2004. This latter sum of RM121,174.78 was deducted unilaterally by HE purportedly as "handling charges" for payment claims by RFSB against Petronas Carigali. Thus, the solicitors of RFSB are of the opinion that the sum due and payable to HEW after setting off the sum due to RFSB by HEW is only RM33,404.64.

No claim has been filed in court by either party in respect of the amounts in dispute.

10. FINANCIAL INFORMATION (CONT'D)**10.5 CONSOLIDATED LOSS ESTIMATE AND FORECAST AND ASSUMPTIONS FOR THE PERIOD FROM 18 NOVEMBER 2003 TO 31 OCTOBER 2004 AND THE FINANCIAL YEAR ENDING 31 OCTOBER 2005**

	Estimate 2004 RM'000	Forecast 2005 RM'000
Revenue	161,091	193,612
Consolidated profit before taxation and exceptional items	16,890*	20,220
Exceptional items	-	(36,500)
Consolidated profit/(loss) before taxation	16,890	(16,280)
Taxation	(4,757)	(6,726)
Consolidated profit/(loss) after taxation and exceptional items	12,133	(23,006)
Less : Pre-acquisition profit	(12,233)	(2,883)
Minority interests	-	-
Consolidated loss after taxation after minority interests	(100)	(25,889)
No. of ordinary shares assumed in issue	4	176,862,987 ^(Note 1)
No. of ordinary shares assumed in issue	n/a	397,282,195 ^(Note 2)
Basic gross EPS (sen)		
- Before exceptional items	9.55 ^(Note 3)	1.43
- After exceptional items	9.55 ^(Note 3)	(9.20)
Diluted gross EPS (sen) ^{Note 4)}		
- Before exceptional items	n/a	5.26
Basic net EPS		
- Before pre-acquisition profit but before exceptional items (sen)	6.86 ^(Note 3)	7.63
- After pre-acquisition profit but before exceptional items (RM)	(25,000)	0.06
- After pre-acquisition and after exceptional items (RM)	(25,000)	(0.15)
Diluted net EPS (sen) ^{Note 4)}		
- Before pre-acquisition profit but before exceptional items	n/a	2.79
Gross PE Multiple (times) ^(Note 5)		
- Before exceptional items	5.24 ^(Note 6)	4.37 ^(Note 6)
- After exceptional items	5.24	n/a
Net PE Multiple (times) ^(Note 5)		
- Before pre-acquisition profit but before exceptional items	7.29 ^(Note 7)	6.55 ^(Note 7)
- After pre-acquisition profit but before exceptional items	n/a	8.33 ^(Note 7)

10. FINANCIAL INFORMATION (CONT'D)

* *Based on RFSB's net profit before taxation for the eighteen (18) month period ended 31 October 2004*

The Company is forecasted to be in a loss making position in the financial year ending 31 October 2005 upon recognition of the exceptional items of RM36.5 million. Accordingly, the effects of the assumed conversion of ICULS and ICPS and full exercise of Warrants would be anti-dilutive and the diluted EPS will not be applicable.

Notes:-

- (1) *Weighted average number of Shares prior to conversion of ICULS and ICPS from 1 January 2005 to 31 October 2005 assuming completion of the Ramunia Assets Acquisitions on 31 December 2004*
- (2) *Weighted average number of Shares assuming conversion of ICULS and ICPS on 31 December 2004. The exercise of Warrants has not been taken into consideration assuming no potential dilutive Shares arising therefrom*
- (3) *The issued and paid-up share capital of Ramunia was RM2 representing four (4) Shares only as at 31 October 2004. However, for comparison purposes, the basic gross and net EPS before pre-acquisition profit has been calculated based on the weighted average number of Shares of 176,862,987, the number of Shares assumed in issue for the financial year ending 31 October 2005*
- (4) *Calculated taking into consideration the assumed interests savings as a result of the assumed conversion of the ICULS*
- (5) *Based on offer price of RM0.50 per Share*
- (6) *Calculated based on basic gross EPS*
- (7) *Calculated based on basic net EPS before pre-acquisition profit of Ramunia for the period from 18 November 2003 (date of incorporation of Ramunia) to 31 October 2004 which is based on the net profit after tax of RFSB for the eighteen (18) month period ended 31 October 2004*

10. FINANCIAL INFORMATION (CONT'D)

10.6 REPORTING ACCOUNTANTS' LETTER ON THE CONSOLIDATED LOSS ESTIMATE AND FORECAST

(Prepared for inclusion in the Prospectus)

Shamsir Jasani Grant Thornton 

Chartered Accountants

22 DEC 2004

The Board of Directors

Ramunia Holdings Berhad
(Formerly known as Operasi Unggul Sdn Bhd)
Level 7, Menara Milenium
Jalan Damanela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur

Gentlemen,

We have reviewed the consolidated loss estimate and forecast of Ramunia Holdings Berhad (formerly known as Operasi Unggul Sdn Bhd) ("Ramunia") and its subsidiary company ("the Group") for the period/year ending 31 October 2004 and 31 October 2005 as set out in the accompanying statements which we have stamped for the purpose of identification in accordance with the standard applicable to the review of forecast. The consolidated loss estimate and forecast has been prepared for purpose of inclusion in the Prospectus pursuant to the listing of Ramunia on the Second Board of Bursa Malaysia Securities Berhad ("Bursa Securities") and should not be relied on for any other purposes.

Our review has been undertaken to enable us to form an opinion as to whether the consolidated loss estimate and forecast, in all material respects, are properly prepared on the basis of the assumptions made by Directors and are presented on a basis consistent with the accounting policies normally adopted and disclosed by the Group. The Directors are solely responsible for the preparation and presentation of the consolidated loss estimate and forecast and the assumptions on which the consolidated loss estimate and forecast is based.

Forecast, in this context, means prospective financial information prepared on the basis of assumptions as to future events which management expects to take place and the actions which management expects to take as of the date the information is prepared (best-estimate assumptions). While information may be available to support the assumptions on which a forecast is based, such information is generally future oriented and therefore uncertain. Thus, actual results are likely to be different from the forecast since anticipated events frequently do not occur as expected and the variation could be material.

We draw your attention to Note 2.9 of the Principal Bases and Assumptions as set out in Section 10.6 of the Prospectus. A revenue of RM83.06 million or 42.9% of the total revenue and gross profit contribution of RM13.89 million or 45.2% of the total gross profit in the forecast year are dependent on the ability of the Group to secure new contracts and the relevant stages of completion which is not expected to differ materially from forecasted level. However, these bases are subject to significant uncertainty.

Shamsir Jasani Grant Thornton (AF-737)

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10. FINANCIAL INFORMATION (CONT'D)

10.6 REPORTING ACCOUNTANTS' LETTER ON THE CONSOLIDATED LOSS ESTIMATE AND FORECAST (CONT'D)
(Prepared for inclusion in the Prospectus)


Shamsir Jasani Grant Thornton 

Subject to the matters stated in the preceding paragraphs:-

- (i) nothing has come to our attention which causes us to believe that the assumptions made by the Directors, as set out in the accompanying statement, do not provide a reasonable basis for the preparation of the consolidated loss estimate and forecast; and
- (ii) in our opinion, the consolidated loss estimate and forecast, so far as the calculations are concerned, is properly prepared on the basis of the assumptions made by the Directors and is presented on a basis consistent with the accounting policies adopted and disclosed by the Group.

Yours faithfully,


SHAMSIR JASANI GRANT THORNTON
NO. AF: 0737
CHARTERED ACCOUNTANTS


DATO' N. K. JASANI
PARTNER
NO: 708/03/06(J/PH)

10. FINANCIAL INFORMATION (CONT'D)**10.6 REPORTING ACCOUNTANTS' LETTER ON THE CONSOLIDATED LOSS ESTIMATE AND FORECAST (CONT'D)**

(Prepared for inclusion in the Prospectus)

RAMUNIA HOLDINGS SDN BHD
 (Formerly known as Operasi Unggul Sdn Bhd)
 (Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANY

CONSOLIDATED LOSS ESTIMATE AND FORECAST
FOR THE PERIOD/YEAR ENDING 31 OCTOBER 2004 AND 31 OCTOBER 2005

The Directors estimated and forecasted that the Group's results for the period/year ending 31 October 2004 and 31 October 2005 will be as follows:-

	ESTIMATE 18.11.2003 - 31.10.2004 RM'000	FORECAST 01.11.2004 - 31.10.2005 RM'000
Revenue	<u>161,091</u>	<u>193,612</u>
Consolidated profit before exceptional items	16,890	20,220
Exceptional items	-	(36,500)
Consolidated profit/(loss) before taxation	<u>16,890</u>	<u>(16,280)</u>
Taxation	(4,757)	(6,726)
Profit/(Loss) after taxation	<u>12,133</u>	<u>(23,006)</u>
Less : Pre-acquisition profit	(12,233)	(2,883)
Consolidated loss after taxation	<u>(100)</u>	<u>(25,889)</u>
Weighted average number of ordinary shares of RM0.50 each in issue ('000)	<u>- #</u>	<u>176,863**^</u>
Loss per share (RM)	<u>(25,000)</u>	<u>(0.15)</u>

Represents four (4) ordinary shares of RM0.50 each as at 31 October 2004.

* Assume issuance of 212.352 million Ramunia Shares at par value on 31 December 2004.

^ Assume no conversion of ICPS and ICULS or exercise of Warrants.

** Minority interest is not applicable as Ramunia Fabricators Sdn Bhd ("RFSB") will be wholly owned by Ramunia.

22 DEC 2004
 Shahrul Huzair Ghani Thornton

10. FINANCIAL INFORMATION (CONT'D)**10.6 REPORTING ACCOUNTANTS' LETTER ON THE CONSOLIDATED LOSS ESTIMATE AND FORECAST (CONT'D)**

(Prepared for inclusion in the Prospectus)

RAMUNIA HOLDINGS SDN BHD
 (Formerly known as Operasi Unggul Sdn Bhd)
 (Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANY

CONSOLIDATED LOSS ESTIMATE AND FORECAST
FOR THE PERIOD/YEAR ENDING 31 OCTOBER 2004 AND 31 OCTOBER 2005

1. RESTRUCTURING SCHEME

The restructuring scheme will entail, among others, the following:

1.1 Acquisition by Ramunia of Teluk Ramunia Fabrication Yard ("TR Yard"), and the entire issued share capital of RFSB from Ramunia Energy & Marine Corporation Sdn Bhd ("Remcorp") in the following manner:-

(a) Ramunia acquired TR Yard for a total consideration of RM105,000,000 satisfied in the following manner:-

- issuance of 84,000,000 ordinary shares of RM0.50 each in Ramunia ("Ramunia Shares") at par credited as fully paid-up together with 121,800,000 warrants 2004/2014 in Ramunia ("Warrants") on the basis of twenty-nine (29) Warrants for every twenty (20) Ramunia Shares issued for the acquisition of TR Yard;
- issuance of 84,000,000 3-year 1% irredeemable convertible unsecured loan stocks 2004/2007 in Ramunia ("ICULS") at its nominal value of RM0.50 each; and
- issuance of 42,000,000 5-year 1% non-cumulative irredeemable convertible preference shares of RM0.50 each in Ramunia ("ICPS") at par.

(b) Ramunia acquired the entire issued and paid-up share capital of RFSB comprising 5,000,000 ordinary shares of RM1.00 each for a total consideration of RM100,000,000 satisfied in the following manner:-

- issuance of 80,000,000 Ramunia Shares at par credited as fully paid-up together with 116,000,000 Warrants on the basis of twenty-nine (29) Warrants for every twenty (20) Ramunia Shares issued for the acquisition of RFSB;
- issuance of 80,000,000 ICULS at its nominal value of RM0.50 each; and
- issuance of 40,000,000 ICPS of RM0.50 each at par.

Under the acquisition agreements, Remcorp may nominate any of its wholly-owned subsidiary to be the recipient of the Ramunia Shares, Warrants, ICPS and ICULS that Remcorp is entitled pursuant to the terms of the acquisition agreements.

These transactions are collectively known as "Ramunia Assets Acquisition".

1.2 Ramunia issued 48,351,938 Ramunia Shares to the Special Administrators ("SA") of Saship Holdings Berhad (Special Administrators Appointed) ("SHB") holding on behalf of the creditors of SHB whose claims are admitted for the purposes of the workout proposal of SHB ("Creditors") ("Debt Settlement").

22 DEC 2004

Shawah Jazam (Saud) Sdn Bhd

10. FINANCIAL INFORMATION (CONT'D)

10.6 REPORTING ACCOUNTANTS' LETTER ON THE CONSOLIDATED LOSS ESTIMATE AND FORECAST (CONT'D)
(Prepared for inclusion in the Prospectus)

RAMUNIA HOLDINGS SDN BHD
(Formerly known as Operasi Unggul Sdn Bhd)
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANY

CONSOLIDATED LOSS ESTIMATE AND FORECAST
FOR THE PERIOD/YEAR ENDING 31 OCTOBER 2004 AND 31 OCTOBER 2005

1. RESTRUCTURING SCHEME (CONT'D)

- 1.3 Ramunia acquired the entire issued and paid-up share capital of SHB comprising 46,620,155 ordinary shares of RM1.00 each from the then existing shareholders of SHB satisfied by the issuance of 18,648,062 ICPS at par credited as fully paid-up on the basis of two (2) ICPS for every five (5) ordinary shares of RM1.00 each ("Share Swap").

The new Ramunia Shares arising from conversion of ICPS shall upon allotment and issue, rank pari passu in all respects with the Ramunia Shares then in issue except that they shall not be entitled to any dividends, rights, allotments and/or other distributions the entitlement date of which precedes the date of allotment of the said Ramunia Shares.

- 1.4 After the completion of the Ramunia Assets Acquisitions, Debt Settlement and Share Swap, the Restricted Offer for Sale/Placement will be undertaken in the following manner:-

- (a) Restricted offer for sale of the following securities to the shareholders of Ramunia who were shareholders of SHB and allotted ICPS on 22 December 2004 pursuant to the Share Swap ("Entitled Shareholders") on a non-renounceable basis:

- (i) 9,324,031 Ramunia Shares by the SA at the offer price of RM0.50 each on the basis of one (1) Ramunia Share for every two (2) ICPS allotted on 22 December 2004 pursuant to the Share Swap; and
- (ii) 46,620,155 ICULS and 46,620,155 ICPS by Remcorp at the offer price of RM0.50 per ICULS and RM0.50 per ICPS on the basis of five (5) ICULS and five (5) ICPS for every two (2) ICPS allotted on 22 December 2004 pursuant to the Share Swap.

9,324,031 Warrants will be detached by Remcorp from the Ramunia Shares upon issuance and Remcorp shall transfer or cause to be transferred/issued a Warrant free of charge to every Entitled Shareholder of SHB who has acquired one (1) Ramunia Share, five (5) ICULS and five (5) ICPS for every two (2) ICPS held in accordance with the manner stated above at the time that the Ramunia Share, the ICULS and the ICPS shall be registered in the name of the Entitled Shareholders.

22 DEC 2004

2004/10/22 10:00 AM

10. FINANCIAL INFORMATION (CONT'D)

10.6 REPORTING ACCOUNTANTS' LETTER ON THE CONSOLIDATED LOSS ESTIMATE AND FORECAST (CONT'D)

(Prepared for inclusion in the Prospectus)

**RAMUNIA HOLDINGS SDN BHD
(Formerly known as Operasi Unggul Sdn Bhd)
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANY**

**CONSOLIDATED LOSS ESTIMATE AND FORECAST
FOR THE PERIOD/YEAR ENDING 31 OCTOBER 2004 AND 31 OCTOBER 2005**

1. RESTRUCTURING SCHEME (CONT'D)

1.5 (b) Placement of the following securities:

- (i) 39,027,907 Ramunia Shares by the SA and 4,736,048 Ramunia Shares and such additional number of Ramunia Shares as may be required in order to meet the public shareholding spread, by Remcorp to identified investors, at the placement price of RM0.50 per Ramunia Share; and
- (ii) up to 10,000 ICULS and/ or 10,000 ICPS, if required.

Pursuant to the Restricted Offer for Sale, certain Entitled Shareholders are entitled to less than 100 Ramunia Shares each. In the event that these Entitled Shareholders subscribe for their entitlement, the Ramunia Shares held by them will not qualify as public spread, being less than one (1) board lot. In such event, Remcorp will place out such number of Ramunia Shares as may be required to comply with the public spread of 25% required for listing. In accordance with the Bursa Malaysia Securities Listing Requirements, a listed issuer seeking a listing of its warrants or other convertible securities must have not less than one hundred (100) holders of such securities holding not less than one (1) board lot of the warrants or convertible securities each. Accordingly, in the event of under-subscription of the Restricted Offer for Sale, up to 10,000 ICULS and/or 10,000 ICPS will be made available to identified investors via private placement in order to meet the minimum number of holders required for listing at the placement price of RM0.50 per ICULS and RM0.50 per ICPS, whilst up to 10,000 Warrants will be disbursed for free to persons who qualify as public to ensure that Ramunia complies with the Bursa Malaysia Securities Listing Requirements.

1.6 The entire issued and paid-up share capital of SHB shall be disposed off by Ramunia to a special purpose vehicle nominated by the SA for a consideration of RM1.00 ("Share Disposal").

1.7 Remcorp shall cause Ramunia to seek listing on the Second Board of the Bursa Securities via re-listing of SHB. This entails the admission of Ramunia to the Official List of the Second Board of the Bursa Securities, and the listing and quotation of the entire issued and paid up share capital of Ramunia, Warrants, ICULS and ICPS and the new Ramunia Shares to be issued pursuant to the conversion of ICULS and ICPS and the exercise of the Warrants.

22 DEC 2004

10. FINANCIAL INFORMATION (CONT'D)**10.6 REPORTING ACCOUNTANTS' LETTER ON THE CONSOLIDATED LOSS ESTIMATE AND FORECAST (CONT'D)**

(Prepared for inclusion in the Prospectus)

RAMUNIA HOLDINGS SDN BHD
 (Formerly known as Operasi Unggul Sdn Bhd)
 (Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANY

CONSOLIDATED LOSS ESTIMATE AND FORECAST
FOR THE PERIOD/YEAR ENDING 31 OCTOBER 2004 AND 31 OCTOBER 2005

2. PRINCIPAL BASES AND ASSUMPTIONS

2.1 Corporate exercise expenses are estimated at RM3.0 million and are to be written off in the forecast year.

2.2 The exceptional items for the year ending 31 October 2005 amounted to RM36.5 million which will be derived from the following:-

	RM'000
(i) Corporate exercise expenses	3,000
(ii) Loss on disposal of SHB	33,500
	36,500

2.3 Acquisition method of accounting has been adopted in relation to the acquisition of RFSB.

The Ramunia Assets Acquisition was completed on 20 December 2004. As such, no post-acquisition profit of RFSB will be recognised in the estimate period. Profit of RFSB for the two (2) months ending 31 December 2004 will be treated as pre-acquisition reserve in the forecast year.

2.4 The financial year end of the Group is fixed at 31 October. Thus, the result of RFSB for the estimate period is made up of 18 months from 1 May 2003 to 31 October 2004.

2.5 No preference or ordinary shares' dividend will be declared.

2.6 Goodwill on consolidation is stated at cost less impairment losses and there were no impairment on the goodwill on acquisition required in the estimate period and forecast year.

2.7 Interest on ICULS is provided at 1% per annum since January 2005.

2.8 Revenue from projects is recognised based on the "percentage of completion" method in cases where the outcome of the projects can be reliably estimated.

2.9 All specific and prospective projects identified by Ramunia Group will be secured and the projects will commence and be completed as scheduled. The contract sum, cost of contract and stages of completion will not differ materially from the estimated/forecasted level.

However, the outcome of the tendered and forecasted contracts is uncertain as this is based on the management's judgement and expectation taking into consideration key factors such as availability of yard capacity, pricing competitiveness and technical capability.

22 DEC 2004

10. FINANCIAL INFORMATION (CONT'D)

10.6 REPORTING ACCOUNTANTS' LETTER ON THE CONSOLIDATED LOSS ESTIMATE AND FORECAST (CONT'D)

(Prepared for inclusion in the Prospectus)

**RAMUNIA HOLDINGS SDN BHD
(Formerly known as Operasi Unggul Sdn Bhd)
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANY**

**CONSOLIDATED LOSS ESTIMATE AND FORECAST
FOR THE PERIOD/YEAR ENDING 31 OCTOBER 2004 AND 31 OCTOBER 2005**

2. PRINCIPAL BASES AND ASSUMPTIONS (CONT'D)

- 2.10 There will be no significant disruptions in the operations or any unfavourable conditions that will adversely affect the activities of the Group.
- 2.11 There will be no material changes in the Group's structure or level and types of activities of the Group other than those mentioned.
- 2.12 There will be no material changes in the Group's current management and existing accounting, management and operational policies.
- 2.13 There will be no changes in the prevailing political, economic and market conditions in and outside Malaysia which will adversely affect the activities or performance of the Group.
- 2.14 There will be no material increase in the cost of raw materials, wages and other costs.
- 2.15 There will be no material changes in the present legislation or Government regulations, rates and duties, levies and taxes which will adversely affect the Group's operations or markets in which it operates.
- 2.16 There will be no major industrial disputes or any other external factors that would disrupt the activities of the Group.
- 2.17 There will be no material acquisition or disposal of property, plant and equipment.
- 2.18 Existing and future banking facilities are assumed to be available with no significant changes in interest rates and repayment terms.
- 2.19 Inflation rates, interest rates and exchange rate, including the pegging of RM3.8 to USD1 will remain at the current rate.
- 2.20 The current trend of increasing demand for Group's business activities will be maintained.
- 2.21 There will be no interest chargeable on inter-company or related party advances and balances.
- 2.22 There will be sufficient insurance coverage on the Group's assets.
- 2.23 All business licenses/permits continue to be available and in force.

22 DEC 2004

Shahar Jazari Grant Thornton

10. FINANCIAL INFORMATION (CONT'D)

10.7 DIRECTORS' COMMENTS ON THE ESTIMATE AND FORECAST RESULTS

The directors of Ramunia are estimating a revenue of RM161.1 million and a consolidated net profit after taxation of RM12.1 million for the period from 18 November 2003 to 31 October 2004. The said estimated revenue and operating profit are mainly contributed by a few secured contracts for Petronas Carigali, ExxonMobil and Shell.

For the forecast year ending 31 October 2005, the revenue and operating profit of approximately RM193.6 million and RM20.2 million respectively are mainly contributed by the certain secured contracts and contracts tendered for.

The board of directors of Ramunia confirm that the estimate and forecast results for the period from 18 November 2003 to 31 October 2004 and the financial year ending 31 October 2005 of the Group together with the underlying bases and assumptions stated in arriving at the estimate and forecast have been reviewed by the directors after due and careful enquiry, and that the directors, having taken into account the future prospects of the major fabrication industry, future plans of the Group and its level of gearing, liquidity and working capital requirements, are of the opinion that the estimate and forecast results are achievable and the assumptions made are reasonable.

In order to mitigate the risk of related party transactions, the Audit Committee will monitor any related party transactions to ensure these transactions are carried out on an arms-length basis and were based on commercial terms.

Nevertheless, in light of the current economic environment in Malaysia and in the Asia Pacific region, certain assumptions, including interest rate, may differ significantly from actual should the economic situation differ significantly from the date of this prospectus and this may have a material impact on the Group's estimate and forecast results.

10.8 DIVIDEND FORECAST

Subject to the discretion of Ramunia's Board of Directors, the Directors will recommend a dividend policy such that the shareholders will be allowed to participate in the profits of the Group as well as leaving adequate reserves for the future growth of the Group.

The Directors of Ramunia anticipate that the Ramunia Group will continue its growth and profits generated therefrom will be ploughed back into the operations of Group. Accordingly, the Directors of Ramunia do not intend to recommend any dividend of Shares and ICPS for the financial year ending 31 October 2005.

Investors should also note that the Directors may at their discretion waive any future dividend payments as and when necessary in the best interest of the Ramunia Group. The Company's ability to declare dividend may also be affected by the restrictions imposed on RFSB not to declare any dividend or bonus issue or make any distribution of share capital or profit without prior written consent of its financiers pursuant to its security documents.

10.9 SENSITIVITY ANALYSIS

The following sensitivity analysis is prepared by the management of the Group and has not been independently verified by the reporting accountants. It is based on the estimate and forecast assumptions set out in Section 10.6 above and assuming all factors remaining unchanged except for the 5% and 10% upward or downward variations in the revenue and its associated direct costs and the 5% and 10% upward or downward variations in the cost of sales. Notwithstanding the impacts of the variations in the revenue and cost of sales as outlined here, there may exist other factors which have not been taken into account, while variations may have a significant effect, either positively or negatively, on the financials of the Group. The sensitivity analysis is as follows:-

10. FINANCIAL INFORMATION (CONT'D)**10.9.1 Variations in revenue**

Estimated profit before pre-acquisition profit for the period from 18 November 2003 to 31 October 2004

	Up to 10% (RM'000)	Up to 5% (RM'000)	As Estimate (RM'000)	Down 5% (RM'000)	Down 10% (RM'000)
Consolidated profit before taxation and exceptional items	19,066	17,978	16,890	15,802	14,714
Consolidated profit after taxation	13,700	12,917	12,133	11,349	10,566

Forecast profit before pre-acquisition profit for the financial year ending 31 October 2005

	Up to 10% (RM'000)	Up to 5% (RM'000)	As Forecast (RM'000)	Down 5% (RM'000)	Down 10% (RM'000)
Consolidated profit before taxation before exceptional items	23,307	21,763	20,220	18,676	17,132
Consolidated (loss) before taxation but after exceptional items	(13,193)	(14,737)	(16,280)	(17,824)	(19,368)
Consolidated (loss) after taxation and after exceptional items	(14,604)	(15,715)	(23,006)	(24,118)	(25,230)

10.9.2 Variations in cost of sales

Estimated profit before pre-acquisition profit for the period from 18 November 2003 to ended 31 October 2004

	Up to 10% (RM'000)	Up to 5% (RM'000)	As Estimate (RM'000)	Down 5% (RM'000)	Down 10% (RM'000)
Consolidated profit before taxation	2,957	9,924	16,890	23,857	30,823
Consolidated profit after taxation	2,101	7,117	12,133	17,149	22,165

Forecast profit before pre-acquisition profit for the financial year ending 31 October 2005

	Up to 10% (RM'000)	Up to 5% (RM'000)	As Forecast (RM'000)	Down 5% (RM'000)	Down 10% (RM'000)
Consolidated profit before taxation and before exceptional items	3,946	12,082	20,220	28,356	36,493
Consolidated (loss) before taxation but after exceptional items	(32,554)	(24,418)	(16,280)	(8,144)	(7)
Consolidated (loss) after taxation and exceptional items	(34,724)	(28,865)	(23,006)	(17,148)	(11,290)

10. FINANCIAL INFORMATION (CONT'D)**10.10 PROFORMA CONSOLIDATED BALANCE SHEETS OF RAMUNIA GROUP AS AT 30 JUNE 2004**

The proforma consolidated balance sheets as at 30 June 2004 set out below has been prepared for illustrative purposes only to show the effects on the audited balance sheet of Ramunia, had the Restructuring Scheme been effected on that date.

	As at 30 June 2004	Proforma 1	Proforma 2	Proforma 3	Proforma 4	Proforma 5	Proforma 6
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Share capital	*	82,000	106,176	106,176	188,176	238,500	357,400
ICPS	-	41,000	50,324	50,324	50,324	-	-
ICULS (Equity component)	-	79,924	79,924	79,924	-	-	-
RESERVES							
Share premium^	-	-	-	-	-	-	11,890
Accumulated losses~	(6)	(3,006)	(3,006)	(36,506)	(36,506)	(36,506)	(36,506)
Shareholders' fund	(6)	199,918	233,418	199,918	201,994	201,994	332,784
LONG TERM LIABILITIES							
ICULS (Liability component)	-	2,076	2,076	2,076	-	-	-
DEFERRED TAXATION	-	916	916	916	916	916	916
FINANCE CREDITORS	-	3,452	3,452	3,452	3,452	3,452	3,452
	(6)	206,362	239,862	206,362	206,362	206,362	337,152
Represented by:							
NON-CURRENT ASSETS							
Property, plant and equipment	-	118,399	118,399	118,399	118,399	118,399	118,399
Investment in subsidiary company	-	-	33,500	-	-	-	-
Goodwill on consolidation	-	90,123	90,123	90,123	90,123	90,123	90,123
Deferred expenditure	2,081	1,163	1,163	1,163	1,163	1,163	1,163
	2,081	209,685	243,185	209,685	209,685	209,685	209,685
CURRENT ASSETS							
Inventories	-	1,374	1,374	1,374	1,374	1,374	1,374
Receivables	-	19,577	19,577	19,577	19,577	19,577	19,577
Amount due from customers	-	22,744	22,744	22,744	22,744	22,744	22,744
Short term deposits with licenced bank	-	1,000	1,000	1,000	1,000	1,000	1,000
Cash and cash equivalents	-	1,085	1,085	1,085	1,085	1,085	131,875
	-	45,780	45,780	45,780	45,780	45,780	176,570

10. FINANCIAL INFORMATION (CONT'D)

	As at 30 June 2004	Proforma 1	Proforma 2	Proforma 3	Proforma 4	Proforma 5	Proforma 6
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
CURRENT LIABILITIES							
Payables	2,087	24,068	24,068	24,068	24,068	24,068	24,068
Finance creditors	-	1,255	1,255	1,255	1,255	1,255	1,255
Borrowings	-	22,378	22,378	22,378	22,378	22,378	22,378
Tax payable	-	1,402	1,402	1,402	1,402	1,402	1,402
	2,087	49,103	49,103	49,103	49,103	49,103	49,103
NET CURRENT (LIABILITIES)/ ASSETS	(2,087)	(3,323)	(3,323)	(3,323)	(3,323)	(3,323)	127,467
	(6)	206,362	239,862	206,362	206,362	206,362	337,152
NTA PER SHARE (RM)	(1,043.5)	0.66	0.67	0.51	0.29	0.23	0.34

Notes:-

- * RM2.00 representing two (2) ordinary shares of RM1.00 each, prior to the subdivision of share on 24 August 2004
- ^ Arising from the full exercise of Warrants at the exercise price of RM0.55
- ~ Comprising loss on the Share Disposal of RM33,500,000 and estimated expenses of RM3,000,000 in relation to the Restructuring Scheme

Proforma 1	:	After Ramunia Assets Acquisitions
Proforma 2	:	After Proforma 1, Debt Settlement and Share Swap
Proforma 3	:	After Proforma 2 and Share Disposal
Proforma 4	:	After Proforma 3 and assuming full conversion of ICULS
Proforma 5	:	After Proforma 4 and assuming full conversion of ICPS
Proforma 6	:	After Proforma 5 and assuming full exercise of Warrants

10. FINANCIAL INFORMATION (CONT'D)**10.11 MOVEMENTS IN THE SHARE CAPITAL AND RESERVES**

The movements in the share capital and reserves of the Company are as follows:-

	Share Capital RM'000	Share Premium RM'000	Equity portion of ICULS RM' 000	ICPS RM'000	Accumulated losses RM'000
As at 30 June 2004	-	-	-	-	(6)
Ramunia Asets Acquisitions	82,000	-	79,924	41,000	(3,000)
Debt Settlement	24,176	-	-	-	-
Share Swap	-	-	-	9,324	-
Share Disposal	-	-	-	-	(33,500)
Full conversion of ICULS	82,000	-	(79,924)	-	-
Full conversion of ICPS	50,324	-	-	(50,324)	-
Full exercise of Warrants	118,900	11,890	-	-	-
Proforma total	357,400	11,890	-	-	(36,506)

10. FINANCIAL INFORMATION (CONT'D)

10.12 REPORTING ACCOUNTANTS' LETTER ON THE PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 30 JUNE 2004
(Prepared for inclusion in the Prospectus)

Shamsir Jasani Grant Thornton 

Chartered Accountants

22 DEC 2004

The Board of Directors

Ramunia Holdings Berhad
(Formerly known as Operasi Unggul Sdn Bhd)
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur

Gentlemen,

PROFORMA CONSOLIDATED BALANCE SHEETS

We have reviewed the presentation of the Proforma Consolidated Balance Sheets of Ramunia Holdings Berhad (formerly known as Operasi Unggul Sdn Bhd) ("Ramunia") and its subsidiary company ("the Group"), together with the notes hereto as at 30 June 2004, for which the Directors of Ramunia are solely responsible, as set out in the accompanying statement for inclusion in the Prospectus of Ramunia pursuant to the proposed listing of Ramunia on the Second Board of Bursa Malaysia Securities Berhad, which we have stamped for the purpose of identification, and should not be relied on for any other purposes.

In our opinion, the Proforma Consolidated Balance Sheets of the Group as at 30 June 2004 together with the accompanying notes, which are provided for illustrative purposes only:

- i) have been properly compiled on the bases of preparation stated;
- ii) such bases are consistent with the accounting policies normally adopted by the Group; and
- iii) the adjustments are appropriate for the purposes of the proforma consolidated balance sheets.

Yours faithfully,



SHAMSIR JASANI GRANT THORNTON
NO. AF: 0737
CHARTERED ACCOUNTANTS



DATO N. K. JASANI
PARTNER
NO: 708/03/06(J/PH)

Shamsir Jasani Grant Thornton (AF-737)

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Jalan Sultan Ismail, P. O. Box 12337
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10. FINANCIAL INFORMATION (CONT'D)**10.12 REPORTING ACCOUNTANTS' LETTER ON THE PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 30 JUNE 2004 (CONT'D)**
(Prepared for inclusion in the Prospectus)**RAMUNIA HOLDINGS BERHAD**
(Formerly known as Operasi Unggul Sdn Bhd)
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANY**PROFORMA CONSOLIDATED BALANCE SHEETS**
AS AT 30 JUNE 2004

The Proforma Consolidated Balance Sheets set out below are provided for illustrative purposes only to show the effects of the proposals referred to in the accompanying notes on the assumption that these transactions were completed on 30 June 2004.

	As at 30.6.2004 RM' 000 < Note 1 >	Proforma I RM' 000	Proforma II RM' 000 < Note 2 >	Proforma III RM' 000	Proforma IV RM' 000	Proforma V RM' 000	Proforma VI RM' 000
SHARE CAPITAL	-	82,000	106,176	106,176	188,176	238,500	357,400
ICPS	-	41,000	50,324	50,324	50,324	-	-
ICULS (Equity component)	-	79,924	79,924	79,924	-	-	-
RESERVES							
Share premium	-	-	-	-	-	-	11,890
Accumulated loss	(8)	(3,006)	(3,006)	(36,506)	(36,506)	(36,506)	(36,506)
Total shareholders' fund	(8)	199,918	233,418	199,918	201,994	201,994	332,784
ICULS (Liability component)	-	2,076	2,076	2,076	-	-	-
DEFERRED TAXATION	-	916	916	916	916	916	916
FINANCE CREDITORS	-	3,452	3,452	3,452	3,452	3,452	3,452
	(8)	206,362	239,862	206,362	206,362	206,362	337,152
Represented by,							
PROPERTY, PLANT AND EQUIPMENT	-	118,399	118,399	118,399	118,399	118,399	118,399
INVESTMENT IN SUBSIDIARY COMPANY	-	-	33,500	-	-	-	-
GOODWILL ON CONSOLIDATION	-	90,123	90,123	90,123	90,123	90,123	90,123
DEFERRED EXPENDITURE	2,081	1,163	1,163	1,163	1,163	1,163	1,163
CURRENT ASSETS							
Inventories	-	1,374	1,374	1,374	1,374	1,374	1,374
Receivables	-	19,577	19,577	19,577	19,577	19,577	19,577
Amount due from customers	-	22,744	22,744	22,744	22,744	22,744	22,744
Short term deposits with licensed bank	-	1,000	1,000	1,000	1,000	1,000	1,000
Cash and cash equivalents	-	1,085	1,085	1,085	1,085	1,085	131,875
	-	45,780	45,780	45,780	45,780	45,780	176,570
CURRENT LIABILITIES							
Payables	2,087	24,068	24,068	24,068	24,068	24,068	24,068
Finance creditors	-	1,255	1,255	1,255	1,255	1,255	1,255
Borrowings	-	22,378	22,378	22,378	22,378	22,378	22,378
Tax payable	-	1,402	1,402	1,402	1,402	1,402	1,402
	2,087	49,103	49,103	49,103	49,103	49,103	49,103
NET CURRENT (LIABILITIES)/ASSETS	(2,087)	(3,323)	(3,323)	(3,323)	(3,323)	(3,323)	127,467
	(8)	206,362	239,862	206,362	206,362	206,362	337,152
NET TANGIBLE ASSETS PER ORDINARY SHARE OF RM1.00/RM0.50 EACH (RM)	(1,043.50)	0.66	0.67	0.51	0.29	0.23	0.34

Note (1): Share capital of Ramunia as at 30 June 2004 represents RM2, which comprises two (2) ordinary shares of RM1.00 each.

Note (2): No consolidation on SHB as the controlling interest in SHB is to be temporary.

Stamp for the purpose of identification on:
27 DEC 2004
Shamsir Jazani Grant Thornton

10. FINANCIAL INFORMATION (CONT'D)**10.12 REPORTING ACCOUNTANTS' LETTER ON THE PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 30 JUNE 2004 (CONT'D)**
(Prepared for inclusion in the Prospectus)**RAMUNIA HOLDINGS BERHAD**
(Formerly known as Operasi Unggul Sdn Bhd)
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANY**PROFORMA CONSOLIDATED BALANCE SHEETS**
AS AT 30 JUNE 2004

The Proforma Consolidated Balance Sheets have been prepared solely for illustrative purposes and have been prepared based on accounting principles and basis consistent with those normally adopted by the Group assuming that all the following transactions had taken place on 30 June 2004.

1. Proforma I**Ramunia Assets Acquisition**

- (a) Ramunia acquired Teluk Ramunia Fabrication Yard from Ramunia Energy & Marine Coporation Sdn Bhd ("Remcorp") for a total consideration of RM105,000,000 satisfied by way of the issuance of 84,000,000 ordinary shares of RM0.50 each in Ramunia ("Ramunia Shares") at par of RM0.50 each together with 121,800,000 warrants 2004/2014 in Ramunia ("Warrants"), the issuance of 84,000,000 3-year 1% irredeemable convertible unsecured loan stocks 2004/2007 at its nominal value of RM0.50 each ("ICULS") at its nominal value, and the issuance of 42,000,000 5-year 1% irredeemable convertible preference shares at par of RM0.50 each ("ICPS") at its par value; and
- (b) Ramunia acquired the entire issued and paid-up share capital of Ramunia Fabricators Sdn Bhd ("RFSB") from Remcorp for a total consideration of RM100,000,000 satisfied by way of issuance of 80,000,000 Ramunia Shares at par of RM0.50 each together with 116,000,000 Warrants, the issuance of 80,000,000 ICULS at its nominal value of RM0.50 each, and the issuance of 40,000,000 ICPS at par of RM0.50 each.

For illustration purposes, Proforma I has included RM3,000,000 for corporate exercise expenses.

2. Proforma II**After Proforma I, Debt Settlement and Share Swap**

Ramunia issued 48,351,938 Ramunia Shares to the Special Administrators ("SA") of Saship Holdings Berhad (Special Administrators Appointed) ("SHB") holding on behalf of the creditors of SHB whose claims are admitted for the purposes of the workout proposal of SHB ("Creditors") ("Debt Settlement").

46,620,155 ordinary shares of RM1.00 each representing 100% equity interest in SHB were exchanged with 18,648,062 ICPS at par credited as fully paid up on the basis of two (2) ICPS for five (5) ordinary shares of RM1.00 each ("Share Swap").

Stamped for the purpose of identification only
22 DEC 2004
Shamsir Jasani Grant Thornton

10. FINANCIAL INFORMATION (CONT'D)

10.12 REPORTING ACCOUNTANTS' LETTER ON THE PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 30 JUNE 2004 (CONT'D)
(Prepared for inclusion in the Prospectus)

RAMUNIA HOLDINGS BERHAD
(Formerly known as Operasi Unggul Sdn Bhd)
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANY

PROFORMA CONSOLIDATED BALANCE SHEETS
AS AT 30 JUNE 2004

3. Proforma III

After Proforma II and Share Disposal

The entire equity interest in SHB shall be disposed by Ramunia to a special purpose vehicle nominated by the SA for a consideration of RM1.00.

4. Proforma IV

After Proforma III and Full Conversion of ICULS

Assume full conversion of 164,000,000 ICULS into 164,000,000 Ramunia Shares at the conversion price of RM0.50 each.

5. Proforma V

After Proforma IV and Full Conversion of ICPS

Assume full conversion of 100,648,062 ICPS into 100,648,062 Ramunia Shares at the conversion price of RM0.50 each.

6. Proforma VI

After Proforma V and Full Exercise of Warrants

Assume full exercise of 237,800,000 Warrants into 237,800,000 Ramunia Shares at the exercise price of RM0.55 per Warrant.

Stamped for the purpose of identification on:
22 DEC 2004
Shamsir Jasani Grant Thornton

10. FINANCIAL INFORMATION (CONT'D)**10.12 REPORTING ACCOUNTANTS' LETTER ON THE PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 30 JUNE 2004 (CONT'D)**
(Prepared for inclusion in the Prospectus)**RAMUNIA HOLDINGS BERHAD**
(Formerly known as Operasi Unggul Sdn Bhd)
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANY**PROFORMA CONSOLIDATED BALANCE SHEETS**
AS AT 30 JUNE 2004**NOTES TO THE PROFORMA CONSOLIDATED BALANCE SHEETS**

1 The movements of the issued and paid up ordinary share capital and reserves of the Group are as follows:-

	Share capital RM' 000	ICPS RM' 000	ICULS RM' 000	Share premium RM' 000	Accumulated loss RM' 000
Balance as at 30 June 2004	-	-	-	-	(6)
Ramunia Assets Acquisition	82,000	41,000	79,924	-	(3,000)
As per Proforma (I)	<u>82,000</u>	<u>41,000</u>	<u>79,924</u>	<u>-</u>	<u>(3,006)</u>
Debt Settlement	24,176	-	-	-	-
Share Swap	-	9,324	-	-	-
As per Proforma (II)	<u>106,176</u>	<u>50,324</u>	<u>79,924</u>	<u>-</u>	<u>(3,006)</u>
Share Disposal	-	-	-	-	(33,500)
As per Proforma (III)	<u>106,176</u>	<u>50,324</u>	<u>79,924</u>	<u>-</u>	<u>(36,506)</u>
Full Conversion of ICULS	82,000	-	(79,924)	-	-
As per Proforma (IV)	<u>188,176</u>	<u>50,324</u>	<u>-</u>	<u>-</u>	<u>(36,506)</u>
Full Conversion of ICPS	50,324	(50,324)	-	-	-
As per Proforma (V)	<u>238,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(36,506)</u>
Full Exercise of Warrants	118,900	-	-	11,890	-
As per Proforma (VI)	<u>357,400</u>	<u>-</u>	<u>-</u>	<u>11,890</u>	<u>(36,506)</u>

Stamped for the purpose of identification on:

27 JUL 2004

Shamsir Jasani Grant Thornton

10. FINANCIAL INFORMATION (CONT'D)

10.12 REPORTING ACCOUNTANTS' LETTER ON THE PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 30 JUNE 2004 (CONT'D)
(Prepared for inclusion in the Prospectus)

RAMUNIA HOLDINGS BERHAD
(Formerly known as Operasi Unggul Sdn Bhd)
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANY

PROFORMA CONSOLIDATED BALANCE SHEETS
AS AT 30 JUNE 2004

NOTES TO THE PROFORMA CONSOLIDATED BALANCE SHEETS (CONT'D)

2. (i) The Proforma Consolidated Balance Sheets have been prepared for illustrative purposes only and are based on the audited balance sheets of Ramunia and RFSB as at 30 June 2004.

- (ii) The Proforma Consolidated Balance Sheets have been prepared using the acquisition method of accounting.

Stamped for the purpose of identification only
22 DEC 2004
Shamsir Jasari Grant Thornton