

RAMUNIA HOLDINGS BERHAD (634775-D)
(Incorporated in Malaysia)

The Board of Directors of Ramunia Holdings Berhad are pleased to announce the financial results of the Group for the three months ended 31 January 2011.

PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

1. BASIS OF PREPARATION

The interim financial statements are unaudited and prepared in accordance with the requirements under the Financial Reporting Standards (FRS) 134 – “Interim Financial Reporting” issued by the Malaysian Accounting Reporting Standard (MASB) and Para 9.22 of the Bursa Malaysia Securities Berhad’s (BMSB) Listing Requirements and should be read in conjunction with the Group’s audited financial statements for the year ended 31 October 2010.

The audit report of the Group’s annual financial statements for the year ended 31 October 2010 was not subject to any qualification.

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.

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 2010 except for the adoption of new FRSs, Amendments and IC Interpretations that are mandatory for the Group for the financial year beginning 1 November 2010.

The adoption of the above FRSs, Amendments and IC Interpretations do not have a material impact on the interim financial information of the Group except for the adoption of the following FRS as set below:-

FRS 101 – Presentation of Financial Statements (revised)

The adoption of FRS 101 (revised) has resulted in a change in the presentation of financial statements. The financial statements have been re-presented as statement of comprehensive income.

FRS 101 (revised) also requires an entity to present, in a statement of changes in equity, all owner changes in equity. All non-owner changes in equity (comprehensive income) are required to be presented separating from owners’ changes in equity and can be presented as a single or two statements (comprising the income statement and statement of comprehensive income).

The Group has elected to present the statement of comprehensive income in a single statement.

In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the classification of items in the financial statements.

This is a disclosure standard with no impact on the financial position or financial performance of the Group.

3. SEASONALITY OR CYCLICALITY OF INTERIM OPERATIONS

The Group’s performance is not affected by any seasonal or cyclical factors.

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4. UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS

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

5. SIGNIFICANT CHANGES IN ESTIMATES

There were no changes in estimates of amounts reported that have had a material effect in the current quarter and financial year.

6. DEBT AND EQUITY SECURITIES

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial year.

7. DIVIDENDS PAID

There were no dividends paid during the current financial period.

8. SEGMENTAL REPORTING

The Group's primarily business is that of fabrication of offshore oil and gas related structure works and hence no separate disclosure is made as the segment revenue and results are as disclosed in the condensed income statement.

9. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

There were no valuation of property, plant and equipment in the current quarter and financial year.

10. SUBSEQUENT EVENTS

There were no subsequent material events after the end of the current quarter.

11. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes to the composition of the Group during the current quarter and financial year.

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12. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The contingent liabilities of comprise the following:-

	As at 31 January 2011	
	Group	Company
	RM'000	RM'000
Potential litigation and claim, inclusive of interest thereon	26,885	-

The Group has disclaimed liability and is defending the action. No provision in relation to this claim has been recognised in this consolidated condensed interim financial information, as legal advice indicates that it is not probable that a significant liability will arise.

13. CAPITAL COMMITMENTS

There Group has no capital commitments as at 31 January 2011, save for the remaining purchase consideration pursuant to the proposed fabrication yard acquisition amounting to RM80.00mil to be settled via the issuance of new ordinary shares at RM0.51 each.

PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

14. REVIEW OF PERFORMANCE

The Group recorded a turnover of RM1.36mil for the current quarter against RM15.85mil in the preceding year corresponding quarter. This leads to a lower profit generated for the current quarter amounted to RM1.10mil compared to RM3.42mil in the preceding year corresponding quarter. The reduction in turnover and profit was due to the tail end of the remaining projects billings and lower operating income.

15. MATERIAL CHANGE IN QUARTERLY RESULTS AGAINST IMMEDIATE PRECEDING QUARTER

The Group generated a net profit after tax for the period of RM1.10mil for the current quarter under review as compared to RM33.56mil for the immediate preceding quarter. The reduction of other income generated was due to lower discount received from the creditors pursuant to the Section 176, scheme of arrangement compared to immediate preceding quarter.

16. COMMENTARY ON PROSPECTS

The Company is finalising its PN 17 regularisation plan. The Group continues to actively participate in bids for projects in the oil and gas and engineering businesses continues with focus on the fabrication of offshore oil and gas related structures.

The Group has entered into a Sales and Purchase Agreement to acquire a fabrication yard located at Pulau Indah, to expand its fabrication capacity. The details of the proposed acquisition are set out in Note 21(iv).

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17. PROFIT FORECAST

The Group has not issued any profit forecast for the current financial year and therefore no comparison is made available.

18. TAXATION

No provision for taxation had been made as the Group has no chargeable income.

19. SALE OF UNQUOTED INVESTMENTS AND/OR PROPERTIES

There were no sales of unquoted investment and/or properties during the current quarter and financial year.

20. PURCHASE OR DISPOSAL OF QUOTED SECURITIES

There were no dealings by the Group in quoted securities for the current quarter and financial year. The Group did not hold any investments in quoted shares as at 31 January 2011.

21. STATUS OF CORPORATE PROPOSALS

- (i) Scheme of Arrangement under section 176 (1) of the Companies Act 1965

The Company obtained a Restraining Order from 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 a wholly owned subsidiary, Ramunia Fabricators Sdn Bhd (“RFSB”) until 1 March 2010 (“Restraining Order”). This order was extended to 30 April 2010 and subsequently extended until 7 August 2010.

The Restraining Order was to enable RFSB to complete a Scheme of Arrangement with all its unsecured creditors under Section 176 (1) the Act.

The Scheme of Arrangement (“Scheme”) was sanctioned by the court on the 27 May 2010, and took effect on 7 June 2010 approving the repayment of RM0.47 for every RM 1 owed to the creditors. In accordance with the approved Scheme, RFSB has substantially completed its payments to the creditors.

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21. STATUS OF CORPORATE PROPOSALS (cont'd)

(ii) Memorandum of Understanding (“MoU”)

- a) On 28 January 2010, the Company signed a MoU with Pleasant Engineering Sdn Bhd (“PESB”) for the proposed collaboration to undertake the tendering, bidding and fabrication in relation to any contract involving the engineering, procurement and construction of any topsides, jackets or any structures in the oil and gas industry.

The MoU is subject to the terms and conditions of a more definitive agreement regarding the parties intended collaboration depending on specific projects. To-date, the said definitive agreement have not been executed and there have been no material development since the signing of the MoU.

- b) On 4 November 2010, the Board of Directors of Ramunia announced that its wholly owned subsidiary, O&G Works Sdn Bhd (“OGW”) had on 3 November 2010 signed a MoU with Dongnam Marine Crane Co., Ltd. (“DMC”), for the purpose of collaboration to undertake the tendering, bidding and manufacturing of any contract involving the engineering, design, procurement and fabrication of offshore pedestal cranes, marine cranes and any other make of cranes for the oil and gas industry and any other industries which require such supplies.

On 2 December 2010, OGW had signed a Joint Manufacturing Agreement (“Agreement”) with DMC. The purpose of the Agreement is to undertake the joint manufacturing of cranes including offshore cranes, marine cranes, floating cranes, Special Davits and deck machineries of DMC in the marine and offshore oil and gas exploration and production fields of application in Malaysia, using the “Dong Nam” Brand and design (“Products”).

The salient terms of the Agreement are as follows:-

- (i) The Agreement is exclusive for OGW to a period of 5 years and is for the provision of all relevant technical information and training required for the manufacturing of the Products in Malaysia; and
- (ii) The fabrication of the Products shall be undertaken jointly by both parties.

(iii) Practice Note 17 (“PN17”) of the Main Market Listing Requirements

On 25 February 2010, the Company announced that Pursuant to Paragraph 8.04 and Paragraph 2.1(e) of **PN17** of the Main Market Listing Requirements, the Company is considered a PN17 Company.

The PN17 criteria was triggered resulting from RAHB’s auditors expressing a modified opinion with emphasis on RAHB’s going concern in the Company’s latest audited consolidated financial statements for the financial year ended 31 October 2009 and the shareholders’ equity of RAHB on a consolidated basis is less than 50% of the issued and paid-up share capital of RAHB.

The Company was admitted into a PN17 company by Bursa Malaysia on 1 March 2010.

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21. STATUS OF CORPORATE PROPOSALS (cont'd)

(iii) cont'd

On 25 May 2010, the Company announced via Bursa Malaysia that the regularisation plan to regularise the Company's PN 17 status ("Regularisation Plan") will not result in a significant change in the business direction or policy presently adopted by the Company. The Company is in the midst of finalising the terms and conditions relating to the Regularisation Plan.

On 5 July 2010, the Company appointed AmInvestment Bank Berhad as the Principal Adviser to the Company for the Regularisation Plan.

On 18 February 2011, the Company had applied for an extension of time to submit its Regularisation Plan ("Application").

On 24 February 2011, Bursa informed the Company that the suspension on the trading of the Company's securities and the de-listing of the Company in accordance with Paragraph 8.04 of the Main Market LR shall be deferred pending the decision on the Application.

On 14 March 2011, Bursa had granted the Company an extension of time up to 13 July 2011 to submit the Application.

(iv) Proposed Acquisition of Pulau Indah Integrated Fabrication Yard and the moveable and immoveable assets located thereon ("Proposed Acquisition") from Oilfab Sdn. Bhd. ("Oilfab")

On 25 January 2011, Oilfab, a 51%-owned indirect subsidiary of Oilcorp Berhad ("Oilcorp") had accepted an offer from the Company via a letter of offer for the Proposed Acquisition for a purchase consideration of RM83.80 million ("Purchase Consideration").

On 28 January 2011, the Company and Oilfab had entered into a conditional sale and purchase agreement ("SPA") for the Proposed Acquisition, in which the Purchase Consideration to be satisfied by:-

- a) cash deposit of RM3.80 million; and
- b) The balance of the Purchase Consideration of RM80.0 million shall be settled via the issuance of 156,862,745 new Shares in RAHB to Oilfab at an issue price of RM0.51 each.

The Purchase Consideration may be reduced pursuant to the Asset Tagging Exercise

The Company and Oilfab have also entered into a tenancy agreement in respect of Pulau Indah Integrated Fabrication Yard ("Yard") commencing 1 March 2011, and expiring after a period of three (3) years for a monthly rental of not more than RM120,000 based on the area of the Yard, subject to the terms of the tenancy agreement. The salient terms of the tenancy agreement is as follows:-

- a) monthly rental for the first six (6) months to be paid in advance on the date of the agreement; and
- b) monthly rental for the remaining period shall be paid monthly in advance to Oilfab.

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21. STATUS OF CORPORATE PROPOSALS (cont'd)

- (v) Agreement in relation to an Arrangement for a Floating Production, Storage & Offloading (“FPSO”) – Deep Producer Vessel known as MT Laurita (“FPSO DP1”)

On 21 March 2011, the Company had executed an agreement with Drydocks World – Dubai LLC (“DWD”) and NTM Refection II AS (“NTM”) in relation to FPSO DP1. The agreement sets out a preliminary arrangement between the Company, DWD and NTM which entails, amongst others, for a exclusivity period of up to 7 July 2011 or such extended period to be mutually agreed by all the parties, the following arrangements:-

- a) the Company to secure marketing rights to FPSO DP1 for purposes of submitting bids for the FPSO projects specified in the agreement involving Malaysian and regional oil companies; and
- b) the Company to conduct due diligence and enter into negotiations with a view of entering into definitive sale and purchase agreement which will set out full terms and conditions of the potential acquisition of FPSO DP1.

The arrangements will enable the Company to create a larger value base as an engineering, procurement, construction, installation and commissioning (“EPCIC”) contractor by providing full offshore production facilities and to penetrate into the growing offshore floating business within the local and regional upstream oil and gas sector.

The Company intends to expand into the offshore floating business with upstream oil and gas sector to take advantage of the significant spending of the oil and gas and energy industry under the Economic Transformation Program (“ETP”) as Petroliaam Nasional Berhad plans to invest in exploration and production activities, particularly in new deepwater developments, marginal field developments and the replacement of ageing assets over the next five years to sustain their current level of production.

The salient terms of the agreement are as follows:-

- a) the Company shall be granted an exclusivity period to conduct due diligence exercises on FPSO DP1 and to market the FPSO DP1 as well as submit bids for the projects upon the payment of initial deposit of USD0.50million.

During the exclusivity period, DWD and NTM shall not sign any legally binding agreement with any other party or parties in respect of the FPSO DP1. During the period, the DWD and NTM shall not enter into similar arrangements with any party or parties for the projects or otherwise which will undermine the spirit of the agreement.

- b) during the exclusivity period or such extended period to be mutually agreed in writing by all the parties, the Company shall conduct due diligence exercises on FPSO DP1 and provided that the results of the due diligence exercise is satisfactory, the DWD and NTM undertake to procure DP Producer AS to enter into a sales and purchase agreement with the Company to enable the Company to purchase the FPSO DP1.
- c) in the event that the parties fail to execute the SPA by 7 July 2011 or such extended period to be mutually agreed by the parties, the agreement shall be deemed as terminated and in such event the Company shall forfeit the initial deposit.

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21. STATUS OF CORPORATE PROPOSALS (cont'd)

(v) cont'd

d) unless mutually extended by all the parties in writing, the agreement shall be terminated upon occurrence of any one (1) of the following events:-

- (i) the expiration of the exclusivity period or such extended period for all the Parties to execute the sales and purchase agreement;
- (ii) the execution of the sales and purchase agreement; or
- (iii) the conclusion or mutual termination of the agreement;

whichever is earlier.

22. BORROWINGS AND DEBT SECURITIES

There were no Group borrowings outstanding as at 31 January 2011.

23. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off balance financial instruments as at 31 January 2011.

24. CHANGES IN MATERIAL LITIGATION

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)**

Ingress Fabricators Sdn Bhd is claiming RM1,494,699.72 for services rendered. Based on our solicitors' advice, the Board is of the opinion that the outcome of the litigation claim will be favourable to the Company.

(b) **Ingress Fabricators Sdn. Bhd. vs Ramunia Fabricators Sdn. Bhd (Guaman Sivil No.:S7-22-424-2007)**

Ingress Fabricators Sdn Bhd is claiming RM4,228,772.00 for services rendered. Based on our solicitors' advice, the Board is of the opinion that the outcome of the litigation claim will be favourable to the Company.

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24. CHANGES IN MATERIAL LITIGATION (cont'd)

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

Ingress Fabricators Sdn. Bhd. is claiming for the following sums 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

Based on the solicitor's opinion, 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.

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

(d) **Ingress Fabricators Sdn Bhd and Anor vs Ramunia Fabricators Sdn Bhd and Shaharudin bin Tahir vide Kuala Lumpur (High Court Suit No S-22-419-2010)**

Ingress Fabricators Sdn Bhd is claiming RM667,158.00 for services rendered. Based on our solicitors' advice, the Board is of the opinion that the outcome of the litigation claim will be favourable to the Company.

All four suits have been consolidated. The matter is fixed for case management on 12 May 2011.

(e) **Ulti Resources Sdn Bhd vs Ramunia Fabricators Sdn Bhd**

Ulti Resources is claiming that the Defendant had unlawfully entered and took possession of the Lands (defined below) and thereafter wrongfully remained in possession thereof and justly liable to pay Plaintiff the following:-

1. RM741,400.00 per month from 30 July 2008 to 14 May 2010 totalling to RM15,904,225.81;
2. Interests at the rate of 8% per annum on the judgement sum from the date of judgement until full settlement;
3. Costs; and
4. Such further or other relief that the Honourable Court deems fit and proper to grant.

The said Lands are EMR143 LOT 40, GM 197 LOT 45, GM 176 LOT 160, GM 172 LOT 175, GM 173 LOT 176, GM 174 LOT 178, GM 132 LOT 179, GM 133 LOT 180, EMR 5 LOT 181, EMR 7 LOT 182 and GM 194 LOT 230 of Mukim Pantai Timor, Daerah Kota Tinggi, Negeri Johor.

The matter has been fixed for trial on 11, 12 & 15 April 2011. The Board is of the opinion that the legal action mentioned will not materially affect the financial position or business of Ramunia and or its subsidiaries.

25. PROPOSED DIVIDENDS

The Board of Directors did not propose/declare any dividend for the current reporting quarter.

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26. EARNINGS PER SHARE

Earnings per share ("EPS")	FOURTH QUARTER		CUMULATIVE QUARTER	
	Current Quarter 31-Jan-11	Preceding Year Corresponding Quarter 31-Jan-10	Current Financial Year 31-Jan-11	Preceding Corresponding Financial Year 31-Jan-10
Earnings/(Loss) for the purpose of basic earnings per share (RM'000)	1,100	3,421	1,100	3,421
Weighted average number of ordinary shares for the purpose of basic earnings share (No.'000)	662,840	649,052	662,840	649,052
Basic earnings/(loss) per share (sen)	0.17	0.53	0.17	0.53
Adjusted earnings for the purpose of diluted earnings per share (RM'000)	1,100	3,421	1,100	3,421
Weighted average number of ordinary shares for the purpose of diluted earnings share (No.'000)	664,391	624,205	662,840	624,205
Diluted EPS (sen)	0.17	0.55	0.17	0.55

27. AUTHORISED FOR ISSUE

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Board of Directors dated 23 March 2011.