



RAMUNIA HOLDINGS BERHAD (634775-D)
INTERIM REPORT FOR THE FOURTH QUARTER ENDED 31 OCTOBER 2009

EXPLANATORY NOTES

1. ACCOUNTING POLICIES

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standards ("FRS") 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 October 2008. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 October 2008.

2. CHANGES IN ACCOUNTING POLICIES

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 31 October 2008 except for the adoption of the following new/revised FRS effective for the Group and the Company for the financial period beginning on or after 1 November 2007 are as follows:-

1	Amendment to FRS 121	The Effects of Changes in Foreign Exchange Rates Net Investment in Foreign Operation
2	IC Interpretation 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
3	IC Interpretation 2	Members' Shares in Co-operative Entities and Similar Instruments
4	IC Interpretation 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
5	IC Interpretation 6	Liabilities arising from Participating in a Specific Market Waste Electrical and Electronic Equipment
6	IC Interpretation 7	Applying the Restatement Approach under FRS129 ²⁰⁰⁴ Financial Reporting in Hyperinflationary Economies
7	IC Interpretation 8	Scope of FRS 2
8	FRS 107	Cash Flow Statement
9	FRS 111	Construction Contracts
10	FRS 112	Income Tax
11	FRS 118	Revenue
12	FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
13	FRS 134	Interim Financial Reporting
14	FRS 137	Provisions, Contingent Liabilities and Contingent Assets
15	FRS 139	Financial Instruments: Recognition and Measurement will be effective for accounting period beginning on or after 1 January 2010.

These new/revised IC's Interpretation and FRS's, Interpretations and amendments have no material impact on the financial statements of the Group and of the Company.

3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements of the Company and its subsidiaries for the financial year ended 31 October 2008 were not qualified.



RAMUNIA HOLDINGS BERHAD (634775-D)
INTERIM REPORT FOR THE FOURTH QUARTER ENDED 31 OCTOBER 2009

4. SEASONALITY OR CYCLICALITY OF OPERATIONS

The businesses of the Group are not materially affected by seasonal or cyclical factors.

5. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the quarter and financial year-to-date.

6. CHANGES IN ESTIMATES

There were no other material changes in estimates of amounts reported in prior quarters of the current financial year or changes in estimates of amounts reported in prior financial years.

7. ISSUANCES, CANCELLATIONS, REPURCHASES, RESALE AND REPAYMENT OF DEBT AND EQUITY SECURITIES

There was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current quarter and financial year-to-date.

8. DIVIDENDS PAID

No dividend was paid during the current quarter and financial year to-date.

9. SEGMENTAL REPORTING

The segmental analysis of the Group for the financial year to-date is as follows:-

By Activities	Financial Year To-Date 31 October 2009 (All figures in RM'000)					
	Oil & Gas	Crane Manufacturing	Investment Holdings	Others	Elimination	Total
Revenue	311,577	22,088	11,444	4,249	(25,024)	324,334
Profit/(Loss) Before Tax	(19,200)	(18,698)	(85,761)	(6,627)	82,316	(47,970)

By Activities	Financial Year To-Date 31 October 2008 (All figures in RM'000)					
	Oil & Gas	Crane Manufacturing	Investment Holdings	Others	Elimination	Total
Revenue	361,391	20,914	8,200	7,053	(36,694)	360,864
Profit/(Loss) Before Tax	(266,606)	(6,931)	(21,290)	(1,626)	(18,459)	(314,912)



10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

The valuation of land and building have been brought forward without any amendments from the previous financial statements.

11. SUBSEQUENT MATERIAL EVENT

Other than as disclosed under Note 22, there were no material events subsequent to the end of the quarter under review.

12. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group for the current quarter.

13. NON CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

On 3 September 2009, the Company announced that it had mutually agreed with Sime Darby Engineering Sdn. Bhd. ("SDE") notification letter dated 24 August 2009 and have mutually agreed to the revised purchase consideration of RM530.0 million ("Final Purchase Consideration") as opposed to the provisional purchase consideration of RM560.0 million as set out in the Sale and Purchase Agreement.

The non current assets classified as held for sale as at 31 October 2009 are as follows:-

	Quarter Ended 31 October 2009 RM'000
Land – Prepaid Land Lease	137,707
Yard Infrastructure	59,144
Motor Vehicles	142
Computer	89
Buildings	183,929
Plant & Machinery	53,191
Furniture & Fittings	61
Renovations	474
Office Equipment	16
Air Conditioner	19
Medical Equipment	22
TOTAL	434,794

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14. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The contingent liabilities of the Group comprise the following:-

	As at 31/10/09	
	Group RM'000	Company RM'000
Potential litigation and claim, inclusive of interest thereon	11,812	6,089
Letters of Guarantee issued to financial institutions for credit facilities granted to a subsidiary company	-	470,355
	11,812	476,444

15. REVIEW OF PERFORMANCE

For the quarter under review, the Group achieved a turnover of RM58.41 million and a loss after tax RM4.05 million.

The loss after tax incurred by the Group for the quarter under review was mainly due to diminishing order book and lower project margins to cover expenses.

16. COMPARISON WITH PRECEDING YEAR QUARTER'S RESULTS

For the period under review, the Group achieved a turnover amounting to RM58.41 million and loss after taxation of RM4.05 million compared to the preceding year quarter turnover of RM89.19 million and loss after taxation of RM73.63 million.

The loss incurred for the preceding quarter was mainly to high project overheads, project cost over-run, foreign exchange losses, project bidding costs, disputed change orders and provisional sum.

17. FACTORS THAT INFLUENCE THE GROUP'S PROSPECTS

The Company is focused on the disposal of its assets to SDE set out in Note 22 (ii) and upon its completion, will review its existing businesses and explore new business opportunities.

18. PROFIT FORECAST/PROFIT GUARANTEE

Not applicable.

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RAMUNIA HOLDINGS BERHAD (634775-D)
INTERIM REPORT FOR THE FOURTH QUARTER ENDED 31 OCTOBER 2009

19. TAXATION

Taxation comprises the following: -

Taxation	Individual Quarter 3 months ended 31 October 2009 (RM'000)	Cumulative period 12 months ended 31 October 2009 (RM'000)
Malaysian Taxation:		
Current taxation	-	-
(Over)/Under provision in prior year/period	-	-
Foreign Taxation		
Current Taxation	-	-
Deferred taxation		
Current taxation	-	-
Over provision in prior years	-	-
Total	-	-

The Group's effective tax rate is reconciled to the statutory tax rate for the current quarter and financial year to-date primarily as follows:

	Individual Quarter 3 months ended 31 October 2009 (RM'000)	Cumulative period 12 months ended 31 October 2009 (RM'000)
Profit/(Loss) before tax	(4,045)	(47,970)
Tax	-	-
Effective tax rate	-	-

At 25%

	Individual Quarter 3 months ended 31 October 2009 (RM'000)	Tax Rate	Cumulative period 12 months ended 31 October 2009 (RM'000)	Tax Rate
Tax at 25% against loss before taxation	(1,030)	25%	(11,992)	25%
Non allowable expenses	595	(15%)	6,902	(14%)
Non taxable gain	(90)	2%	(90)	0%
Unrecognised tax losses and capital allowances	3,794	(93%)	7,399	(15%)
Utilisation of tax losses and capital allowances	(3,269)	81%	(2,219)	4%
Deferred taxation	-	0%	-	0%
Over/(Under) provision of tax	-	0%	-	0%

20. SALE OF UNQUOTED INVESTMENT AND/OR PROPERTIES

There was no sale of unquoted investments and/or properties for the financial year to-date.



21. PURCHASE OR DISPOSAL OF QUOTED SECURITIES

There were no purchases or sales of quoted securities for the financial year to-date.

22. STATUS OF CORPORATE PROPOSALS

- (i) Acquisition of H.S. (D) No.7794, PT No. PTD 502, Mukim Pantai Timor, Daerah Kota Tinggi, Negeri Johor (the "Land") and all buildings, structures, plant, machinery, associated equipment, fixtures and fittings situated on the Land (collectively the "Property") from Ramunia Energy & Marine Corporation Sdn Bhd ("Remcorp") (the "Acquisition").

The Securities Commission ("SC") had on 13 December 2006 approved the Acquisition subject to, amongst others, Ramunia rectifying the unapproved structures on the Land within 12 months from the date of the SC's approval of the Acquisition, being 13 December 2007 ("Condition").

In relation to the above, the SC had on 15 February 2008 and 24 December 2008 approved the Company's application for an extension of up to 13 December 2008 and thereafter to 30 March 2009 to comply with the Condition.

Kenanga Investment Bank on behalf of the Company, had on 30 March 2009 notified SC that the above Condition has been fully complied

- (ii) On 4 May 2009, the Company received an offer from Sime Darby Engineering Sdn Bhd ("SDE"), an indirect wholly-owned subsidiary of Sime Darby Berhad to acquire the business and undertaking (including the assets and liabilities, whether in whole or in part, to be determined following a due diligence inquiry) of the Company and its subsidiaries ("Offer") for a total provisional purchase consideration of RM232.0 million, subject to adjustment under the terms of the Offer. The purchase consideration shall be satisfied by SDE in the following manner:

- (a) RM46.2 million cash; and
(b) RM185.8 million equivalent value of new ordinary shares of RM1.00 each in SDE ("SDE" Shares) representing 20% of the ordinary shares in the enlarged SDE.

Where only part of the assets and liabilities are acquired by SDE, then the purchase consideration and the mode of settlement thereof shall be adjusted accordingly.

On 7 May 2009, the Board of the Company accepted the Offer subject to the execution of a definitive sale and purchase agreement ("SPA"), which shall contain the terms and conditions to be mutually agreed between Ramunia and SDE.

The Company and Ramunia Optima Sdn Bhd ("ROSB"), a wholly-owned subsidiary company of RAHB, had on 3 August 2009 entered into a conditional sale and purchase agreement with SDE for the proposed disposal of Teluk Ramunia fabrication yard together with all moveable and immovable assets located thereon to SDE for a provisional sum of RM560.0 million to be satisfied entirely by cash.

On 24 August 2009, Kenanga Investment Bank Berhad, on behalf of the Company announced that SDE had, vide its letter dated 24 August 2009 ("SDE Letter"), notified the Company and ROSB that the disposal consideration for the Proposed Disposal shall be RM530.0 million, as opposed to the provisional disposal consideration of RM560.0 million as set out in the SPA. On 3 September 2009, Ramunia and SDE mutually agreed to the revised purchase consideration of RM530.0 million ("Final Purchase Consideration").



STATUS OF CORPORATE PROPOSALS (Cont'd)

The Company and SDE are currently in the process of fulfilling the terms and conditions in the SPA.

- (iii) Notice to ICPS Holders in relation to maturity and last date for conversion of Irredeemable Convertible Preference Shares ("ICPS") which was issued on 12 December 2004 was announced by the Company on 13 November 2009. It consists of 100,648,062 ICPS. The ICPS matured on Sunday, 20 December 2009 at 5:00 p.m.

One (1) ICPS is automatically be converted into one (1) new ordinary share of RM0.50 each at the conversion price of RM0.50 upon the maturity of the ICPS on the Maturity Date. There shall be no conversion prior to the Maturity Date.

- (iv) An Order has been granted by the High Court of Malaya in Johor Darul Takzim on 23 October 2009 pursuant to Section 176(10) of the Act, to restrain all further proceedings, and any and all actions or proceedings against Ramunia Fabricators Sdn Bhd ("RFSB"), until 1 March 2010 ("Restraining Order"). The Restraining Order also requires the filing of an application pursuant to Section 176(1) Companies Act 1965 within the period of the Restraining Order.

RFSB is unable to meet or fulfill its financial obligations towards its creditors which has resulted in various winding up petitions, and pending and threatened legal proceedings against RFSB by various unsecured creditors of RFSB. In view of this, the Company, in consultation with RFSB, is currently in the midst of finalizing a proposed scheme of arrangement to be presented before its unsecured creditors pursuant to Section 176 (1) of the Act.

The Restraining Order will allow the Company to conduct an orderly disposal of the Teluk Ramunia Fabrication Yard to Sime Darby Engineering Sdn Bhd ("Proposed Disposal"), which is necessary for the realization of the proposed scheme and which is expected to be completed within the timeframe of the Restraining Order. The proceeds attributable to the assets of RFSB from the Proposed Disposal would enable the Company to finalise a proposed scheme of arrangement which is fair and equitable to all creditors of RFSB. For this purpose, the Company had appointed Kenangan Investment Bank Berhad to act as the adviser for the proposed scheme of arrangement.

The Restraining Order is not expected to have any material impact on the financial and operational matters of the Company and RFSB, as the Restraining Order is to facilitate the completion of the Proposed Disposal which is required for the finalization of RFSB's proposed scheme of arrangement. The full details of the proposed scheme of arrangement will be announced in due course.

- (v) The Company has appointed Irhamy & Co Chartered Surveyors ("Irhamy & Co") to carry out an independent valuation exercise on the Yard, together with all moveable and immoveable assets which form part of and for the Yard under the Proposed Disposal ("Assets"). Based on Irhamy & Co's valuation report dated 16 October 2009 ("Valuation Report"), the total open market valuation for the Assets is RM434,694,000. As such, the Proposed Disposal's final consideration of up to RM530 million represents a premium of up to approximately 21.92% over the total open market valuation for the Assets. Irhamy & Co's valuation reflects the open market value of the Assets as a specialised property which is rarely sold in the market and the fact that the Yard was initially reclaimed from the sea.

The estimated open market value of the Assets is based on the recent transactions of industrial properties. Adjustments were made to reflect the advantages and disadvantages of the Assets against the prevailing value.



STATUS OF CORPORATE PROPOSALS (Cont'd)

The replacement cost approach was employed to determine the current cost of replacement of a similar yard. The value of the yard facilities and improvements as well as plant, machinery, motor vehicles and associated equipment was also arrived at by the replacement cost approach wherein its value was taken to equal the cost of replacing the items in their existing conditions and state of repairs. This is determined by taking the present replacement cost of the above items as new and allowing for depreciation for physical condition, economic obsolescence and other relevant factors.

The above announcement can be viewed from Bursa Malaysia Berhad website.

23. GROUP BORROWINGS

The Group's borrowings as at 31 October 2009 are as follows:-

	Secured RM'000	Unsecured RM'000	Total RM'000
SHORT TERM BORROWINGS			
Bank overdraft	30,159	497	30,656
Revolving credits	68,399	-	68,399
	98,558	497	99,055
Finance payables (hire purchase)	1,149	-	1,149
Term loans	34,978	40,000	74,978
	134,685	40,497	175,182
LONG TERM BORROWINGS			
Finance payable (hire purchase)	1,953	-	1,953
Term loans	170,591	-	170,591
	172,544	-	172,544
TOTAL BORROWINGS	307,229	40,497	347,726

24. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off balance sheet financial instruments as at 31 October 2009.

25. CHANGES IN MATERIAL LITIGATION

An Order has been granted by the High Court of Malaya in Johor Darul Takzim on 23 October 2009 pursuant to Section 176(10) of the Act, to restrain all further proceedings, and any and all actions or proceedings against Ramunia Fabricators Sdn Bhd ("RFSB"), until 1 March 2010 ("Restraining Order"). The Restraining Order also requires the filing of an application pursuant to Section 176(1) Companies Act 1965 within the period of the Restraining Order.

Save as disclosed below, the Company is not engaged in any litigation, claims or arbitration, either as plaintiff or defendant, which has or will have a material effect on the financial position on our business, and our Directors are not aware of any proceedings, pending or threatened, against the Company and/or any of the Company's subsidiaries or of any facts likely to give rise to any proceedings which might materially affect the position or business of our Group:

- (a) Ingress Fabricators Sdn. Bhd. vs Ramunia Fabricators Sdn. Bhd
(Guaman Sivil No.:S7-22-147-2007)

The matter is now fixed for case management on 3 February 2010.



CHANGES IN MATERIAL LITIGATION (Cont'd)

- (b) Ingress Fabricators Sdn. Bhd. vs Ramunia Fabricators Sdn. Bhd
(Guaman Sivil No.: S2-22-424-2007)

The matter is fixed for next case management on 28 February 2010.

- (c) Ingress Fabricators Sdn Bhd V Ramunia Fabricators Sdn Bhd
(Guaman Sivil No: S2-22-1134-2008)

Ingress Fabricators Sdn Bhd is claiming for the following sum for Guntong E Jacket, E8DR-A Substructure, E11P-B Substructure and E8DR-A Topside:

- 1) RM 633,807.00 being the retention sum for completed project
- 2) RM 23,630.00 for additional works completed
- 3) RM 16,115.00 for corrective works completed
- 4) RM 3,917,072.73 for work done

It is our solicitor's opinion that the sum claim in this suit should have been raised in the 147 and 424 suits respectively. Therefore, the third suit constitutes multiplicity of proceedings and therefore ought to be struck off. The court has yet to fixed case management date.

Based on our solicitors' advice, the Board is of the opinion that the outcome of the litigation claim will be favorable to the Company.

- (d) Ramunia Fabricators Sdn. Bhd. Vs Oriental Capital Assurance Bhd
(Guaman Sivil No.: D6-22-1086-2007)

The Company is claiming for loss under insurance procured from the Defendant for principal amount of RM1, 870,000.00. The Court has on 16 September 2009 allowed RFSB's claim against the Defendant for the sum of RM1,870,000.00 with cost and interest.

- (e) Promet Vs Ramunia Fabricators Sdn Bhd
(Guaman Sivil No. MT3-22-650-2008)

Promet is claiming for an alleged trespass on their land and claiming for RM 6,088,973.31 in damages. Statement of defence has been filed on 28 October 2008. The Company has yet to be notified of a case management date.

- (f) Efficient Technology Sdn Bhd v Ramunia Fabricators Sdn Bhd
(Guaman Sivil No. 22-74-2009)

Efficient Technology is claiming for a sum of money for goods delivered and services rendered. The writ of summons was served to the Company on 3 March 2009. The claimed is for RM 2,316,277.55. Proceedings to be stayed pursuant to court order under s176(10) of Companies Act 1965. Next mention date on 20 January .2010.



CHANGES IN MATERIAL LITIGATION (Cont'd)

Winding Up Petitions

- (a) Sigur Ros Sdn. Bhd. v Ramunia Fabricators Sdn. Bhd
(Winding Up No: D-28-NCC-12-2009)

The matter involves a claim by Sigur Ros for goods and services rendered to the Company. Winding up petition dated 3 September 2009 was served on the 9 September 2009 for the amount of RM1,617,350. The matter is now adjourned to 5 March 2010.

- (b) Serba Mahir Sdn Bhd v Ramunia Fabricators Sdn Bhd
(Winding Up No: L28-04 of 2009-I)

The matter involves a claim by Serba Mahir for goods and services rendered to the Company. Winding up petition dated 3 August 2009 was served on the 1 September 2009 for the amount of RM541,671.79. The matter is now adjourned to 8 March 2010.

- (c) JB Yew Seng Stationery Sdn Bhd v Ramunia Fabricators Sdn Bhd
(Winding Up No: 28-220- 2009)

The matter involves a claim by JB Yew Seng for goods rendered to the Company. Winding up petition dated 9 November 2009 was served on the 11 November for the amount of RM538,209.50, with no interest claimed. The hearing date is fixed on 4 March 2010.

- (d) Pantech Corporations Sdn Bhd v Ramunia Fabricators Sdn Bhd
(Winding Up No: DN128-53- 2009)

The matter involves a claim by Pantech for goods rendered to the Company. Winding up petition dated 16 September 2009 was served on the 12 October 2009 for the amount of RM 458,885.83 together with interest thereon and costs to be taxed

On 15 December 2009, the petition has been struck off by the court as Pantech do not wish to continue with the petition.

- (e) Perusahaan Maju Teguh (M) Sdn Bhd v MS Herkules Sdn Bhd
(Winding Up No: 28-235-2009)

The matter involves a claim by Perusahaan Maju Teguh for rental of goods rendered to MS Herkules. Winding up petition dated 1 December 2009 was served on the 8 December 2010 for the amount of RM RM230,128.50 with interest thereon at the rate of 8% per annum from 28 September 2009 to the date of realization.

- (f) JB Yew Seng Stationery Sdn Bhd v MS Herkules Sdn Bhd
(Winding Up No: 28-221- 2009)

The matter involves a claim by JB Yew Seng for goods rendered to MS Herkules. Winding up petition dated 9 November 2009 was served on the 11 November for the amount of RM35,007.60, with no interest claimed. The hearing date is fixed on 4 March 2010.



26. DIVIDENDS

The Board of Directors does not recommend the payment of dividends for the current quarter under review.

27. EARNINGS PER SHARE

Earnings per share ("EPS")	4th Quarter		Cumulative Period	
	Current Year Quarter 31/10/09	Preceding Year Corresponding Quarter 31/10/08	Current Year to-date 31/10/09	Preceding Year-to-date 31/10/08
Profit/(Loss) attributable to equity holders of parent (RM'000)	(6,495)	(71,396)	(50,201)	(279,833)
Weighted average number of ordinary shares in issue ('000)	562,191	516,876	562,191	516,876
Basic earnings/(loss) per share (sen)	(1.16)	(13.81)	(8.93)	(54.14)
Adjusted profit attributable to equity holder of parent				
Adjusted weighted average number of ordinary shares in issue ('000)	-	-	-	-
Diluted EPS (sen)	-	-	-	-

The calculation of basic earnings per share is based on the Group's profit/(loss) attributable to parent equity holders divided by the number of weighted average ordinary shares in issue during the financial year to-date.

The Group has no dilution in its loss per ordinary shares in the current quarter/year-to-date as there are no dilutive potential ordinary shares. Thus, no consideration for adjustment in the form of increase in the number of shares was used in calculating the potential dilution of its loss per share.

28. AUTHORISED FOR ISSUE

The interim financial statements were authorized for issue by the Board of Directors in accordance with a resolution of the Directors on 29 December 2009.

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