



RAMUNIA HOLDINGS BERHAD (634775-D)

2006 Annual Report

DRIVING PROGRESS THROUGH
➤ PERFORMANCE



DRIVING PROGRESS THROUGH PERFORMANCE

the story continues...

Behind its success, and along its extensive industry expertise, technical know how, its reputable experience of fabricating offshore oil and gas related structures, are the people of Ramunia. Their unwavering commitment and dedication has been the driving force in the recognition of the Group's chartered progress.

Powered by the conviction of "delivering with pride", the Group is stepping up and confronting the sweeping change of global challenges, through sheer people performance.

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OUR VISION

To be the preferred heavy engineering solutions provider by year 2010

OUR MISSION

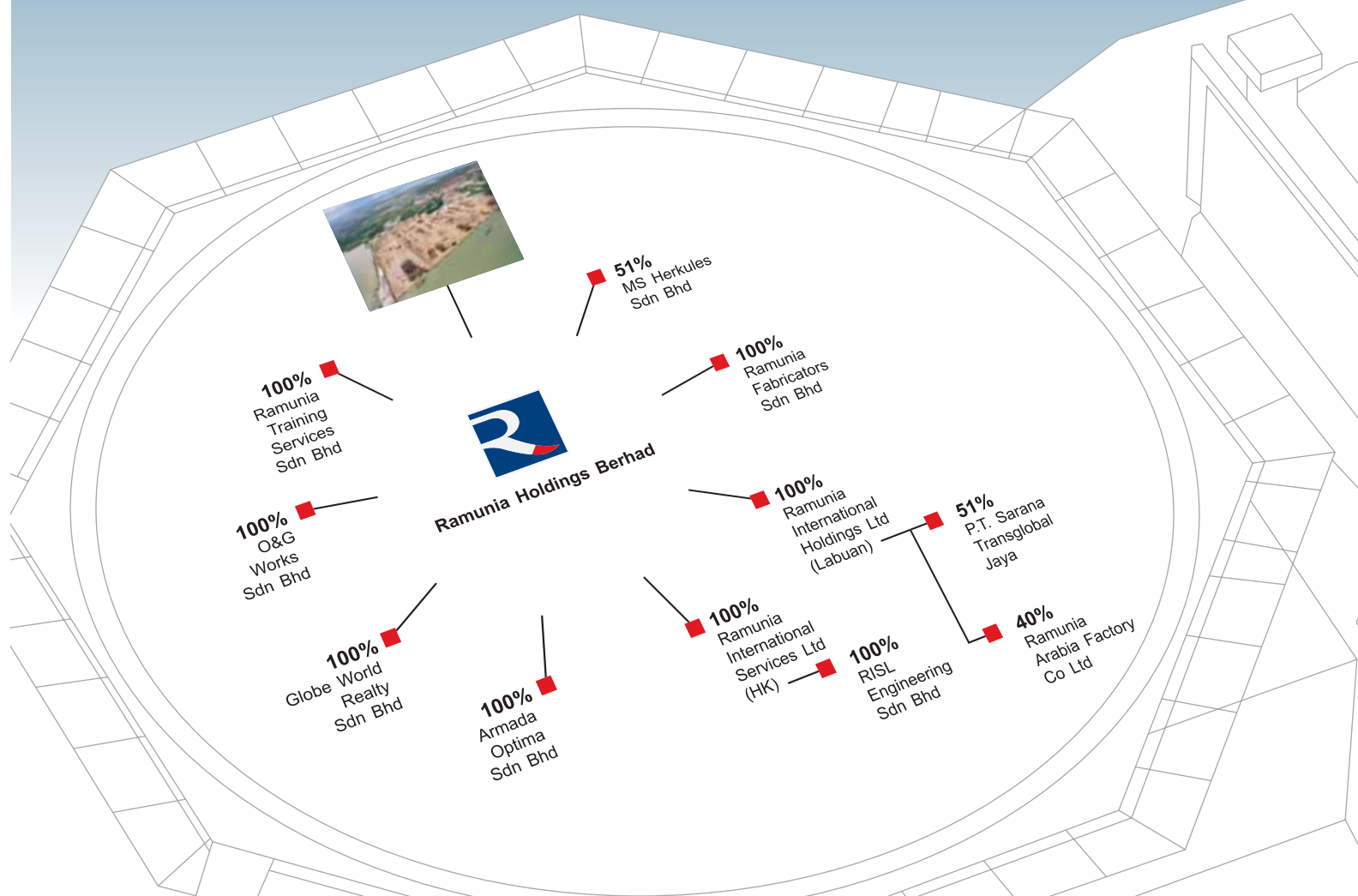
To fulfill our stakeholders' expectation by:
meeting set objectives
ensuring continuous improvement
providing creative solutions

OUR VALUES

Resilience
Integrity
Caring
Innovative
Teamwork



corporate structure



AUDIT COMMITTEE

Leou Thiam Lai *Chairman*

Dato' Md. Zahari bin Md. Zin

Arshad bin Ahmad

Shahul Hamid bin Mohd Ismail

(resigned w.e.f. 15.1.07)

SECRETARIES

Chua Siew Chuan *(MAICSA 0777689)*

Tan Ai Ning *(MAICSA 7015852)*

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

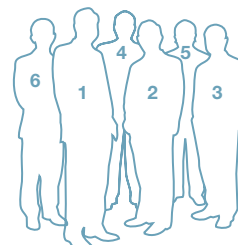
50400 Kuala Lumpur

Tel : 03-4047 6800

Fax : 03-4043 1058



BOARD OF DIRECTORS



1. Dato' Azizul Rahman bin Abd. Samad

*Chairman
Independent Non-Executive Director*

2. Arshad bin Ahmad

*Managing Director
Chief Executive Officer*

3. Dr. Daniel Ahn Chung-Sung

Executive Director

4. Dato' Md. Zahari bin Md. Zin

Independent Non-Executive Director

5. Izlan bin Izhab

Independent Non-Executive Director

6. Leou Thiam Lai

Independent Non-Executive Director

Shahul Hamid bin Mohd. Ismail

*Independent Non-Executive Director
(resigned w.e.f. 15.1.2007)
(not in picture)*

corporate information

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
Malayan Banking Berhad
HSBC Bank Malaysia Berhad
CIMB Bank Berhad
(formerly known as Bumiputra-Commerce Bank Malaysia Berhad)
OCBC Bank (Malaysia) Berhad

STOCK EXCHANGE LISTING

The Second Board of
Bursa Malaysia Securities Berhad



from left to right

Dato' Azizul Rahman bin Abd. Samad >| **Arshad bin Ahmad** >| **Dr. Daniel Ahn Chung-Sung**

Dato' Azizul Rahman bin Abd. Samad

Chairman / Non-Independent Non-Executive

Dato' Azizul Rahman bin Abd. Samad ("Dato' Azizul"), a Malaysian aged 46, 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 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. He has no family relationship with any other directors and/or major shareholders of the company. He does not hold any directorship on the Board of any other public listed companies.

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

directors' profile

Arshad bin Ahmad

Managing Director / Chief Executive Officer

Arshad bin Ahmad ("Arshad"), a Malaysian aged 50 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 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 nineteen (19) 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 any other public listed companies. He has no family relationship with any Director and/or major shareholders 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. Daniel Ahn Chung-Sung

Executive Director

Dr. Daniel Ahn Chung-Sung ("Dr. Ahn"), a Korean American aged 69 was appointed Director of the Company on 18 July 2005 and is the Executive Director of Ramunia Holdings Berhad Group of Companies. He is also appointed as the Chief Executive Officer of Ramunia International Services Limited, a subsidiary wholly owned by Ramunia Holdings. Dr. Ahn obtained his PhD in Ocean Engineering, a Masters of Naval Architecture and a Masters of Science in Meteorology and Oceanography, all three graduated degree from the prestigious Massachusetts Institute of Technology (MIT). He earlier graduated with a Bachelor of Science from Korea Maritime University. In 1990, Dr. Ahn completed his Advanced Management Program for 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 in making HHI a prestigious offshore contractor and one of the world's leading companies. He was also instrumental in modernising 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 international marketing and project management of worldwide EPIC offshore and industrial plants contracts. Dr. Ahn was the President of HHI in charge of both offshore engineering and industrial plant division prior to joining Ramunia Group.

He does not hold any directorship on the Board of any other public listed companies in Malaysia. He has no family relationship with any Directors and/or major shareholders 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.



directors' profile

Dato' Md. Zahari bin Md. Zin

Independent Non-Executive Director

Dato' Md. Zahari bin Md. Zin ("Dato' Zahari"), a Malaysian aged 60 was appointed Director of the Company on 1 September 2004. He graduated from University of Malaya in 1971 with 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 any other public listed companies in Malaysia. He has no family relationship with any Directors and/or major shareholders 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.

Izlan bin Izhab

Independent Non-Executive Director

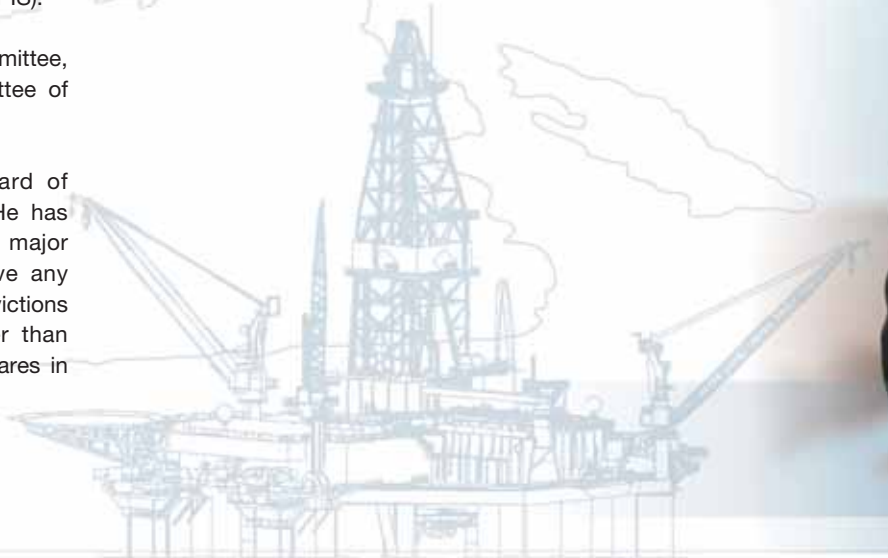
Izlan bin Izhab ("Izlan"), a Malaysian aged 62 was appointed Director of the Company on 1 September 2004. He was the Executive Vice President of Corporate & Legal Affairs of Bursa Malaysia Berhad from 1985 to 2000, the year of his retirement. He also served as Company Secretary for Kompleks Kewangan 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 organisations.

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, OSK-UOB Unit Trust Management Berhad, Malaysia Airports Holdings Berhad, N2N Connect Berhad and Commerce Takaful Berhad.

He has no family relationship with any Directors and/or major shareholders 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.



Leou Thiam Lai

Independent Non-Executive Director

Leou Thiam Lai ("Mr. Leou"), a Malaysian aged 51 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 Aijefiri, Siva, Heng and Monteiro until 1981 and in Baharom Hamdan from 1981 to 1984. Upon obtaining approval for his Audit License 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, United Bintang Berhad, and Nextnation Communication 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 Directors and/or major shareholders 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.

Note: Please refer to the Directors' Shareholding on page 75 for details on Directors' Shareholding.

from left to right

Dato' Md. Zahari bin Md. Zin >| Izlan bin Izhab >| Leou Thiam Lai



chairman's statement



Dato' Azizul Rahman Abd. Samad

Chairman / Non-Independent Non-Executive Director

I AM PROUD TO ANNOUNCED THAT 2006 WAS A YEAR OF GREAT ACHIEVEMENT FOR RAMUNIA HOLDINGS BHD AND ITS SUBSIDIARY COMPANIES. OUR FINANCIAL RESULTS FOR THE YEAR ENDED 31 OCTOBER 2006 RECORDED SALES OF RM348.4 MILLION, A GROSS PROFIT OF RM62.4 MILLION AND A PROFIT AFTER TAX OF RM16.5 MILLION. THIS REPRESENTS A COMMENDABLE 71.0% GROWTH IN REVENUES GENERATING AN INCREASE OF 91.5% IN GROSS PROFITS.

Several key factors have attributed to the healthy growth of the Group namely:

- i) Strong demand for oilfield services in Malaysia and the region;
- ii) Enhancement and expansion of the Group's organisational, technical and project capabilities and competencies;
- iii) Improved competitiveness and efficiency in our project execution and delivery;
- iv) Fabrication yard capacity facilities that is second to none in Malaysia.

The above factors have allowed the Group to continue strongly to strengthen to forge ahead with confidence in this very exciting time in the industry. I foresee Ramunia expanding further in the future as we seek to convert the strength of the Group and to strive for improvement in all facets of operation to position Ramunia inevitably as the foremost fabricator and heavy engineering solution provider of choice in the region.

PROGRESS

In a short time frame of four years, the two years from inception plus the two years subsequent to our listing, the Group has made great strides towards its objective of building a sustainable and formidable fabrication business for the offshore oil and gas and heavy engineering sectors. In tandem with the vibrant development of the upstream oil & gas exploration and production activities in Malaysia and the region, the Group has been able to match the pace of market development with expansion of its internal capabilities and competencies evidenced by the establishment of a commendable track record in project delivery.

Further investment will be committed to expand capacity and improve productivity. Swift progress has been made at our fabrication yard at Teluk Ramunia in Johor, Malaysia as we position Ramunia to serve clients not only within Malaysia but also in the region.

Central to our plan is to move in step with the nation's aim of turning Malaysia as the pioneer deepwater hub in Asia. The ongoing initiatives undertaken on capacity expansion and yard modernisation are geared towards positioning Ramunia as the fabricator of choice for deepwater development in Malaysia and subsequently the SEA region. In addition, these initiatives will enable Ramunia to compete internationally for bigger and more complex structures. The underlying intent is to undertake and execute these potential projects in our Teluk Ramunia yard, thus, potentially creating job opportunities, sub-

contracting works and other spinoffs to the local economy and the country as a whole.

GOVERNANCE

In order to protect the interest of the shareholders and to enhance long term shareholder value, the Board of Directors of Ramunia Holdings Berhad believes in high standards of corporate governance and is committed in ensuring that effective self-regulatory corporate practices. These measures include having in place high caliber Board members, independent Board Committees, adherence to industry best practices, and autonomous internal audit division.

COMMITTED TEAMWORK

Our continued growth and success in 2006 has been the result of a committed team effort to follow-through on opportunities and execute the jobs in hand. Our organisation is now well placed to build and develop our business for the future and meet the challenges ahead. At the heart of those challenges is the need to further develop technical and management resources to meet the demands for heavy engineering solutions and to execute our own expansion plans to match the anticipated demand growth in oilfield services. We place great emphasis in developing a culture of learning and execution organisation-wide to further strengthen our team work as we face the exciting times ahead in the industry.

SAFETY

The safety of our staff and our subcontractors is always a priority and we have a "zero tolerance" attitude towards safety incidents. We conduct vital and on-going auditing and monitoring role in respect of safety throughout our operations. While the industry safety statistics show that there is no place for complacency, the

commitment and systems have clearly helped promoting best practice.

We have adopted clear policies and practices to comply with all relevant national and international standards of health, safety and environmental management and the strict adherence to these policies and practices have resulted in zero loss-time incident (Loss-Time Incident is the industry benchmark for measuring safety record) in over 4,000,000 man-hours worked up until the financial year 2006.

We are proud of our safety record and had received due recognition from clients over the years. In 2006, we received from Petronas Carigali Sdn. Bhd. the award for "Health, Safety & Environment Award 2005 Contractor Category".

STRONG PROSPECTS

We are optimistic of the industry prospects over the next three to five years given the oil majors continued investment in exploration and production activities driven by high global energy prices. The growing global energy demand compounded by supply related constraints continues to propel oil majors to increase investment in exploration and production activities in order to capitalise the result of these key factors. The on-going efforts from oil producers globally to bring more production on stream provide significant market opportunities for Ramunia with respect to our core business and related services.

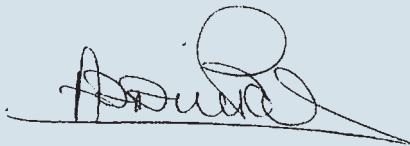
Additionally, the ongoing deepwater development in Malaysia presents tremendous opportunities as well as challenges for Ramunia. Making the transformation from constructing fixed platform structures to undertaking floating structure solutions demanded for deepwater production will position Ramunia at the forefront of the industry in Malaysia and the South East Asia region. Ultimately, as countries in the region such as Indonesia, Thailand,

Vietnam and India venture into deepwater development, we will be well poised to capitalise on opportunities that will unfold given the pioneering deepwater development in Malaysia.

There are significant advantages that Ramunia possesses to capitalise on future development, not least the fact we have the largest purpose-built fabrication yard in the South East Asia region. The Teluk Ramunia yard with open sea frontage is well-positioned as a significant production centre for the construction of large and complex structures demanded for deepwater oilfield production, that our economy is soundly managed and capital markets well developed. We hope that as Ramunia gains more experience and build capacity in this area, costs will decrease and we will become truly globally competitive.

ACKNOWLEDGMENTS

On behalf of the Board, I thank most sincerely all our staff for their hard work and dedication during the past year. I have no doubt that we can rely on their continuing commitment to meet the challenges that lie ahead. I would also like to thank our financiers, our partners, the many government bodies that we deal with and last but not least our customers for their continuing support to Ramunia. May I also take this opportunity to thank my fellow board members for their commitment, valuable insights and thoughtful advice.



Dato' Azizul Rahman Abd. Samad

Chairman /

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



yard modernisation

RAMUNIA HOLDINGS BERHAD, through its property development arm, Globe World Realty Sdn. Bhd., is embarking on its most ambitious and biggest initiative; modernising and automating its existing fabrication facilities. It would be no mean feat, as the Teluk Ramunia fabrication yard comprising yards A, B and C have a total continuous land area of approximately 170 acres, recognised as one of the largest in Asia.

Poised for significant business growth, the yard's infrastructural work will encompass the upgrading, enhancement and modernisation of its fabrication facilities, to optimise the current and future requirement of its potentials.

The facilities that are being constructed, among others, include the fabrication shop, blasting and painting chambers, auto blasting and the modernising of its warehouse facilities.

Significantly, the new and improved infrastructural works would include the construction of additional sub-stations for increased power supply, concrete pavement roads, enhancement of security features and a well engineered drainage and sewerage system. The blueprint of the fabrication yard also takes into consideration, the foundational site of Ramunia's new Corporate Building.

These, among its bigger picture, include plans to strengthen and deepen the wharves surrounding the yard.

Upon its completion, Ramunia would be ready to undertake fabrication structures of up to 50,000 metric tones, for fully integrated platforms, as the Group progresses forward.





Additional Facilities

- | | | |
|--------------------------------|-------------------------|-------------------------------|
| 1 Training Institute | 6 Office Block | 11 Piping Workshop |
| 2 MS Herkules Fabrication Yard | 7 Structural Workshop | 12 Structural Workshop |
| 3 Air Conditioned Warehouse | 8 Piping Workshop | 13 Blasting and Painting Shop |
| 4 Structural Workshop | 9 Pretreatment Shop | 14 Welding School |
| 5 Piping Workshop | 10 Maintenance Workshop | 15 Breakwater and Jetty |
| | | 16 Upgrading of Wharves |



operations report






PERFORMANCE HIGHLIGHTS

The encouraging outlook for Exploration and Production (“E&P”) activities in the oil and gas industry offers tremendous growth potential as investments in existing, new fields and deepwater projects are rising. In addition, the relatively high oil price and the promising expenditure in E&P of the oil majors will augur well for the industry and simultaneously Ramunia’s business operations.

Subsidiaries of Ramunia Holdings Berhad such as Ramunia Fabricators Sdn. Bhd., Ramunia International Services Ltd, Hong Kong and MS Herkules Sdn. Bhd. are in the fore front of benefiting from the robust spending in E&P activities.

During the financial year 2006, Ramunia has successfully entered into the new business segment of Transportation and Installation with its first project awarded by Petronas Carigali Sdn. Bhd. worth approximately RM55.0 million for Abu Cluster Development Project (in addition to the Engineering, Procurement, Construction, Commissioning [“EPCC”] of Abu-A Minimal Integrated Production Platform, awarded in October 2005 of worth approximately RM115.0 million). This award, has enabled Ramunia to establish itself as a full detailed engineering services provider encompassing EPCC, Transportation and Installation (“T&I”) and, Hook-up and Commissioning services.

For the financial year 2006, Ramunia has successfully secured projects worth approximately RM640.0 million as detailed below.

Project Description	Award date	Client	Type	Contract Value (RM'mil)
F13E (SC) DR – A Topsides	13 Jan 2006		FAB	90
Vasai East Development Project Fabrication and loadout (Jacket / Pile / Conductor / Topside)	18 Apr 2006		EPC	88
BR-A Water Injection Module	9 May 2006	Talisman	FAB	24
Bunga Orkid WHRP 3 Jackets	7 June 2006	Talisman	EPC	54
Bunga Kekwa C Annex Topside and Jacket	22 June 2006	Talisman	FAB	14
Abu Cluster Development Project	22 June 2006		T&I	55
Sumandak SUJT (Monopod & Topside) and Sumandak SUPG (Compression Module)	31 July 2006		EPC	120
East Belumut – Jacket and Topside	24 Aug 2006		EPC	195
Total				640



In addition to the above, up until 31 March 2007, Ramunia has also been awarded two new projects valued at approximately US\$87.8 million and RM19.0 million by Carigali-PTTEPI Operating Company Sdn. Bhd. and Talisman Malaysia Ltd respectively.

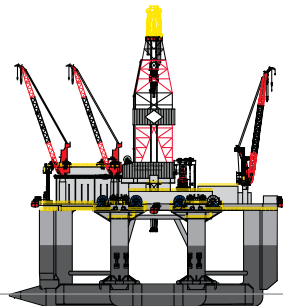
RAMUNIA EXPANDING INTO INTERNATIONAL MARKET

The outlook on international market offers lucrative jobs for Ramunia. Ramunia via its wholly owned subsidiary, Ramunia International Services Limited ("RISL") Hong Kong, has ventured into the market in order to capitalise on the opportunities. On 5 February 2007, RISL secured the landmark project awarded by Carigali-PTTEPI Operating Company Sdn. Bhd. for the provision of engineering, procurement, construction, and commissioning of four (4) Well Head Platforms and Jackets and the procurement, construction and load out of the 8 legged CPP Jacket. The contract is valued at approximately US\$87.8 million and is expected to contribute positively towards the earnings of Ramunia Group for the financial years 2007 to 2009.

INCREASING FABRICATION CAPACITY

In preparation for the increasing workload, Ramunia has entered into a Sale and Purchase agreement to acquire additional fabrication yard located between the existing yards owned by Ramunia. The acquisition will enable Ramunia to increase its annual fabrication capacity from the existing 31,000 Metric Tonnes ("MT") to approximately 61,000 MT. Ramunia has also embarked on its yard modernisation and automation to include developing additional covered workshops, painting and blasting workshop, automation of yard facilities, fabrication and associated facilities. Upon completion of the yard modernisation and automation, the annual fabrication capacity is expected to increase to about 84,000 MT.



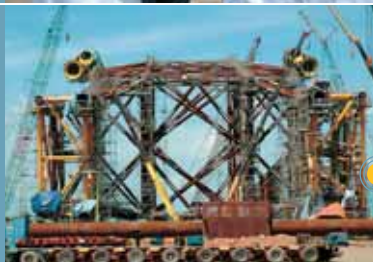


The higher capacity and yard modernisation will enhance Ramunia efficiency and competitiveness, and thus, will position Ramunia to undertake higher value added projects from oil majors and to participate in the development of deepwater projects in Malaysia.

FINANCIAL PERFORMANCE

Ramunia Holdings Berhad

	FYE ended 31 Oct 2005 (RM'mil)	FYE ended OCT 2006 (RM'mil)
Revenue	203.8	348.4
Gross Profit ("GP")	32.6	62.4
Profit after tax but before exceptional items	10.4	15.5
Exceptional items*	(36.8)	—
Net Profit / Loss	(27.1)	16.5
Shareholders' equity	220.2	240.2
Issued and paid up capital	115.9	118.8
Net tangible assets ("NTA")	136.7	155.1
GP margin (%)	15.9	17.9
NTA per share (RM)	0.59	0.65
Gearing ratio	0.57	0.68
Market Capitalisation	266.5	282.8





RAMUNIA FABRICATORS SDN. BHD.
(the main operating company)

	RM ended 3 Octobr 2005 (RM'mil)	RM ended 3 Octobr 2006 (RM'mil)
Revenue	205.50	345.4
Cost of Sales	172.9	282.7
Gross Profit	32.6	62.8
Administrative expenditure	8.4	28.1
Profit from Operations	25.2	31.5
Profit before tax	22.7	27.8
Profit after tax	17.3	19.4

BUSINESS OUTLOOK

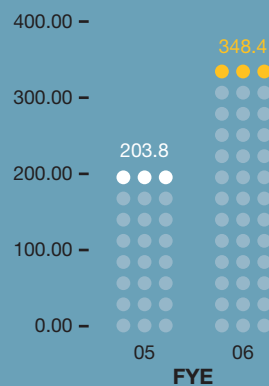
The local and international business outlooks are expected to remain positive for Ramunia in view of the expected continuous investment in the exploration and production activities.

In Malaysia, Ramunia will continue to bid actively for fabrication of shallow water structures as well as in preparation to undertake deepwater projects. Malaysia's pioneering deepwater development will be the main driver for Ramunia's growth in the domestic market in the medium to long-term.

In the international arena, namely the South East Asia region, India and the Middle East, market opportunities will remain vibrant. Many of the countries in the SEA region including Indonesia, Vietnam and Thailand will eventually develop their own deepwater potentials and in this regards, Ramunia's active participation in Malaysia's ongoing deepwater development will favourably support the Group in capitalising future deepwater developments in the region in the long-run.



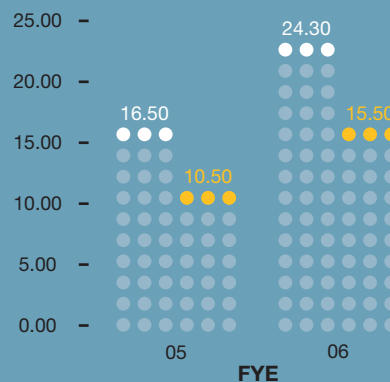
**RaHB's
REVENUE
(RM'mil)**



RaHB

● ● ●
PBT

● ● ●
**Profit
after
tax
before
exceptional
items
(RM'mil)**





calendar of events



12th January 2006
(Majlis Korban)

Ramunia Fabricators Sdn. Bhd. held its yearly Majlis Korban at Ramunia Yard, Johor.

18th—21st February 2006
(Investor Relations Roadshow)

Ramunia Holdings Berhad organised an Investors Relations (IR) Roadshow at Teluk Ramunia Yard in celebration of our 1st anniversary of its initial listing on the Second Board of Bursa Malaysia. The roadshow started with a friendly Golf tournament with the clients, government officers, local authority and Ramunia project personnel. The program continued with our Media and Bankers Briefing and ended with the Fund Managers and Analyst Briefing.



24th—26th March 2006
(Performance Management System)

Implementation of the Performance Management System (PMS) with a strategic review exercise held at Lanai Gurney, Kuala Lumpur.



RAMUNIA IR ROADSHOW
MEDIA BRIEFING
19 FEBRUARY 2006



16th April 2006
(Ramunia Bowling Tournament)

Ramunia Group held its yearly Bowling Tournament at Ampang Bowl, Ampang Point, Selangor.



26th April 2006
(2nd Annual General Meeting)

Ramunia Holdings Berhad held its 2nd Annual General Meeting at Pacific Ballroom, Pan Pacific Kuala Lumpur.



3rd May 2006
(1st HSE Day for Abu Cluster Project)

The launching of 1st HSE Day for Petronas Abu Cluster project held at Ramunia Yard, Johor.



6th—9th July 2006
(Team Building & Business Plan Review Exercise)

Kick off meeting for the Group's Business Plan Review and Team Building held at Selesa Hillhomes, Pahang.





20th July 2006
(*Performance Management System*)

The launching of 1st HSE Day for Shell F13E project at Ramunia Yard, Johor.

1st August 2006

(*PCSB DCE Contractor HSE Workshop*)

Monthly workshop on health, safety and environmental (HSE) for contractors hosted by Ramunia Fabricators Sdn. Bhd. held at KLGCC, Bukit Kiara.



9th September 2006
(*Merdeka Parade at Bandar Penawar*)

The Ramunia Contingent came out as Champion in the best dress category during the Merdeka Parade organised by Kota Tinggi Municipal held at Bandar Penawar Stadium, Pengerang.



6th October 2006
(*Majlis Berbuka Puasa KL Office*)

Majlis Berbuka Puasa for Ramunia KL Office was held at Dewan Felda, Kuala Lumpur.

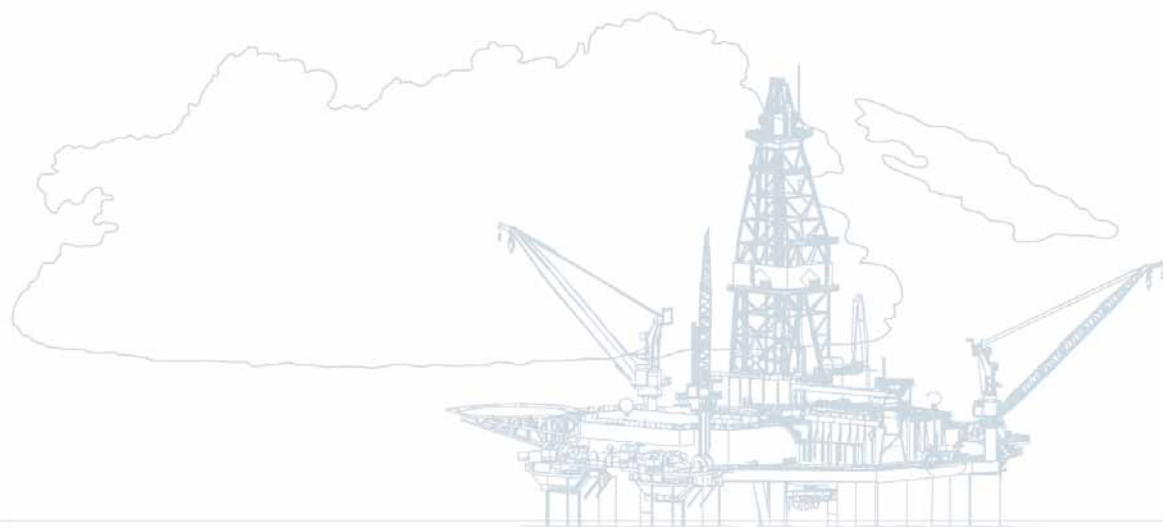


19th October 2006
(*Majlis Berbuka Puasa & Contribution for the needy*)

Ramunia Group presented cash contribution to the senior citizens and orphans within the Teluk Ramunia vicinity at Masjid Teluk Ramunia, Pengerang.

5th November 2006
(*Ramunia Hari Raya Open House*)

Ramunia Group held its Hari Raya Open House for all clients, business associates, government officials and staff at the Grand Ballroom of Sime Darby Convention Centre, Bukit Kiara.






audit committee report

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 2006.

1. MEMBERS

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



Name	Designation	Date of Appointment
Leou Thiam Lai <i>Chairman</i>	Independent Non-Executive Director	8 October 2004
Dato' Md. Zahari bin Md. Zin	Independent Non-Executive Director	8 October 2004
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 2006. The details of the attendance of the meetings are as follows:

Name	Total Meetings Attended	Percentage (%) of Attendance
Leou Thiam Lai <i>Chairman</i>	4 of 4	100
Dato' Md. Zahari bin Md. Zin	4 of 4	100
Arshad bin Ahmad	4 of 4	100

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

- (i) Reviewed the quarterly un-audited financial statements of the Group to recommend to the Board for approval;
- (ii) Reviewed the annual audited financial statements of the Company with the external auditors prior to submission to the Board of Directors for their approval. The review was, inter-alia, to ensure compliance with:
 - Provisions of the Companies Act, 1965;
 - Listing Requirements of Bursa Malaysia Securities Berhad;
 - Applicable approved accounting standards in Malaysia; and
 - Other legal and regulatory requirements.

In the review of the annual audited financial statements, the Audit Committee discussed with Management and the external auditors the accounting principles and standards that were applied and their judgement of the items that may affect the financial statements;

- (iii) Reviewed the audit report by the Internal Auditor and monitor the implementation of the audit recommendations in the subsequent meetings.

- (iv) Reviewed with the external auditors:
 - their audit plan, audit strategy and scope of work for the year;
 - the results of the annual audit, their audit report and management letter together with management's response to the findings of 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.

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 Accountant 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 Audit 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) Term 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 term of reference.



audit committee report (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, Director of Finance and the head of internal audit will normally be in attendance at the meetings. Representative 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 members 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

A quorum of 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 principle 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) authorised 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 consider 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 Listing Requirements occurred.

(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 result 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 policies and practice;
 - 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 2006.

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

The Board of Directors of Ramunia Holdings Berhad (“the Company”) continues to have in place Corporate Governance framework that is based on 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.

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 comprises six (6) Board members, which includes one (1) Non-Independent Non-Executive Chairman, two (2) Executive Directors and three (3) Independent Non-Executive Directors. There is effective check and balance on the Board with half of the Board Members being independent and non-executive which caters effectively to the scope and complexity of the Company’s operations.

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 Arshad Ahmad is the Managing Director and Dr. Daniel Ahn Chung-Sung is the Executive Director of the Company (hereinafter referred to as “Executive Directors”). 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 organisational 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.

The roles and responsibilities of the Non-Executive Chairman are distinct and separate from the duties and responsibilities of the Executive Directors.

The Board comprises highly reputable and professional persons of caliber, credibility and has the necessary skills and experience to bring an independent judgment. With their combined experience and knowledge, they provide sound advice and impartial judgment for the benefit of the company, its shareholders and stakeholders.

Board Meetings

Board meetings are held quarterly with additional meetings held when necessary. The Board met six (6) 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 2006. 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	6/6	100
Dato' Md Zahari bin Md. Zin	6/6	100
Arshad bin Ahmad	6/6	100
Dr. Daniel Ahn Chung-Sung	5/6	83
Izlan bin Izhab	5/6	83
Shahul Hamid bin Mohd Ismail*	6/6	100
Leou Thiam Lai	6/6	100

* resigned w.e.f. 15 January 2007

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.

Professional advisers, accountants and solicitors appointed by the Company to advise on corporate proposals to be undertaken by the Company would be invited to attend Board meetings to render their advice and opinion and also to clarify any issues raised by the Directors relating to the corporate proposals tabled to the Board for consideration.

The Directors are also regularly updated and advised by the Company Secretaries on new statutory and regulatory requirements relating to the discharge of their duties and responsibilities.

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 24 of this Annual Report.

The proposed appointment of new member of the Board and the proposed re-election of the existing directors who are seeking for re-election at the annual general meeting of the Company will be reviewed and assessed by the Nomination Committee. The Nomination Committee will, upon its review and assessment, submit its recommendation on the proposed re-election of directors to the Board for approval.

In accordance with the Articles of Association of the Company, at least one third (1/3) 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").



statement of corporate governance (continued)

Directors' Training and Education

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.

Upon the revised Bursa Securities' Listing Requirements, the Board will assume the onus of determining or overseeing the training needs of their Directors from Year 2005 onwards.

The members of the Board will attend various external professional programs necessary to ensure that they are kept abreast on various issues facing the changing business environment within which the Company operates.

On 18 January 2006, all the Directors of the company attended training on updates on the financial report standards in line with the global trends on reporting of Financial Statements.

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: Leou Thiam Lai (Independent Non-Executive Director)

Members: Dato' Md. Zahari bin Md. Zin (Independent Non-Executive Director)

Arshad bin Ahmad (Non-Independent Executive Director)

Shahul Hamid bin Mohd Ismail (Independent Non-Executive Director)*

* resigned w.e.f. 15 January 2007

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 19 to 21 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: Izlan bin Izhah (Independent Non-Executive Director)

Members: Dato' Md. Zahari bin Md. Zin (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.

(iii) Remuneration Committee

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

Chairman: Izlan bin Izhah (Independent Non-Executive Director)

Members: Dato' Md. Zahari bin Md. Zin (Independent Non-Executive Director)
 Shahul Hamid bin Mohd Ismail (Independent Non-Executive Director)*
 Leou Thiam Lai (Independent Non-Executive Director)

* resigned w.e.f. 15 January 2007

The Remuneration Committee carries out annual review of the overall remuneration policy for the Executive Directors and Senior Management of the Company, whereupon recommendations are submitted to the Board for approval. The Remuneration Committee ensure that the Company's remuneration policy remain supportive of the Company's corporate objective and is aligned with the interest of shareholders and further that the remuneration packages of the Executive Directors and Senior Management are sufficient to draw and to retain persons of high caliber.

These adjustments are to reflect their respective continuations for the year based on the framework of principles established by the Company.

The Board as a whole determines the remuneration of Non-Executive Directors and each individual directors abstained from the Board discussion on his own remuneration.

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.

The details of the remuneration of the Directors who served during the financial year ended 31 October 2006 are as follows:

Aggregate Remuneration By Category	Executive Directors (RM)	Non-Executive Directors (RM)
Basic salaries, bonuses and EPF	457,332.00	380,886.00
Fees and allowances	462,000.00	213,000.00
Total	919,332.00	593,886.00



statement of corporate governance (continued)

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

Range of Remuneration	Number of Directors	
	Executive Directors	Non-Executive Directors
0 — RM50,000	1	4
RM400,001 — RM450,000	—	1
RM450,001 — RM500,000	1	—
	2	5

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 Finance 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 Road show was organised in late February 2006, where the Senior Management Team briefed the participants on the Groups 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.

Best Practice of the Code

The Board is committed to achieve high standards of corporate governance throughout the Company and to the highest level integrity and ethical standards in all its business dealings.

The Board considers that the Company has complied throughout the current financial year under review with the Best Practices as set out in the Code.

E. ACCOUNTABILITY AND AUDIT

Financial Reporting

The Company's financial statements were prepared in accordance with the requirements & 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 18 to 21.

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 28 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 29 of this Annual Report.

Corporate Social Responsibilities

In December 2006, the Company contributed as part of its Corporate Social Responsibility RM50,000 to the flood victims in Johore.



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 2006.

The financial statements of the Company and the Group for the financial year in review are set out on pages 31 to 73 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 judgments 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

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 recognises 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 organisation'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 organisation structure to ensure the effective discharge of their roles and responsibilities towards the organisation;
- 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 utilisation of any funds there from.

2. Share Buy-Back

The Company did not enter into any share buy-backs transactions during the financial year ended 31 October 2006.

3. Options, Warrants or Convertible Securities

During the financial year end, the Company had issued the following Share Options:

Option Date	Option Price	Granted
16 May 2006	RM1.06	1,490,000
28 September 2006	RM1.06	370,000

4. American Depository Receipt ("ADR") or Global Depository Receipt ("GDR")

The Company did not sponsor any ADR or GDR program during the financial year ended 31 October 2006.

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 ended 31 October 2006.

6. Non-Audit Fees

There were no non-audit fees incurred during the Financial Year ended 31 October 2006.

7. Variation in Results

There was no material variations between the audited results for the financial year ended 31 October 2006 against the unaudited results for the year ended 31 October 2006 released by the Company earlier.

8. Profit Guarantee

There was no profit guarantee imposed on the Company for the Financial Year ended 31 October 2006.

9. Material Contracts

The Company had on 17 July 2006 entered into a conditional sale and purchase agreement with Ramunia Energy and Marine Corporation Sdn. Bhd. ("Remcorp") for the proposed acquisition of a piece of property known as H.S.(D) No: 7794, PT No: 502 Mukim Pantai Timor, Daerah Kota Tinggi, Negeri Johor and all buildings, structures, plant, machinery, associated equipment, fixtures and fittings situated thereon (collectively "the Property") for a total purchase consideration of RM135,000,000.00. The purchase consideration is proposed to be satisfied via a cash payment of RM75,000,000.00 and the balance RM60,000,000.00 via the issuance of 43,795,620 new shares at the issue price of RM1.37 each, subject to the terms and condition of the agreement.

The Company and Remcorp had on 9 October 2006 entered into a supplementary agreement to revise the sale and purchase agreement dated 17 July 2006 the purchase consideration for the proposed acquisition to RM108,000,000.00 to be satisfied via a cash payment of RM60,000,000.00 and the balance RM48,000,000.00 via the issuance of 38,709,677 new shares at the issue price of RM1.24 each (the "Consideration Shares"). On 14 March 2007, the Company and Remcorp have entered in to a Second Supplemental Agreement to transfer the Property to either the Company or any of its wholly-owned subsidiary.

The Sales and Purchase Agreement is pending completion.

The Company entered into a Memorandum of Understanding ("MOU") on 7 April 2006 between Ramunia and Sam Kang Industries Co. Ltd, a company incorporated in Korea to form a Joint Venture for the purpose of setting up and managing a tubular rolling facility in Malaysia to cater for South East Asia market to be located at Ramunia's yard. Both parties agree that the estimated investment will be approximately United States Dollars Ten Million (USD 10,000,000) encompassing but not limited to land lease, factory and facilities, equipment costs, six (6) months working capital and raw material stock.

The parties to the MOU have mutually agreed to terminate the MOU on 24 November 2006.

10. Revaluation Policy on Landed Properties

The Company has not adopted a policy of regular revaluation of its landed properties. As at 31 October 2006 the Company has not carried out any revaluation exercise on its landed properties.

11. Recurrent Related Party Transactions of Revenue or Trading Nature.

There were no recurrent related party transactions during the financial year ended 31 October 2006.



**Making
tomorrow
a better place**

FINANCIAL STATEMENTS

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of Changes in Equity | **44** > Cash Flow Statement | **46** > Notes to the Financial Statements



directors' report

The Directors hereby submit their report together with the audited financial statements of the Company for the year ended 31 October 2006.

PRINCIPAL ACTIVITY

The principal activity of the Company is that of investment holding and providing management services.

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 RM	Company RM
Profit after taxation	15,496,070	36,230
Minority interests	1,008,910	—
Profit for the year	16,504,980	36,230
Accumulated loss brought forward	(27,153,810)	(45,743,660)
Accumulated loss carried forward	(10,648,830)	(45,707,430)

DIVIDENDS

There were no dividends proposed, declared or paid by the Company since the end of previous year.

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, ordinary shares of RM0.50 issuance for cash pursuant to the Company's Employee Share Option Scheme amounted to 5,882,000.

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

DETACHABLE WARRANTS 2004/2014

On 20 December 2004, a total of 237,800,000 Detachable Warrants 2004/2014 were issued. The Company has 230,000,000 (2005: 230,000,000) units of unexercised warrants at the end of the year.

The salient features of the Detachable Warrants 2004/2014 are as mentioned in Note 5 to the financial statements.

IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES 2004/2009 ("ICPS")

On 21 December 2004, the Company issued 100,648,062 Irredeemable Convertible Preference Shares of RM0.50 each.

The salient features of the Irredeemable Convertible Preference Shares 2004/2009 are as mentioned in Note 6 to the financial statements.

IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS 2004/2007 ("ICULS")

On 22 December 2004, the Company issued 164,000,000 Irredeemable Convertible Unsecured Loan Stocks of RM0.50 each.

The salient features of the Irredeemable Convertible Unsecured Loan Stocks 2004/2007 are as mentioned in Note 7 to the financial statements.

EMPLOYEE SHARE OPTION SCHEME ("ESOS")

The ESOS is governed by the by-laws which were 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 five (5) years.

The salient features of the 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 five (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.

The Company has been granted exemption by the Companies Commission of Malaysia from having disclosed the names of employees who have been granted options for less than 180,000 ordinary shares of RM0.50 each. There were no employees granted options to subscribe for 180,000 or more ordinary shares of RM0.50 each during the year.



directors' report (continued)

EMPLOYEE SHARE OPTION SCHEME ("ESOS") (continued)

As at 31 October 2006, the options offered to take up unissued ordinary shares of RM0.50 each and the option prices are as follows:

	Year of offer	Expire	Option price	Number of option over ordinary shares of RM0.50 each				At 31.10.2006
				At 1.11.2005	Granted	Exercised	Lapsed	
	2005	2010	RM0.56	2,378,000	—	2,378,000	—	—
	2005	2010	RM1.03	400,000	—	—	—	400,000
	2005	2010	RM1.06	—	1,360,000	835,000	—	525,000
	2006	2010	RM0.56	—	3,137,000	2,669,000	—	468,000
				2,778,000	4,497,000	5,882,000	—	1,393,000

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

- 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 all known bad debts had been written off and adequate provision had been made for doubtful debts; and
- 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 Group and 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:

- the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent;
- which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and 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 (12) 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:

- 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
- 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 33 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
 Leou Thiam Lai
 Izlan bin Izhab
 Ahn, Daniel Chung-Sung
 Shahul Hamid bin Mohd Ismail (*resigned 15.1.2007*)

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 1.11.2005	Bought	Sold	As at 31.10.2006
Direct interest				
Arshad bin Ahmad	430,000	145,000	370,000	205,000
Ahn, Daniel Chung-Sung	—	1,395,220	1,389,000	6,220
Deemed interest				
Dato' Azizul Rahman bin Abd. Samad*	132,556,104	—	10,310,000	122,246,104

* deemed interest by virtue of his shareholdings in Ramunia Energy & Marine Corporation Sdn. Bhd. and Dow Alpha Industries Sdn. Bhd..



directors' report (continued)

DIRECTORS (continued)

	Number of warrants			
	As at 1.11.2005	Bought	Sold	As at 31.10.2006
Deemed interest				
Dato' Azizul Rahman bin Abd. Samad*	213,656,048	—	17,155,969	196,500,079

* deemed interest by virtue of his shareholdings in Ramunia Energy & Marine Corporation Sdn. Bhd..

	Irredeemable Convertible Preference Shares of RM0.50 each			
	As at 1.11.2005	Bought	Sold	As at 31.10.2006
Deemed interest				
Dato' Azizul Rahman bin Abd. Samad*	54,875,240	—	5,663,500	49,211,740

* deemed interest by virtue of his shareholdings in Ramunia Energy & Marine Corporation Sdn. Bhd. and Dow Alpha Industries Sdn. Bhd..

	Irredeemable Convertible Unsecured Loan Stocks of RM0.50 each			
	As at 1.11.2005	Bought	Sold	As at 31.10.2006
Deemed interest				
Dato' Azizul Rahman bin Abd. Samad*	126,882,240	—	5,820,501	121,061,739

* deemed interest by virtue of his shareholdings in Ramunia Energy & Marine Corporation Sdn. Bhd. and Dow Alpha Industries Sdn. Bhd..

The Company	Number of option over ordinary shares of RM 0.50 each					
	Year of offer	Expire	Option price	Granted	Exercised	At 31.10.2006
Arshad bin Ahmad	2005	2010	RM0.56	460,000	460,000	—
	2006	2010	RM0.56	115,000	115,000	—
Dato' Azizul Rahman bin Abd. Samad	2005	2010	RM1.03	80,000	—	80,000
Dato' Md. Zahari bin Md. Zin	2005	2010	RM1.03	80,000	—	80,000
Izlan bin Izhab	2005	2010	RM1.03	80,000	—	80,000
Leou Thiam Lai	2005	2010	RM1.03	80,000	—	80,000
Ahn, Daniel Chung-Sung	2006	2010	RM1.06	137,000	(137,000)	—

DIRECTORS (continued)

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 28 February 2007.



DATO' AZIZUL RAHMAN BIN ABD SAMAD



ARSHAD BIN AHMAD

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)
) **DIRECTORS**
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)
)
)

Kuala Lumpur
28 February 2007



statement by directors

In the opinion of the Directors, the financial statements set out on pages 40 to 72 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 2006, 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 28 February 2007.

DATO' AZIZUL RAHMAN BIN ABD SAMAD

ARSHAD BIN AHMAD

Kuala Lumpur
28 February 2007

statutory declaration

I, Mohamad Reezal bin Siddiq, being the Chief Financial Officer primarily 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 40 to 72 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
28 February 2007

MOHAMAD REEZAL BIN SIDDIQ

Before me:

T. Thandonee Rajagopal (No. W 228)
Commissioner for Oaths



Lot LG 27B, Lower Ground Floor,
Wijayah Complex,
2, Jalan Munshi Abdullah,
50100 Kuala Lumpur,
MALAYSIA.

report of the auditors

to the members of ramunia holdings berhad (incorporated in malaysia)

We have audited the financial statements set out on pages 40 to 72 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 2006 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.

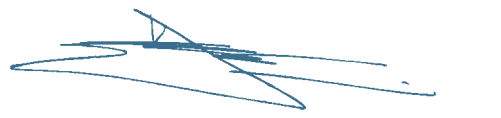
The auditor's reports on the financial statements of the subsidiary companies were not subject to any qualification and in respect of subsidiary companies incorporated in Malaysia, did not include any comment (or any adverse comment) made under Subsection (3) of Section 174 of the Act.



SHAMSIR JASANI GRANT THORNTON

(No. AF: 0737)

Chartered Accountants



DATO' N.K. JASANI

Chartered Accountant

(No: 708/03/08(J/PH))

Partner

Kuala Lumpur
28 February 2007



balance sheet as at 31 october 2006

	Note	Group		Company	
		2006 RM	2005 RM	2006 RM	2005 RM
SHARE CAPITAL	5	118,806,471	115,865,471	118,806,471	115,865,471
IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES	6	50,324,031	50,324,031	50,324,031	50,324,031
IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS	7	79,924,338	79,924,338	79,924,338	79,924,338
SHARE PREMIUM		1,838,200	1,084,740	1,838,200	1,084,740
SHARE APPLICATION MONIES		—	189,280	—	189,280
ACCUMULATED LOSS		(10,648,830)	(27,153,810)	(45,707,430)	(45,743,660)
Total shareholders' fund		240,244,210	220,234,050	205,185,610	201,644,200
MINORITY INTEREST		357,139	813,249	—	—
IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS	7	2,075,662	2,075,662	2,075,662	2,075,662
BORROWINGS	8	53,500,953	44,533,405	40,000,000	40,000,000
FINANCE PAYABLES	9	135,290	169,727	—	—
DEFERRED TAXATION	10	4,241,000	2,076,000	850,000	—
		300,554,254	269,902,093	248,111,272	243,719,862
Represented by:					
PROPERTY, PLANT AND EQUIPMENT	11	166,538,510	123,491,603	137,103,274	108,658,366
INTANGIBLE ASSETS	12	2,756,466	1,171,696	—	—
INVESTMENT IN SUBSIDIARY COMPANIES	13	—	—	100,634,668	100,059,379
OTHER INVESTMENT	14	4,000,000	4,000,000	4,000,000	4,000,000
GOODWILL ON CONSOLIDATION		82,391,748	82,391,748	—	—
DEFERRED TAX ASSETS	10	687,000	—	—	—
CURRENT ASSET					
Inventories		1,108,623	1,975,362	—	—
Trade receivables	15	127,267,611	101,598,964	—	—
Other receivables, deposits and prepayment		31,655,368	6,179,971	23,951	152,397
Amount due from holding company	16	2,579,726	1,282,725	—	—
Amount due from subsidiary companies	17	—	—	12,801,929	30,628,919
Amount due from related companies	18	258,750	258,750	—	—
Amount due from customers	19	86,778,616	32,959,145	—	—
Short term deposits with licensed banks	20	1,148,719	1,591,119	—	—
Cash and bank balances		26,160,783	31,439,352	44,491	2,191,716
Total current assets		276,958,196	177,285,388	12,870,371	32,973,032

Note	Group		Company	
	2006 RM	2005 RM	2006 RM	2005 RM
CURRENT LIABILITIES				
Trade payables	87,635,713	23,058,041	—	—
Other payables and accruals	22,360,908	5,389,741	1,629,308	1,400,895
Amount due to holding company16	—	—	561,020	558,020
Amount due to a subsidiary company17	—	—	4,181,713	—
Borrowings8	109,850,736	80,431,912	—	—
Finance payables9	175,110	164,424	—	—
Tax payable	12,755,199	9,394,224	125,000	12,000
Total current liabilities	232,777,666	118,438,342	6,497,041	1,970,915
NET CURRENT ASSETS	44,180,530	58,847,046	6,373,330	31,002,117
	300,554,254	269,902,093	248,111,272	243,719,862

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



income statements

for the year ended 31 october 2006

	Note	Group		Company	
		2006 RM	2005 RM	2006 RM	2005 RM
Revenue	21	348,375,316	203,758,256	12,750,000	—
Cost of sales		(285,962,892)	(171,172,513)	—	—
Gross profit		62,412,424	32,585,743	12,750,000	—
Other operating income		167,890	3,370,556	685	43,704
Administration expenses		(24,429,542)	(12,321,329)	(5,397,598)	(5,082,025)
Other operating expenses		(6,693,853)	(4,661,997)	(3,181,281)	(2,264,423)
Profit / (Loss) from operations		31,456,919	18,972,973	4,171,806	(7,302,744)
Finance cost		(7,167,705)	(2,510,256)	(3,172,076)	(1,608,194)
Profit / (Loss) before exceptional items	22	24,289,214	16,462,717	999,730	(8,910,938)
Exceptional items	23	—	(36,813,881)	—	(36,813,881)
Profit / (Loss) before taxation		24,289,214	(20,351,164)	999,730	(45,724,819)
Taxation	24	(8,793,144)	(6,031,556)	(963,500)	(12,000)
Profit / (Loss) after taxation		15,496,070	(26,382,720)	36,230	(45,736,819)
Minority interest		1,008,910	(764,249)	—	—
Net profit / (loss) for the year		16,504,980	(27,146,969)	36,230	(45,736,819)
Earning / (loss) per share (sen)	25				
— Basic		7.04	(14.91)		
— Diluted		2.74	—		

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

statement of changes in equity

for the year ended 31 october 2006

	Share capital RM	Irredeemable convertible preference share (ICPS) RM	Irredeemable convertible unsecured loan stock (ICULS) RM	Share Premium RM	Share Application Monies RM	Accumulated loss RM	Total RM
Group							
Balance at 1 November 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
Exercise of ESOS	2,941,000	—	—	753,460	(189,280)	—	3,505,180
Net profit for the year	—	—	—	—	—	16,504,980	16,504,980
Balance at 31 October 2006	118,806,471	50,324,031	79,924,338	1,838,200	—	(10,648,830)	240,244,210
Company							
Balance at 1 November 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
Exercise of ESOS	2,941,000	—	—	753,460	(189,280)	—	3,505,180
Net profit for the year	—	—	—	—	—	36,230	36,230
Balance at 31 October 2006	118,806,471	50,324,031	79,924,338	1,838,200	—	(45,707,430)	205,185,610

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



cash flow statement

for the year ended 31 october 2006

Note	Group		Company	
	2006 RM	2005 RM	2006 RM	2005 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit / (Loss) before taxation	24,289,214	(20,351,164)	999,730	(45,724,819)
Adjustment for:				
Acquisition cost of listing status	—	36,813,881	—	36,813,881
Amortisation of intangible asset	264,128	—	—	—
Depreciation	4,815,684	3,164,327	3,181,281	2,264,423
Interest expenses	6,748,212	1,638,305	2,966,482	861,322
Interest income	(17,800)	(43,704)	—	(43,704)
Provision for doubtful debts	465,062	—	—	—
Unrealised loss on foreign exchange	52,641	—	—	—
Operating profit / (loss) before working capital changes	36,617,141	21,221,645	7,147,493	(5,828,897)
Changes in working capital:				
Inventories	866,739	(330,131)	—	—
Receivables	(51,050,650)	(82,392,011)	128,446	(152,397)
Customers	(53,819,471)	10,127,098	—	—
Holding company	(1,297,001)	(1,515,328)	3,000	325,417
Subsidiary companies	—	—	22,008,703	(32,769,086)
Related companies	—	(258,750)	—	—
Trust receipts	—	(1,666,286)	—	—
Payables	79,350,500	1,860,013	(807,789)	771,984
Cash generated from / (used in) operations	10,667,258	(52,953,750)	28,479,853	(37,652,979)
Interest received	17,800	43,704	—	43,704
Interest paid	(5,712,010)	(1,011,394)	(1,930,280)	(234,411)
Tax paid	(3,954,166)	—	(500)	—
Net cash generated from / (used in) operating activities	1,018,882	(53,921,440)	26,549,073	(37,843,686)
CASH FLOWS FROM INVESTING ACTIVITIES				
Deferred expenditure paid	—	(945,953)	—	(945,953)
Net cash used in acquisition of subsidiary companies (Note 30(c))	—	(21,789,097)	—	—
Acquisition of investment in subsidiary companies	—	—	(575,289)	(59,379)
Acquisition of intangible asset	(844,405)	—	—	—
Proceeds from disposal of investment	—	1	—	1
Purchase of investment bonds	—	(4,000,000)	—	(4,000,000)
Purchase of property, plant and equipment	A (47,189,197)	(10,281,056)	(31,626,189)	(5,922,789)
Net cash used in investing activities	(48,033,602)	(37,016,105)	(32,201,478)	(10,928,120)

Note	Group		Company	
	2006 RM	2005 RM	2006 RM	2005 RM
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of shares	3,505,180	10,774,240	3,505,180	10,774,240
Proceeds from issuance of shares to minorities	552,800	49,000	—	—
Share application monies received	—	189,280	—	189,280
Net receipt of term loans	37,154,161	45,553,742	—	40,000,000
Revolving credits	(9,297,234)	17,950,089	—	—
Withdrawal / (Placement) of fixed deposits	442,400	(591,119)	—	—
Repayment of finance payables	(171,951)	(3,790,619)	—	—
Net cash generated from financing activities	32,185,356	70,134,613	3,505,180	50,963,520
CASH AND CASH EQUIVALENTS				
Net changes	(14,829,364)	(20,802,932)	(2,147,225)	2,191,714
At beginning of year / At date of incorporation	(20,802,930)	2	2,191,716	2
At end of year B	(35,632,294)	(20,802,930)	44,491	2,191,716

NOTES TO THE CASH FLOW STATEMENTS

A. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

Group

During the year, the Group acquired property, plant and equipment with an aggregate cost of RM47,862,591 (2005: RM128,071,422) of which RM148,200 and RM525,194 (2005: RM Nil and RM Nil) were acquired by means of hire purchase and term loan respectively, and RM Nil (2005: RM105,000,000) were acquired by issuance of equity instruments pursuant to the Corporate Restructuring Scheme disclosed in the Note 30(a) to financial statements. Cash payments of RM47,189,197 (2005: RM10,281,056) were made to purchase the property, plant and equipment respectively.

Company

During the year, the Company acquired property, plant and equipment with an aggregate cost of RM31,626,189 (2005: RM110,922,789) of which RM Nil (2005: RM105,000,000) were acquired by issuance of equity instruments pursuant to the Corporate Restructuring Scheme disclosed in the Note 30(a) to financial statements. Cash payments of RM31,626,189 (2005: 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:

Note	Group		Company	
	2006 RM	2005 RM	2006 RM	2005 RM
Cash and bank balances	26,160,783	31,439,352	44,491	2,191,716
Bank overdraft	(61,793,077)	(52,242,282)	—	—
	(35,632,294)	(20,802,930)	44,491	2,191,716

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



notes to the financial statements

31 october 2006

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 refinanced.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Basis of consolidation

The consolidated financial statements include the 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 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 its result is 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) Investment in 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. When an indication of impairment exists, the carrying value of investment is written down to its recoverable value. On disposed of such investments, the difference between net disposal proceeds and their carrying amounts is recognised in the income statements.

(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. When an indication of impairment exists, the carrying value of investment is written down to its recoverable value. On disposed of such investments, the difference between net disposal proceeds and their carrying amounts is recognised in the income statements.

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

31 october 2006 (continued)

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%
Yard infrastructures	2%
Plant and machineries	6%
Vessel	10%
Motor vehicles	20%
Office equipments	10%
Renovation	10%
Furniture and fittings	10%
Computers	10%

Building in-progress is not depreciable until they are completed and ready for commercial utilisation. The amount is stated at cost and includes construction costs incurred up to the date the building completed and ready for its intended use.

(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

(i) Deferred development expenditures

Deferred development expenditures 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.

(ii) License fee

The know-how license is for right to manufacture 5 licensed models of cranes for marine and offshore oil & gas exploration and production fields of application, to the same quality and specification as produced by the licensor, in the South East Asia except for Thailand and the Middle East.

The license fee is stated at cost less accumulated amortisation and impairment losses. The license fee is amortised on a straight line basis over a period of seven (7) years, being the expiry of the license.

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

(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/total contract values. Provision is made for all foreseeable losses.



notes to the financial statements

31 october 2006 (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Foreign currency conversion and translation (continued)

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

	2006 RM	2005 RM
1 SGD	2.35	2.23
1 GBP	6.97	6.71
1 US Dollar	3.67	3.78
1 Euro	4.67	4.55

(r) Cash and cash equivalents

Cash comprises of cash and bank balances, bank overdrafts and demand deposits. Cash equivalents are short-term and 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.



notes to the financial statements

31 october 2006 (continued)

4. PRINCIPAL ACTIVITY AND GENERAL INFORMATION

The principal activity of the Company is that of investment holding and providing management services.

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 28 February 2007.

5. SHARE CAPITAL

	Group and Company	
	2006 RM	2005 RM
Authorised:		
Ordinary shares of RM0.50 each		
At beginning / end of year	800,000,000	800,000,000
Issued and fully paid:		
Ordinary shares of RM0.50 each		
At beginning of year	115,865,471	2
Pursuant to the Corporate Restructuring Scheme	—	106,175,969
Pursuant to ESOS	2,941,000	5,789,500
Exercise of warrants	—	3,900,000
At end of year at RM0.50 each	118,806,471	115,865,471

The outstanding Detachable Warrants 2004/2014 as at 31 October 2006 amounted to 230,000,000 (2005: 230,000,000) units of warrants.

The salient features of the Detachable Warrants 2004/2014 are as follows:

- (a) each Warrants entitles the registered holders at any time during the exercise period of ten (10) years from the date of first issue of the Warrants to subscribe for one (1) ordinary share of RM0.50 at an exercise price of RM0.55;
- (b) the exercise price and/or the number of the Warrants outstanding may be adjusted in accordance with the provisions set out in the Deed Poll; and
- (c) upon expiry of the exercise period, any unexercised rights will be lapse and cease to be valid for any purposes.

6. IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES ("ICPS")

	Group and Company	
	2006 RM	2005 RM
Authorised:		
Irredeemable convertible preference shares of RM0.50 each		
At beginning / end of year	55,000,000	55,000,000
Issued and fully paid:		
Irredeemable convertible preference shares of RM0.50 each	50,324,031	50,324,031

The salient features of the ICPS are as follows:

- 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;
- the ICPS bears a non-cumulative dividend rate of one per cent (1%) per annum;
- the ICPS are for a period of five calendar years from the date of issue; and
- 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:

- Conversion Ratio – on the basis of 1 ICULS for 1 new ordinary share of RM0.50 in the Company;
- 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;
- 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; and
- 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.



notes to the financial statements

31 october 2006 (continued)

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

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

8. BORROWINGS

	Group		Company	
	2006 RM	2005 RM	2006 RM	2005 RM
Unsecured:				
Term loan	40,000,000	40,000,000	40,000,000	40,000,000
Secured:				
Term loans	16,774,033	5,553,742	—	—
Bank overdraft	61,793,077	52,242,282	—	—
Revolving credits	8,652,774	17,950,089	—	—
Trust receipts	36,131,805	9,219,204	—	—
	123,351,689	84,965,317	—	—
Total	163,351,689	124,965,317	40,000,000	40,000,000
Repayable within 12 months (included under current liabilities)	(109,850,736)	(80,431,912)	—	—
	53,500,953	44,533,405	40,000,000	40,000,000

8. BORROWINGS (continued)

Group

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

- (a) Master facilities agreements;
- (b) Third party first legal charge over the Company's industrial leasehold land together with the building and infrastructure built thereon, 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 5.35% to 8.75% (2005: 7.13% to 8.00%) per annum.

Company

Unsecured

The borrowing is obtained at interests rates of 7.13% (2005: 7.13%) per annum.

9. FINANCE PAYABLES

	Group	
	2006 RM	2005 RM
Payable within 1 year	194,429	197,088
Payable after 1 year but not later than 5 years	200,954	205,053
	395,383	402,141
Less: Interest in suspense	(84,983)	(67,990)
	310,400	334,151
Present value of hire purchase		
— within 1 year	175,110	164,424
— after 1 year but not later than 5 years	135,290	169,727
	310,400	334,151



notes to the financial statements

31 october 2006 (continued)

10. DEFERRED TAX LIABILITIES / (ASSETS)

	Group		Company	
	2006 RM	2005 RM	2006 RM	2005 RM
At beginning of year	2,076,000	—	—	—
Arising from acquisition of a subsidiary company	—	1,164,000	—	—
Recognised in income statement (Note 24)	1,478,000	912,000	850,000	—
At end of year	3,554,000	2,076,000	850,000	—

Presented after appropriate offsetting as follows:

	Group		Company	
	2006 RM	2005 RM	2006 RM	2005 RM
Deferred tax assets	(687,000)	—	—	—
Deferred tax liabilities	4,241,000	2,076,000	850,000	—

The components of deferred tax assets and liabilities prior to offsetting are as follows:

	Group		Company	
	2006 RM	2005 RM	2006 RM	2005 RM
Deferred tax assets:				
Unabsorbed tax losses	(602,000)	—	—	—
Unabsorbed capital allowances	(85,000)	—	—	—
	(687,000)	—	—	—
Deferred tax liabilities:				
Temporary differences between depreciation and capital allowances	4,241,000	2,076,000	850,000	—

11. PROPERTY, PLANT AND EQUIPMENT

	Short leasehold land RM	Short leasehold building RM	Plant and machineries RM	Vessel RM	Building in progress RM	Infrastructure RM	Yard RM	Motor vehicles RM	Furniture, fittings and equipments RM	Computers RM	Renovation RM	Total 2006 RM	Total 2005 RM
Group													
Cost													
At beginning of year	87,642,851	18,817,900	15,895,558	—	—	—	—	283,479	590,484	4,178,797	662,353	128,071,422	—
Arising from acquisition of subsidiary company	—	—	—	—	—	—	—	—	—	—	—	—	12,790,366
Additions	—	241,205	3,783,722	3,539,954	5,738,839	31,329,984	156,175	613,049	1,845,691	613,972	47,862,591	115,281,056	
At end of year	87,642,851	19,059,105	19,679,280	3,539,954	5,738,839	31,329,984	439,654	1,203,533	1,276,630	6,024,483	1,276,630	175,934,013	128,071,422
Accumulated depreciation													
At beginning of year	1,546,386	340,858	1,774,484	—	—	—	—	118,764	94,808	684,849	19,670	4,579,819	—
Arising from acquisition of subsidiary company	—	—	—	—	—	—	—	—	—	—	—	—	1,415,492
Charged for the year	1,869,076	433,049	1,227,659	173,925	—	421,535	67,633	73,667	472,303	77,137	4,815,684	3,164,327	
At end of year	3,415,462	773,907	3,002,143	173,925	—	421,535	186,397	168,475	1,157,152	96,807	9,395,503	4,579,819	
Net book value													
2006	84,227,389	18,285,198	16,677,137	3,366,029	5,738,839	30,908,749	253,257	1,035,058	4,867,311	1,179,523	166,538,510	—	—
2005	86,096,465	18,477,042	14,121,074	—	—	—	164,715	495,676	3,493,948	642,683	—	—	123,491,603



notes to the financial statements

31 october 2006 (continued)

11. PROPERTY, PLANT AND EQUIPMENT (continued)

Company	Short leasehold land RM	Short leasehold building RM	Yard Infrastructure RM	Plant and machineries RM	Furniture, and fittings RM	Renovation RM	Motor vehicles RM	Total 2006 RM	Total 2005 RM
Cost									
At beginning of year	87,642,851	18,817,900	—	4,320,700	1,095	67,243	73,000	110,922,789	—
Additions	—	241,205	31,329,984	—	—	55,000	—	31,626,189	110,922,789
At end of year	87,642,851	19,059,105	31,329,984	4,320,700	1,095	122,243	73,000	142,548,978	110,922,789
Accumulated depreciation									
At beginning of year	1,546,386	340,858	—	358,806	100	6,106	12,167	2,264,423	—
Charged for the year	1,869,076	433,049	421,235	432,070	110	11,141	14,600	3,181,281	2,264,423
At end of year	3,415,462	773,908	421,235	790,876	210	17,246	26,767	5,445,703	2,264,423
Net book value									
2006	84,227,389	18,285,197	30,908,749	3,529,824	885	104,997	46,233	137,103,274	—
2005	86,096,465	18,477,042	—	3,961,894	995	61,137	60,833	—	108,658,366

Net book value of the short leasehold land, building and yard infrastructure of the Group and of the Company amounting to RM133,421,335 (2005: 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 and term loan amounting to RM750,478 and RM525,194 (2005: RM710,987 and RM Nil).

12. INTANGIBLE ASSETS

	Group	
	2006 RM	2005 RM
Deferred development expenditure		
Cost		
At beginning of year	1,171,696	—
Arising from acquisition of subsidiary company	—	1,171,696
At end of year	1,171,696	1,171,696
License fee		
Cost		
Addition / At end of year	1,848,898	—
Accumulated amortisation		
Addition / At end of year	264,128	—
	1,584,770	—
Net carrying amount	2,756,466	1,171,696

13. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	2006 RM	2005 RM
Unquoted shares, at cost	100,634,668	100,059,379

Details of the subsidiary companies are as follows:

Name of companies	Place of incorporation	Effective equity interest		Principal activities
		2006 %	2005 %	
Ramunia Fabricators Sdn. Bhd. ("RFSB")	Malaysia	100	100	Fabrication of offshore oil and gas related structure and other related civil works
MS Herkules Sdn. Bhd. ("MSHSB")	Malaysia	51	51	Manufacturing of offshore pedestal cranes



notes to the financial statements

31 october 2006 (continued)

13. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

Name of companies	Place of incorporation	Effective equity interest		Principal activities
		2006 %	2005 %	
Ramunia International Holdings Ltd. ("RIHL")	Labuan	100	100	Offshore investment holding
Ramunia International Services Ltd. ("RISL")	Hong Kong	100	—	Upstream activities of the oil and gas industry
Armada Optima Sdn. Bhd. ("AOSB")	Malaysia	100	—	Asset owning company, specifically holding ownership of marine vessels
Globe World Realty Sdn. Bhd. ("GWRSB")	Malaysia	100	—	Yard development and management of the company's fabrication yards
Ramunia Training Services Sdn. Bhd. ("RTSSB")	Malaysia	100	—	Provision of training and related services
O & G Works Sdn. Bhd. (formerly known as Ramunia Corporate Services Sdn. Bhd.) ("O & G")	Malaysia	100	—	Provision of management and administration services
Held by Ramunia International Holdings Ltd.:				
PT. Sarana Transglobal Jaya* ("PTSTJ")	Indonesia	51	51	Upstream activities of the oil and gas industry
Held by Ramunia International Services Ltd.:				
RISL Engineering Sdn. Bhd. ("RISL Engineering")	Malaysia	100	—	Fabrication of offshore oil and gas steel structures and platforms and all activities related incidental thereto

* Company not audited by Shamsir Jasani Grant Thornton.

14. OTHER INVESTMENT

	Group and Company	
	2006 RM	2005 RM
Unquoted bond, at cost	4,000,000	4,000,000

15. TRADE RECEIVABLES

	Group	
	2006 RM	2005 RM
Trade receivables	127,732,673	101,598,964
Less: Provision for doubtful debts	(465,062)	—
	127,267,611	101,598,964

16. 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.

17. AMOUNT DUE FROM/(TO) SUBSIDIARY COMPANIES**Company**

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

18. 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 unsecured, interest free and has no fixed term of repayment.

19. AMOUNT DUE FROM CUSTOMERS

	Group	
	2006 RM	2005 RM
Cost incurred to date	520,009,224	175,277,831
Attributable profits	98,264,544	35,626,440
	618,273,768	210,904,271
Less: Progress billings received and receivables	(531,495,152)	(177,945,126)
Amount due from customers	86,778,616	32,959,145



notes to the financial statements

31 october 2006 (continued)

19. AMOUNT DUE FROM CUSTOMERS (continued)

Addition to the cost incurred to date during the year include:

	Group	
	2006 RM	2005 RM
Hire of equipments	17,181,398	4,562,250
Loan interest	2,374,785	1,160,120
Overdraft interest	2,176,599	1,581,472
Realised loss on foreign exchange	1,181,034	57,017

20. SHORT TERM DEPOSITS WITH LICENSED BANKS

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

21. REVENUE

	Group		Company	
	2006 RM	2005 RM	2006 RM	2005 RM
Contract income	345,439,857	197,831,244	—	—
Rental income	—	—	8,550,000	—
Sale of cranes	2,935,459	5,927,012	—	—
Management fee	—	—	4,200,000	—
	348,375,316	203,758,256	12,750,000	—

22. PROFIT / (LOSS) BEFORE EXCEPTIONAL ITEMS

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

	Group		Company	
	2006 RM	2005 RM	2006 RM	2005 RM
Audit fee	69,000	52,000	16,000	15,000
Amortisation of intangible asset	264,128	—	—	—
Depreciation	4,815,684	3,164,327	3,181,281	2,264,423
Directors' fee	175,000	175,000	175,000	175,000
Directors' remuneration	—	—	—	—
— other emolument	866,980	843,280	866,980	310,160

22. PROFIT / (LOSS) BEFORE EXCEPTIONAL ITEMS (continued)

	Group		Company	
	2006 RM	2005 RM	2006 RM	2005 RM
(Gain)/loss on foreign exchange				
— realised	(21,601)	(10,097)	(683)	6,219
— unrealised	52,641	—	—	—
Interest expenses				
— hire purchase	35,367	708,304	—	—
— overdraft interest	2,211,756	1,274,757	—	—
— term loans	3,595,462	303,090	2,060,855	234,411
— ICULS	905,627	626,911	905,627	626,911
Office rental	454,423	—	—	—
Provision for doubtful debts	465,062	—	—	—
Rental of equipment and tools	1,850	—	—	—
Rental of motor vehicle	11,094	16,636	—	—
Rental of photocopier	34,188	32,957	—	—
Rental of quarters	1,350	—	—	—
Interest income	(17,800)	(43,704)	—	(43,704)
Rental income	(19,500)	(3,237,200)	—	—

23. EXCEPTIONAL ITEMS

	Group and Company	
	2006 RM	2005 RM
Acquisition cost of listing status:		
Corporate exercise expenses	—	36,813,881

24. TAXATION

	Group		Company	
	2006 RM	2005 RM	2006 RM	2005 RM
Current year provision	7,133,000	5,243,000	125,000	12,000
Under / (Over) provision in previous year	182,144	(123,444)	(11,500)	—
Transferred to deferred taxation (Note 10)	1,478,000	912,000	850,000	—
	8,793,144	6,031,556	963,500	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.



notes to the financial statements

31 october 2006 (continued)

24. TAXATION (continued)

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

	Group		Company	
	2006 RM	2005 RM	2006 RM	2005 RM
Profit / (Loss) before taxation	24,289,214	(20,351,161)	999,730	(45,724,819)
Income tax at rate of 28%	6,800,980	(5,698,325)	279,924	(12,802,949)
Tax effects in respect of:				
Tax saving as a result of first RM500,000 taxable income taxed at 20%	—	(40,000)	—	—
Non-allowable expenses	2,272,254	13,245,955	695,076	12,814,949
Tax savings from utilisation of reinvestment allowances	(462,234)	(1,352,630)	—	—
Current year / period tax expenses	8,611,000	6,155,000	975,000	12,000
Prior year under / (over) provision	182,144	(123,444)	(11,500)	—
Total tax expenses	8,793,144	6,031,556	963,500	12,000

25. EARNING / (LOSS) PER SHARE

Group

(a) Basic earning / (loss) per share

Basic earning / (loss) per share of the Group is based on the net profit / (loss) attributable to shareholders for the year and the weighted average number of shares in issue during the year as follows:

	2006 RM	2005 RM
Net profit / (loss) for the year (RM)	16,504,980	(27,146,969)
Weighted average number of ordinary shares in issue	234,400,838	182,035,752
Basic earnings / (loss) per share (sen)	7.04	(14.91)

25. EARNING / (LOSS) PER SHARE

Group

(b) Diluted earning/(loss) per Share

2006

For the purpose of calculating diluted earnings per shares, the net profit attributable to shareholders and the weighted average number of shares in issue during the year are as follows:

	2006
Net profit for the year (RM)	16,504,980
After-tax effect of interest on ICULS (RM)	652,051
Adjusted net profit for the year (RM)	17,157,031
Weighted average number of share in issue	234,400,838
Effect of dilution:	
Warrants	126,098,563
ICPS	100,648,062
ICULS	164,000,000
ESOS	382,257
Adjusted weighted average number of share in issue and issueable	625,529,720
Diluted earnings per share (sen)	2.74

2005

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.

In previous year, there was no diluted loss per share is presented as the effect is anti-dilutive.

26. EMPLOYEE INFORMATION

	Group		Company	
	2006 RM	2005 RM	2006 RM	2005 RM
(a) Staff costs				
— charged to income statement	15,677,213	7,011,219	3,720,029	4,186,801
— charged to project costs	9,959,876	9,638,426	—	—
	25,637,089	16,649,645	3,720,029	4,186,801

- (b) The number of employees of the Group and of the Company at the end of the year was 597 and 64 (2005: 385 and 30).



notes to the financial statements

31 october 2006 (continued)

27. SIGNIFICANT RELATED PARTY TRANSACTIONS

	Group		Company	
	2006 RM	2005 RM	2006 RM	2005 RM
Professional fees paid / payable to a company in which Director has interest	3,313,723	—	—	—
Rental income received / receivable from subsidiary companies	—	—	8,550,000	—
Management fee received / receivable from subsidiary companies	—	—	4,200,000	—

The Directors of the Company are of the opinion that the above transactions have been entered into the normal course of business and have been established under terms that are no less favorable than those arranged with independent third parties.

28. CAPITAL COMMITMENT

	Group		Company	
	2006 RM	2005 RM	2006 RM	2005 RM
Authorised and contracted for:				
Acquisition of yard	108,000,000	—	108,000,000	—
Acquisition of property, plant and equipment	1,245,948	—	92,000	—
Acquisition of vessel	—	2,812,000	—	—
Construction of building	355,384	4,930,000	—	—
	109,601,332	7,742,000	108,092,000	—

29. CONTINGENT LIABILITIES

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

	Group		Company	
	2006 RM	2005 RM	2006 RM	2005 RM
Corporate guarantee granted to subsidiary company	—	—	572,000,000	368,000,000
Being claims from third parties in dispute	8,252,625	318,925	—	—

30. SUMMARY EFFECT OF ACQUISITION OF SUBSIDIARY COMPANIES

Group

2006

During the year, the Group acquired the following dormant subsidiary companies:

- (a) Ramunia International Services Ltd.;
- (b) Armada Optimal Sdn. Bhd.;
- (c) Globe world Realty Sdn. Bhd.;
- (d) RISL Engineering Sdn. Bhd.;
- (e) Ramunia Training Services Sdn. Bhd.; and
- (f) O & G Works Sdn. Bhd. (formerly known as Ramunia Corporate Services Sdn. Bhd.).

The acquisitions of the abovementioned subsidiary companies do not have material impact on the financial position and results of the Group.

Group

2005

In previous year, the Company acquired Ramunia Fabricators Sdn. Bhd. and the effect of the acquisition is as follows:

- (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 was as follows:

	1.12.2004 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



notes to the financial statements

31 october 2006 (continued)

30. SUMMARY EFFECT OF ACQUISITION OF SUBSIDIARY COMPANIES (continued)

- (b) The effect of the acquisition of Ramunia Fabricator Sdn. Bhd. that took place on 31 December 2004 on the financial position of the Group 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

- (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 to 31.10.2005 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)

30. SUMMARY EFFECT OF ACQUISITION OF SUBSIDIARY COMPANIES (continued)

	31.12.2004 to 31.10.2005 RM
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

31. 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.

32. 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 year RM	2 to 5 years RM	More than 5 years RM	Total RM	Effective interest rate during the year
Group					
2006					
Financial asset					
Short term deposit with a licensed bank	1,148,719	—	—	1,148,719	2.00%—3.70%
Financial liabilities					
Finance payables	175,110	135,290	—	310,400	3.65%—6.65%
Term loans	3,273,080	13,500,953	40,000,000	56,774,033	5.35%—7.25%
Bank overdraft	61,793,077	—	—	61,793,077	7.25%—8.75%
Revolving credits	8,652,774	—	—	8,652,774	7.25%—8.00%
Trust receipts	36,131,805	—	—	36,131,805	8.00%



notes to the financial statements

31 october 2006 (continued)

32. FINANCIAL INSTRUMENTS (continued)

(i) Interest rate risk (continued)

	Less than year RM	2 to 5 years RM	More than 5 years RM	Total RM	Effective interest rate during the year
Company					
2006					
Financial liabilities					
Term loan	—	—	40,000,000	40,000,000	7.13%
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%

(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 Group and Company at the balance sheet date approximated their fair values, except for the followings:

	Group and Company	
	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.

33. SIGNIFICANT EVENTS

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

- (a) On 25 November 2005, the Company has further subscribed for 688,080 ordinary shares of RM1 each in the subsidiary company, MS Herkules Sdn. Bhd. ("MSHSB") to maintain its 51% interest in the equity.
- (b) 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 each. The principal activities of RISL are in the upstream activities of the oil and gas industry.
- (c) On 10 March 2006, The Company has acquired the entire issued and paid-up share capital of the following companies at purchase consideration of RM2 per company respectively:

- (i) Armada Optima Sdn. Bhd. ("Armada"), a company incorporated in Malaysia with audithorised share capital of RM100,000 divided into 100,000 ordinary shares of RM1 each and the paid up capital of RM2 divided into 2 ordinary shares of RM1 each.

The principal activity of Armada is holding ownership of marine vessels acquired by Ramunia Fabricators Sdn. Bhd. ("RFSB") to be used for hook-up and commissioning contracts.

- (ii) Globe World Realty Sdn. Bhd. ("Globe"), a company incorporated in Malaysia with authorised share capital of RM100,000 divided into 100,000 ordinary shares of RM1 each and the paid up capital of RM2 divided into 2 ordinary shares of RM1 each.

The principal activity of Globe is yard development and management of Company's master plan comprising the modernisation and upgrade of the Company's fabrication yard in Teluk Ramunia, Johor.

- (d) On 27 June 2006, RISL has acquired the entire issued and paid-up share capital of RISL Engineering Sdn. Bhd. ("RISL Engineering"), a company incorporated in Malaysia, with total authorised share capital of 100,000 ordinary shares of RM1 each and the paid up capital of RM2 divided into 2 ordinary shares of RM1 each, at purchase consideration of RM2. The principal activities of RISL Engineering are in the business of fabrication of offshore oil and gas steel structures and platforms and all activities related incidental thereto.
- (e) On 3 July 2006, the Company has acquired the entire issued and paid-up share capital of at purchase consideration of RM2 per company respectively:

- (i) Ramunia Training Services Sdn. Bhd. ("RTS"), a company incorporated in Malaysia with audithorised share capital of RM100,000 divided into 100,000 ordinary shares of RM1 each and the paid up capital of RM2 divided into 2 ordinary shares of RM1 each.

The principal activity of RTS is primarily involved in the provision of training and related services.

- (ii) Ramunia Corporate Services Sdn. Bhd. ("RCS"), a company incorporated in Malaysia with audithorised share capital of RM100,000 divided into 100,000 ordinary shares of RM1 each and the paid up capital of RM2 divided into 2 ordinary shares of RM1 each.

The principal activity of RCS is primarily involved in the provision of management and administrative services.

On 18 December 2006, RCS has changed its name to O&G Works Sdn. Bhd. ("O&G").

- (f) On 17 July 2006, the Company has announced the following Corporate Proposals:

- (i) The Company has entered into a conditional Sale and Purchase agreement (the "Principal Agreement") with its holding company, Ramunia Energy & Marine Corporation Sdn. Bhd. ("Remcorp") for the proposed acquisition of H.S.(D) No. 7794, PT No. PTD 502, Mukim Pantai Timor, Daerah Kota Tinggi, Negeri Johor (the "Land") and all buildings, structures, plant, machineries, associate equipments, fixtures and fittings situated on the Land (collectively the "Property") for a total purchase consideration of RM135 million to be satisfied via a combination of RM75 million in cash and the balance RM60 million by the issue and allotment of 43,795,620 new ordinary shares of par value RM0.50 each of the Company to the Remcorp at an issue price of RM1.37 each (the "Proposed Acquisition").



notes to the financial statements

31 october 2006 (continued)

33. SIGNIFICANT EVENTS (continued)

(f) On 17 July 2006, the Company has announced the following Corporate Proposals: (continued)

On 20 September 2006, Irhamy & Co., Chartered Surveyors ("ICCS") had vide its valuation certificate to revised the valuation of the Property from RM150,860,000 to RM107,890,000 ("Revised Valuation").

On 9 October 2006, the Company and Remcorp entered into a Supplemental Agreement (the "Supplemental Agreement") to revise the Purchase Consideration under the Principal Agreement of RM135 million to RM108 million without altering the fundamental commercial understanding between the Company and Remcorp, whereby the Revised Purchase Consideration are to be satisfied via a combination of RM60 million in cash and the balance RM48 million by the issue and allotment of 38,709,677 new ordinary shares of par value RM0.50 each of the Company to the Remcorp at an issue price of RM1.24 each.

The issue price of RM1.24 is based on the five (5)-Market Day volume weighted average market share price of the Company in between 2 October 2006 to 6 October 2006, being the last market day immediately preceding the date of the Supplemental Agreement.

On 13 December 2006, the Securities Commission ("SC") had vide its letter ("Approval Letter") which given its approval for the Proposed Acquisition under Section 32(5) of the SC Act 1993.

- (ii) Proposed Renounceable Restricted Issue of up to 68,400,000 new ordinary shares of RM0.50 each of the Company at a fixed issue price of RM1.00 each to all shareholders, save for Remcorp and its related parties as identified herein, on a pro-rata basis of their respective shareholdings in the Company as at an entitlement date to be determined (the "Proposed Restricted Issue").

The issuance and allotment of 22,080,000 warrants to be issued pursuant to the adjustment to the exercise price and the number of warrants held by the existing warrant holders as a result of the Proposed Restricted Issue.

On 13 December 2006, the SC had vide its Approval Letter which given its approval for the Proposed Restricted Issue under Section 32(5) of the SC Act 1993.

- (iii) Proposed Private Placement of up to 45,500,000 new ordinary shares of RM0.50 each (the "Proposed Private Placement") which representing up to approximately 19.25% of the issued and paid-up share capital of the Company as at 7 July 2006.

On 25 August 2006, the SC had vide its Approval Letter which given its approval for the Proposed Private Placement under the Securities Commission Act 1993.

In addition to the above, the SC (on behalf of the Foreign Investment Committee ("FIC")) had, vide the Approval Letter, given its approval for the Proposed Private Placement under the FIC's Guidelines on Acquisition of Interest, Mergers and Take-over by Local and Foreign Interests.

As at todate, all of the abovementioned are yet to be completed.

- (g) On 31 July 2006, Petronas has issued a Letters of Award to RFSB for the engineering, procurement, construction and commissioning ("EPCC") of Sumandak Selatan ("SUPG-B") and Sumandak Tepi ("SUJT-C") Development Project ("Phase 2") Package 3 and Package 4 ("the Project") at the contract value of approximately RM120 million and the duration of the contract is 14 months from the award date. The Sumandak field is located in Sabah Waters North West of Labuan Island.
- (h) On 29 September 2006, Newfield Peninsula Malaysia Inc. ("Newfield") has issued a Letters of Award to the RFSB for the provision of engineering, procurement and construction ("EPC") of Jacket and engineering, procurement, construction and commissioning ("EPCC") of Topside, for East Belumut-A Platform at the contract value of approximately RM200 million. The East Belumut oilfield project is located offshore Terengganu, Malaysia.
- (i) On 25 January 2007 and 8 February 2007, the Company's wholly owned subsidiary company, namely RISL has accepted the Letter of Intent issued by Carigali – PTTEPI Operating Company Sdn. Bhd. ("PTTEPI") dated 15 January 2007 and Letter of Conditional Award dated 5 February 2007 respectively, for the provision of EPCC services for the Wellhead Platform and Jackets for the JDA Block B-17 Field Development at a contract values approximately USD87.8 million.

list of properties

The properties of the Group as at 31 October 2006 are as follows:

Title / Location	Description and Existing Use	Land Area / Built-up Area	Approximate Age of Building	Tenure	Audited Net Book Value at 31.10.2006	Date of Acquisition
HS(D) 8585 PTD No. 421 HS(D) 14211 PTD No. 421A and HS(D) 8586 PTD No. 501 of Mukim Pantai Timor District of Kota Tinggi State of Johor Darul Takzim	Purpose-built steel fabrication facilities which undertake steel fabrication of offshore platforms of approximately 21,000 MT for	36.422 hectares / 32,633 sq m	15 — 20 years	Leasehold for 60 years expiring on: 18.12.2050 (PTD No. 421 and 501) 27.1.2054	RM102,512,587	20 December 2004
Teluk Ramunia Fabrication Yard No. 437, Teluk Ramunia 81620 Pengerang Johor Darul Takzim	Fabrication Yard No. 1 and approximately 10,000 MT for Fabrication Yard No. 2			(PTD No. 421A)		



analysis of shareholdings

as at 5 march 2007

SHARE CAPITAL

Authorised share capital	:	RM855,000,000.00
		(a) 1,600,000,000 Ordinary shares of RM0.50 each
		(b) 110,000,000 Irredeemable Convertible Preference Shares of RM0.50 each ("ICPS")
Paid up share capital	:	RM169,387,002.00 (based on statutory records of the Company)
Issued share capital		(a) RM119,062,971.00 Ordinary shares of RM0.50 each
		(b) RM50,324,031.00 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) 238,125,942 Ordinary shares of RM0.50 each
		(b) 100,648,062 ICPS of RM0.50 each
Number of shareholders	:	(a) 4,804 (Ordinary Shares)
		(b) 22,356 ("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 5 March 2007)

Size of Holdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Capital
1—99	713	14.84	39,601	0.02
100—1,000	1,597	33.24	677,945	0.28
1,001—10,000	1,756	36.55	8,377,346	3.52
10,001—100,000	601	12.51	19,518,498	8.20
100,001—11,667,346	135	2.81	99,174,178	41.65
11,667,347 and above	2	0.04	110,338,374	46.34
Total	4,804	100.00	238,125,942	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	—	—	*124,046,104	52.09
Arshad bin Ahmad	Malaysian	155,000	0.07	—	—
Leou Thiam Lai	Malaysian	—	—	—	—
Izlan bin Izhab	Malaysian	—	—	—	—
Dato' Md Zahari bin Md. Zin	Malaysian	—	—	—	—
Dr. Daniel Ahn Chung-Sung	American	1,387,000	0.58	—	—

*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.



analysis of shareholdings

as at 5 march 2007 (continued)

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

Substantial Shareholders (based on the Register of Substantial Shareholders)

Name of Shareholders	Nationality	NO. OF SHARES BENEFICIALLY HELD			
		Direct	%	Indirect	%
Dato' Azizul Rahman bin Abd. Samad	Malaysian	—	—	*124,046,104	52.09
Datin Azura Hanim binti Tajudin	Malaysian	1,800,000	0.76	**122,246,104	51.33
Ramunia Energy & Marine Corporation Sdn. Bhd.	Incorporated in Malaysia	120,246,104	50.50	—	—

* 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.

**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.

(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	40.13
2.	EB Nominees (Tempatan) Sendirian Berhad <i>Pledged Securities Account For Ramunia Energy & Marine Corporation Sdn. Bhd.</i>	14,780,000	6.21
3.	Citigroup Nominees (Asing) Sdn. Bhd. <i>Citigroup GM Inc for SDS Capital Group SPC Ltd Class D</i>	11,200,000	4.70
4.	BIMSEC Nominees (Tempatan) Sdn. Bhd. <i>Ramunia Energy & Marine Corporation Sdn. Bhd.</i>	9,837,726	4.13
5.	AIBB Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Tan Siew Booy</i>	5,626,500	2.36
6.	De Kiat Hai	4,600,000	1.93
7.	HSBC Nominees (Asing) Sdn. Bhd. <i>BNP Paribas Arbitrage (Hong Kong) Limited</i>	3,072,300	1.29
8.	HSBC Nominees (Asing) Sdn. Bhd. <i>HSBC Tub Lux for Trinkaus Inhouse Portfolio</i>	2,552,100	1.07
9.	AIBB Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Tan Moi Joo</i>	2,500,000	1.05
10.	RHB Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Faridah binti Mohd Fuad Stephens</i>	2,457,700	1.03
11.	RHB Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Lok Huey Ming</i>	2,034,900	0.85
12.	RHB Capital Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Dow Alpha Industries Sdn. Bhd.</i>	2,000,000	0.84
13.	DB (Malaysia) Nominee (Asing) Sdn. Bhd. <i>Deutsche Bank AG London</i>	1,943,800	0.82
14.	Inter-pacific Equity Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Lee Choi Yin</i>	1,880,000	0.79
15.	Azura Hanim binti Tajudin	1,800,000	0.76



analysis of shareholdings

as at 5 march 2007 (continued)

(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.	DB (Malaysia) Nominee (Asing) Sdn. Bhd. <i>Deutsche Bank AG Singapore PBD for Unioncity Enterprises Limited</i>	1,795,000	0.75
17.	Chew Lai Har	1,745,000	0.73
18.	Kenanga Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Faridah binti Mohd Fuad Stephens</i>	1,680,000	0.71
19.	Inter-pacific Equity Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Chew Lai Har</i>	1,620,000	0.68
20.	AIBB Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Lok Huey Ming</i>	1,539,300	0.65
21.	Zulkifli bin Ismail	1,500,000	0.63
22.	Ahn Daniel Chung Sung	1,387,000	0.58
23.	JF Apex Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Tan Siew Booy</i>	1,246,800	0.52
24.	HSBC Nominees (Asing) Sdn. Bhd. <i>Exempt an for Credit Suisse</i>	1,000,000	0.42
25.	CIMSEC Nominees (Tempatan) Sdn. Bhd. <i>CIMB Bank for Faridah binti Mohd Fuad Stephens</i>	1,000,000	0.42
26.	Citigroup Nominees (Asing) Sdn. Bhd. <i>UBS AG Singapore for Claymore Management Limited</i>	1,000,000	0.42
27.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>UBS AG Singapore for Tan Siew Booy</i>	1,000,000	0.42
28.	AIBB Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Tan Mui Pow</i>	1,000,000	0.42
29.	BHLB Trustee Berhad	906,400	0.38
30.	TA Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Mohd Haniff bin Abd Aziz</i>	900,000	0.38

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

Distribution Schedule of ICPS Holders

Size of ICPS Holdings	No. of ICPS Holders	% of ICPS Holders	No. of ICPS Held	% of Issued ICPS
1—99	6,737	30.14	513,272	0.51
100—1,000	12,512	55.97	4,243,975	4.22
1,001—10,000	2,609	11.67	7,966,138	7.91
10,001—100,000	414	1.85	12,957,482	12.87
100,001—5,032,402	82	0.37	26,755,455	26.58
5,032,403 and above	2	0.01	48,211,740	47.90
Total	22,356	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	—	—	49,241,740*	48.92
Arshad bin Ahmad	Malaysian	—	—	—	—
Leou Thiam Lai	Malaysian	—	—	—	—
Izlan bin Izhab	Malaysian	—	—	—	—
Dato’ Md Zahari bin Md. Zin	Malaysian	—	—	—	—
Dr. Daniel Ahn 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.



analysis of shareholdings

as at 5 march 2007 (continued)

(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.	CIMSEC Nominees (Tempatan) Sdn. Bhd. <i>CIMB for Ramunia Energy & Marine Corporation Sdn. Bhd.</i>	41,531,895	41.26
2.	BIMSEC Nominees (Tempatan) Sdn. Bhd. <i>Ramunia Energy & Marine Corporation Sdn. Bhd.</i>	6,679,845	6.64
3.	Cheah See Han	2,030,500	2.02
4.	Kevin Goh Pang Yuen	1,210,500	1.20
5.	Sai Yee @ Sia Say Yee	1,180,000	1.17
6.	CIMSEC Nominees (Tempatan) Sdn. Bhd. <i>CIMB for Dow Alpha Industries Sdn. Bhd.</i>	1,000,000	0.99
7.	Tan Hwe Chin	966,600	0.96
8.	Affin Nominees (Tempatan) Sdn. Bhd. <i>Eassetmanagement Sdn. Bhd. for Tan Hwe Chin</i>	931,700	0.93
9.	CIMSEC Nominees (Tempatan) Sdn. Bhd. <i>CIMB Bank for Yong Ah Ku @ Yeoh Kok Wah</i>	715,400	0.71
10.	JF Apex Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Lim Kim Bian</i>	697,200	0.69
11.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. <i>Pheim Asset Management Sdn. Bhd. for Employees Provident Fund</i>	615,700	0.61
12.	ECM Libra Avenue Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Bonnie Yong @ Yong Yoon Kong</i>	566,900	0.56
13.	Malpac Capital Sdn. Bhd.	555,000	0.55
14.	Pek Kiam Kek	500,000	0.50
15.	RHB Capital Nominees (Asing) Sdn. Bhd. <i>Pledged Securities Account for Wei Jack Ngoh @ Wei Jiak Sake</i>	500,000	0.50

(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	492,900	0.49
17.	BHLB Trustee Berhad <i>Exempted – Trust Account for EPF Investment for Member Savings Scheme</i>	491,300	0.49
18.	Mayban Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Ravindra a/l Panchalingam</i>	440,000	0.44
19.	Lee Choi Yin	400,000	0.40
20.	Lim Kim Bian	392,300	0.39
21.	Lee Tiow Ghee	388,100	0.39
22.	Tam Ah Suan @ Tam Yap Hai	380,000	0.38
23.	HSBC Nominees (Asing) Sdn. Bhd. <i>HPBS SG for Tenacious Hold Limited</i>	369,200	0.37
24.	Lim Shiu Ho	348,500	0.35
25.	Chew Lai Har	347,700	0.35
26.	Lau Chuan Chai	320,000	0.32
27.	PM Nominees (Tempatan) Sdn. Bhd. <i>Pcb Asset Management Sdn. Bhd. for Mary Tan @ Tan Hui Ngoh</i>	312,000	0.31
28.	AMSEC Nominees (Tempatan) Sdn. Bhd. <i>Arab-malaysian Credit Berhad for Westmont Holdings Sdn. Bhd.</i>	305,515	0.30
29.	Hamzah bin Abdul Jalil	300,000	0.30
30.	RHB Capital Nominees (Tempatan) Sdn. Bhd. <i>Pheim Asset Management Sdn Bhd for Cariessa Goh Geak Hwa</i>	300,000	0.30



analysis of irredeemable convertible unsecured loan stocks (ICULS) holdings

as at 5 march 2007

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	: 2,403

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	34	1.41	1,975	0.00
100—1,000	1,378	57.34	769,215	0.47
1,001—10,000	774	32.21	2,752,735	1.68
10,001—100,000	159	6.62	5,591,735	3.41
100,001—8,199,999	55	2.29	40,735,216	24.84
8,200,000 and above	3	0.12	114,149,124	69.60
Total	2,403	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	—	—	121,061,740*	73.82
Arshad bin Ahmad	Malaysian	—	—	—	—
Leou Thiam Lai	Malaysian	—	—	—	—
Izlan bin Izhab	Malaysian	—	—	—	—
Dato' Md Zahari bin Md. Zin	Malaysian	—	—	—	—
Dr. Daniel Ahn 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.

LIST OF THIRTY (30) LARGEST ICULS ACCOUNTS HOLDERS

No.	Name	No. of ICULS Beneficially Held	%
1.	CIMSEC Nominees (Tempatan) Sdn. Bhd. <i>CIMB for Ramunia Energy & Marine Corporation Sdn. Bhd.</i>	80,504,639	49.09
2.	RHB Capital Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Ramunia Energy & Marine Corporation Sdn. Bhd.</i>	20,000,000	12.20
3.	BIMSEC Nominees (Tempatan) Sdn. Bhd. <i>Ramunia Energy & Marine Corporation Sdn. Bhd.</i>	13,644,485	8.32
4.	Ramunia Energy & Marine Corporation Sdn. Bhd.	4,912,616	3.00
5.	CIMSEC Nominees (Tempatan) Sdn. Bhd. <i>CIMB Bank for Mohd Razip bin Mohammad</i>	3,634,000	2.22
6.	JF Apex Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Tan Siew Booy</i>	2,702,600	1.65
7.	CIMSEC Nominees (Tempatan) Sdn. Bhd. <i>CIMB for Dow Alpha Industries Sdn. Bhd.</i>	2,000,000	1.22
8.	CIMSEC Nominees (Tempatan) Sdn. Bhd. <i>CIMB Bank for Lok Huey Ming</i>	2,000,000	1.22
9.	HSBC Nominees (Asing) Sdn. Bhd. <i>HSBC Tub Lux for Trinkaus Inhouse Portfolio</i>	1,926,500	1.17
10.	HSBC Nominees (Asing) Sdn. Bhd. <i>UBS AG Zurich for Concerto Investment Limited</i>	1,523,400	0.93
11.	Home Field Sdn. Bhd.	1,485,100	0.91
12.	Inter-pacific Equity Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Lee Choi Yin</i>	1,450,000	0.88
13.	HSBC Nominees (Asing) Sdn. Bhd. <i>HPBS SG for Tenacious Hold Limited</i>	1,341,500	0.82
14.	Kevin Goh Pang Yuen	1,306,000	0.80
15.	Tan Mui Pow	1,250,000	0.76
16.	DB (Malaysia) Nominee (Asing) Sdn. Bhd. <i>BNP Paribas Nominees Singapore Pte Ltd for Cablestar Limited</i>	1,104,300	0.67
17.	Chew Lai Har	1,100,000	0.67
18.	Lim Shiu Ho	953,800	0.58
19.	Chin Swee Chow	936,100	0.57
20.	JF Apex Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for LY Eternal (Malaysia) Sdn. Bhd.</i>	900,700	0.55
21.	ECM Libra Avenue Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Chin Swee Chow</i>	775,800	0.47
22.	Teo Kwee Hock	720,000	0.44
23.	Chin Lee Chow	632,300	0.39
24.	RHB Capital Nominees (Asing) Sdn. Bhd. <i>Pledged Securities Account for Wei Jack Ngoh @ Wei Jiak Sake</i>	500,000	0.30
25.	Zulkifli bin Ismail	500,000	0.30
26.	Inter-pacific Equity Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Chew Lai Har</i>	500,000	0.30
27.	RHB Capital Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Cariessa Goh Geak Hwa</i>	480,000	0.29
28.	RHB Capital Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Salbiah binti Shuib</i>	350,000	0.21
29.	ECM Libra Avenue Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Bonnie Yong @ Yong Yoon Kong</i>	306,300	0.19
30.	JF Apex Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Teo Siew Lai</i>	301,000	0.18



analysis of warrants holdings

as at 5 march 2007

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 : 2,526

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	739	29.26	40,489	0.02
100—1,000	1,311	51.90	407,658	0.18
1,001—10,000	303	12.00	1,317,109	0.57
10,001—100,000	124	4.91	4,194,365	1.82
100,001—11,499,999	45	1.78	29,540,379	12.84
11,500,000 and above	4	0.16	194,500,000	84.57
Total	2,526	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	—	—	*196,500,079	85.43
Arshad bin Ahmad	Malaysian	—	—	—	—
Leou Thiam Lai	Malaysian	—	—	—	—
Izlan bin Izhab	Malaysian	—	—	—	—
Dato' Md Zahari bin Md. Zin	Malaysian	—	—	—	—
Dr. Daniel Ahn 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.

LIST OF THIRTY (30) LARGEST WARRANTS ACCOUNTS HOLDERS

No.	Name	No. of Warrants Beneficially Held	%
1.	Ramunia Energy & Marine Corporation Sdn. Bhd.	82,000,000	35.65
2.	CIMSEC Nominees (Tempatan) Sdn. Bhd. <i>CIMB for Zen-End Resources Sdn. Bhd.</i>	44,500,000	19.35
3.	EB Nominees (Tempatan) Sendirian Berhad <i>Pledged Securities Account for Ramunia Energy & Marine Corporation Sdn. Bhd.</i>	40,000,000	17.39
4.	RHB Capital Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Zen-End Resources Sdn. Bhd.</i>	28,000,000	12.17
5.	CIMSEC Nominees (Asing) Sdn. Bhd. <i>Lehman Brothers Commercial Corporation Asia Limited</i>	8,920,000	3.88
6.	Citigroup Nominees (Asing) Sdn. Bhd. <i>UBS AG Singapore for Claymore Management Limited</i>	5,000,000	2.17
7.	CIMSEC Nominees (Tempatan) Sdn. Bhd. <i>CIMB for Ramunia Energy & Marine Corporation Sdn. Bhd.</i>	2,000,079	0.87
8.	AIBB Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Tan Siew Booy</i>	1,130,400	0.49
9.	Kevin Goh Pang Yuen	1,091,500	0.47
10.	AIBB Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Tai Moi Joo</i>	950,000	0.41
11.	Inter-pacific Equity Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Lee Choi Yin</i>	777,000	0.34
12.	AIBB Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Lok Huey Ming</i>	681,500	0.30
13.	Hung Kwang Hou	565,100	0.25
14.	CIMSEC Nominees (Tempatan) Sdn. Bhd. <i>CIMB Bank for Tan Mui Pow</i>	550,000	0.24
15.	CIMSEC Nominees (Tempatan) Sdn. Bhd. <i>CIMB Bank for Lim Tek Ken Justin</i>	500,000	0.22
16.	Noise Control Engineering Sdn. Bhd.	462,100	0.20
17.	Chin Lee Chow	432,400	0.19
18.	Chin Swee Chow	405,200	0.18
19.	Tan Jyh Khuang	387,000	0.17
20.	Chew Lai Har	350,000	0.15
21.	ECM Libra Avenue Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Tan Choon Lean</i>	343,100	0.15
22.	HSBC Nominees (Asing) Sdn. Bhd. <i>HSBC Tub Lux for Trinkaus Inhouse Portfolio</i>	323,300	0.14
23.	HDM Nominees (Tempatan) Sdn. Bhd. <i>Phillip Securities Pte Ltd for Gan Yok Lian</i>	320,700	0.14
24.	ECM Libra Avenue Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Chin Swee Chow</i>	288,800	0.13
25.	Zahini Yussoff	258,000	0.11
26.	CIMSEC Nominees (Tempatan) Sdn. Bhd. <i>CIMB Bank for Tan Bee Chin</i>	250,000	0.11
27.	Yeo Eck Liong	248,100	0.11
28.	Mayban Securities Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Low Kock Ching</i>	225,000	0.10
29.	Yeo Eck Liong	217,700	0.09
30.	JF Apex Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Tan Siew Booy</i>	199,900	0.09



notice of annual general meeting

NOTICE IS HEREBY GIVEN that the THIRD ANNUAL GENERAL MEETING of the Company will be held at Pacific Ballroom, Level 2, Best Western Premier Seri Pacific Kuala Lumpur, Jalan Putra, 50746 Kuala Lumpur on Thursday, 26th day of April 2007 at 10:00 a.m. for the following purposes:

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 October 2006 together with the Report of the Directors' and the Auditor's thereon. **(Resolution 1)**
2. 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) Dato' Azizul Rahman bin Abd. Samad **(Resolution 2)**
 - (ii) Leou Thiam Lai **(Resolution 3)**
3. 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 4)**
4. **As Special Business**
To consider and if thought fit, with or without any modification, to pass the following resolutions as Ordinary Resolution and Special 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 5)

5. SPECIAL RESOLUTION

— Proposed Amendments to Articles of Association.

"That the alteration, modifications, deletions and/or additions to the Articles of Association of the Company as set out under Appendix I of the Circular to Shareholders of the Company dated 3 April 2007 be and is hereby approved."

(Resolution 6)

By Order of the Board

CHUA SIEW CHUAN (MAICSA 0777689)
TAN AI NING (MAICSA 7015852)
Joint Company Secretaries

Kuala Lumpur
Date: 3 April 2007

EXPLANATORY NOTE TO SPECIAL BUSINESS:**1. 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.

2. Proposed Amendments to Articles of Association

Please refer to Circular to Shareholders dated 3 April 2007 in relation to the Proposed Amendments to Articles of Association.

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 Damansara, 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 Third Annual General Meeting of the Company to be held at Pacific Ballroom, Level 2, Best Western Premier Seri Pacific Kuala Lumpur, Jalan Putra, 50746 Kuala Lumpur on Thursday, 26th day of April 2007 are as follows:

- (i) Dato' Azizul Rahman bin Abd. Samad
- (ii) Leou Thiam Lai

2. During the financial year ended 31 October 2006, six (6) Board Meetings were held and the attendance of the Board Members were as follows:

Directors	Attendance
Dato' Azizul Rahman bin Abd. Samad	6/6
Arshad bin Ahmad	6/6
Dr. Daniel Ahn Chung-Sung	5/6
Shahul Hamid bin Mohd Ismail*	6/6
Dato' Md Zahari bin Md. Zin	6/6
Izlan bin Izhab	5/6
Leou Thiam Lai	6/6

* resigned w.e.f. 15 January 2007

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

Date : 26 April 2007

Time : 10:00 a.m.

Place : Pacific Ballroom, Level 2, Best Western Premier Seri Pacific Kuala Lumpur, Jalan Putra, 50746 Kuala Lumpur

4. Further details of the Directors standing for re-election at the Third Annual General Meeting and the family relationship with any director and/or substantial shareholder of the Company are on pages 4 and 7 and their shareholdings information are listed in pages 74 to 85 of the Annual Report.



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

proxy form

Number of shares held

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

of _____
(full address)

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

(full name in capital letters)

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 Third Annual General Meeting of the Company to be held at Pacific Ballroom, Level 2, Best Western Premier Seri Pacific Kuala Lumpur, Jalan Putra, 50746 Kuala Lumpur on Thursday, 26 April, 2007 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.	RESOLUTIONS	FOR	AGAINST
1.	To receive the Audited Financial Statements for the financial year ended 31 October 2006 together with the Report of the Directors' and the Auditor's thereon.		
2.	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) Dato' Azizul Rahman bin Abd. Samad (ii) Leou Thiam Lai		
3.	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.		
4.	As Special Business To consider and if thought fit, with or without any modification, to pass the following resolutions as Ordinary Resolution and Special Resolution: Ordinary Resolution Authority to issue shares pursuant to Section 132D of the Companies Act, 1965.		
5.	Special Resolution Proposed amendments to Articles of Association.		

*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 _____, 2007

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.
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- 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.
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 - 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.

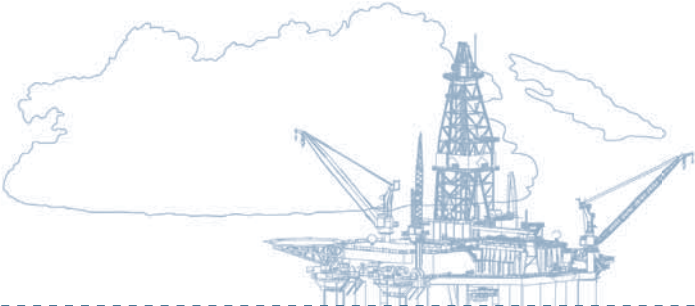
[Redacted]



•:

RAMUNIA HOLDINGS BERHAD (634775-D)

27, Jalan M, dan Damansara
50000 Kuala Lumpur



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