

2005 ANNUAL REPORT



RAMUNIA HOLDINGS BERHAD
(634775-D)

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RAMUNIA HOLDINGS BERHAD
(634775-D)

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Vision

To be the preferred heavy engineering solutions provider by year 2010

Mission

To fulfill our stakeholders' expectation by:

- meeting set objectives
- ensuring continuous improvement
- providing creative solutions

Values

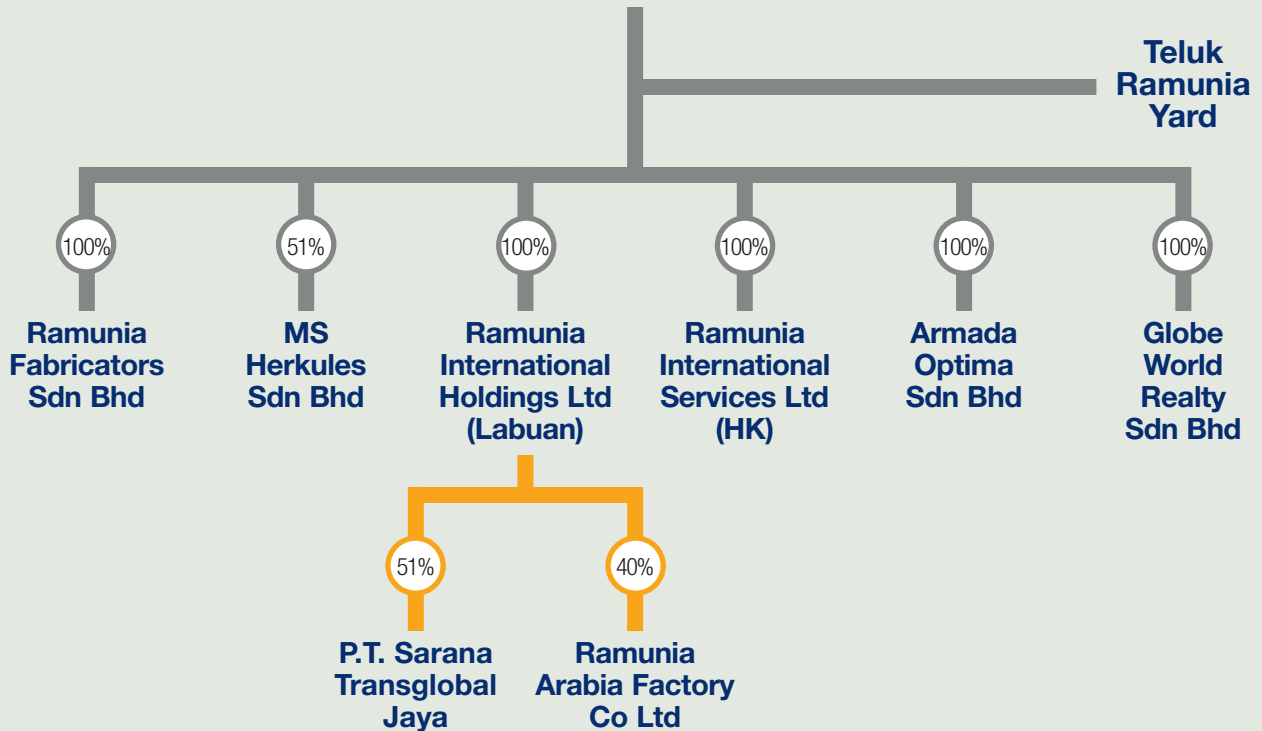
- Resilience
- Integrity
- Caring
- Innovative
- Teamwork



② Corporate Structure



Ramunia Holdings Berhad



BOARD OF DIRECTORS

Dato' Azizul Rahman
bin Abd. Samad
*Chairman / Non-Independent
Non-Executive Director*

Arshad bin Ahmad
*Managing Director /
Chief Executive Officer*

Dr. Daniel Ahn Chung-Sung
*Executive Director
(appointed on 18.7.2005)*

Dato' Md. Zahari bin Md. Zin
Independent Non-Executive Director

Shahul Hamid bin Mohd. Ismail
Independent Non-Executive Director

Izlan bin Izhah
Independent Non-Executive Director

Leou Thiam Lai
Independent Non-Executive Director

AUDIT COMMITTEE

Leou Thiam Lai
Chairman

Shahul Hamid bin Mohd Ismail

Dato' Md. Zahari bin Md. Zin

Arshad bin Ahmad

SECRETARIES

Chua Siew Chuan
(MAICSA 0777689)

Tan Ai Ning
*(MAICSA 7015852)
(appointed on 28.6.2005)*

REGISTERED OFFICE

Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Tel: 03-2084 9000
Fax: 03-2094 9940 / 2095 0292

PRINCIPAL PLACE OF BUSINESS

22nd Floor, Plaza Permata
No. 6, Jalan Kampar
Off Jalan Tun Razak
50400 Kuala Lumpur
Tel: 03-4047 6800
Fax: 03-4043 1058

AUDITORS

Shamsir Jasani Grant Thornton
*(Firm No. AF-0737)
(Member of Grant Thornton
International)*
Chartered Accountants
Level 11, Faber Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur

SHARE REGISTRAR

Securities Services (Holdings) Sdn Bhd
(Co. No. 36869-T)
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Tel: 03-2084 9000
Fax: 03-2094 9940 / 2095 0292

PRINCIPAL BANKERS

RHB Bank Berhad
Affin Bank Berhad
Bumiputra-Commerce Bank
Malaysia Berhad

STOCK EXCHANGE LISTING

The Second Board of
Bursa Malaysia Securities Berhad

Directors' Profile



Dato' Azizul Rahman bin Abd. Samad

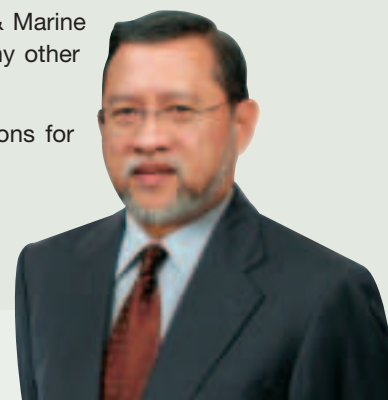
Chairman / Non-Independent Non Executive Director

Dato' Azizul Rahman bin Abd. Samad ("Dato' Azizul"), a Malaysian aged 44, was appointed Director of the Company on 1 September 2004 and is currently the Chairman of Ramunia Holdings Berhad Group of Companies. He graduated from University of Kent at Canterbury, United Kingdom with a Bachelor of Arts Law Honours in 1988. Upon obtaining the Certificate of Legal Practice Malaysia, he started off his career as a partner of Rahman Too & Co., a Kuala Lumpur based legal practice. In 1996, Dato' Azizul was appointed as a director in Nauticalink Berhad and subsequently assumed the position of Chief Executive Officer in 2000 and resigned on 15 January 2002.

Presently, he sits as a member in the Nomination Committee of the Company.

Dato' Azizul is a major shareholder of the Company through Ramunia Energy & Marine Corporation Sdn. Bhd. Save as aforesaid, he has no family relationship with any other Director and/or major shareholder of the Company.

He does not have any conflict of interest with the Company and any convictions for offences within ten (10) years other than traffic offences.



Arshad bin Ahmad

Managing Director / Chief Executive Officer

Arshad bin Ahmad ("Arshad"), a Malaysian aged 48, was appointed Director of the Company on 1 September 2004 and is the Managing Director/Chief Executive Officer of Ramunia Holdings Berhad Group of Companies. He graduated from University of Glasgow, United Kingdom with a Bachelor of Science for Mechanical Engineering in July 1980. Arshad has been exposed to various sectors of the oil and gas industry in Malaysia for more than twenty (20) years and has over eighteen (18) years of direct experience in all aspects of the offshore oil and gas fabrication industry as main fabrication contractor.

He started his career in the oil & gas fabrication industry in November 1980 when he joined Malaysia Shipyard and Engineering Sdn. Bhd. and was subsequently promoted to Sub-section Chief prior to joining Sime Sembawang Engineering Sdn. Bhd. in July 1985. He served Sime Sembawang Engineering Sdn. Bhd. for fourteen (14) years and left as General Manager. In June 1999, Arshad joined J. Ray McDermott S.A as Business Development Manager for approximately a year. In July 2000, he joined Cooper Cameron (M) Sdn. Bhd. as General Manager before joining Penang Shipbuilding & Construction Sdn. Bhd. as Senior General Manager in April 2001. Prior to joining the Ramunia Group in January 2004, he rejoined Malaysia Shipyard and Engineering Sdn. Bhd. for approximately two (2) years as a Director of Engineering and was instrumental in setting up the Industrial and Process Division. He is currently the President of the Offshore Structure Fabricator Association of Malaysia (OSFAM).

Presently, Arshad sits as a member in the Audit Committee of the Company.

He does not hold any directorship on the Board of public listed companies. He has no family relationship with any Director and/or major shareholder of the Company. He does not have any conflict of interest with the Company and any convictions for offences within the past ten (10) years other than traffic offences. Arshad does not hold any shares in Ramunia Holdings Berhad.

Directors' Profile

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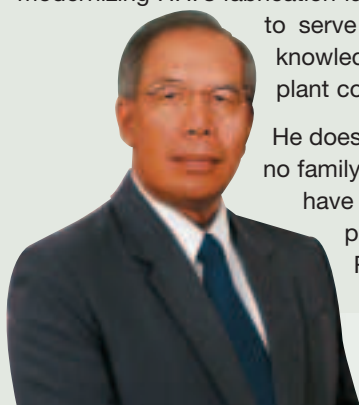
Dr. Daniel Ahn Chung-Sung

Executive Director

Dr. Daniel Ahn Chung-Sung ("Dr. Ahn"), an American aged 68, was appointed Director of the Company on 18 July 2005 and is the Executive Director of Ramunia Holdings Berhad Group of Companies. Dr. Ahn obtained his PhD in Ocean Engineering and a Master in Science in Meteorology and Oceanography and Naval Architecture from the prestigious Massachusetts Institute of Technology (MIT). He earlier graduated with a Bachelor in Science, majoring in Maritime Science from the Korean Maritime University. In 1990, Dr. Ahn completed his Advanced Management Program from the Harvard Business School.

Over the last thirty years, Dr. Ahn held several executive management positions in the offshore and plant industries. He was the founder of today's Offshore and Engineering Division of Hyundai Heavy Industries ("HHI"), and contributed to making HHI a prestigious offshore contractor and one of the world's leading companies. He was also instrumental in modernizing HHI's fabrication facilities, management systems upgrading and managing the marine construction fleets to serve the robust offshore industry. Dr. Ahn has accumulated abundant experience and knowledge in the areas of marketing and project management of worldwide EPCC offshore and plant contracts.

He does not hold any directorship on the Board of public listed companies in Malaysia. He has no family relationship with any Director and/or major shareholder of the Company. He does not have any conflict of interest with the Company and any convictions for offences within the past ten (10) years other than traffic offences. Dr. Ahn does not hold any shares in Ramunia Holdings Berhad.



Dato' Md. Zahari bin Md. Zin

Independent Non-Executive Director

Dato' Md. Zahari bin Md. Zin ("Dato' Zahari"), a Malaysian aged 58, was appointed Director of the Company on 1 September 2004. He graduated from University of Malaya in 1971 with a Bachelor of Arts. Dato' Zahari served the Johor State Government for thirty two (32) years and was responsible for the implementation of the State Government's objective pertaining to the respective departments and districts.

Dato' Zahari joined the Johor Civil Service as Assistant District Officer from 1971 to 1978 and was later promoted to District Land Administrator from 1978 to 1989 and subsequently promoted to District Officer (Kota Tinggi) from 1989 to 1993. He was also the Land and Local Government Manager (Kejora) from 1993 to 1995 and District Officer of Mersing for a year until 1996. From 1996 to 2000, Dato' Zahari was the Deputy Director of Land and Mines. The last position held by Dato' Zahari was as the Johor State Director of Land and Mines from 2001 to 2003.

Dato' Zahari has received numerous Awards for his contribution and dedication to the Government, which include the Darjah Paduka Mahkota Johor (DPMJ), the Pingat Lama dan Baik Dalam Perkhidmatan, the Bintang Sultan Ismail (BSI) and the Pingat Ibrahim Sultan (PIS).

Dato' Zahari sits as a member in the Audit Committee, Remuneration Committee and Nomination Committee of the Company.

He does not hold any directorship on the Board of public listed companies in Malaysia. He has no family relationship with any Director and/or major shareholder of the Company. He does not have any conflict of interest with the Company and any convictions for offences within the past ten (10) years other than traffic offences. Dato' Zahari does not hold any shares in Ramunia Holdings Berhad.

Directors' Profile



Shahul Hamid bin Mohd Ismail

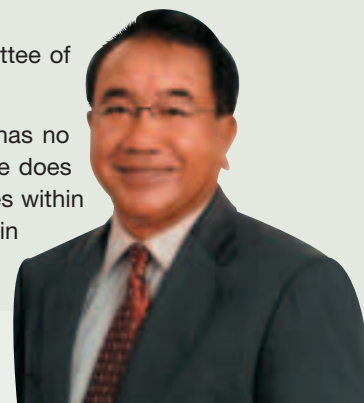
Independent Non-Executive Director

Shahul Hamid bin Mohd Ismail ("Shahul"), a Malaysian aged 56, was appointed Director of the Company on 1 September 2004. He has worked in the petroleum industry for the past twenty-five (25) years with two (2) of the major multinational oil companies on various assignments in Malaysia and overseas. He has served as General Manager of a number of technical, operational and business units in the Petroleum Exploration & Production Sector. His last assignment from August 2001 to June 2004, was as Managing Director of a public-listed petroleum refining company in Malaysia. In recent years he also sat in the Councils of the Federation of Malaysian Manufacturers and the Melaka/Negeri Sembilan Branch of the Malaysian International Chamber of Commerce and Industry.

Shahul was a Colombo Plan scholar and holds Bachelor of Engineering (Honours) (1974) and Master of Engineering (1978) degrees in Mechanical Engineering, both from the University of Adelaide in Australia. He is a Corporate Member of the Institution of Engineers Australia and the Society of Petroleum Engineers.

Currently, he sits as a member in the Audit Committee and Remuneration Committee of the Company.

He does not hold any directorship on the Board of public listed companies. He has no family relationship with any Director and/or major shareholder of the Company. He does not have any conflict of interest with the Company and any convictions for offences within the past ten (10) years other than traffic offences. Shahul does not hold any shares in Ramunia Holdings Berhad.



Izlan bin Izhab

Independent Non-Executive Director

Izlan bin Izhab ("Izlan"), a Malaysian aged 60, was appointed Director of the Company on 1 September 2004. He was the Executive Vice President of Corporate & Legal Affairs of Bursa Malaysia Berhad from 1985 to 2000, the year of his retirement. He also served as Company Secretary for Kompleks Kewangan Malaysia Berhad from 1975 for three (3) years, before moving on to become Company Secretary for Permodalan Nasional Berhad from 1978 to 1984. He began his career by serving as an Assistant Legal Officer for Majlis Amanah Rakyat in 1973.

Izlan has a Bachelor of Laws degree from the University of London, and attended the Advanced Management Program at the University of Hawaii. He occasionally lectures on Malaysian securities law, companies law and corporate governance for various public sector and private sector consultancy and training organizations.

Presently, Izlan is the Chairman of the Remuneration Committee and Nomination Committee of the Company.

Apart from serving as an Independent Non-Executive Director of Ramunia, Izlan is also a Director of Commerce International Group Berhad, Apex Equity Holdings Berhad, Nexnews Berhad, Commerce Asset-Holding Berhad, OSK-UOB Unit Trust Management Berhad, Malaysia Airports Holdings Berhad, N2N Connect Berhad and Commerce Takaful Berhad.

He has no family relationship with any Director and/or major shareholder of the Company. He does not have any conflict of interest with the Company and any convictions for offences within the past ten (10) years other than traffic offences. Izlan does not hold any shares in Ramunia Holdings Berhad.

Directors' Profile

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Leou Thiam Lai

Independent Non-Executive Director

Leou Thiam Lai ("Mr. Leou"), a Malaysian aged 49, was appointed Director of the Company on 1 September 2004. He is currently a partner of Messrs. Leou & Associates, Chartered Accountants which started operations in 1988. He is a member of the Malaysian Institute of Accountants; a fellow member of The Chartered Association of Certified Accountants (UK) and an associate member of the Malaysian Institute of Taxation.

Mr. Leou graduated from Tunku Abdul Rahman College, Kuala Lumpur. Upon graduation, he began his career with Aljeffri, Siva, Heng and Monteiro until 1981 and in Baharom Hamdan from 1981 to 1984. Upon obtaining approval for his Audit Licence from the Treasury of Malaysia, he established Leou & Associates, Chartered Accountants in 1988.

He is the Chairman of the Audit Committee and a member of the Remuneration Committee of the Company.

Apart from serving as an Independent Non-Executive Director of Ramunia, he is also a Director of Degem Berhad, I-Power Berhad and United Bintang Berhad, being companies listed on Bursa Malaysia Securities Berhad, and Berjaya Holdings (HK) Limited, a company listed on the Hong Kong Stock Exchange.

He has no family relationship with any Director and/or major shareholder of the Company. He does not have any conflict of interest with the Company and any convictions for offences within the past ten (10) years other than traffic offences. Mr. Leou does not hold any shares in Ramunia Holdings Berhad.

8 Chairman's Statement

Our financial results for the year ended 31 October 2005 demonstrate continuing improvements for the Ramunia Group. I am pleased to announce that the Group's revenue was in excess of **RM203.7 million**, profit before exceptional item and taxation of **RM16.4 million** and profit after tax and before exceptional item of **RM10.4 million**.

The financial year in review also saw our first break into international contracts through the award of the Rong Doi Project by Hyundai Heavy Industries to our main operating company, Ramunia Fabricators Sdn Bhd ("RFSB"). Our foray into international markets was further encouraged by KeppelFels who awarded the project of fabrication of hull blocks to RFSB. Needless to say, our international aspirations remain every bit as strong as we hoped they would be, and we will continue with our business model of developing strategic business relationships and smart partnerships.

PROGRESS

Against a background of a bullish industry, the Group anticipates exciting times ahead for their operations. It is envisaged that more deepwater developments will take place and the Group is positioning itself to be able to offer their specialized solutions and services towards this potential area and to modernize its yards to become the next deepwater hub.

Our strong focused competitive position in the fabrication and services areas of the industry and our ability to enhance growth through smart business collaborations give us confidence that the Group will maintain the momentum and continue their positive development in the international and local arenas. We fully expect to see a big leap forward of the Group's turnover and profits over the coming three years and beyond.

GOVERNANCE

The Board has met five times during the year in review and recently, the Board visited the fabrication yards to view the operations. In addition, the Board attended an in-house training to update themselves on the requirements of the International Financial Reporting Standards ("IFRS") and its applicability to the Group.

We at Ramunia, are fortunate to have a Board of the highest quality and integrity and one that plays an active role in ensuring good governance and compliance for the Group and its businesses. I am extremely

The financial year in review also saw our first break into international contracts through the award of the Rong Doi Project by Hyundai Heavy Industries to our main operating company, Ramunia Fabricators Sdn Bhd.

proud of the level of diversified skills and expertise that each member of the Board brings to the meeting table. At this juncture, I wish to express my sincere gratitude to the Board for their invaluable contributions, guidance and their full commitment towards making the Group into what it is today; proudly an excellent example of a dynamic and progressive heavy engineering company in the oil and gas sector.

PEOPLE

Every step of our progress has been the results of the efforts put in by more than 300 talented employees in Ramunia. I sincerely thank them for their resilience, commitment, loyalty and hard work. I remain confident that Ramunia's highly skilled and dedicated people will build on the Group's strengths, expand our services, deepen our client relationships and create value to all our stakeholders.

I am delighted to welcome Dr. Daniel Ahn, who was appointed Executive Director of the Company in July 2005. His wealth of international knowledge and business experience in the oil and gas industry will contribute invaluable to our business, as the Group continues to build its portfolio of project management and services activities.

SAFETY AND QUALITY

We continue to place safety as the highest priority of our operations and the year saw us officially implementing the Group's Safety House Rules, to promote safety and mitigate unsafe behavior and incidents.

Ramunia's work slogan was also officially endorsed as **"Implement, Improve, Innovate"**.

We also remain committed to the highest standards of quality of our work and services, and strive to always deliver to our clients' expectations.

PROSPECTS

Recent project awards from local and international clients evidence the effectiveness of our business model and its ability to generate confidence for our shareholders. While market conditions remain positive and challenging, we look forward to the future with confidence and persist to strive to achieve our business strategy of improving efficiency and excellence in our operations so that we can maximize value to our shareholders.

ACKNOWLEDGEMENT

Thanks to all on whom the success of Ramunia's business depends – the clients, the strategic partners, the governing bodies, the employees, the management and all the stakeholders at large. Thank you all and I look forward for your continued support for the Group as we forge forward into the future with confidence.

Dato' Azizul Rahman Abd. Samad

*Non-Independent Non-Executive Chairman
Ramunia Group of Companies*

Ramunia's work slogan was also officially endorsed as "Implement, Improve, Innovate".

10 Teluk Ramunia Yard

Sitting on 100 acres of seafront land, the Teluk Ramunia Yard (“TR Yard”) is situated in the state of Johor, Malaysia, accessible by a two-hour drive from Johor Bahru. TR Yard comprises two wharves built along the seafront, Fabrication Yard No. 1 and Fabrication Yard No. 2, with a capacity to fabricate steel offshore platforms of up to 21,000MT and 10,000MT respectively. Yard 1 has a quayside length of 270 metres complete with two wharf skids of 6,000MT and 10,000MT respectively. Yard 2 has a quayside length of 45 metres with a wharf skid of 6,000MT. TR Yard is also equipped with equipments and cranes of various capacities, a production office and a fabrication workshop.

Review of Operations

PERFORMANCE HIGHLIGHTS



- R** The year in review saw the Group winning bids for new contracts by major oil players such as Talisman Malaysia Ltd, Hyundai Heavy Industries, Sarawak Shell Berhad, Petronas Carigali Sdn Bhd, KeppelFels Pte Ltd and others, and continued its strong performance in local markets, winning key projects.
- R** The Group achieved a turnover of RM203.7 million for the financial year ended 31 October 2005. The consolidated profit before tax and before exceptional item was RM16.4 million.
- R** As at 31 March 2006, our order book remains healthy, with total contracts in hand in excess of half a billion Malaysian Ringgit for scheduled deliveries up till June 2007.
- R** As a strategic global player, the Group is preparing its facilities and capabilities to be world-class and is embarking on a master plan to modernize and integrate the Group's fabrication yards to enable it to undertake bigger and more complex structures as required for the deepwater development projects.

12 Review of Operations

Ramunia recorded a string of “Project Firsts” during the financial year in review including its successful entrance into the global oil and gas arena.

PROJECT FIRSTS

- Secured first international project award by Hyundai Heavy Industries (“HHI”) for the Rong Doi Project; contract valued at RM42 million
- Secured first semi-sub block fabrication contract for KeppelFels Pte Ltd; contract valued at RM8 million
- Fabricated and delivered in record time an 800 metric tonnes stinger for HHI, two and a half months after contract award date
- Secured first plant Engineering, Procurement, Construction and Commissioning (“EPCC”) contract for the Serting Bio-Mass Generation Plant awarded by MHES Sdn Bhd
- Secured the first oil and gas EPCC contract for the Abu Cluster Development Field awarded by Petronas Carigali Sdn Bhd

The year in review saw the Group winning bids for new contracts by major oil players such as Talisman Malaysia Ltd, HHI, Sarawak Shell Berhad, Petronas Carigali Sdn Bhd, KeppelFels Pte Ltd and others, and continued its strong performance in local markets, winning key projects.

PROJECT AWARDS IN 2005

Award Date	Project	Client	Contract Value
18 March	Hook up and commissioning for 2005-2006	Talisman Malaysia Limited	RM80 million
8 April	Fabrication of Rong Doi Jacket, piles and bridge	Hyundai Heavy Industries	RM42 million
5 June	Supply of 1 set of 83 metre Stinger for HHI's HD60 pipe-laying barge	Hyundai Heavy Industries	RM11 million
12 August	Construction of Jack-up rig blocks	KeppelFels	RM8 million
28 September	EPCC of IPP for Serting Plant	MHES	RM60 million
19 October	EPCC of Abu Cluster Development Project	Petronas Carigali	RM115 million
TOTAL PROJECT AWARDS IN 2005			RM316 million

In the first quarter of 2006, we won the bid for the fabrication of the F13E(SC)DR-A Topsides from Sarawak Shell, a contract valued at RM90 million and the fabrication of Water Injection Module by Talisman Malaysia Ltd valued at about RM20 million.



ORDER BOOK

As at 31 March 2006, our order book remains healthy, with total contracts in hand in excess of half a billion Malaysian Ringgit for scheduled deliveries up till June 2007.

The order book includes the new contracts awarded in 2005 and the three-year hook



up and commissioning project for Petronas Carigali, an umbrella contract with potential work orders conservatively targeted at RM150 million over the contract life.



FINANCIAL PERFORMANCE REVIEW

The Group achieved a turnover of RM203.7 million for the financial year ended 31 October 2005. The consolidated profit before tax and before exceptional item was RM16.4 million. The exceptional item refers to expenditure incurred for the restructuring exercise that was related to the listing of the Company in January 2005.

Ramunia Fabricators Sdn Bhd ("RFSB"), being the main operating company for the Group recorded the following financial performance during the year in review:

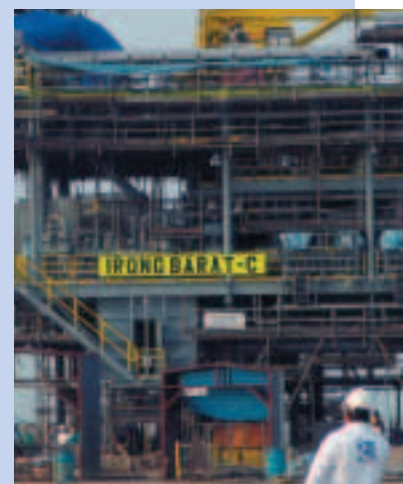
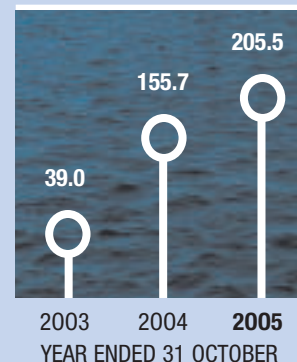
Year ended 31 October	RM million		%
	2005	2004	change
Revenue	205.50	155.67	+32.01
Cost of Sales	172.87	135.42	+27.65
Gross Profit	32.63	20.25	+61.13
Administrative expenditure	8.39	4.65	+80.43
Profit from operations	25.16	18.62	+35.12
Profit before tax	22.72	17.42	+30.42
Profit after tax	17.26	12.26	+40.78

OUTLOOK

Looking ahead, the Group sees the industry remaining positive in the local and global arena with the potential area being the development of deepwater projects. As a strategic global player, the Group is preparing its facilities and capabilities to be world-class and is embarking on a master plan to modernize and integrate the Group's fabrication yards to enable it to undertake bigger and more complex structures as required for the deepwater development projects. The Group is targeting to fully modernize its fabrication facilities over a three-year period to position itself along with the major oil companies in making the Malaysian waters the next deepwater hub.

The Group remains committed to its business model and strategies and strive to remain a competitive player in the industry.

RFSB'S REVENUE (RM MILLION)



14 Calendar of Events



28 January 2005

Ramunia Holdings Berhad was listed on the Second Board of Bursa Malaysia Securities Berhad



28 April 2005

Ramunia Holdings Berhad's 1st Annual General Meeting was held at Pan Pacific Kuala Lumpur

14 October 2005

Ramunia Group's "Majlis Berbuka Puasa" at Kuala Lumpur Golf & Country Club (KLGCC)



24-27 March 2005

Strategic Retreat Session for the Management Team at The Legend, Cherating, Kuantan



10 September 2005

Ramunia Group's Family Day at The Pulai Hotel, Desaru, Johor



20 October 2005

Ramunia Group presented contributions to the local community of Teluk Ramunia, Johor



Audit Committee Report 15

The members of the Audit Committee of Ramunia Holdings Berhad are pleased to present the report of the Audit Committee for the financial year ended 31 October 2005.

1. MEMBERS

As at the date of this annual report, the members of the Audit Committee are as follows:

Name	Designation	Date of Appointment
Mr Leou Thiam Lai	Independent Non-Executive Director	8 October 2004
En Shahul Hamid Bin Mohd Ismail	Independent Non-Executive Director	8 October 2004
Dato' Md. Zahari Bin Md. Zin	Independent Non-Executive Director	8 October 2004
En Arshad Bin Ahmad	Managing Director/Chief Executive Officer	8 October 2004

2. SUMMARY OF ACTIVITIES

The Audit Committee held four (4) meetings during the financial year ended 31 October 2005. The details of the attendance of the meetings are as follows:

Name	Total Meetings Attended	Percentage (%) of Attendance
Mr Leou Thiam Lai (Chairman)	4 of 4	100
En Shahul Hamid Bin Mohd Ismail	4 of 4	100
Dato' Md. Zahari Bin Md. Zin	4 of 4	100
En Arshad Bin Ahmad	4 of 4	100

During the four (4) meetings held, the Committee carried out the following activities:

- (i) Reviewed the quarterly unaudited financial statements of the Group to recommend to the Board for approval;
- (ii) Reviewed the annual audited financial statements of the Group with the external auditors prior to submission to the Board of Directors for their approval;
- (iii) Reviewed the audit report by the internal auditor and monitor the implementation of the audit recommendations in the subsequent meetings.
- (iv) Reviewed any significant issues arising from the annual audit by the external auditors.
- (v) Reviewed and verified the allocation of option shares pursuant to the Company's Employees' Share Option Scheme ("ESOS") to eligible employees to ensure that it had been made in accordance with the criteria of allocation of option shares as set out in the By-Laws of the ESOS.
- (vi) Reviewed the internal auditors' scope of work and the annual audit plan of the Group.

16 Audit Committee Report

3. TERMS OF REFERENCE

The Committee is governed by the following terms of reference:

(i) Composition of Members

The Board shall appoint the Audit Committee members from amongst themselves, comprising no fewer than three (3) directors, where the majority shall be independent directors. The term of office of the Audit Committee is three (3) years and may be re-nominated and appointed by the Board of Directors. No alternate director is appointed as a member of the Audit Committee and at least one (1) member:

- (a) shall be a member of the Malaysian Institute of Accountants ("MIA"); or
- (b) if he is not a member of the MIA, he must have at least three (3) years of working experience and:
 - (i) he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
 - (ii) he must be a member of one (1) of the associations of the accountants specified in Part II of the First Schedule of the Accountants Act 1967.
- (c) fulfils such other requirements as prescribed by Bursa Malaysia Securities Berhad.

Retirement and Resignation

If a member of the Audit Committee resigns, dies, or for any reason ceases to be a member with the result that the number of members is reduced to below three (3), the Board shall within three (3) months of the event appoint such number of the new members as may be required to fill the vacancy.

(ii) Chairman

The Chairman of the Audit Committee, elected from amongst the Audit Committee members, shall be an independent director. The Chairman of the Committee shall be approved by the Board of Directors.

(iii) Secretary

The Secretary of the Audit Committee shall be the Company Secretary.

The Secretary shall be responsible for drawing up the agenda with concurrence of the Chairman and circulating it, supported by explanatory documentation to members of the Audit Committee prior to each meeting.

The Secretary shall also be responsible for keeping the minutes of meetings of the Audit Committee, circulating them to members of the Audit Committee and to the other members of the Board of Directors and for following up outstanding matters.

(iv) Terms of Office

The Board of Directors of the Company shall review the term of office and performance of the Audit Committee and each of its members at least once in every three (3) years to determine whether such Audit Committee and members have carried out their duties in accordance with their terms of reference.

3. TERMS OF REFERENCE (CONTINUED)

(v) Meetings

The Audit Committee meetings shall be conducted at least four (4) times annually, or more frequently as circumstances dictate. In addition, the Chairman may call for additional meetings at any time at the Chairman's discretion.

In the absence of the Chairman, the other independent director shall be the Chairman for that meeting.

The members of the Audit Committee, Finance Manager and the head of internal audit will normally be in attendance at the meetings. Representatives of the external auditors are to be in attendance at meeting where matters relating to the audit of the statutory accounts and/or external auditors are to be discussed.

Other directors, officers and employees of the Company and/or Group may be invited to attend, except for those portions of the meetings where their presence is considered inappropriate, as determined by the Audit Committee. However, at least once a year the Audit Committee shall meet with the external auditors without any executive board member present.

Minutes of each meeting shall be kept and distributed to each member of the Audit Committee and also to the other members of the Board of Directors. The Audit Committee Chairman shall report on each meeting to the Board of Directors.

(vi) Quorum

The quorum for the Audit Committee meeting shall be the majority of members present whom must be independent directors.

(vii) Reporting

The Audit Committee shall report to the Board of Directors, either formally in writing, or verbally, as it considers appropriate on the matters within its terms of reference at least once a year, but more frequently if it so wishes.

The Audit Committee shall report to the Board of Directors on any specific matters referred to it by the Board for investigation and report.

(viii) Objectives

The principal objectives of the Audit Committee is to assist the Board of Directors in discharging its statutory duties and responsibilities relating to accounting and reporting practices of the holding company and each of its subsidiaries. In addition, the Audit Committee shall:

- evaluate the quality of the audits performed by the internal and external auditors;
- provide assurance that the financial information presented by management is relevant, reliable and timely;
- oversee compliance with laws and regulations and observance of a proper code of conduct; and
- determine the quality, adequacy and effectiveness of the Group's control environment.

(ix) Authority

The Audit Committee shall, in accordance with a procedure to be determined by the Board of Directors and at the expense of the Company,

- (a) authorise to investigate any activity within its terms of reference. All employees shall be directed to co-operate as requested by members of the Audit Committee.
- (b) have full and unlimited/unrestricted access to all information and documents/resources which are required to perform its duties as well as to the internal and external auditors and senior management of the Company and the Group.
- (c) obtain, at the expense of the Company, other independent professional advice or other advice and to secure the attendance of outsiders with relevant experience and expertise if it considers necessary.
- (d) be able to convene meetings with the external auditors, without the attendance of the executive members of the Audit Committee, whenever deemed necessary.
- (e) be able to make relevant reports when necessary to the relevant authorities if a breach of the Listing Requirements occurred.

18 Audit Committee Report

3. TERMS OF REFERENCE (CONTINUED)

(x) Duties and Responsibilities

The duties and responsibilities of the Audit Committee are as follows:

- To review the following and report the same to the Board of Directors of the Company:
 - (a) with the external auditor, the audit plan;
 - (b) with the external auditor, his evaluation of the system of internal controls;
 - (c) with the external auditor, his audit report;
 - (d) the assistance given by the employees of the Company to the external auditor;
 - (e) the adequacy of the scope, functions and resources of the internal audit functions and it has the necessary authority to carry out its work;
 - (f) the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
 - (g) the quarterly results and year end financial statements, prior to the approval by the board of directors, focusing particularly on:
 - (i) changes in or implementation of major accounting policy changes;
 - (ii) significant and unusual events; and
 - (iii) compliance with accounting standards and other legal requirements;
 - (h) any related party transaction and conflict of interest situation that may arise within the Company or group including any transaction, procedure or course of conduct that raises questions of management integrity;
 - (i) any letter of resignation from the external auditors of the Company; and
 - (j) whether there is reason (supported by grounds) to believe that the Company's external auditor is not suitable for re-appointment.
- to verify the allocation of options pursuant to a scheme at the end of each financial year and to include such statement by the Audit Committee verifying the said allocation in the Annual Report.

4. EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

In compliance with Appendix 9C (25) of the Listing Requirements of Bursa Malaysia Securities Berhad and in furtherance of the Committee's obligations under Paragraph 8.21A, the Committee has verified the allocation of the options pursuant to the criteria as set out in the ESOS and its By-Laws, for the financial year ended 31 October 2005.

5. INTERNAL AUDIT FUNCTION

The Company has an Internal Audit Division whose internal audit function is independent of the activities or operations of its auditees. The Division undertakes the audit of the Group's operating sections and departments, including its corporate functions at Head Office. Compliance to the internal control procedures by auditees was reviewed and weaknesses were highlighted with appropriate recommendations for improvement.

Statement of Corporate Governance 19

The Board of Directors of Ramunia Holdings Berhad (“the Company”) is supportive of the adoption of the principles and best practices of corporate governance as set out in the Malaysian Code of Corporate Governance (“the Code”) throughout the Group.

The following statement states and affirms the means and manner which the Group has applied the principles and state the extent of compliance to the best practices of the Code during the financial year under review. Except for matters specifically identified, the Board of Directors had complied with the best practices as set out in the Code.

A. THE BOARD

The Company is headed by the Board of Directors (“the Board”) who leads and controls the Company. The Board members are equipped with the relevant skills, knowledge and expertise in a wide range of related and unrelated industries and the Board is essential for the effective running of the Company’s affairs.

Composition of the Board

The Board is led by a Non-Executive Chairman and comprises seven (7) members, which includes two (2) Executive Directors, one (1) Non-Executive Director, and four (4) Independent Non-Executive Directors.

Composition of the Board members reveals their varied background as outlined on pages 4 to 7 of this Annual Report.

Dato’ Azizul Rahman Abd Samad is the Non-Independent Non-Executive Chairman whilst Encik Arshad Ahmad and Dr Daniel Ahn Chung-Sung are the Executive Directors of the Company. The Chairman is responsible for the Board’s effectiveness and conduct, whilst the Executive Directors have overall responsibilities over the business and operations of the companies in the Group.

All Independent Non-Executive Directors in the Group do not participate in the day-to-day management of the companies; instead, they are essential in providing unbiased and independent views, and advisory, in ensuring a balanced and impartial Board decision-making process.

Board Responsibilities

The Board provides overall stewardship over the management of the Group and reserves appropriate strategic, financial and organizational matters for its collective decision. Key matters such as approval of annual and quarterly results, acquisitions and disposals or material investments, material agreements, major capital expenditures, budgets and long-term plans and succession planning for top management are reserved for the Board.

Board Meetings

Board meetings are held quarterly with additional meetings held when necessary. The Board met five (5) times during the year under review and all Directors attended more than 50% of the total Board meetings held during the financial year ended 31 October 2005. During these meetings, the Board reviews, amongst others, the Group’s quarterly financial results, reports and updates on the Group’s operations, minutes of meetings of Board Committees and any other strategic issues relating to the Group’s businesses.

Board of Directors Meetings

Directors	Meeting Attendance	%
Dato’ Azizul Rahman Bin Abd Samad	5/5	100
Dato’ Md. Zahari Bin Md. Zain	5/5	100
Encik Arshad Bin Ahmad	5/5	100
Dr Daniel Ahn Chung-Sung	2/2	100
Encik Izlan Bin Izhab	5/5	100
Encik Shahul Hamid Bin Mohd Ismail	5/5	100
Mr Leou Thiam Lai	5/5	100

Statement of Corporate Governance

A. THE BOARD (CONTINUED)

Board Committees

In accordance with the Articles of Association, the Board has delegated certain responsibilities to the Board Committees, which operates within clearly defined terms of reference, and they are as follows:

- (a) Audit Committee;
- (b) Nomination Committee; and
- (c) Remuneration Committee

Supply of Information to the Board

The Board is briefed in a timely manner on all matters requiring their deliberation and approval. Prior to all Board meetings, the members are given timely notices of meetings which set out the agenda and are accompanied by the relevant reports and documents for the Directors to peruse and table at the meetings.

The proceedings of the Board meetings and resolutions passed are minuted and kept in statutory books which are filed at the registered office of the Company. The Board is also timely updated on statutory and regulatory requirements pertaining to their duties and responsibilities as well as appropriate procedures for management of meetings.

Where necessary, Senior Management Staff may be invited to attend Board meetings to furnish the Board with their comments and advice on the relevant matters tabled. All the Directors have access to the advice and services of the company secretaries and may seek independent professional advice whenever required.

Appointments of the Board and Re-election

The appointments of the Board are the responsibilities of the Nomination Committee, who assesses and recommends to the Board on new appointments.

The members of the Nomination Committee are set out on page 21 of this Annual Report.

The Board is of the view that the appointment of Dr Daniel Ahn Chung-Sung as Executive Director will further enhance the mix and composition of the Board.

In accordance with the Articles of Association of the Company, at least one third of the Board shall retire from office at least once in every three (3) years, but shall be eligible for re-election, and that the retiring Director shall retain office until the close of the meeting at which he/she retires. This is also in compliance with the Listing Requirements of the Bursa Malaysia Securities Berhad ("Bursa Securities Listing Requirements").

Directors' Training

All directors have successfully completed the Mandatory Accreditation Programme conducted by a body approved by the Bursa Malaysia Securities Berhad ("Bursa Securities") as well as the Continuing Education Programme (whenever required) and will continue to undergo training and education programs in order to keep themselves abreast of the latest developments in order to discharge their duties and responsibilities more effectively.

Subject to Bursa Securities' Practice Note 15/2003 which has since been repealed and in compliance with paragraph 15.09 of Bursa Securities Listing Requirements, the Board shall on a continuous basis, evaluate and determine the training needs of its directors, and shall from time to time provide the training of the subject matter which is deemed appropriate and beneficial to the directors in discharging his duties as a Director.

B. BOARD COMMITTEES

The Board has delegated certain functions to several committees namely:

- The Audit Committee;
- The Nomination Committee; and
- The Remuneration Committee

The functions and terms of reference of the respective committees, as well as the authority delegated by the Board to these committees have been clearly defined by the Board.

Composition of the Committees

(i) Audit Committee

The Audit Committee is made up of three (3) Non-Executive Directors and one (1) Executive Director, of whom two-thirds (2/3) are independent, and comprises the following directors:

Chairman	: Mr Leou Thiam Lai (Independent Non-Executive Director)
Members	: Dato' Md. Zahari Bin Md. Zain (Independent Non-Executive Director) Encik Arshad Bin Ahmad (Non-Independent Executive Director) Encik Shahul Hamid Bin Mohd Ismail (Independent Non-Executive Director)

The Audit Committee assists and supports the Board in its responsibility to oversee the Company's operations. The terms of reference of the Audit Committee and the activities are set out on pages 15 to 18 of this Annual Report.

(ii) Nomination Committee

The Nomination Committee comprises entirely of Non-Executive Directors, of whom two-thirds (2/3) are independent, as follows:

Chairman	: Encik Izlan Bin Izhab (Independent Non-Executive Director)
Members	: Dato' Md. Zahari Bin Md. Zain (Independent Non-Executive Director) Dato' Azizul Rahman Bin Abd Samad (Non-Independent Non-Executive Director)

The Nomination Committee is responsible for reviewing the Board's structure, size and composition regularly, as well as makes recommendations to the Board with regard to changes that are deemed necessary. It also recommends the appointment of Directors to committees of the Board and reviews the required mix of skills, experience, competence and other qualities which Non-Executive Directors should bring to the Board. For this purpose, the Nomination Committee meets at least once a year or at such other times as the Chairman of the Nomination Committee decides.

Statement of Corporate Governance

B. BOARD COMMITTEES (CONTINUED)

(iii) Remuneration Committee

The Remuneration Committee is made up entirely of Independent Non-Executive Directors, comprising the following members:

Chairman	: Encik Izlan Bin Izhab (Independent Non-Executive Director)
Members	: Dato' Md. Zahari Bin Md. Zain (Independent Non-Executive Director)
	Mr Leou Thiam Lai (Independent Non-Executive Director)
	Encik Shahul Hamid Bin Mohd Ismail (Independent Non-Executive Director)

The Remuneration Committee reviews annually the remuneration packages of the Executive Directors and furnishes recommendations to the Board on specific adjustments in remuneration and/or reward payments. These adjustments are to reflect their respective contributions for the year based on the framework of principles established by the Company.

The Remuneration Committee had one (1) meeting on the 28 December 2005, which saw full attendance by all the members. The Committee met to review the Executive Director's (Encik Arshad Ahmad) remuneration package which was benchmarked against market practice.

C. DIRECTORS' REMUNERATION

The Remuneration Committee's main function is to recommend to the Board, appropriate levels of remuneration for Executive Directors. The objectives are to attract and retain Directors of the caliber needed to manage the Group effectively.

Remuneration Policies and Procedures

The Remuneration Committee recommends to the Board, the framework of the Executive Directors' remuneration and the remuneration package for each Executive Director and in framing the Group's remuneration policy. The Board as a whole determines the remuneration of Non-Executive and Executive Directors with the interested Directors abstaining from discussions with respect to their remuneration.

The details of the remuneration of the Directors who served during the financial year ended 31 October 2005 are as follows:

Aggregate Remuneration By Category	Executive Directors (RM)	Non-Executive Directors (RM)
Basic salaries, bonuses and EPF	440,400	338,880
Fees and allowances	30,000	209,000
Total	470,400	547,880

The number of Directors whose total remuneration fall within the respective bands are as follows:

Range of Remuneration	Executive Directors	Non-Executive Directors
RM50,000 & below	—	4
RM100,001 – RM500,000	1	1

D. SHAREHOLDERS

Shareholders and Investor Relations

The Group acknowledges and values the importance of feedback and dialogues with its investors. The Managing Director and the Director of Corporate Services of the Company spearheads all investor relations initiatives. Regular briefings and discussion sessions with analysts, investors and fund managers were held during the year under review.

In this respect, the Company ensures that all information sought is disseminated in accordance with the Group's Disclosure Policy and in strict adherence to the disclosure requirements under the Bursa Securities Listing Requirements. Due care is taken to ensure that no market sensitive information is disclosed without first making an official announcement through the Bursa Securities.

An Investor Relations Roadshow was organized in late February 2006, where the Senior Management Team briefed the participants on the Group's operations and way-forward plans. Participants included representatives from the media, the financial institutions, ratings agencies, analysts, fund managers and researchers.

All investors are encouraged to visit the Company's website at www.ramunia.com to be informed of all latest happenings and detailed information regarding the Group.

Annual General Meeting

The Annual General Meeting ("AGM") is a crucial platform where the Company's shareholders meet and exchange views with the Board. Shareholders are notified of the meeting and provided with a copy of the Company's Annual Report twenty-one (21) days before the scheduled meeting.

The Chairman and all other members of the Board will be in attendance to answer all queries that may be raised during the Questions and Answers Session.

E. ACCOUNTABILITY AND AUDIT

Financial Reporting

The Company's financial statements are prepared in accordance with the requirements of the provisions of the Companies' Act, 1965 and applicable approved accounting standards in Malaysia.

The Board is aware of its responsibilities and the requirements to present a balanced and comprehensive assessment of the Group's financial position, by means of the annual and quarterly report and other published information.

The Audit Committee assists the Board in scrutinizing information for disclosure to ensure accuracy, adequacy and completeness. The composition, summary of activities and terms of reference of the Audit Committee can be found in the Audit Committee Report on pages 15 to 18.

The Statement of Directors' Responsibility in respect of the Audited Financial Statements pursuant to paragraph 15.27(a) of the Bursa Securities Listing Requirements is set out on page 24 of this Annual Report.

Relationship with External Auditors

The Company has established a professional and transparent relationship with the external auditors, and the external auditors are given access to books and records of the Company at all times.

Internal Audit

The Board has established an internal audit function for the Group to obtain sufficient assurance of regular review and/or appraisal of the effectiveness of the system of internal controls with the Company and the Group.

The overview of the state of internal controls within the Group is presented in the Statement of Internal Control of page 25 of this Annual Report.

24 Statement of Directors' Responsibility

The Companies Act, 1965, ("the Act") requires the Directors to lay before the Company ("Ramunia Holdings Berhad") at its Annual General Meeting, the financial statements, which includes the consolidated balance sheet and the consolidated income statement of the Company and its subsidiaries ("the Group") for each financial year, made out in accordance with the applicable approved accounting standards and the provisions of the Act. This is also in line with Paragraph 15.27(a) of the Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are required to take reasonable steps in ensuring that the consolidated financial statements give a true and fair view of the state of affairs of the Group and the Company as at the end of the financial year ended 31 October 2005.

The financial statements of the Company and the Group for the financial year in review are set out on pages 36 to 66 of this Annual Report.

In the preparation of the financial statements, the Directors are satisfied that the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates. The directors also confirm that all accounting standards which they consider to be applicable have been complied with.

The Directors are required under the Act to ensure that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company, and to cause such records to be kept in such manner as to enable them to be conveniently and properly audited.

Statement of Internal Control 25

The Board of Directors of Ramunia Holdings Berhad is accountable for maintaining good internal control for the Group. In compliance with the Listing Requirements of Bursa Malaysia Securities Berhad, the Board of Directors is pleased to provide the following statement that will outline the nature and scope of internal control for the Group.

BOARD OF DIRECTORS' RESPONSIBILITY

The Board of Directors of Ramunia Holdings Berhad acknowledges responsibility for maintaining a sound system of internal control for the Group and for reviewing its adequacy and integrity so as to safeguard shareholders' investment and the assets of the Group whilst the management's role is to implement Board policies on risk and control.

However, due to inherent limitation, the Board recognizes that the system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objective and can only provide reasonable and not absolute assurance against material misstatement or loss.

RISK MANAGEMENT

The Board of Directors also recognizes that effective risk management is an integral part of good business management practice. Having acknowledged that all areas of the Group's business activities involve some degree of risk; the Board of Directors is committed to ensure that the Group has an effective risk management framework which allows management to manage risks with define risk profiles.

The system of internal control is based on continuous risk management process designed to identify, evaluate and manage the principal risks to the achievement of the organization's objectives and to adhere strictly to the rules and guidelines of Corporate Governance, Financial Management and Risk Management.

CONTROL ENVIRONMENT

The Board of Directors will ensure that the necessary steps are taken to implement the system of internal control for the Group, and to strengthen the internal control environment.

The key elements of controls are:

- (1) the responsibilities of the Board and management are clearly defined in the organization structure to ensure the effective discharge of their roles and responsibilities towards the organization;
- (2) the Limits of Authority of the Group has been defined and adopted accordingly;
- (3) policies and procedures for the Group's operations have been defined and adopted;
- (4) annual detailed budgets have been reviewed and approved by the Board;
- (5) monthly and periodic reporting structures have been put in place on key financial and operating statistics;
- (6) the Group's internal audit function is an on-going review process of the operations to assess the effectiveness of the control environment and to highlight significant risks as well as areas requiring improvements.

Additional Compliance Information

1. UTILISATION OF PROCEEDS

The Company did not receive any proceeds arising from the corporate proposal and as such there is no utilization of any funds there from.

2. SHARE BUY-BACKS

The Company did not enter into any share buybacks transactions during the financial year.

3. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

On 20 December 2004, 21 December 2004 and 22 December 2004, the Company issued 237,800,000 detachable warrants, 100,648,062 Irredeemable Convertible Preference Shares of RM0.50 each and 164,000,000 Irredeemable Convertible Unsecured Loan Stocks of RM0.50 each pursuant to the Corporate Restructuring Scheme.

On 16 May 2005 and 14 September 2005, the Company has granted the following share options under Employees' Share Option Scheme:

Option Price	Granted
RM0.56	13,957,000
RM1.03	400,000

4. AMERICAN DEPOSITORY RECEIPT ("ADR") OR GLOBAL DEPOSITORY RECEIPT ("GDR")

The Company did not sponsor any ADR or GDR program during the financial year.

5. IMPOSITION OF SANCTIONS AND/OR PENALTIES

There were no sanctions and/or penalties imposed on the Company, directors or management by any regulatory bodies during the financial year.

6. NON-AUDIT FEES

There were no non-audit fees incurred during the financial year ended 31 October 2005.

7. PROFIT GUARANTEE

There were no profit guarantee imposed on the Company for the financial year ended 31 October 2005.

8. MATERIAL CONTRACTS

There were no material contracts entered into by the Company and involving directors' and major shareholders' interests which were still subsisting, entered into since the end of the previous financial year.

9. REVALUATION POLICY ON LANDED PROPERTIES

The Company has not adopted a policy of regular revaluation on its landed properties. As at 31 October 2005, the Company has not carried out any revaluation exercise on its landed properties.

10. RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE OR TRADING NATURE

There were no related party transactions during the financial year ended 31 October 2005.

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Directors' Report

The Directors hereby submit their report together with the audited financial statements of the Company for the year ended 31 October 2005.

PRINCIPAL ACTIVITY

The principal activity of the Company is that of investment holding.

The principal activities of its subsidiary companies are disclosed in Note 13 to the financial statements.

There were no significant changes in these activities during the year.

FINANCIAL RESULTS

	GROUP	COMPANY
	RM	RM
Loss after taxation	26,382,720	45,736,819
Minority interests	764,249	—
Loss for the year	27,146,969	45,736,819
Accumulated loss brought forward	6,841	6,841
Accumulated loss carried forward	27,153,810	45,743,660

DIVIDENDS

There were no dividends paid or declared by the Company since the end of previous period.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the year.

ISSUE OF SHARES AND DEBENTURES

During the year, the Company increased its authorised share capital from RM800 million divided into 1,600 million ordinary shares of RM0.50 each to RM855 million comprising 1,600 million ordinary shares of RM0.50 each and 110 million Irredeemable Convertible Preference Shares of RM0.50 each by the creation of 110 million Irredeemable Convertible Preference Shares of RM0.50 each.

On 20 December 2004, 21 December 2004 and 22 December 2004, the Company issued 212,351,938 ordinary shares of RM0.50 each together with 237,800,000 detachable warrants, 100,648,062 Irredeemable Convertible Preference Shares of RM0.50 each and 164,000,000 Irredeemable Convertible Unsecured Loan Stocks of RM0.50 each pursuant to the Corporate Restructuring Scheme as disclosed in the note to financial statement.

During the year, ordinary shares of RM0.50 issuance for cash pursuant to the Company's Employee Share Option Scheme and conversion exercised by warrant holders amounted to 11,579,000 and 7,800,000 respectively.

The new ordinary shares issued during the year rank pari passu in all respect with the existing ordinary shares of the Company.

The salient features of Irredeemable Convertible Preference Shares and Irredeemable Convertible Unsecured Loan Stocks are as mentioned in Note 6 and Note 7 to the financial statements respectively.

EMPLOYEE SHARE OPTION SCHEME ("ESOS")

The ESOS is governed by the by-laws which was approved by the shareholders at an Extraordinary General Meeting held on 28 April 2005. On 16 May 2005, the Company implemented ESOS after approvals were obtained from the relevant authorities and to be in force for a period of 5 years.

The salient features of the new ESOS are as follows:

- (a) The ESOS Committee appointed by the Board of Directors to administer the ESOS, may from time to time grant options to eligible employees of the Group to subscribe for new ordinary shares of RM0.50 each in the Company.
- (b) The eligibility of a Director or employee of the Group to participate in the ESOS shall be at the discretion of the ESOS Committee, who shall take into consideration factors such as year of service and performance track record.
- (c) The total number of shares to be issued under ESOS shall not exceed in aggregate 15% of the issued share capital of the Company at any point of time during the tenure of the ESOS and out of which not more than 50% of the shares shall be allocated, in aggregate, to Directors and senior management. In addition, not more than 10% of the shares available under the ESOS shall be allocated to any individual Director or employee who, either singly or collectively through his/her associates, holds 20% or more in the issued and paid-up capital of the Company.
- (d) The option price for each share shall be weighted average of the market price as quoted in the Daily Official List issued by Bursa Malaysia Securities Berhad for the 5 market days immediately preceding the date on which the option is granted less, if the ESOS Committee shall so determine at their discretion from time to time, a discount of not more than 10% or the par value of the shares of the Company of RM0.50.
- (e) The number of outstanding options to subscribe for shares or the option price or both may be adjusted following any issue of additional shares by way of right issues, bonus issues or other capitalisation issue carried out by the Company while an option remain unexercised; and
- (f) The new shares allotted upon any exercise of the option shall rank pari passu in all respects with the existing ordinary shares of the Company except that the new shares so issued will not rank for any rights, dividends, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment of the new ordinary shares.

As at 31 October 2005, the options offered to take up unissued ordinary shares of RM0.50 each and the option prices are as follows:

Year of Offer	Expire Date	Option Price	NUMBER OF OPTION OVER ORDINARY SHARES OF RM0.50 EACH				At 31.10.2005
			At 1.11.2004	Granted	Exercised	Lapsed	
2005	15.5.2010	RM0.56	—	13,957,000	11,579,000	—	2,378,000
2005	13.9.2010	RM1.03	—	400,000	—	—	400,000
			—	14,357,000	11,579,000	—	2,778,000

Details of options granted to directors are disclosed in the section of Directors' interest in this report.

Directors' Report

INFORMATION ON THE FINANCIAL STATEMENTS

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps:

- (a) to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there are no bad debts to be written off and no provision for doubtful debts is required; and
- (b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Company have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- (a) which would render it necessary to write off any bad debts or to make any provision for doubtful debts in the financial statements of the Company;
- (b) which would render the values attributed to current assets in the financial statements of the Company misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the year which, in the opinion of the Directors, will or may affect the ability of the Group and of the Company to meet its obligations as and when they fall due.

At the date of this report, there does not exist:

- (a) any charge on the assets of the Group and of the Company which has arisen since the end of the year which secures the liability of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the year.

SIGNIFICANT EVENTS

Significant events during and after the year are disclosed in Note 32 to the financial statements.

OTHER STATUTORY INFORMATION

The Directors state that:

At the date of this report, they are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

In their opinion:

- (a) the results of the Group and of the Company's operations during the year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (b) there has not arisen in the interval between the end of the year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the year in which this report is made.

DIRECTORS

The Directors in office since the date of last report are:

Dato' Azizul Rahman bin Abd. Samad
 Dato' Md. Zahari bin Md. Zin
 Arshad bin Ahmad
 Shahul Hamid bin Mohd Ismail
 Leou Thiam Lai
 Izlan bin Izhab
 Ahn, Daniel Chung-Sung (*appointed on 18.7.2005*)

According to the Register of Directors' Shareholdings, the Directors' beneficial interests in the shares, warrants, ICPS and ICULS of the Company and the shareholdings in its related corporation of those who were Directors at year end are as follows:

ORDINARY SHARES OF RM0.50 EACH				
	As at 1.11.2004	Bought	Sold	As at 31.10.2005
Direct Interest				
Arshad bin Ahmad	—	430,000	—	430,000
Deemed Interest				
Dato' Azizul Rahman bin Abd. Samad*	4	164,000,000	31,443,900	132,556,104

* *deemed interest by virtue of his shareholdings in Ramunia Energy & Marine Corporation Sdn Bhd, Warisan Jaya Engineering Sdn Bhd, Clear Guidance Sdn Bhd, Dow Alpha Industries Sdn Bhd and Sharpville Consulting Sdn Bhd.*

NUMBER OF WARRANTS				
	As at 1.11.2004	Bought	Sold	As at 31.10.2005
Deemed Interest				
Dato' Azizul Rahman bin Abd. Samad*	—	237,800,000	24,143,952	213,656,048

* *deemed interest by virtue of his shareholdings in Ramunia Energy & Marine Corporation Sdn Bhd, Warisan Jaya Engineering Sdn Bhd, Clear Guidance Sdn Bhd and Zend-End Resources Sdn Bhd.*

IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES OF RM0.50 EACH				
	As at 1.11.2004	Bought	Sold	As at 31.10.2005
Deemed Interest				
Dato' Azizul Rahman bin Abd. Samad*	—	82,000,000	27,124,760	54,875,240

* *deemed interest by virtue of his shareholdings in Ramunia Energy & Marine Corporation Sdn Bhd, Warisan Jaya Engineering Sdn Bhd, Clear Guidance Sdn Bhd and Dow Alpha Industries Sdn Bhd.*

Directors' Report

DIRECTORS (CONTINUED)

IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS OF RM0.50 EACH				
	As at 1.11.2004	Bought	Sold	As at 31.10.2005

Deemed Interest

Dato' Azizul Rahman bin Abd. Samad*	—	164,000,000	37,117,760	126,882,240
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* deemed interest by virtue of his shareholdings in Ramunia Energy & Marine Corporation Sdn Bhd, Warisan Jaya Engineering Sdn Bhd, Clear Guidance Sdn Bhd and Dow Alpha Industries Sdn Bhd.

NUMBER OF OPTION OVER ORDINARY SHARES OF RM0.50 EACH						
	Year of Offer	Expire Date	Option Price	Granted	Exercised	At 31.10.2005

The Company

Arshad bin Ahmad	2005	15.5.2010	RM0.56	440,000	430,000	10,000
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By virtue of Dato' Azizul Rahman bin Abd. Samad indirect interest in the Company, he also deemed to have interest in the shares of all the subsidiary companies to the extent the Company has an interest under Section 6A of the Companies Act, 1965.

No other Directors who are in office at the end of year held any interest in shares of the Company or its related corporations during the year.

DIRECTORS' BENEFITS

During and at the end of the year, no arrangements subsisted to which the Company is a party, with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, other than those arising from the share options granted under the Company's Employee Share Option Scheme.

Since the end of the previous period, no Director has received or become entitled to receive any benefit (other than as disclosed in the notes to the financial statement) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

HOLDING COMPANY

The holding company is Ramunia Energy & Marine Corporation Sdn Bhd, a company incorporated in Malaysia.

AUDITORS

Messrs Shamsir Jasani Grant Thornton have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a Resolution of the Board of Directors dated 17 February 2006.

DATO' AZIZUL RAHMAN BIN ABD SAMAD

Director

ARSHAD BIN AHMAD

Director

Kuala Lumpur

17 February 2006

34 Statement by Directors

In the opinion of the Directors, the financial statements set out on pages 36 to 66 are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 October 2005, results of the operations and cash flows of the Group and of the Company for the year then ended.

Signed on behalf of the Board of Directors in accordance with a Resolution of the Board of Directors dated 17 February 2006.

DATO' AZIZUL RAHMAN BIN ABD SAMAD

ARSHAD BIN AHMAD

Kuala Lumpur
17 February 2006

Statutory Declaration

I, Mohamad Reezal Bin Siddiq, being the Chief Financial Officer responsible for the financial management of Ramunia Holdings Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 36 to 66 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared
by the abovenamed at Kuala Lumpur
in the Federal Territory
this day of 17 February 2006

MOHAMAD REEZAL BIN SIDDIQ

Before me:

T THANDONEE RAJAGOPAL
Commissioner for Oaths

Kuala Lumpur

Report of the Auditors

TO THE MEMBERS OF RAMUNIA HOLDINGS BERHAD

35

We have audited the financial statements set out on pages 36 to 66 of Ramunia Holdings Berhad.

These financial statements are the responsibility of the Company's Directors.

It is our responsibility to form an independent opinion, based on our audit, on these financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility towards any other person for the content of this report.

We conducted our audit in accordance with applicable Approved Standards on Auditing in Malaysia. These standards require that we plan and perform the audit to obtain all the information and explanations, which we consider necessary to provide us with sufficient evidence to give reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. An audit includes an assessment of the accounting principles used and significant estimates made by the Directors as well as evaluating the overall adequacy financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of:
 - (i) the state of affairs of the Group and of the Company as at 31 October 2005 and the results and cash flows of the Group and of the Company for the year ended on that date; and
 - (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company; and
- (b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and by the subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provision of the said Act.

We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Company's financial statements are in the form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The auditor's reports on the financial statements of the subsidiary companies were not subject to any qualification and in respect of subsidiary companies incorporated in Malaysia, did not include any comment (or any adverse comment) made under Subsection (3) of Section 174 of the Act.

SHAMSIR JASANI GRANT THORNTON

(No. AF: 0737)

Chartered Accountants

DATO' N.K. JASANI

Chartered Accountant

(No: 708/03/06(J/PH))

Partner

Kuala Lumpur

17 February 2006

Balance Sheet

AS AT 31 OCTOBER 2005

	Note	GROUP	COMPANY	
		2005 RM	2005 RM	2004 RM
SHARE CAPITAL	5	115,865,471	115,865,471	2
IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES	6	50,324,031	50,324,031	—
IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS	7	79,924,338	79,924,338	—
SHARE PREMIUM		1,084,740	1,084,740	—
SHARE APPLICATION MONIES		189,280	189,280	—
ACCUMULATED LOSS		(27,153,810)	(45,743,660)	(6,841)
Total shareholders' fund		220,234,050	201,644,200	(6,839)
MINORITY INTEREST		813,249	—	—
IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS	7	2,075,662	2,075,662	—
BORROWINGS	8	44,533,405	40,000,000	—
FINANCE PAYABLES	9	169,727	—	—
DEFERRED TAXATION	10	2,076,000	—	—
		269,902,093	243,719,862	(6,839)
Represented by:				
PROPERTY, PLANT AND EQUIPMENT	11	123,491,603	108,658,366	—
DEFERRED DEVELOPMENT EXPENDITURE	12	1,171,696	—	—
INVESTMENT IN SUBSIDIARY COMPANIES	13	—	100,059,379	—
OTHER INVESTMENT	14	4,000,000	4,000,000	—
GOODWILL ON CONSOLIDATION		82,391,748	—	—
CURRENT ASSETS				
Inventories		1,975,362	—	—
Trade receivables		101,598,964	—	—
Other receivables, deposits and prepayment		6,179,971	152,397	—
Amount due from holding company	15	1,282,725	—	—
Amount due from subsidiary companies	16	—	30,628,919	—
Amount due from related companies	17	258,750	—	—
Amount due from customers	18	32,959,145	—	—
Short term deposits with a licensed bank	19	1,591,119	—	—
Deferred expenditure	20	—	—	2,367,929
Cash and bank balances		31,439,352	2,191,716	2
Total current assets		177,285,388	32,973,032	2,367,931

Balance Sheet 37

		GROUP	COMPANY	
	Note	2005 RM	2005 RM	2004 RM
CURRENT LIABILITIES				
Trade payables		23,058,041	—	—
Other payables and accruals		5,389,741	1,400,895	2,000
Amount due to holding company	15	—	558,020	232,603
Amount due to a subsidiary company	16	—	—	2,140,167
Borrowings	8	80,431,912	—	—
Finance payables	9	164,424	—	—
Tax payable		9,394,224	12,000	—
Total current liabilities		118,438,342	1,970,915	2,374,770
NET CURRENT ASSETS/(LIABILITIES)				
		58,847,046	31,002,117	(6,839)
		269,902,093	243,719,862	(6,839)

The accompanying notes form an integral part of the financial statements.

38 Income Statement

FOR THE YEAR ENDED 31 OCTOBER 2005

	Note	GROUP	COMPANY	
		1.11.2004 to 31.10.2005 RM	1.11.2004 to 31.10.2005 RM	18.11.2003 to 31.10.2004 RM
Revenue	21	203,758,256	—	—
Cost of sales		(171,172,513)	—	—
Gross profit		32,585,743	—	—
Other operating income		3,370,556	43,704	—
Administration expenses		(12,321,329)	(5,082,025)	(6,841)
Other operating expenses		(4,661,997)	(2,264,423)	—
Profit/(Loss) from operations		18,972,973	(7,302,744)	(6,841)
Finance cost		(2,510,256)	(1,608,194)	—
Profit/(Loss) before exceptional items	22	16,462,717	(8,910,938)	(6,841)
Exceptional items	23	(36,813,881)	(36,813,881)	—
Loss before taxation		(20,351,164)	(45,724,819)	(6,841)
Taxation	24	(6,031,556)	(12,000)	—
Loss after taxation		(26,382,720)	(45,736,819)	(6,841)
Minority interest		(764,249)	—	—
Net loss for the year/period		(27,146,969)	(45,736,819)	(6,841)
Basic loss per share (sen)	25	14.91		

The accompanying notes form an integral part of the financial statements.

Statement of Changes in Equity

FOR THE YEAR ENDED 31 OCTOBER 2005

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	Share Capital	Irredeemable Convertible Preference Share (ICPS)	Irredeemable Convertible Unsecured Loan Stock (ICULS)	Share Premium	Share Application Monies	Accumulated Loss	Total
	RM	RM	RM	RM	RM	RM	RM
Group							
Balance at date of incorporation	2	—	—	—	—	—	2
Net loss for the period	—	—	—	—	—	(6,841)	(6,841)
Balance at 31 October 2004	2	—	—	—	—	(6,841)	(6,839)
Pursuant to the Corporate Restructuring Scheme							
— ordinary	106,175,969	—	—	—	—	—	106,175,969
— ICPS	—	50,324,031	—	—	—	—	50,324,031
— ICULS	—	—	79,924,338	—	—	—	79,924,338
Exercise of ESOS	5,789,500	—	—	694,740	—	—	6,484,240
Exercise of warrants	3,900,000	—	—	390,000	—	—	4,290,000
Share application monies	—	—	—	—	189,280	—	189,280
Net loss for the year	—	—	—	—	—	(27,146,969)	(27,146,969)
Balance at 31 October 2005	115,865,471	50,324,031	79,924,338	1,084,740	189,280	(27,153,810)	220,234,050
Company							
Balance at date of incorporation	2	—	—	—	—	—	2
Net loss for the period	—	—	—	—	—	(6,841)	(6,841)
Balance at 31 October 2004	2	—	—	—	—	(6,841)	(6,839)
Pursuant to the Corporate Restructuring Scheme							
— ordinary	106,175,969	—	—	—	—	—	106,175,969
— ICPS	—	50,324,031	—	—	—	—	50,324,031
— ICULS	—	—	79,924,338	—	—	—	79,924,338
Exercise of ESOS	5,789,500	—	—	694,740	—	—	6,484,240
Exercise of warrants	3,900,000	—	—	390,000	—	—	4,290,000
Share application monies	—	—	—	—	189,280	—	189,280
Net loss for the year	—	—	—	—	—	(45,736,819)	(45,736,819)
Balance at 31 October 2005	115,865,471	50,324,031	79,924,338	1,084,740	189,280	(45,743,660)	201,644,200

The accompanying notes form an integral part of the financial statements.

Cash Flow Statement

FOR THE YEAR ENDED 31 OCTOBER 2005

	GROUP	COMPANY	
	1.11.2004 to 31.10.2005 RM	1.11.2004 to 31.10.2005 RM	18.11.2003 to 31.10.2004 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation	(20,351,164)	(45,724,819)	(6,841)
Adjustment for:			
Depreciation	3,164,327	2,264,423	—
Acquisition cost of listing status	36,813,881	36,813,881	—
Interest expenses	1,638,305	861,322	—
Interest income	(43,704)	(43,704)	—
Operating profit/(loss) before working capital changes	21,221,645	(5,828,897)	(6,841)
Changes in working capital:			
Inventories	(330,131)	—	—
Receivables	(82,392,011)	(152,397)	—
Customers	10,127,098	—	—
Holding company	(1,515,328)	325,417	232,603
Subsidiary companies	—	(32,769,086)	2,140,167
Related companies	(258,750)	—	—
Trust receipts	(1,666,286)	—	—
Payables	1,860,013	771,984	2,000
Cash (used in)/generated from operations	(52,953,750)	(37,652,979)	2,367,929
Interest received	43,704	43,704	—
Interest paid	(1,011,394)	(234,411)	—
Net cash (used in)/generated from operating activities	(53,921,440)	(37,843,686)	2,367,929
CASH FLOWS FROM INVESTING ACTIVITY			
Deferred expenditure paid	(945,953)	(945,953)	(2,367,929)
Net cash used in acquisition of subsidiary companies (Note 29(c))	(21,789,097)	—	—
Acquisition of investment in subsidiary companies	—	(59,379)	—
Proceeds from disposal of investment	1	1	—
Purchase of investment bonds	(4,000,000)	(4,000,000)	—
Purchase of property, plant and equipment	(10,281,056)	(5,922,789)	—
Net cash used in investing activities	(37,016,105)	(10,928,120)	(2,367,929)

Cash Flow Statement 41

	GROUP	COMPANY	
	1.11.2004 to 31.10.2005 RM	1.11.2004 to 31.10.2005 RM	18.11.2003 to 31.10.2004 RM
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of shares	10,774,240	10,774,240	2
Proceeds from issuance of shares to minorities	49,000	—	—
Share application monies received	189,280	189,280	—
Net receipt of term loans	45,553,742	40,000,000	—
Revolving credits	17,950,089	—	—
Repayment of borrowing	—	—	—
Placement of fixed deposits	(591,119)	—	—
Repayment of finance payables	(3,790,619)	—	—
Net cash generated from financing activities	70,134,613	50,963,520	2
CASH AND CASH EQUIVALENTS			
Net changes	(20,802,932)	2,191,714	2
At beginning of year/At date of incorporation	2	2	—
At end of year/period	(20,802,930)	2,191,716	2

NOTES TO THE CASH FLOW STATEMENT

A. Purchase of Property, Plant and Equipment

During the year, the Group and the Company acquired property, plant and equipment with an aggregate cost of RM115,281,056 and RM110,922,789 of which RM105,000,000 were acquired by issuance of equity instruments pursuant to the Corporate Restructuring Scheme disclosed in the Note 32(a) to financial statements. Cash payments of RM10,281,056 and RM5,922,789 were made to purchase the property, plant and equipment respectively.

B. Cash and Cash Equivalents

Cash and cash equivalents comprise the following balance sheet amounts:

	GROUP	COMPANY	
	1.11.2004 to 31.10.2005 RM	1.11.2004 to 31.10.2005 RM	18.11.2003 to 31.10.2004 RM
Cash and bank balances	31,439,352	2,191,716	2
Bank overdraft	(52,242,282)	—	—
	(20,802,930)	2,191,716	2

The accompanying notes form an integral part of the financial statements.

Notes to the Financial Statements

31 OCTOBER 2005

1. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and the Company have been prepared in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia.

2. FINANCIAL RISK MANAGEMENT POLICIES

Exposure to credit, interest rate and currency risks arises in the normal course of Group's business. Financial risk management is carried out through risk review, internal control systems and adherence to the Group financial management practices. The Board regularly reviews these risks and approved the treasury policies, which cover the management of these risks.

The main areas of financial risks faced by the Group and the policy in respect of the major areas of treasury activity are set out as follows:

(a) Foreign Currency Risk

The Group is exposed to foreign currency risk as a result of its normal trading activities, where the currency denomination differs from the local currency, Ringgit Malaysia (RM). The Group's policy is to minimise the exposure to foreign currency risks by monitoring and approving requisitions which involve foreign currencies.

(b) Interest Rate Risk

The Group's policy is to borrow principally on the floating rate basis but to retain a proportion of fixed rate debt. The objectives for the mix between fixed and floating rate borrowings are set to reduce the impact of an upward change in interest rates while enabling benefits to be enjoyed if interest rates fall.

(c) Credit Risk

The credit risk is controlled by the application of credit approvals, limits and monitoring procedures and an internal credit review is conducted if the credit risk is material.

(d) Market Risk

The Group has in place policies to manage the Group's exposure to fluctuation in the price of key raw materials used in the operations.

(e) Liquidity and Cash Flow Risks

The Group seeks to achieve a balance between certainty of funding even in difficult times for the market or the Group flexible, cost-effective borrowing structure. This is to ensure that at the minimum, all projected net borrowing needs are covered by committed facilities. Also, the objective for debt maturity is to ensure that the amount of debt maturing in any one year is not beyond the Group's means to repay and refinance.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Accounting Convention

The financial statements of the Group and the Company have been prepared under the historical cost convention, unless otherwise indicated in the other significant accounting policies.

(b) Basis of Consolidation

The consolidated financial statements include the audited financial statements of the Company and its subsidiary companies as disclosed in Note 13 to the Financial Statements made up to the end of the year except for Ramunia International Holdings Ltd which is based on unaudited management financial statements made up to 31 October 2005 as it was only acquired on 8 March 2005, and PT Sarana Transglobal Jaya which was incorporated on 5 August 2005 has not commenced business as at the balance sheet date was not consolidated, the Directors are of the opinion that theirs results are immaterial to the Group.

The results of subsidiary companies acquired or disposed during the year are included in the consolidated income statements from the date of their acquisition or up to the date of disposal.

At the date of acquisition, the fair values of the subsidiary companies' net assets are reflected in the Group's financial statements. The difference between the acquisition price and the fair value of the net assets of the subsidiary companies at the date of acquisition is included in the consolidated balance sheets as goodwill or reserve arising on consolidation.

Goodwill on consolidation is stated at cost less impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3(s).

Inter-company transactions are eliminated on consolidation and the consolidated financial statements reflect external transactions only.

(c) Subsidiary Companies

A subsidiary company is defined as a company in which the parent company holds directly or indirectly more than 50% of the equity share capital and has control over the financial and operating policies.

Investment in subsidiary companies, which is eliminated on consolidation, is stated at cost in the Company's financial statements. Impairment loss is made when the Directors are of the opinion that there is impairment in the value of the investments.

(d) Interest-bearing Borrowings

Interest-bearing bank loans and overdraft are recorded at the amount of proceeds received net of transaction costs.

Borrowings costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessary take a substantial period of time to get ready for their intended use of sale, are capitalised as a component of those assets. Such capitalisation ceased when substantially all activities necessary to prepare the assets for their use or sale are complete.

All other borrowings costs are recognised as expenses in the period in which they incurred.

(e) Investments

Long term investments, other than in subsidiary companies are stated at cost. A provision is made when the Directors are of the view that there is a diminution in the value which is other than temporary.

Long term investment in subsidiary companies is stated at cost less any impairment loss, where applicable.

The policy for the recognition and measurement of impairment losses is in accordance with Note 3(s).

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Property, Plant and Equipment and Depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

The policy for the recognition and measurement of impairment losses is in accordance with Note 3(s).

Depreciation is computed in the straight line method so as to write off the cost of the property, plant and equipment over their estimated useful lives. The principal annual rates of depreciation used are as follows:

Leasehold land	Over 45 – 49 years
Leasehold building	2%
Plant and machineries	6%
Motor vehicles	20%
Office equipments	10%
Renovation	10%
Furniture & fittings	10%
Computers	10%

(g) Inventories

Inventories are stated at the lower of cost (determined on the first in, first out basis) and net realisable value. Inventories comprises mainly of direct materials and consumables for the project purposes.

(h) Amount Due from/to Customers

Amount due from/to customers is the net amount of cost incurred for project-in-progress plus attributable profit less progress billings and anticipated losses, if any. Contract costs incurred to date include:

- (i) Costs directly related to the contract;
- (ii) Costs attributable to contract activity in general and can be allocated to the contract; and
- (iii) Other costs specifically chargeable to the customer under the terms of the contract.

(i) Receivables

Known bad debts are written off and specific provision is made for debts which are considered doubtful of collection.

(j) Property, Plant and Equipment Acquired Under Finance Lease or Hire Purchase Arrangements

The cost of property, plant and equipment acquired under finance lease or hire purchase arrangements are capitalised. The depreciation policy on these assets is similar to that of the Group's property, plant and equipment depreciation policy. Outstanding obligations due under the finance lease or hire purchase agreements after deducting finance expenses are included as liabilities in the financial statements. Finance charges on finance lease or hire purchase agreements are allocated to income statement over the period of the respective agreements.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Intangible Assets

Deferred development expenditure which is stated at cost, comprises of the expenses incurred in relation to the development of self installation offshore platform system. The expenditure will be amortised and recognised as an expense over a period of five years upon commercialisation of the system.

Should the development be considered as no longer of value, the related expenses will be charged to the income statement immediately.

Deferred expenditure in relation to the Corporate Restructuring Scheme as disclosed in Note 32(a) to the financial statements is to be charged to income statement upon completion of the said Proposal.

During the year, the deferred expenditure has been charged to income statement upon completion of the Corporate Proposal.

(l) Payables

Payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

(m) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

(n) Revenue Recognition

Revenue on fabrication project works is recognised based on the 'percentage of completion' method in cases where the outcome of the project can be reliably estimated.

Where the outcome of a project cannot be estimated reliably:

- revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable; and
- contract costs will be recognised as an expense in the period in which they are incurred.

'Percentage of completion' is determined by reference to the proportion contract cost incurred to date/certified workdone bear to the estimated total contract cost. Provision is made for all foreseeable losses.

(o) Employee Benefits

(i) Short Term Benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the period in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined Contribution Plans

Obligations for contributions to defined contribution plans such as Employees Provident Fund ("EPF") are recognised as an expense in the income statement as incurred.

(iii) Equity Compensation Benefits

The Employees Share Option Scheme ("ESOS") allows the Group's employees to acquire shares of the Company. No compensation cost or obligation is recognised. When the options are exercised, equity is increased by the amount of the proceeds received.

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Income Tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax is provided for, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is not recognised if the temporary differences arise from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or negative goodwill.

(q) Foreign Currency Conversion and Translation

Translations in foreign currencies during the year are converted into Ringgit Malaysia at rates of exchange approximating those ruling at the transaction dates. Foreign currency monetary assets and liabilities at the balance sheet date are translated into Ringgit Malaysia at the rates of exchange approximating those ruling at that date. All exchange gains or losses are dealt with in the income statement.

The exchange rates used at balance sheet date are as follows:

	1.11.2004 to 31.10.2005 RM
1 SGD	2.23
1 GBP	6.71
1 US Dollar	3.78
1 Euro	4.55

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Cash and Cash Equivalents

Cash comprises of cash and bank balances, bank overdraft and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(s) Impairment of Assets

The carrying values of assets are reviewed for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount is the higher of net realisable value and value in use, which is measured by reference to discounted future cash flows. Recoverable amounts are estimated for individual assets, or if it is not possible, for the cash generating unit.

An impairment loss is charged to the income statement immediately, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of previously recognised revaluation surplus for the same assets.

(t) Financial Instruments

Financial instruments are recognised in the balance sheet when the group has become a party to the contractual provisions of the instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as liability are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Group has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

4. PRINCIPAL ACTIVITY AND GENERAL INFORMATION

The principal activity of the Company is that of investment holding.

The principal activities of the subsidiary companies are disclosed in Note 13 to the financial statements.

There have been no significant changes in the nature of these activities during the year.

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Second Board of Bursa Malaysia Securities Berhad. The principal place of business of the Company is located at 22nd Floor, Plaza Permata, Jalan Kampar, Off Jalan Tun Razak, 50400 Kuala Lumpur.

The registered office of the Company is located at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara Heights, 50490 Kuala Lumpur.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 17 February 2006.

Notes to the Financial Statements

5. SHARE CAPITAL

	GROUP AND COMPANY	
	2005	2004
	RM	RM

Authorised:

Ordinary shares of RM0.50/RM1.00 each

At beginning of year/At date of incorporation	800,000,000	100,000
Upon subdivision of shares, at RM0.50	—	100,000
Creation during the year/period	—	799,900,000
At end of year/period at RM0.50 each	800,000,000	800,000,000

Issued and fully paid:

Ordinary shares of RM0.50/RM1.00 each

At beginning of year/At date of incorporation	2	2
Upon subdivision of shares, at RM0.50	—	2
Pursuant to the Corporate Restructuring Scheme	106,175,969	—
Pursuant to ESOS	5,789,500	—
Exercise of warrants	3,900,000	—
At end of year/period at RM0.50 each	115,865,471	2

During the year, the Company issued 7,800,000 new ordinary shares of RM0.50 pursuant to the exercise of warrants at an exercise price of RM0.55 per share. The share premium arising from the exercise of warrants of RM390,000 has been credited to share premium account.

The outstanding warrants as at 31 October 2005 amounted to 230,000,000 units of warrants.

6. IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES ("ICPS")

	GROUP AND COMPANY	
	2005	2004
	RM	RM

Authorised:

Irredeemable convertible preference shares of RM0.50 each

Creation during the year/At end of year	55,000,000	—
---	------------	---

Issued and fully paid:

Irredeemable convertible preference shares of RM0.50 each	50,324,031	—
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6. IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES ("ICPS") (CONTINUED)

The salient features of the ICPS are as follows:

- (a) the ICPS will automatically be converted into one new ordinary share of RM0.50 each at the conversion price of RM0.50 upon the maturity of the ICPS on 20 December 2009. There shall be no conversion prior to maturity date;
- (b) the ICPS bears a non-cumulative dividend rate of one per cent (1%) per annum;
- (c) the ICPS are for a period of five calendar years from the date of issue; and
- (d) all new shares issued upon conversion of the ICPS shall, upon allotment and issue, rank pari passu in all respect with the shares then in issue except that they shall not be entitled to any dividend, rights, allotments and/ or other distributions the entitlement date of which precedes the date of allotment of the new shares.

7. IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS ("ICULS")

On 20 December 2004, the Company issued RM82,000,000 nominal value of Irredeemable Convertible Unsecured Loan Stocks ("ICULS").

The terms of the conversion of ICULS are as follows:

- (a) Conversion Ratio – on the basis of 1 ICULS for 1 new ordinary share of RM0.50 in the Company.
- (b) Conversion Right – the ICULS shall automatically be converted at the conversion ratio on the date of maturity. There shall be no conversion prior to the maturity date save and except on the occurrence of an event of default before the maturity date and followed by an election in writing to the Company by the ICULS holder.
- (c) The ICULS bear interest rate of one per cent (1%) per annum, which is payable annually in arrears and the last payment shall be made on the maturity date on 19 December 2007.
- (d) The new ordinary shares to be issued upon pursuant to the conversion of the ICULS shall, upon allotment and issue, rank pari passu in all respects with the existing ordinary shares of the Company except that they shall not be entitled to any rights, dividends, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment of the new ordinary shares.

The proceeds received from the issue of the ICULS have been split between the liability component and the equity component, representing the fair value of the conversion option. The ICULS are accounted for in the balance sheets of the Group and of the Company as follows:

	GROUP AND COMPANY		
	Equity Component RM	Liability Component RM	Total RM
Issuance of ICULS			
— nominal value	79,924,338	2,075,662	82,000,000

Notes to the Financial Statements

8. BORROWINGS

	GROUP	COMPANY	
	2005	2005	2004
	RM	RM	RM
Unsecured:			
Term loan	40,000,000	40,000,000	—
Secured:			
Term loans	5,553,742	—	—
Bank overdraft	52,242,282	—	—
Revolving credits	17,950,089	—	—
Trust receipts	9,219,204	—	—
	84,965,317	—	—
Total	124,965,317	40,000,000	—
Repayable within 12 months (included under current liabilities)	(80,431,912)	—	—
	44,533,405	40,000,000	—

Group

The borrowings granted by the financial institutions to the subsidiary company are secured by way of:

- (a) Master facility agreements;
- (b) Third party first legal charge over the industrial leasehold land owned by the Company, expiring 2050, 2050, 2054 held under:
 - (i) HSD8585 Lot PTD 421;
 - (ii) HSD8586 Lot PTD 501; and
 - (iii) HSD14211 Lot PTD 421 A;
 Mukim of Pantai Timur, District of Kota Tinggi and State of Johor.
- (c) Deed of assignment in respect of contract proceeds payable by the awarders as well as all monies in the project accounts; and
- (d) Corporate guarantee from the Company.

The borrowings are obtained at interests rates ranging from 7.13% to 8.00% (2004: 8.0% to 8.4%) per annum.

Company

Unsecured

The borrowing is obtained at interests rates of 7.13% (2004: nil) per annum.

Notes to the Financial Statements 51

9. FINANCE PAYABLES

	GROUP
	2005
	RM
Payable within 1 year	197,088
Payable after 1 year but not later than 5 years	205,053
	402,141
Less: Interest in suspense	(67,990)
	334,151
Present value of hire purchase	
— within 1 year	164,424
— after 1 year but not later than 5 years	169,727
	334,151

10. DEFERRED TAXATION

	GROUP
	2005
	RM
Arising from acquisition of a subsidiary company	1,164,000
Transferred to income statement (Note 24)	912,000
At end of year	2,076,000
Deferred taxation arising from the following:	
Depreciation and capital allowances	2,076,000

11. PROPERTY, PLANT AND EQUIPMENT**Group**

	Short Leasehold Land RM	Short Leasehold Building RM	Plant and Machinery RM	Motor Vehicles RM	Furniture, Fitting and Equipments RM	Computers RM	Renovation RM	Total 2005 RM
Cost								
Arising from acquisition of subsidiary company	—	—	8,752,394	209,423	385,114	3,443,435	—	12,790,366
Additions	87,642,851	18,817,900	7,143,164	74,056	205,370	735,362	662,353	115,281,056
At end of year	87,642,851	18,817,900	15,895,558	283,479	590,484	4,178,797	662,353	128,071,422
Accumulated Depreciation								
Arising from acquisition of subsidiary company	—	—	910,718	71,676	55,205	377,893	—	1,415,492
Charged for the year	1,546,386	340,858	863,766	47,088	39,603	306,956	19,670	3,164,327
At the end of year	1,546,386	340,858	1,774,484	118,764	94,808	684,849	19,670	4,579,819
Net Book Value								
2005	86,096,465	18,477,042	14,121,074	164,715	495,676	3,493,948	642,683	123,491,603

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**Company**

	Short Leasehold Land RM	Short Leasehold Building RM	Plant and Machineries RM	Furniture and Fitting RM	Renovation RM	Motor Vehicles RM	Total 2005 RM
Cost							
Additions/At end of period/year	87,642,851	18,817,900	4,320,700	1,095	67,243	73,000	110,922,789
Accumulated Depreciation							
Charged for the year/period/							
At end of year/period	1,546,386	340,858	358,806	100	6,106	12,167	2,264,423
Net Book Value							
2005	86,096,465	18,477,042	3,961,894	995	61,137	60,833	108,658,366

Net book value of the short leasedhold land and building of the Group and of the Company amounting to RM104,573,507 are charged to bank as security for banking facility granted to a subsidiary company.

Net book value of property, plant and equipments of the Group acquired under hire purchase amounted to RM710,987.

Notes to the Financial Statements

12. DEFERRED DEVELOPMENT EXPENDITURE

	GROUP
	2005 RM
Arising from acquisition of subsidiary company/At end of year	1,171,696

13. INVESTMENT IN SUBSIDIARY COMPANIES

	COMPANY	
	2005 RM	2004 RM
Unquoted shares, at cost	100,059,379	—

Details of the subsidiary companies are as follows:

Name of Companies	Place of Incorporation	Effective Equity Interest		Principal Activities
		2005 %	2004 %	
Ramunia Fabricators Sdn Bhd ("RFSB")	Malaysia	100	—	Fabrication of offshore oil and gas related structure and other related civil works
MS Herkules Sdn Bhd ("MSHSB")	Malaysia	51	—	Manufacturing of offshore pedestal cranes
Ramunia International Holdings Ltd* ("RIHL")	Labuan	100	—	Offshore investment holding
Held by Ramunia International Holdings Ltd				
PT Sarana Transglobal Jaya*	Indonesia	51	—	Upstream activities of the oil and gas industry

* Not audited by Shamsir Jasani Grant Thornton.

14. OTHER INVESTMENT

	GROUP AND COMPANY	
	2005 RM	2004 RM
Unquoted bond, at cost	4,000,000	—

15. AMOUNT DUE FROM/(TO) HOLDING COMPANY

Group and Company

The holding company is Ramunia Energy & Marine Corporation Sdn Bhd, a company incorporated in Malaysia.

Amount due from/(to) holding company is unsecured, interest free and has no fixed term of repayment.

16. AMOUNT DUE FROM/(TO) SUBSIDIARY COMPANIES

Company

Amount due from/(to) subsidiary companies is unsecured, interest free and has no fixed term of repayment.

17. AMOUNT DUE FROM RELATED COMPANIES

Group

Related companies refer to other subsidiary companies of Ramunia Energy & Marine Corporation Sdn Bhd.

Amount due from related companies is interest free and has no fixed term of repayment.

18. AMOUNT DUE FROM CUSTOMERS

	GROUP
	2005
	RM
Cost incurred todate	176,537,022
Attributable profits	34,367,249
	210,904,271
Less: Progress billings received and receivables	(177,945,126)
Amount due from customers	32,959,145

Addition to the cost incurred todate during the year include:

	1.11.2004 to
	31.10.2005
	RM
Loan interest	1,160,120
Overdraft interest	1,581,472
Hire of equipments	4,562,250

Notes to the Financial Statements

19. SHORT TERM DEPOSITS WITH A LICENSED BANK

The short term deposits with a licensed bank which was pledged for banking facilities granted to a subsidiary company.

20. DEFERRED EXPENDITURE

	COMPANY	
	2005	2004
	RM	RM
At cost:		
At beginning of year/period	2,367,929	—
Incurred during the year/period	945,953	2,367,929
Written off during year/ period	(3,313,882)	—
At end of year/period	—	2,367,929

21. REVENUE

	GROUP
	1.11.2004 to 31.10.2005 RM
Contract income	197,831,244
Sale of cranes	5,927,012
	203,758,256

22. PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS

Profit before taxation is determined after charging/(crediting) amongst other items the following:

	GROUP	COMPANY	
	1.11.2004 to 31.10.2005 RM	1.11.2004 to 31.10.2005 RM	18.11.2003 to 31.10.2004 RM
Audit fee	52,000	15,000	2,000
Depreciation	3,164,327	2,264,423	—
Directors' fee	175,000	175,000	—
Directors' remuneration – other emolument	843,280	310,160	—
Interest expenses			
— hire purchase	708,304	—	—
— overdraft interest	1,274,757	—	—
— term loans	303,090	234,411	—
— ICULS	626,911	626,911	—
(Gain)/loss on foreign exchange – realised	(10,097)	6,219	—
Rental of motor vehicle	16,636	—	—
Rental of photocopier	32,957	—	—
Interest income	(43,704)	(43,704)	—
Rental income	(3,237,200)	—	—

23. EXCEPTIONAL ITEMS

	GROUP AND COMPANY	
	1.11.2004 to 31.10.2005 RM	18.11.2003 to 31.10.2004 RM
Acquisition cost of listing status	36,813,881	—

Notes to the Financial Statements

24. TAXATION

	GROUP	COMPANY	
	1.11.2004 to 31.10.2005 RM	1.11.2004 to 31.10.2005 RM	18.11.2003 to 31.10.2004 RM
Current year provision	5,243,000	12,000	—
Overprovision in previous year	(123,444)	—	—
Transferred to deferred taxation (Note 10)	912,000	—	—
	6,031,556	12,000	—

Provision for current year's taxation of the Group and of the Company is determined by applying the Malaysian statutory tax rate on the chargeable income.

A reconciliation of income tax expenses on profit before taxation with applicable is as follow:

	GROUP	COMPANY	
	1.11.2004 to 31.10.2005 RM	1.11.2004 to 31.10.2005 RM	18.11.2003 to 31.10.2004 RM
Loss before taxation	(20,351,161)	(45,724,819)	(6,841)
Income tax at rate of 28%	(5,698,325)	(12,802,949)	(1,915)
Tax effects in respect of:			
Tax saving as a result of first RM500,000 taxable income taxed at 20%	(40,000)	—	—
Non-allowable expenses	13,245,955	12,814,949	1,915
Tax savings from utilisation of reinvestment allowances	(1,352,630)	—	—
Current year/period tax expenses	6,155,000	12,000	—
Prior year over provision	(123,444)	—	—
Total tax expenses	6,031,556	12,000	—

25. LOSS PER SHARE

(a) Basic Loss per Share

Basic loss per share of the Group is based on the net loss attributable to shareholders of RM27,146,969 and the weighted average number of shares in issue during the year of 182,035,752.

(b) Diluted Loss per Share

For the share options granted to the employees, a calculation is done to determine the number of shares that could have been acquired at market price (determined based on the average annual share price of the Company's shares) based on the monetary value of the subscriptions rights attached to outstanding share options. This calculation serves to determine the "unpurchased" shares to be added to the weighted average number of ordinary shares outstanding for the purpose of computing the diluted loss per share. No adjustment is made to net loss attributable to shareholders for the diluted loss per shares calculation.

There is no diluted loss per share presented as the effect is anti-dilutive.

26. EMPLOYEE INFORMATION

	GROUP	COMPANY	
	1.11.2004 to 31.10.2005 RM	1.11.2004 to 31.10.2005 RM	18.11.2003 to 31.10.2004 RM
(a) Staff costs			
— charged to income statement	7,011,219	4,186,801	—
— charged to project costs	9,638,426	—	—
	16,649,645	4,186,801	—

(b) The number of employees of the Group and of the Company at the end of the year was 385 and 30 (2004: Nil).

27. CAPITAL COMMITMENT

	GROUP
	2005 RM
Authorised and contracted for:	
Acquisition of vessel	2,812,000
Construction of building	4,930,000
	7,742,000

60 Notes to the Financial Statements

28. CONTINGENT LIABILITIES

As at balance sheet date, the Group and the Company has the following contingent liabilities:

	GROUP	COMPANY
	2005	2005
	RM	RM
Corporate guarantee granted to subsidiary company	—	368,000,000
Being claims from third parties in dispute	318,925	—

29. SUMMARY EFFECT OF ACQUISITION OF SUBSIDIARY COMPANIES

Group

- (a) The effect of the acquisition of Ramunia Fabricators Sdn Bhd that took place on 31 December 2004 on the financial results of the Group in current year was as follows:

	1.11.2004 to 31.10.2005 RM
Revenue	197,831,244
Cost of sales	(167,567,071)
	30,264,173
Other operating income	3,326,852
Administration expenses	(7,020,633)
Other operating expenses	(2,397,374)
Profit from operations	24,173,018
Finance costs	(902,030)
Profit before taxation	23,270,988
Taxation	(5,464,556)
Increase in Group's net profit	17,806,432

29. SUMMARY EFFECT OF ACQUISITION OF SUBSIDIARY COMPANIES (CONTINUED)

Group (continued)

- (b) The effect of the acquisition of Ramunia Fabricators Sdn Bhd that took place on 31 December 2004 on the financial position of the Group as at year end was as follows:

	2005 RM
Property, plant and equipment	14,574,696
Deferred development expenditure	1,171,696
Fixed deposits with licensed banks	1,591,119
Amount due from customers	32,959,145
Inventories	1,795,362
Trade receivables	96,084,939
Other receivables, deposits and prepayments	8,108,106
Amount due from related companies	948
Cash and bank balances	28,973,892
Deferred taxation	(2,052,000)
Trade payables	(19,708,892)
Other payables and accruals	(4,006,048)
Amount due to holding company	(29,842,377)
Amount due to related companies	(85,211)
Finance payables	(334,151)
Bank borrowings	(84,965,315)
Taxation	(8,851,224)
Increase on Group's net assets	35,414,685

Notes to the Financial Statements

29. SUMMARY EFFECT OF ACQUISITION OF SUBSIDIARY COMPANIES (CONTINUED)

Group (continued)

- (c) The details of net assets acquired, goodwill and cash flow as at the date of acquisition arising from the acquisition of Ramunia Fabricators Sdn Bhd that taken place on 31 December 2004 were as follows:

	31.12.2004 RM
Property, plant and equipment	11,374,875
Deferred development expenditure	1,171,696
Inventories	1,645,231
Fixed deposits with licensed banks	1,000,000
Amount due from/(to) customers	43,086,243
Trade receivables	16,085,545
Other receivables, deposits and prepayments	12,055,302
Cash and bank balances	12,079,148
Deferred taxation	(1,164,000)
Trade payables	(17,136,514)
Other payables and accruals	(9,436,102)
Finance payables	(4,124,770)
Bank borrowings	(44,753,734)
Tax payable	(4,274,668)
Net assets acquired	17,608,252
Add: Goodwill	82,391,748
Purchase consideration	100,000,000
Add: Cash and bank balances acquired	21,789,097
	121,789,097
Less: Issuance of equity instruments for acquisition of subsidiary company	(100,000,000)
Net cash used in acquisition of subsidiary company	21,789,097

30. SEGMENTAL REPORTING

No segment information is presented as the Group operates predominantly in one business segment and the contribution by cranes manufacturing is not significant.

31. FINANCIAL INSTRUMENTS

(i) Interest Rate Risk

The interest rate risk that financial instruments' values will fluctuate as a result of changes in market interest rates and the effective interest rates on classes of financial assets and financial liabilities are as follows:

	Less Than 2 Years RM	2 to 5 Years RM	More Than 5 Years RM	Total RM	Effective Interest Rate During The Year %
Group					
2005					
Financial Asset					
Short term deposit with a licensed bank	1,591,119	—	—	1,591,119	2.00–3.20
Financial Liabilities					
Finance payables	164,424	169,727	—	334,151	3.65–6.65
Term loans	1,020,337	4,533,405	40,000,000	45,553,742	5.35–7.13
Bank overdraft	52,242,282	—	—	52,242,282	7.25–8.00
Revolving credits	17,950,089	—	—	17,950,089	7.25–8.00
Trust receipts	9,219,204	—	—	9,219,204	8.00

Company

2005

Financial Liabilities

Term loan	—	—	40,000,000	40,000,000	7.13
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(ii) Credit Risk

The maximum credit risk associated with recognised financial assets is the carrying amount shown in the balance sheet.

(iii) Fair Values

The carrying amounts of financial assets and liabilities of the Company at the balance sheet date approximated their fair values, except for the followings:

	GROUP	
	Carrying Amount RM	Fair Value RM
Unquoted bonds	4,000,000	*

* For investment in unquoted bonds, the Directors are of the view that estimate of fair value could not be made without incurring excessive costs and hence was not practical to determine such fair value with sufficient reliability. Therefore, such investment in the balance sheet is carried at cost less provision for diminution in value based on Directors' assessment.

Notes to the Financial Statements

32. SIGNIFICANT EVENTS

During and after the year, the following significant events have occurred:

- (a) By virtue of a Principal Agreement dated 12 March 2004, Supplemental Agreement dated 10 June 2004 and a Second Supplemental Agreement dated 29 November 2004 entered into between Ramunia Energy & Marine Corporation Sdn Bhd ("Remcorp") and Saship Holdings Berhad ("SHB") (Special Administrators appointed) (collectively "Principal Agreement"), SHB and the Company agreed to implement a Proposed Corporate Restructuring Scheme that consist of the following:
 - (i) Proposed acquisition of the entire issued and paid-up share capital of SHB comprising 46,620,155 SHB shares to be satisfied by the issuance of 18,648,062 Irredeemable Convertible Preference Shares ("ICPS") at par credited as fully paid-up on the basis of two (2) ICPS for every five (5) ordinary shares of SHB held ("Proposed Share Swap");
 - (ii) Proposed debt settlement between SHB and the creditors involving the issuance of 48,351,938 new shares in the Company to the Special Administrators of SHB ("Proposed Debt Settlement");
 - (iii) Proposed acquisition by the Company of Teluk Ramunia Yard ("TR Yard"), and the entire issued share capital of Ramunia Fabricators Sdn Bhd ("RFSB") from Remcorp ("Proposed Ramunia Assets Acquisition");
 - (iv) Proposed Restricted Offer Sale/Placement of shares allotted to the shareholders of SHB pursuant to the Propose Share Swap ("Proposed Restricted Offer Sale/Placement");
 - (v) Proposed disposal of the entire issue and paid-up capital of SHB by the Company to a special purpose vehicle nominated by the Special Administrators for a consideration of RM1.00 ("Proposed share disposal"); and
 - (vi) The Company shall seek listing on the Second Board of the Bursa Malaysia Securities Berhad via re-listing of SHB ("Proposed transfer of listing status").

Pursuant to the abovementioned proposed corporate restructuring scheme, the Company has undertaken the followings:

- (i) The Company has entered into two (2) Sale and Purchase Agreements on 12 March 2004, Supplemental Agreements on 11 June 2004 and a Second Supplemental TR Yard Sale and Purchase Agreement on 30 November 2004 with Remcorp and SHB in relation to the Proposed Ramunia Assets Acquisition.

The Company is to acquire TR Yard at a purchase consideration of RM105 million and the entire issued and paid-up share capital of RFSB for a purchase consideration of RM100 million.

On 20 December 2004, the Company had issued and allotted 164 million ordinary shares of RM0.50, 82 million ICPS of RM0.50, 164 million ICULS of nominal value of RM0.50 each and 237.8 million warrants to Remcorp and the existing shareholders of RFSB for the purpose of satisfaction of the purchase consideration of the Proposed Ramunia Assets Acquisition.

- (ii) On 29 November 2004, the Company has increased its authorised share capital from RM800 million divided into 1,600 million ordinary shares of RM0.50 each to RM855 million comprising 1,600 million ordinary shares of RM0.50 each and 110 million Irredeemable Convertible Preference Shares ("ICPS") of RM0.50 each by creation of 110 million ICPS of RM0.50 each.
- (iii) On 21 December 2004, the Company has issued and allotted 48,351,938 ordinary shares of RM0.50 each to the Special Administrators of SHB pursuant to the Proposed Debt Settlement.
- (iv) On 22 December 2004, the Company has issued and allotted 18,648,062 ICPS of RM0.50 to the existing shareholders of SHB for the purpose of the Proposed Share Swap.
- (v) On 28 January 2004, the entire issued share capital of the Company which comprise of 212,351,942 ordinary shares of RM0.50 each and 100,648,062 5-year 1% ICPS of RM0.50 each, 164,000,000 3-year 1% ICULS 2005/2007 of nominal value RM0.50 each and 237,800,000 warrants 2005/2014 were listed and quoted on the Second Board of Bursa Malaysia Securities Berhad.
- (vi) The corporate restructuring scheme had been fully completed on 22 December 2004.

32. SIGNIFICANT EVENTS (CONTINUED)

- (b) On 8 March 2005, the Company has incorporated a new wholly owned subsidiary company, namely Ramunia International Holdings Ltd (“RIHL”), in the Federal Territory of Labuan, Malaysia as a limited company under the Offshore Companies Act, 1990, with an authorised share capital of USD13,000 divided into 13,000 shares of USD1 each and the issued paid up capital is USD2,205 divided into 2,205 ordinary shares of USD1 each.
- (c) On 18 March 2005, RFSB has managed to secure a contract of value about RM80 million to carry out HUC works (Block PM-3 Commercial Arrangement Area) for Talisman Malaysia Limited (“Talisman”), a subsidiary of Talisman Energy Inc, a well-respected Canadian-based large independent oil and gas producer. The HUC contract will run for a period of two years with an option to extend the contract for one year from the date of award.
- (d) On 31 March 2005, the Company has incorporated a new subsidiary company, MS Herkules Sdn Bhd (“MSHSB”) with a total authorised share capital of 5 million ordinary share of RM1 each and the paid up capital of RM2 divided into 2 ordinary shares of RM1 each, where 1 ordinary shares is held by the Company and the remaining by MS Time Sdn Bhd.

The Company has increased its shareholding to 51% and became the holding company of MS Herkules Sdn Bhd by subscribing additional 1,530 and 49,469 ordinary shares of RM1 each on 8 April 2005 and 10 June 2005 respectively.

On 25 November 2005, the Company has increased its shareholding in MSHSB to 60% by subscribing 688,080 ordinary shares of RM1 each.

- (e) On 24 May 2005, Ramunia Fabricators Sdn Bhd (“RFSB”), the wholly owned subsidiary of the Company was awarded with an umbrella contract by PETRONAS Carigali Sdn Bhd (“Petronas Carigali”) for hook up and commissioning (“HUC”) works for the Semarang oil field facilities offshore Sabah for the year 2004-2007.
- (f) On 18 July 2005, RFSB has entered into a Memorandum of Understanding (“MOU”) with Al Rafid Trading & Contracting Co (“RAFID”) whereby RAFID is appointed by RFSB as its exclusive representative for the purpose of soliciting contracts on behalf of the Company for the provision of engineering, procurement, fabrication, construction and commissioning (“EPCC”) services of offshore platforms and facilities/structures in the Kingdom of Saudi Arabia, and joint operating areas. The MOU period commenced on the date of signing and shall continue for a period of five years from the date of signing.
- (g) On 5 August 2005, its wholly owned subsidiary company, Ramunia International Holdings Ltd (“RIHL”) has incorporated a new company in Indonesia, namely PT Sarana Transglobal Jaya (“PT Sarana”), where 51% was held by RIHL and the remaining 49% held by PT Indah Cipta Usaha Tama.
- (h) On 28 September 2005, MHES Asia Sdn Bhd (formerly known as MHES Maritime Services Sdn Bhd) (“MHES”) has issued a Letter of Award to RFSB, for the EPCC Contract for a 13MW EFB Fired Power Plant (“Plant”), at a contract value of RM75 million. The said project form part of MHES’s renewable energy (“RE”) power program to be executed at Bandar Baru Serting, Negeri Sembilan, and the EPCC contract will be for duration of 18 months.
- (i) On 19 October 2005, Petronas Carigali issued a Letter of Award to RFSB for the EPCC Project of Abu “A” Minimal Integrated Production Platform of the Abu Cluster Development Project (“the Project”) at contract value approximately RM115 million. The Project is directly related to Petronas Carigali’s development of the Abu Cluster fields located offshore of the State of Trengganu and estimated to be complete within 14 months from the award date.
- (j) On 14 December 2005, the Company announced that it has incorporated a new wholly owned subsidiary company in Hong Kong known as Ramunia International Services Limited (“RISL”). The authorised share capital of RISL is HKD10,000 ordinary shares of HKD1.00 each.
- (k) On 13 January 2006, Sarawak Shell Berhad has issued a Letter of Award to the Company for fabrication of F13E (SC) DR-A Topsides (“the Project”). The contract comprises engineering, procurement, fabrication, inspection, testing and onshore commissioning, loadout and seafastening of the F13E (SC) DR-A Topsides (“F13”) and associated appertunances. The F13 is an unmanned drilling riser topsides designed for a “minimum facilities” concept and is located offshore of Sarawak. The contract value of the Project is approximately RM90 million and the fabrication contract will take approximately 14 months from the date of award.

Notes to the Financial Statements

32. SIGNIFICANT EVENTS (CONTINUED)

- (l) On 17 January 2006, the Company has announced that its wholly owned subsidiary company in Hong Kong, RISL has entered into a Service Agreement with Offshore & Plant Technology Services Co, ("OPT"), a company operating in Seoul, Korea, for the supply of manpower and technical expertise to the Group's oil and gas activities. Dr Daniel Ahn Chung-Sung, an Executive Director of the Company and RISL, is also a Director and major shareholder of OPT, and this transaction is deemed a Recurrent Related Party Transaction ("RRPT"). The estimated value of the Service Agreement is likely to exceed RM1 million but is not expected to exceed 5% of the percentage of ratios under the Listing requirements of Bursa Malaysia Securities Berhad. The Service Agreement is for the immediate mobilization of expatriate personnel to assist in the Group's bidding execution process and project management activities. The Board of Directors having considered all aspects of the RRPT is of the opinion that the transaction is in the ordinary course of business and on terms not more favourable to the related party than those severally available to the public and that the RRPT is in the best interest of the Company.

33. COMPARATIVE INFORMATION

- (a) There is no comparative information for the Group as this is the first set of such Group financial statements being prepared.
- (b) The following comparative figures have been restated on the face of the balance sheet to enhance it comparability:

	COMPANY	
	As Restated RM	As Previously Reported RM
(i) Amount due to a related company	—	2,140,167
Amount due to a subsidiary company	2,140,167	—

The properties of the Group as at 31 October 2005 are as follows:

Title/Location	Description and Existing Use	Land Area/ Built-up Area	Approximate Age of Building	Tenure	Audited Net Book Value at 31.10.2005	Date of Acquisition
HS(D) 8585 PTD No. 421	Purpose-built steel	36.422 hectares/	15 – 20 years	Leasehold	RM104,573,507	20 December
HS(D) 14211 PTD No. 421A	fabrication facilities	32,633 sq m		for 60 years		2004
and HS(D) 8586 PTD No. 501	which undertake			expiring on:		
of Mukim Pantai Timor	steel fabrication of			18.12.2050		
District of Kota Tinggi	offshore platforms			(PTD No. 421		
State of Johor Darul Takzim	of approximately			and 501)		
	21,000 MT for			27.1.2054		
Teluk Ramunia	Fabrication Yard No. 1			(PTD No. 421A)		
Fabrication Yard	and approximately					
No. 437, Teluk Ramunia	10,000 MT for					
81620 Pengerang	Fabrication Yard No. 2					
Johor Darul Takzim						

Analysis of Shareholdings

AS AT 28 FEBRUARY 2006

SHARE CAPITAL

Authorised share capital	: RM855,000,000
	(a) 1,600,000,000 Ordinary Shares of RM0.50 each
	(b) 110,000,000 Irredeemable Convertible Preference Shares ("ICPS") of RM0.50 each
Paid up share capital	: RM166,997,502 (based on statutory records of the Company)
Issued share capital	(a) RM116,673,471 (Ordinary Shares of RM0.50 each)
	(b) RM50,324,031 (ICPS of RM0.50 each)
Classes of share	: (a) Ordinary Shares of RM0.50 each
	(b) ICPS of RM0.50 each
Total number of shares issued	: (a) 233,346,942 Ordinary Shares of RM0.50 each
	(b) 100,648,062 ICPS of RM0.50 each
Number of shareholders	: (a) 4,250 (Ordinary Shares)
	(b) 25,219 (ICPS)
Voting rights	: (a) One vote per Ordinary Share held
	(b) The ICPS does not carry any right to vote at any general meeting of the Company except for the right to vote in person or by proxy at such meeting in each of the following circumstances:
	(i) When the dividend or part of the dividend on the ICPS is in arrears for more than six (6) months;
	(ii) On a proposal to reduce the Company's share capital;
	(iii) On a proposal for disposal of the whole of the Company's property, business and undertaking;
	(iv) On a proposal that affects rights attached to the ICPS;
	(v) On a proposal to wind up the Company; and
	(vi) During the winding up of the Company.

(A) ORDINARY SHARES OF RM0.50 EACH

Distribution Schedule of Shareholders (based on the record of depositors as at 28 February 2006)

Size of Holdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Capital
1 – 99	831	19.55	46,706	0.02
100 – 1,000	1,942	45.69	730,520	0.31
1,001 – 10,000	932	21.93	4,340,926	1.86
10,001 – 100,000	422	9.93	13,428,638	5.75
100,001 – 11,667,346	121	2.85	88,104,052	37.76
11,667,347 and above	2	0.05	126,696,100	54.30
Total	4,250	100.00	233,346,942	100.00

Directors' Shareholdings (based on the Register of Directors' Shareholdings)

Name of Directors	Nationality	NO. OF SHARES BENEFICIALLY HELD			
		Direct	%	Indirect	%
Dato' Azizul Rahman Bin Abd. Samad	Malaysian	—	—	130,496,104*	55.92
Encik Arshad Bin Ahmad	Malaysian	90,000	0.039	—	—
Encik Shahul Hamid Bin Mohd Ismail	Malaysian	—	—	—	—
Mr Leou Thiam Lai	Malaysian	—	—	—	—
Encik Izlan Bin Izhab	Malaysian	—	—	—	—
Dato' Md. Zahari Bin Md. Zin	Malaysian	—	—	—	—
Dr Ahn, Daniel Chung-Sung	American	—	—	—	—

* Deemed interested by virtue of his direct interest of over 15% equity interest in Ramunia Energy & Marine Corporation Sdn Bhd which in turn hold shares in Ramunia Holdings Berhad.

Deemed interested by virtue of being the spouse of Datin Azura Hanim Binti Tajudin.

Deemed interested by virtue of his direct interest of over 15% equity interest in Ramunia Energy & Marine Corporation Sdn Bhd which in turn hold shares in Dow Alpha Industries Sdn Bhd which in turn hold shares in Ramunia Holdings Berhad.

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(A) ORDINARY SHARES OF RM0.50 EACH (CONTINUED)

Substantial Shareholders (based on the Register of Substantial Shareholders)

Name of Shareholders	Nationality	Direct	NO. OF SHARES BENEFICIALLY HELD			
			%	Indirect	%	
Dato' Azizul Rahman Bin Abd Samad	Malaysian	—	—	130,496,104*	55.92	
Datin Azura Hanim Binti Tajudin	Malaysian	1,800,000	0.77	128,696,104**	55.15	
Ramunia Energy & Marine Corporation Sdn Bhd	Incorporated in Malaysia	126,696,104	54.30	2,000,000***	0.86	

* Deemed interested by virtue of his direct interest of over 15% equity interest in Ramunia Energy & Marine Corporation Sdn Bhd which in turn hold shares in Ramunia Holdings Berhad.

Deemed interested by virtue of being the spouse of Datin Azura Hanim Binti Tajudin.

Deemed interested by virtue of his direct interest of over 15% equity interest in Ramunia Energy & Marine Corporation Sdn Bhd which in turn hold shares in Dow Alpha Industries Sdn Bhd which in turn hold shares in Ramunia Holdings Berhad.

** Deemed interested by virtue of being the spouse of Dato' Azizul Rahman Bin Abd Samad who has over 15% equity interest in Ramunia Energy & Marine Corporation Sdn Bhd which in turn hold shares in Ramunia Holdings Berhad.

Deemed interested by virtue of being the spouse of Dato' Azizul Rahman Bin Abd Samad who has over 15% equity interest in Ramunia Energy & Marine Corporation Sdn Bhd which in turn hold shares in Dow Alpha Industries Sdn Bhd which in turn hold shares in Ramunia Holdings Berhad.

*** Deemed interested by virtue of its direct interest of over 15% equity interest in Dow Alpha Industries Sdn Bhd which in turn hold shares in Ramunia Holdings Berhad.

(A) ORDINARY SHARES OF RM0.50 EACH (CONTINUED)

List of Thirty (30) Largest Ordinary Shares Accounts Holders

No.	Name	No. of Shares Beneficially Held	%
1.	BIMSEC Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for BIMB (L) Offshore Branch for Ramunia Energy & Marine Corporation Sdn Bhd</i>	95,558,374	40.95
2.	BIMSEC Nominees (Tempatan) Sdn Bhd <i>Ramunia Energy & Marine Corporation Sdn Bhd</i>	31,137,726	13.34
3.	HSBC Nominees (Asing) Sdn Bhd <i>UBS AG Zurich for Concerto Investments Limited</i>	10,000,000	4.29
4.	Kuala Lumpur City Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Tan Siew Booy</i>	4,859,000	2.08
5.	De Kiat Hai	4,600,000	1.97
6.	Kuala Lumpur City Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Tan Moi Joo</i>	4,000,000	1.71
7.	Kuala Lumpur City Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Pearline Oracle Sdn Bhd</i>	3,806,100	1.63
8.	HSBC Nominees (Asing) Sdn Bhd <i>BNP Paribas Arbitrage (Hong Kong) Limited</i>	3,072,300	1.32
9.	Alliancegroup Nominees (Tempatan) Sdn Bhd <i>Pheim Asset Management Sdn Bhd for Employees Provident Fund</i>	2,600,000	1.11
10.	HSBC Nominees (Asing) Sdn Bhd <i>HSBC Tub Lux for Trinkaus Inhouse Portfolio</i>	2,452,100	1.05
11.	Dohat Bin Shafiee	2,449,600	1.05
12.	Nur Daliza Binti Dohat	2,449,400	1.05
13.	CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB for Dow Alpha Industries Sdn Bhd</i>	2,000,000	0.86
14.	CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB for Song Kee Siong</i>	1,943,100	0.83
15.	Azura Hanim Binti Tajudin	1,800,000	0.77

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(A) ORDINARY SHARES OF RM0.50 EACH (CONTINUED)

List of Thirty (30) Largest Ordinary Shares Accounts Holders (continued)

No.	Name	No. of Shares Beneficially Held	%
16.	Kuala Lumpur City Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Lok Huey Yen</i>	1,700,000	0.73
17.	Kuala Lumpur City Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Tan Mui Pow</i>	1,561,300	0.67
18.	JF Apex Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Tan Siew Booy</i>	1,514,500	0.65
19.	Chew Lai Har	1,240,000	0.53
20.	Lee Choi Yin	1,230,000	0.53
21.	HSBC Nominees (Asing) Sdn Bhd <i>Exempt An for Credit Suisse</i>	1,100,000	0.47
22.	Jaganath Derek Steven Sabapathy	1,039,000	0.45
23.	HSBC Nominees (Asing) Sdn Bhd <i>TNTC for Government of Singapore Investment Corporation Pte Ltd</i>	1,000,000	0.43
24.	Eng Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Chew Lai Har</i>	1,000,000	0.43
25.	A.A. Anthony Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Tan Bee Chin</i>	900,000	0.39
26.	Mohd Haniff Bin Abd Aziz	900,000	0.39
27.	Zulkifli Bin Ismail	900,000	0.39
28.	HSBC Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Lee Wee Lee</i>	822,000	0.35
29.	Mayban Nominees (Asing) Sdn Bhd <i>CIMB-GK Securities Pte Ltd for Madeline Goh</i>	800,000	0.34
30.	Teo Kwee Hock	772,900	0.33

(B) IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES OF RM0.50 EACH (“ICPS”)

Distribution Schedule of ICPS Holders

Size of ICPS Holding	No. of ICPS Holders	% of ICPS Holders	No. of ICPS Held	% of Issued ICPS
1 – 99	7,151	28.36	552,464	0.55
100 – 1,000	14,514	57.55	5,012,664	4.98
1,001 – 10,000	3,163	12.54	8,542,641	8.49
10,001 – 100,000	327	1.30	9,072,463	9.01
100,001 – 5,032,402	63	0.25	29,787,985	29.60
5,032,403 and above	1	0.00	47,679,845	47.37
Total	25,219	100.00	100,648,062	100.00

Directors’ ICPS Holdings (based on the Register of Directors’ Shareholdings)

Name of Directors	Nationality	NO. OF ICPS BENEFICIALLY HELD			
		Direct	%	Indirect	%
Dato’ Azizul Rahman Bin Abd. Samad	Malaysian	—	—	49,211,740*	48.89
Encik Arshad Bin Ahmad	Malaysian	—	—	—	—
Encik Shahul Hamid Bin Mohd Ismail	Malaysian	—	—	—	—
Mr. Leou Thiam Lai	Malaysian	—	—	—	—
Encik Izlan Bin Izhab	Malaysian	—	—	—	—
Dato’ Md. Zahari Bin Md. Zin	Malaysian	—	—	—	—
Dr. Ahn, Daniel Chung-Sung	American	—	—	—	—

* Deemed interested by virtue of his direct interest of over 15% equity interest in Ramunia Energy & Marine Corporation Sdn Bhd which in turn hold shares in Ramunia Holdings Berhad.

Deemed interested by virtue of his direct interest of over 15% equity interest in Ramunia Energy & Marine Corporation Sdn Bhd which in turn hold shares in Dow Alpha Industries Sdn Bhd which in turn hold shares in Ramunia Holdings Berhad.

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(B) IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES OF RM0.50 EACH ("ICPS") (CONTINUED)

List of Thirty (30) Largest ICPS Accounts Holders

No.	Name	No. of ICPS Beneficially Held	%
1.	BIMSEC Nominees (Tempatan) Sdn Bhd <i>Ramunia Energy & Marine Corporation Sdn Bhd</i>	47,679,845	47.37
2.	Affin Nominees (Tempatan) Sdn Bhd <i>Eassetmanagement Sdn Bhd for Warisan Jaya Engineering Sdn Bhd</i>	4,000,000	3.97
3.	Alliancegroup Nominees (Tempatan) Sdn Bhd <i>Pheim Asset Management Sdn Bhd for Employees Provident Fund</i>	3,700,500	3.68
4.	Affin Nominees (Tempatan) Sdn Bhd <i>Eassetmanagement Sdn Bhd for Clear Guidance Sdn Bhd</i>	1,342,100	1.33
5.	AMMB Nominees (Tempatan) Sdn Bhd <i>Amtrustee Berhad for Apex Dana Al-Sofi-i</i>	1,259,000	1.25
6.	AMSEC Nominees (Tempatan) Sdn Bhd <i>Arab-Malaysian Credit Berhad for Westmont Holdings Sdn Bhd</i>	1,134,615	1.13
7.	HSBC Nominees (Tempatan) Sdn Bhd <i>HSBC (M) Trustee Bhd for Pheim Emerging Companies Balanced Fund</i>	1,105,000	1.10
8.	Kevin Goh Pang Yuen	1,080,900	1.07
9.	CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB for Dow Alpha Industries Sdn Bhd</i>	1,000,000	0.99
10.	HDM Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Lau Kwai</i>	1,000,000	0.99
11.	HSBC Nominees (Asing) Sdn Bhd <i>HSBC-FS 6 Fiveca Holdings Limited</i>	771,000	0.77
12.	Pearline Oracle Sdn Bhd	724,400	0.72
13.	Cheah See Han	615,100	0.61
14.	Wong Heam Kiew	560,000	0.56
15.	CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB for Ramunia Energy & Marine Corporation Sdn Bhd</i>	531,895	0.53

(B) IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES OF RM0.50 EACH ("ICPS") (CONTINUED)

List of Thirty (30) Largest ICPS Accounts Holders (continued)

No.	Name	No. of ICPS Beneficially Held	%
16.	Koo Boon Long	518,500	0.52
17.	Lembaga Tabung Haji	482,080	0.48
18.	Employees Provident Fund Board	453,488	0.45
19.	Mayban Nominees (Tempatan) Sdn Bhd <i>Pheim Asset Management Sdn Bhd for Benta Wawasan Sdn Bhd</i>	429,000	0.43
20.	JF Apex Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for LY Eternal (Malaysia) Sdn Bhd</i>	426,500	0.42
21.	HSBC Nominees (Tempatan) Sdn Bhd <i>HSBC (M) Trustee Bhd for Dana Makmur Pheim</i>	402,000	0.40
22.	Chong Soi Wah	387,360	0.38
23.	HSBC Nominees (Asing) Sdn Bhd <i>Coutts BK Von Ernst Sg for Yorkshire Allied Finance Limited</i>	371,700	0.37
24.	HDM Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Seow Kah Heng</i>	350,100	0.35
25.	Kiew Yong Seang	327,700	0.33
26.	Pek Kiam Kek	315,000	0.31
27.	Hamzah Bin Abdul Jalil	300,000	0.30
28.	JF Apex Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Tan Siew Booy</i>	289,800	0.29
29.	Pak Cheow Koon Jason	278,600	0.28
30.	Mayban Nominees (Tempatan) Sdn Bhd <i>Pheim Asset Management Sdn Bhd for Oxford Genius Sdn Bhd</i>	271,000	0.27

Analysis of Irredeemable Convertible Unsecured Loan Stocks (ICULS) Holdings

AS AT 28 FEBRUARY 2006

Issued ICULS : RM82,000,000
 Type of Securities : 3 years 1% 164,000,000 ICULS at nominal value of RM0.50 each
 No. of ICULS issued and not exercised : 164,000,000
 No. of ICULS holders : 3,111

DISTRIBUTION SCHEDULE OF ICULS HOLDERS

Size of ICULS Holding	No. of ICULS Holders	% of ICULS Holders	No. of ICULS Held	% of Issued ICULS
1 – 99	23	0.74	1,210	0.00
100 – 1,000	1,842	59.21	1,062,570	0.65
1,001 – 10,000	1,059	34.04	3,485,455	2.13
10,001 – 100,000	147	4.72	4,352,725	2.65
100,001 – 8,199,999	36	1.16	25,698,916	15.67
8,200,000 and above	4	0.13	129,399,124	78.90
Total	3,111	100.00	164,000,000	100.00

DIRECTORS' ICULS HOLDINGS (based on the Register of Directors' Shareholdings)

Name of Directors	Nationality	NO. OF ICULS BENEFICIALLY HELD			
		Direct	%	Indirect	%
Dato' Azizul Rahman Bin Abd. Samad	Malaysian	—	—	126,311,740*	77.02
Encik Arshad Bin Ahmad	Malaysian	—	—	—	—
Encik Shahul Hamid Bin Mohd Ismail	Malaysian	—	—	—	—
Mr Leou Thiam Lai	Malaysian	—	—	—	—
Encik Izlan Bin Izhab	Malaysian	—	—	—	—
Dato' Md. Zahari Bin Md. Zin	Malaysian	—	—	—	—
Dr Ahn, Daniel Chung-Sung	American	—	—	—	—

* Deemed interested by virtue of his direct interest of over 15% equity interest in Ramunia Energy & Marine Corporation Sdn Bhd which in turn hold shares in Ramunia Holdings Berhad.

Deemed interested by virtue of his direct interest of over 15% equity interest in Ramunia Energy & Marine Corporation Sdn Bhd which in turn hold shares in Dow Alpha Industries Sdn Bhd which in turn hold shares in Ramunia Holdings Berhad.

Analysis of Irredeemable Convertible Unsecured Loan Stocks (ICULS) Holdings 77

LIST OF THIRTY (30) LARGEST ICULS ACCOUNTS HOLDERS

No.	Name	No. of ICULS Beneficially Held	%
1.	AMMB Nominees (Tempatan) Sdn Bhd <i>Amtrustee Berhad for Ramunia Energy & Marine Corporation Sdn Bhd</i>	46,347,135	28.26
2.	CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB for Ramunia Energy & Marine Corporation Sdn Bhd</i>	39,407,504	24.03
3.	BIMSEC Nominees (Tempatan) Sdn Bhd <i>Ramunia Energy & Marine Corporation Sdn Bhd</i>	33,644,485	20.51
4.	HSBC Nominees (Asing) Sdn Bhd <i>UBS AG Zurich for Concerto Investments Limited</i>	10,000,000	6.10
5.	Ramunia Energy & Marine Corporation Sdn Bhd	4,912,616	3.00
6.	CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB for Mohd Razip Bin Mohammad</i>	3,634,000	2.22
7.	CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB for Dow Alpha Industries Sdn Bhd</i>	2,000,000	1.22
8.	HSBC Nominees (Asing) Sdn Bhd <i>HSBC Tub Lux for Trinkaus Inhouse Portfolio</i>	1,926,500	1.17
9.	Home Field Sdn Bhd	1,485,100	0.91
10.	Tan Mui Pow	1,250,000	0.76
11.	Chew Lai Har	1,173,000	0.72
12.	Lee Choi Yin	1,111,500	0.68
13.	Kevin Goh Pang Yuen	812,800	0.50
14.	Citigroup Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Song Kee Siong</i>	651,500	0.40
15.	Pearline Oracle Sdn Bhd	578,200	0.35
16.	Chin Swee Chow	524,000	0.32
17.	Teo Kwee Hock	520,300	0.32
18.	JPP (KL) Sdn Bhd	500,000	0.30
19.	A.A. Assets Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Chin Swee Chow</i>	494,100	0.30
20.	JF Apex Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Tan Siew Booy</i>	463,100	0.28
21.	JF Apex Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Lim Kim Bian</i>	368,100	0.22
22.	JF Apex Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for E See Yu</i>	350,000	0.21
23.	Ong Siow Teck	310,000	0.19
24.	Kuala Lumpur City Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Tan Siew Booy</i>	294,900	0.18
25.	Chin Lee Chow	261,000	0.16
26.	JF Apex Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for LY Eternal (Malaysia) Sdn Bhd</i>	215,000	0.13
27.	Lim Kim Bian	205,800	0.13
28.	JF Apex Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Teo Siew Lai</i>	202,000	0.12
29.	Jadeline Times Sdn Bhd	200,000	0.12
30.	Ong Siow Teck	140,000	0.09

Analysis of Warrants Holdings

AS AT 28 FEBRUARY 2006

Type of Securities	: Warrants 2004/2014
No. of Warrants issued and not exercised	: 230,000,000
Voting Rights	: One (1) vote per warrant holder on a show of hand or one (1) vote per warrant on a poll in respect of a meeting of Warrant holders.
No. of Warrant holders	: 3,028

DISTRIBUTION SCHEDULE OF WARRANTS HOLDERS

Size of Warrants Holdings	No. of Warrants Holders	% of Warrants Holders	No. of Warrants Held	% of Issued Warrants
1 – 99	853	28.17	47,756	0.02
100 – 1,000	1,759	58.09	558,688	0.24
1,001 – 10,000	278	9.18	988,830	0.43
10,001 – 100,000	104	3.43	3,239,778	1.41
100,001 – 11,499,999	32	1.06	13,664,948	5.94
11,500,000 and above	2	0.07	211,500,000	91.96
Total	3,028	100.00	230,000,000	100.00

DIRECTORS' WARRANTS HOLDINGS (based on the Register of Directors' Shareholdings)

Name of Directors	Nationality	NO. OF WARRANTS BENEFICIALLY HELD			
		Direct	%	Indirect	%
Dato' Azizul Rahman Bin Abd. Samad	Malaysian	—	—	213,446,079*	92.80
Encik Arshad Bin Ahmad	Malaysian	—	—	—	—
Encik Shahul Hamid Bin Mohd Ismail	Malaysian	—	—	—	—
Mr Leou Thiam Lai	Malaysian	—	—	—	—
Encik Izlan Bin Izhab	Malaysian	—	—	—	—
Dato' Md. Zahari Bin Md. Zin	Malaysian	—	—	—	—
Dr Ahn, Daniel Chung-Sung	American	—	—	—	—

* Deemed interested by virtue of his direct interest of over 15% equity interest in Ramunia Energy & Marine Corporation Sdn Bhd which in turn hold shares in Ramunia Holdings Berhad.

Deemed interested by virtue of his direct interest of over 15% equity interest in Ramunia Energy & Marine Corporation Sdn Bhd which in turn hold shares in Zen End Resources Sdn Bhd which in turn hold shares in Ramunia Holdings Berhad.

Analysis of Warrants Holdings 79

LIST OF THIRTY (30) LARGEST WARRANTS ACCOUNTS HOLDERS

No.	Name	No. of Warrants Beneficially Held	%
1.	Ramunia Energy & Marine Corporation Sdn Bhd	122,000,000	53.04
2.	CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB for Zen-End Resources Sdn Bhd</i>	89,500,000	38.91
3.	CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB for Ramunia Energy & Marine Corporation Sdn Bhd</i>	2,000,079	0.87
4.	Kuala Lumpur City Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Tan Moi Joo</i>	1,700,000	0.74
5.	Kevin Goh Pang Yuen	949,700	0.41
6.	Lee Choi Yin	800,000	0.35
7.	Kuala Lumpur City Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Pearline Oracle Sdn Bhd</i>	770,100	0.33
8.	Lok Huey Yen	681,500	0.30
9.	Kuala Lumpur City Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Tan Siew Booy</i>	620,200	0.27
10.	Hung Kwang Hou	565,100	0.25
11.	Chew Lai Har	456,000	0.20
12.	Chin Swee Chow	450,100	0.20
13.	Chin Lee Chow	412,400	0.18
14.	HSBC Nominees (Asing) Sdn Bhd <i>HSBC Tub Lux for Trinkaus Inhouse Portfolio</i>	323,300	0.14
15.	Lim Tek Ken Justin	300,000	0.13
16.	Ooi Ch'ng Siong	300,000	0.13
17.	Noise Control Engineering Sdn Bhd	286,800	0.12
18.	HSBC Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Lee Wee Lee</i>	273,000	0.12
19.	Zahini Yussoff	258,000	0.11
20.	Yeo Eck Liong	239,000	0.10
21.	JF Apex Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Tan Siew Booy</i>	234,900	0.10
22.	Yeo Eck Liong	207,700	0.09
23.	Affin Nominees (Tempatan) Sdn Bhd <i>Eassetmanagement Sdn Bhd for Roslan Bin Mohd Latif</i>	200,000	0.09
24.	Chin Lee Chow	192,000	0.08
25.	Sim How Jiang	180,000	0.08
26.	Grace Spectrum Sdn Bhd	175,000	0.08
27.	De Kiat Hai	161,300	0.07
28.	Affin Nominees (Tempatan) Sdn Bhd <i>Eassetmanagement Sdn Bhd for Clear Guidance Sdn Bhd</i>	155,969	0.07
29.	Lei Wah Ching	150,000	0.07
30.	Citigroup Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Tan Siew Booy</i>	134,000	0.06

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the SECOND ANNUAL GENERAL MEETING of the Company will be held at Ballroom A, Level 2, Pan Pacific Kuala Lumpur, Jalan Putra, 50746 Kuala Lumpur on Wednesday, 26th day of April 2006 at 10:00 a.m. for the following purposes:

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 October 2005 together with the Report of the Directors and the Auditors thereon. **Resolution 1**
2. To re-elect the Director, Dr Ahn, Daniel Chung-Sung who retires pursuant to Article 101 of the Company's Articles of Association, and being eligible, has offered himself for re-election. **Resolution 2**
3. To re-elect the following Directors who retire pursuant to Article 95 of the Company's Articles of Association, and being eligible, have offered themselves for re-election:
 - (i) Encik Arshad Bin Ahmad **Resolution 3**
 - (ii) Encik Shahul Hamid Bin Mohd Ismail **Resolution 4**
4. To re-appoint Messrs. Shamsir Jasani Grant Thornton as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. **Resolution 5**
5. **As Special Business**

To consider and if thought fit, with or without any modification, to pass the following resolution as Ordinary Resolution:

ORDINARY RESOLUTION

Authority to issue shares pursuant to Section 132D of the Companies Act, 1965.

"THAT subject to Section 132D of the Companies Act, 1965 and the approval of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue shares in the Company, at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the issued and paid up share capital of the Company for the time being AND THAT the Directors are also empowered to obtain the approval for the listing of and quotation for the additional shares to be issued on the Bursa Malaysia Securities Berhad, AND THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company."

Resolution 6

By Order of the Board

CHUA SIEW CHUAN (MAICSA 0777689)

TAN AI NING (MAICSA 7015852)

Joint Company Secretaries

Kuala Lumpur

3 April 2006

Notice of Annual General Meeting 81

EXPLANATORY NOTE TO SPECIAL BUSINESS:

Authority pursuant to Section 132D of the Companies Act, 1965

The proposed adoption of the Ordinary Resolution is primarily to give flexibility to the Board of Directors to issue and allot shares at any time at their absolute discretion without convening a general meeting. This authority unless revoked or varied by the Company in general meeting, will expire at the next Annual General Meeting of the Company.

Notes:

A member shall be entitled to appoint more than one proxy to attend and vote at the same meetings subject always to a maximum of two (2) proxies at each meeting. A proxy may but need not be a member of the Company and the provision of Section 149(1)(a), (b), (c) and (d) of the Companies Act, 1965 shall not apply to the Company.

Where a member appoints more than one (1) proxy (subject always to a maximum of two (2) proxies at each meeting) the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.

The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.

To be valid, the instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or notarially certified copy of such power of authority, must be deposited at the Company's Registered Office at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur not less than 48 hours before the time appointed of holding the above meeting and at any adjournment thereof.

The Irredeemable Convertible Preference Shares ("ICPS") holders does not carry any right to vote at any general meeting of the company except for the right to vote in person or by proxy at such meeting in each of the following circumstances:

- (a) When the dividend or part of the dividend on the ICPS is in arrears for more than six (6) months;
- (b) On a proposal to reduce the Company's share capital;
- (c) On a proposal for disposal of the whole of the Company's property, business and undertaking;
- (d) On a proposal that affects rights attached to the ICPS;
- (e) On a proposal to wind up the Company; and
- (f) During the winding up of the Company.

STATEMENT ACCOMPANYING THE NOTICE OF ANNUAL GENERAL MEETING PURSUANT TO PARAGRAPH 8.28 OF BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

1. Directors who are standing for re-election at the Second Annual General Meeting of the Company to be held at Ballroom A, Level 2, Pan Pacific Kuala Lumpur, Jalan Putra, 50746 Kuala Lumpur on Wednesday, 26th day of April, 2006 are as follows:
 - (i) Dr Ahn, Daniel Chung-Sung
 - (ii) Encik Arshad Bin Ahmad
 - (iii) Encik Shahul Hamid Bin Mohd Ismail

2. During the financial year ended 31 October 2005, five (5) Board Meetings were held and the attendance of the Board Members were as follows:

Directors	Attendance
Dato' Azizul Rahman Bin Abd. Samad	5/5
Encik Arshad Bin Ahmad	5/5
Dr Ahn, Daniel Chung-Sung	2/2
Encik Shahul Hamid Bin Mohd Ismail	5/5
Dato' Md. Zahari Bin Md. Zin	5/5
Encik Izlan Bin Izhah	5/5
Mr Leou Thiam Lai	5/5

3. The place, date and hour of the Second Annual General Meeting are as follows:

Date : 26 April 2006 (Wednesday)

Time : 10:00 a.m.

Place : Ballroom A, Level 2, Pan Pacific Kuala Lumpur, Jalan Putra, 50746 Kuala Lumpur

4. Further details of the Directors standing for re-election at the Second Annual General Meeting and the family relationship with any director and/or substantial shareholder of the Company are on pages 4 to 7 and their shareholdings information are listed on pages 68 to 79 of the Annual Report.

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

Form of Proxy

*I/We, _____
(full name in capital letters)of _____
(full address)

being a *member/members of RAMUNIA HOLDINGS BERHAD ("the Company"), hereby appoint _____

of _____
(full address)or failing *him/her, _____
(full name in capital letters)of _____
(full address)

or failing *him/her, the CHAIRMAN OF THE MEETING as *my/our proxy to vote for *me/us and on *my/our behalf at the Second Annual General Meeting of the Company to be held at Ballroom A, Level 2, Pan Pacific Kuala Lumpur, Jalan Putra, 50746 Kuala Lumpur on Wednesday, 26 April 2006 at 10:00 a.m. and at any adjournment thereof.

The Proportion of *my/our holding to be represented by *my/our proxies are as follows:

First Proxy (1) _____ % Second Proxy (2) _____ %

Please indicate with an "X" in the spaces provided below as to how you wish your votes to be casted. If no specific direction as to voting is given, the proxy will vote or abstain from voting at *his/her discretion.

NO.	AGENDA/RESOLUTIONS	FOR	AGAINST
1.	To receive the Audited Financial Statements for the financial year ended 31 October 2005 together with the Report of the Directors and the Auditors thereon.		
2.	To re-elect the Director, Dr Ahn, Daniel Chung-Sung who retires pursuant to Article 101 of the Company's Articles of Association, and being eligible, has offered himself for re-election.		
3.	To re-elect the following Directors who retire pursuant to Article 95 of the Company's Articles of Association, and being eligible, have offered themselves for re-election: (i) Encik Arshad Bin Ahmad (ii) Encik Shahul Hamid Bin Mohd Ismail		
4.	To re-appoint Messrs. Shamsir Jasani Grant Thornton as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.		
5.	As Special Business To consider and if thought fit, with or without any modification, to pass the following resolution as Ordinary Resolution: Ordinary Resolution Authority to issue shares pursuant to Section 132D of the Companies Act, 1965.		

*Strike out whichever not applicable (unless otherwise instructed, the proxy may vote as he/she thinks fit).

As witness my/our hand(s) this _____ day of _____ 2006

Number of shares held _____ Signature of Member/Common Seal _____

Notes:

- A member shall be entitled to appoint more than one proxy to attend and vote at the same meetings subject always to a maximum of two (2) proxies at each meeting. A proxy may but need not be a member of the Company and the provision of Section 149 (1)(a), (b), (c) and (d) of the Companies Act, 1965 shall not apply to the Company.
- Where a member appoints more than one (1) proxy (subject always to a maximum of two (2) proxies at each meeting) the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.
- To be valid, the instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or notorially certified copy of such power of authority, must be deposited at the Company's Registered Office at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490

Kuala Lumpur not less than 48 hours before the time appointed of holding the above meeting and at any adjournment thereof.

- The Irredeemable Convertible Preference Shares ("ICPS") holders does not carry any right to vote at any general meeting of the company except for the right to vote in person or by proxy at such meeting in each of the following circumstances:
 - When the dividend or part of the dividend on the ICPS is in arrears for more than six (6) months;
 - On a proposal to reduce the Company's share capital;
 - On a proposal for disposal of the whole of the Company's property, business and undertaking;
 - On a proposal that affects rights attached to the ICPS;
 - On a proposal to wind up the Company; and
 - During the winding up of the Company.

AFFIX STAMP

To:

The Company Secretary

RAMUNIA HOLDINGS BERHAD (634775-D)

Level 7, Menara Milenium, Jalan Damanlela
Pusat Bandar Damansara, Damansara Heights
50490 Kuala Lumpur