

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 period ended 31 December 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 and assets comprise of the following:-

Contingent liabilities	As at 31 December 2011	
	Group RM'000	Company RM'000
Potential litigation and claim, inclusive of interest thereon	17,114	-

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

	As at 31 December 2011 Group and Company RM'000	
	Approved and contracted for	82,905

Capital commitments include the remaining purchase consideration pursuant to the proposed yard acquisition amounting to RM80.00million. The remaining capital commitment consists of the implementation of new Enterprise Resource Planning system amounting to RM2.91 million undertaken by the Group.

14. CHANGE OF FINANCIAL YEAR END

The Group had changed the financial year end from 31 October 2011 to 31 December 2011.

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

15. REVIEW OF PERFORMANCE

The Group recorded a turnover of RM3.9 million for the quarter under review. This however resulted to a loss after tax of RM8.4 million, bringing the 14 months Year to date results to 31st December to RM9.7 million. Due to the revisions made on the cost of completed projects, the quarter recorded a positive gain on cost of sales. The loss after taxation was mainly due to the high operating expenses incurred during the period and partial write down of deferred tax previously recognised amounting RM6.0 million. Pursuant to the change of financial year end from 31 October to 31 December, no comparative figures are presented.

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16. MATERIAL CHANGE IN QUARTERLY RESULTS AGAINST IMMEDIATE PRECEDING QUARTER

The Group recorded a net loss after tax of RM14.4 million for the current quarter under review as compared to a profit after tax of RM0.1 million for the immediate preceding quarter. The decrease was mainly due to the high operating expenses incurred during the period and partial write down of deferred tax previously recognised amounting RM6.0 million compared to the immediate preceding quarter.

17. COMMENTARY ON PROSPECTS

On 3 May 2011, the Company had announced its proposed PN 17 regularisation plan to Bursa Malaysia. 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 details of the proposed regularisation plan are set out in Note 22(ii).

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 22(iii).

18. PROFIT FORECAST

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

19. TAXATION

Taxation for the period comprises of:-

	As at 31-Dec-2011 RM'000
Income tax charge	
- under provision in prior financial year	52
Deferred tax	
- current year	6,000
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	6,052
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20. SALE OF UNQUOTED INVESTMENTS AND/OR PROPERTIES

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

21. 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 December 2011.

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22. STATUS OF CORPORATE PROPOSALS

- (i) Memorandum of Understanding (“MoU”)
- a) On 13 April 2011, the Board of Directors of Ramunia announced that its wholly owned subsidiary company, Ramunia Fabricators Sdn. Bhd. (“RFSB”) had on 12 April 2011 signed a MoU with Sew Infrastructure Limited (“SEW”) to explore the possibilities where both parties can collaborate to undertake the tendering, bidding and manufacturing of any contract involving the engineering, design, procurement and fabrication of structures and facilities for the oil and gas industry and any other industries in India.
- The MoU shall take effect on the date of its execution and shall continue to be of effect until the occurrence of any of the following, whichever is the earlier:-
- (i) the execution of the appropriate legally binding agreement or agreements regarding the parties’ intended collaboration; or
 - (ii) the expiry of a period of 2 years from the date of MoU or such later date as mutually agreed between the parties; or
 - (iii) the MoU’s early termination by either party by giving 6 months’ written notice of termination.
- (ii) 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.

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 (“AmInvestment”) 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 Malaysia 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.

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22. STATUS OF CORPORATE PROPOSALS (cont'd)

(ii) cont'd

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

On 3 May 2011, AmInvestment, on behalf of the Company, announced the proposed regularisation plan to uplift Ramunia from its PN17 status, the summary of which is as follows:-

a) Proposed Capital Reconstruction” which will entail the following :-

- (i) a reduction of the entire share premium account of Ramunia (“Proposed Share Premium Reduction”); and
- (ii) a change in the issued and paid-up share capital of Ramunia involving the cancellation of RM0.25 of the par value of the existing ordinary share of RM0.50 each in Ramunia (“Ramunia Share(s)”) (“Proposed Change in Par Value”),

of which the credit arising there from will be used to set-off against the accumulated losses of the Company.

- b) amendments to Ramunia’s Memorandum and Articles of Association to facilitate the Proposed Change in Par Value (“Proposed M&A Amendments”);
- c) a renounceable rights issue of up to 391,441,708 new Ramunia Shares (“Rights Share(s)”) at an indicative issue price of RM0.40 per Rights Share on the basis of two (2) Rights Shares for every five (5) existing Ramunia Shares held after the Proposed Change in Par Value, at an entitlement date to be determined by the Board and announced later by the Company (“Entitlement Date”) (“Proposed Rights Issue”); and
- d) a business rejuvenation plan involving business strategies to build up Ramunia’s order book in relation to major offshore fabrication works as well as other oil and gas related business activities (“Business Rejuvenation Plan”).

On 13 July 2011, the Company was pleased to announce that the applications in relation to the proposed regularisation plan have been submitted to Bursa Malaysia and Bank Negara Malaysia respectively, for approval.

On 19 January 2012, Bursa Malaysia had approved the proposed regularisation plan.

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22. STATUS OF CORPORATE PROPOSALS (cont'd)

- (iii) 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;
- b) RM40.00 million in cash; and
- c) RM40.00 million shall be settled via the issuance of 78,431,372 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 was 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.

On 9 February 2012, Oilfab was served with a winding up order by the Court under the provisions of the Companies Act 1965.

23. BORROWINGS AND DEBT SECURITIES

	Group and Company	
	As at	As at
	31-Dec-11	31-Oct-2010
	RM'000	RM'000
Long term borrowings	201,300	-

24. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

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

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25. 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.

(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 trial 2,3,4,10,11,23 May 2012

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25. CHANGES IN MATERIAL LITIGATION (cont'd)

- (e) **Ramunia Fabricators Sdn Bhd vs. Global Fabricators Sdn Bhd (Kuala Lumpur High Court Civil Suit No.: 22NCC-752-2011)**

On 4 May 2011, RFSB made a claim to seek declaratory reliefs that RFSB owes no sums to GFSB pursuant to the Pluto Project or alternatively, any sums due are subject to the terms of the Scheme sanctioned by the Johor Bahru High Court on 27 May 2011.

GFSB has brought a counterclaim amounting to RM6,133,000 for sums due under the Pluto Project and various other projects between the RFSB and GFSB.

Parties have attended mediation before the judge in chambers, however, the mediation failed. On 23 November 2011, parties have recorded a consent judgment, in which its terms, inter alia, are as follows:-

- (a) The outstanding sum of RM200,795.12 under the Pluto project will be deposited by RFSB to the court as the stakeholder; and
- (b) The stakeholding money can only be withdrawn until the disposal of the arbitration proceedings in relation to Kumang and Melor projects.

RFSB's solicitors are of the opinion that RFSB has a fair chance of successfully defending the counterclaim during the arbitration proceedings. We have yet to receive notice of arbitration proceedings from Global Fabricators.

- (f) **Ulti Resources Sdn Bhd (Plaintiff) vs PFC Engineering Sdn Bhd (Defendant) vs Ramunia Holdings Berhad & Ramunia Optima Sdn Bhd (Third Party) (Johor Bahru High Court Civil Suit No. 22-280-2009)**

The Defendant is claiming from the Third Party to pay the Plaintiff the total sum and/or all damages claimed by the Plaintiff for monthly rental of lands from 30 July 2008 until the month of September 2009, with the monthly rental of RM31,000.00.

Based on the Third party's solicitors' opinion, it is likely that the Plaintiff will succeed in their claim for the period from the month May 2009 until October 2009, thus, the Third Party will be liable to indemnify the Defendant for this period.

Furthermore, the Defendant has a good chance to defeat the Plaintiff's claim for the period from 30 July 2008 until 29 May 2009.

The matter is fixed for trial on 23- 25 April 2012.

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25. CHANGES IN MATERIAL LITIGATION (cont'd)

- (g) **Pro Rental Sdn Bhd v. Ramunia Fabricators Sdn Bhd (Kuala Lumpur High Court Civil Suit No. 22 NCvC-943-09/2011)**

On 14 October 2011, RFSB has been served with the Writ of Summons and Statement of Claim from Pro Rental Sdn Bhd (“Pro Rental”), claiming for the amount of RM702,811.65 being an amount outstanding for vehicle lease.

The parties have reached out of court settlement.

26. PROPOSED DIVIDENDS

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

27. EARNINGS PER SHARE

Earnings per share (“EPS”)	FIFTH QUARTER		CUMULATIVE QUARTER	
	Current Quarter 31-Dec-11	Preceding Year Corresponding Quarter 31-Dec-10	Current Financial Year 31-Dec-11	Preceding Corresponding Financial Year 31-Dec-10
Loss for the purpose of basic earnings per share (RM’000)	14,389	N/A	9,728	N/A
Weighted average number of ordinary shares for the purpose of basic earnings share (No.’000)	662,840	N/A	662,840	N/A
Basic loss per share (sen)	2.17	N/A	1.47	N/A
Adjusted earnings for the purpose of diluted earnings per share (RM’000)	N/A	N/A	N/A	N/A
Weighted average number of ordinary shares for the purpose of diluted earnings share (No.’000)	N/A	N/A	N/A	N/A
Diluted EPS (sen)	N/A	N/A	N/A	N/A

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28. REALISED AND UNREALISED LOSSES

The breakdown of the accumulated losses of the Group as at 31 December 2011 into realised and unrealised losses is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	As at 31-Dec-2011 RM'000
Total accumulated losses of the Company and its subsidiaries:-	
- realised	(532,002)
- unrealised	-
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Total Group accumulated losses	(532,002)
Add: Consolidation adjustments	258,320
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Total Group accumulated losses as per consolidated accounts	(273,682)
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29. 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 27 February 2012.