



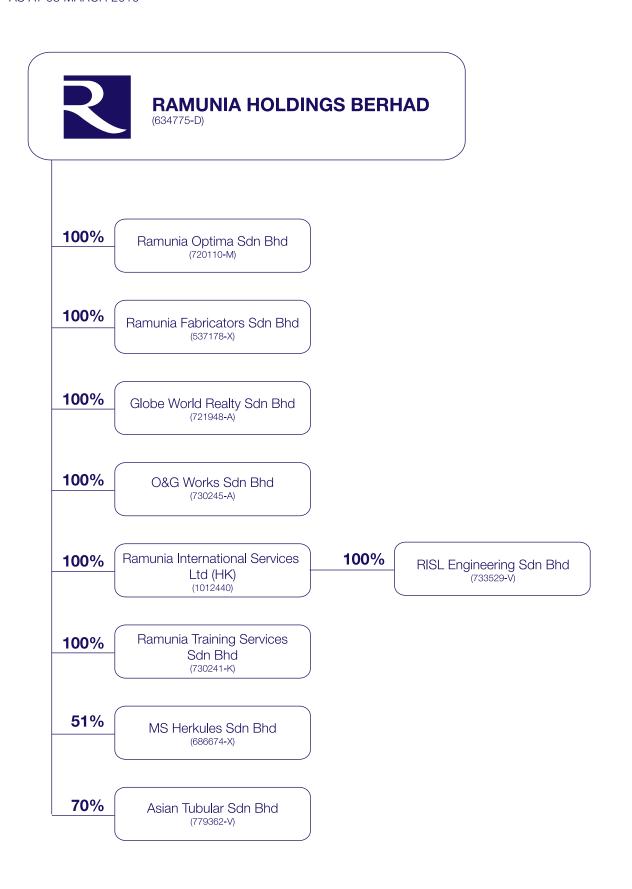
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DIRECTORS

Datuk Azizan bin Abd Rahman *(Chairman) (appointed on11 June 2009)* Dato' Azizul Rahman bin Abd. Samad Dato' Md. Zahari bin Md. Zin Mr. Leou Thiam Lai Mr. Too Kok Leng En. Roslan bin Mohd Latif *(appointed on 11 June 2009)* Dato' Mohzani bin Datuk Dr. Abdul Wahab *(appointed on 2 February 2010)* Dr. Daniel Chung-Sung Ahn *(resigned on 26 June 2009)*

AUDIT COMMITTEE

Mr. Leou Thiam Lai *(Chairman)* Dato' Md. Zahari bin Md. Zin Mr. Too Kok Leng

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 : 603 - 2084 9000 Fax : 603 - 2094 9940

CORPORATE OFFICE

22nd Floor, Plaza Permata No. 6, Jalan Kampar Off Jalan Tun Razak 50400 Kuala Lumpur Tel : 603 - 4047 6800 Fax : 603 - 4043 1058

PRINCIPAL PLACE OF BUSINESS

Teluk Ramunia Yard Teluk Ramunia 81620 Pengerang Johor Darul Takzim Tel : 607 - 824 2000 Fax : 607 - 826 3619

PRINCIPAL BANKERS

Malayan Banking Berhad OCBC Bank (Malaysia) Berhad RHB Bank Berhad

SOLICITORS

Muthu & Partners Shearn Delamore & Co Shook Lin & Bok Vaasan Chan & Chandran

AUDITORS

SJ Grant Thornton (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. Level 7, Menara Milenium Jalan Damanlela Pusat Bandar Damansara Damansara Heights 50490 Kuala Lumpur Tel : 603 - 2084 9000 Fax : 603 - 2094 9940

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad Main Market

Directors' profile

DATUK AZIZAN BIN ABD RAHMAN Chairman

Datuk Azizan Bin Abd Rahman, a Malaysian, aged 60, was appointed Chairman and Director of the Company on 11 June 2009.

Datuk Azizan obtained his Bachelor of Arts degree from University of Malaya in 1973. He started his career as a Shipping Executive in Harper Gilfillan (M) Sdn. Bhd. He joined MISC in 1975 and served as Branch Manager in Johor and Penang before becoming the Marketing Manager in Kuala Lumpur. In 1981, he then became MISC Marketing Manager in the Tanker Department and was later attached to Pan Ocean Tankers Ltd. in London as their Chartering Manager. He joined JF Apex Securities Berhad in 1982 as an Executive Director and as Director and launched his career in stock broking industry.

He left JF Apex in 1995 to pursue his private business but remained as a Director of Apex Equity Holdings Berhad. He was an active member of the stockbrokers fraternity and had held the post of Chairman of the Association of Stockbroking Companies of Malaysia from 1994 to 1995. Since then, he has held directorships in Apex Equity Holdings Berhad and TH Plantations Berhad. He is also currently the Chairman of Eastern & Oriental Berhad, Gefung Holdings Berhad and Chairman of the Investment Panel of Lembaga Tabung Haji.

He has no family relationship with any other Directors and/or major shareholders of the Company. He does not have any conflict of interest with the Company.

DATO' AZIZUL RAHMAN BIN ABD. SAMAD Non-Independent Non-Executive Director

Dato' Azizul Rahman bin Abd. Samad, a Malaysian, aged 49, was appointed Director of the Company on 1 September 2004. He obtained a B.A (Hons) in Law from University of Kent at Canterbury, United Kingdom 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 a public listed company 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 by virtue of his direct interest of over 15% equity in Ramunia Energy and Marine Corporation Sdn. Bhd. (Remcorp) which in turn holds shares in Ramunia Holdings Berhad. He is married to Datin Azura Hanim binti Tajudin, who also has shareholdings disclosed in page 93.

He does not hold any Directorships on the Board of any other public listed companies in Malaysia. He has no family relationship with any other directors and/or major shareholders of the company. He does not have any conflict of interest with the Company.

Directors' PROFILE (CONT'D)

DATO' MD. ZAHARI BIN MD. ZIN Independent Non-Executive Director

Dato' Md. Zahari bin Md. Zin, a Malaysian, aged 63, was appointed Director of the Company on 1 September 2004. He graduated from University of Malaya in 1971 with a Bachelor of Arts. Dato' Zahari served the Johor State Government for thirty two (32) years and was responsible for the implementation of the State Government's objective pertaining to the respective departments and districts.

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

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

Dato' Zahari sits as a member in the Audit Committee. He is also the Chairman of the 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.

TOO KOO LENG Independent Non-Executive Director

Mr. Too Kok Leng, a Malaysian, aged 51, was appointed Director of the Company on 28 January 2008. He holds a B.A (Hons) in Law and was admitted to the Malaysian Bar in 1983. He started his own practice in 1988 and was practicing under the name of Messrs. Rahman, Too & Co. in Seremban and Kuala Lumpur. He specialized in the corporate and banking fields rendering legal advice to several banks and public listed companies. He ventured to several banks and public listed companies. He ventured to several banks and public listed companies.

He is a member of the Audit, Nomination and Remuneration Committees of the Company.

Mr. Too Kok Leng was appointed as an Independent Non-Executive Director of Menang Corporation (M) Berhad on 1 August 1995.

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.

Directors' PROFILE (CONT'D)

LEOU THIAM LAI Independent Non-Executive Director

Mr. Leou Thiam Lai, a Malaysian, aged 53, 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 a fellow member of the Chartered Tax Institute of Malaysia.

Mr. Leou Thiam Lai 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 Messrs. 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 Cosway Corporation 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.

ROSLAN BIN MOHD LATIF Independent Non-Executive Director

En. Roslan bin Mohd Latif, a Malaysian, aged 55, was appointed to the Board as an Independent Non Executive Director on 11 June 2009. He holds an MBA (Marketing) from Governors State University, Illinois USA. In 2007, he completed his DBA (Doctor of Business Administration (Marketing) from the University of South Australia.

He started his career as an Assistant Business Development Officer with MARA in 1977. Since then his career has spanned across numerous industries, including automotive, education and construction. Currently he is involved in several businesses in these and other fields. En. Roslan is a panel speaker for Biro Tatanegara, Jabatan Perdana Menteri where he focuses on education, politics, the economy and other current issues.

Apart from serving as an Indenpendent Non-Executive Director of Ramunia, Encik Roslan also served as an Indenpendent Non-Executive Director of AWC 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.

Directors' PROFILE (CONT'D) 8 H.

DATO' MOHZANI BIN DATUK DR. ABDUL WAHAB Non-Independent and Non-Executive Director

Dato' Mohzani Bin Datuk Dr. Abdul Wahab, a Malaysian, aged 56, was appointed to the Board as Non-Independent and Non-Executive Director on 2 February 2010. Dato' Mohzani is the Chairman of the Remuneration Committee.

Previously he was Non-Independent Non-Executive Director of Shell Refining Company (FOM) Berhad until his resignation from the Board effective 31 December 2009.

A graduate in Economics from the University of Malaya, Kuala Lumpur, Dato' Mohzani joined Shell in 1976. He has held various Senior positions in Supply, Distribution, Brand & Communications, Sales & Operations, Marketing & Retail Management in Shell's Downstream Oil Products sector including an assignment in the Philippines. Internationally he has been responsible for the retail business in Singapore, Brunei, Hong Kong and Oman. He served as the Managing Director of Shell Malaysia Trading Sdn. Bhd. and Shell Timur Sdn. Bhd. from 2001 and 2005 respectively until his retirement at the end of 2009.

He is a member of the Investment Panel of Lembaga Tabung Haji.

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.



TO THE SHAREHOLDERS OF RAMUNIA HOLDINGS BERHAD :-

On behalf of the Board of Directors, I am pleased to report on the performance of Ramunia Holdings Berhad and its Group of Companies ("Ramunia") for the financial year ended 31 October 2009.

FINANCIAL PERFORMANCE

Ramunia posted a lower revenue of RM297 million compared to RM363 million in the previous financial year 2008. The net loss was reduced to RM53 million from RM383 million the previous financial year. The net loss were mainly attributed to lower project contributions to cover overheads, funding costs and write down of deferred tax assets.

On 25 February 2010, Ramunia was classified under PN17 of Bursa Malaysia's Main Market Listing Requirement as the auditors had expressed a modified opinion with emphasis on Ramunia's going concern and the shareholders' fund on a consolidated basis fell below the 50% of the issued and paid-up share capital. Nevertheless, Ramunia's shareholders' fund remain positive at RM99 million.

OPERATIONS HIGHLIGHT

I am also proud to bring to your attention that despite the constraints and challenges arising from limited project financing support from financial institutions and stricter payment terms, Ramunia has successfully achieved mechanical completion and load out/delivery of the following projects:

- a) KUJT-A Jacket and Kanowit CPP Jacket for Kumang Cluster Development
- b) Melor Drilling Platform Jacket for Tangga Barat Cluster Development
- c) Topside for the Pluto gas field in the Western Australia's Carnarvon Basin
- d) 10MW Small Renewable Energy Power Plant, Serting, Negeri Sembilan

FACING THE CHALLENGES

The past year has been particularly challenging. The termination of the Sale and Purchase Agreement ("SPA") between Ramunia and MISC on 24 November 2008, coupled with the challenging global economic climate affected the operations and financial performance of Ramunia. Ramunia has been further put to test with limited bank financing for projects and causing further stress on operating cashflow. The operation of the group has also suffered due to the inability to secure any further new projects since November 2008. Not surprisingly, the Group also faces numerous litigation from trade creditors and sub-contractors.

As a result, the group undertook bold and strategic constructive action to improve the financial and operations of the companies. Various bitter pills that the group had to swallow and undertake includes retrenchment programme whereby the group's manpower was drastically reduced by approximately 80%.

Simultaneous with the cost rationalisation programme, Ramunia explored various possibilities to unlock the value of its most prized asset, the fabrication yard in Teluk Ramunia, also the largest yard in South East Asia. Negotiations which commenced in May 2009, lead to successful execution of the SPA with Sime Darby Engineering Sdn Bhd (SDE) on 3 August 2009, for the sale of the yard and all its assets for a cash consideration of up to RM530 million. The sale is expected to be completed within first half of 2010.



Upon completion of the sale to SDE, the group's NTA is expected to remain positive and improve to a net cash position. The group also expects all its bank borrowings to be fully settled from the proceeds of the sale to SDE. Ramunia also intends to utilize the proceeds to enter into a scheme of arrangement with its other creditors under Section 176 of the Companies Act 1965.

Upon settlement of both its borrowings to banks and debts to creditors, Ramunia's sole focus shall be to turnaround the company and increase the group business to enhance its shareholders' value. The group has started exploring and considering various options to revive and reorganize its businesses.

On 28 January 2010, Ramunia signed a Memorandum of Understanding with a wholly-owned subsidiary of Coastal Contracts Bhd, Pleasant Engineering Sdn Bhd ("PESB") for a proposed collaboration to undertake projects in oil and gas industry.

ACKNOWLEDGEMENT

We attribute our ability to overcome the challenges be it in project execution or at the corporate level to the solidarity and the team work of our employees, the stakeholders, and also our clients. We thank the vendors, suppliers and sub-contractors who remained dedicated and supportive throughout. Moving forward, I am confident that with the same co-operation and understanding, we can replicate and achieve greater success in all our future projects. A special mention goes to Petronas Carigali, for having rendered solid support to our project management team.

Ramunia appreciates the contribution and the sharing of knowledge and experiences from the various extensive backgrounds of its directors. On behalf of the Board of Directors, I am pleased to extend a warm welcome to Dato' Mohzani bin Datuk Dr. Abdul Wahab and En. Roslan bin Mohd Latif to the Board of Directors.

The coming year ahead brings many exciting prospects and challenges to Ramunia. The Board of Directors is optimistic and confident that with hard work and perseverance, we will overcome our challenges and succeed in our future endeavours.

Once again, thank you for your continuous support.

DATUK AZIZAN BIN ABD RAHMAN Chairman



Health, Safety and Environment ("HSE") Day Kumang/Tangga Barat Cluster Project

15 April 2009 – The first HSE Day for year 2009 was organized at Teluk Ramunia to commemorate 300,000 man-hours without Lost Time Injuries ("LTI") for Kumang/Tangga Barat Cluster Project.

2nd HSE For Day Kumang/Tangga Barat Cluster Project

23 June 2009 – The 2nd HSE For Day Kumang/Tangga Barat Cluster Project was held at Teluk Ramunia to set another major achievement when they completed 600,000 Manhours without LTI.

Pluto HSE Day

17 April 2009 – A ceremony was held at Teluk Ramunia to celebrate the achievement of another milestone when Pluto LNG Project achieved 1,000,000 Manhours without LTI.

Shell F23 HSE Day

29 July 2009 – Shell F23 Project team celebrated their first HSE Day for 500,000 Manhours without LTI at Teluk Ramunia.

Breaking Fast Ceremonies

Ramunia hosted breaking fast ceremonies every Thursday during the Holy month of Ramadhan for all staff and local residents at four different mosques around Teluk Ramunia.

PERFORMANCE HIGHLIGHTS

During the financial year, our fabrication yard was occupied by activities to complete the remaining progress of the contracts awarded in previous year. The projects were;

- Kumang Cluster Development comprising KUJT-A Jacket and Kanowit CPP Jacket for Kumang Cluster Development Project (Phase 1) and procurement and construction of Melor (MLDP-A) Drilling Platform Jacket for Tangga Barat Cluster Development Project (Phase 1). The loadout of KUJT-A Jacket and Kanowit CPP Jacket were successfully done in September and October 2009 respectively. The MLDP-A Jacket was successfully loaded out in February 2010.
- The US Dollar 26.4 million job to build the platform topsides for Woodside Petroleum's Pluto gas project in Australia comprises the engineering, procurement, construction, commissioning and load-out of the riser platform topsides. The Pluto platform features minimal facilities to minimise the operation and maintenance burden, has no processing capability, and will feature multiple risers and J-tubes for production and compression. The platform will be connected to five subsea big bore wells on the Pluto field, with first gas to be produced in late 2010. The structure was successfully loaded out in November 2009.

Off the fabrication yard, the Group is also in the midst of completing its offshore scope in Angsi–A. The structure which was fabricated by the Group and delivered to the client, Petronas Carigali Sdn Bhd ('PCSB") in October 2008, and the offshore scope is scheduled for completion by April 2010.

In completing these contracts, the team has collectively achieved remarkable manhours without Lost Time Injuries ("LTI"). In Kumang Cluster Development (Phase 1), the team has achieved 600,000 manhours without LTI. Meanwhile 1,000,000 manhours without LTI was achieved in Pluto LNG. These are remarkable achievements and were distinctly acknowledged by respective clients.

As the focus of the activities was mainly in completing remaining scopes in the contracts, the financial year has seen a drop in turnover from prior year. The Group registered a loss after tax of RM52.72 million in the financial year.

	Group (RM)	Company (RM)
Loss for the financial year Accumulated losses brought forward	(52,719,725) (277,019,982)	(383,360,869) (74,026,317)
Accumulated losses carried forward	(329,739,707)	(457,387,386)

BUSINESS OUTLOOK

With the recovery of global oil prices in the second half of 2009, the industry is poised to recover. The Group would strive to leverage on this favourable situation in the most viable, rigorous and competitive manner.



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 2009.

1. MEMBERS

As at the date of this annual report, the members of the Audit Committee, who are all Independent Non-Executive Directors, are as follows:-

Name	Designation	Date of Appointment
Mr. 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
Mr. Too Kok Leng	Independent Non-Executive Director	28 January 2008

Mr. Leou Thiam Lai, the Audit Committee Chairman is a Chartered Accountant of the Malaysian Institute of Accountants ("MIA") and a fellow member of the Chartered Association of Certified Accountants (UK). In this respect, the Company is in compliance with paragraph 15.09(1)(c)(i) of Bursa Malaysia Securities Berhad, Main Market Listing Requirements.

2. SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE DURING THE YEAR

The Audit Committee held five (5) meetings during the financial year ended 31 October 2009. The details of the attendance of the meetings are as follows:-

Name	Total Meetings Attended	Percentage (%) of Attendance
Mr. Leou Thiam Lai Chairman	5 of 5	100
Dato' Md. Zahari bin Md. Zin	5 of 5	100
Mr. Too Kok Leng	4 of 5	80

During the five (5) meetings held for the financial year ended 31 October 2009, 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:
 - Provision of the Companies Act, 1965;
 - Bursa Malaysia Securities Berhad, Main Market Listing Requirements;
 - 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 judgment of the items that may affect the financial statements as well as issues and reservations arising from the statutory audit;

- (iii) Reviewed the audit report by the Internal Auditor and monitored the implementation of the audit recommendations in the subsequent meetings to ensure corrective actions were taken in addressing the risk issues reported.
- (iv) Approved the Internal Audit Plan for the financial year ending 31 October 2010, and monitored the status and progress of the Internal Audit Assignments, including the summary of Audit Reports, Audit Recommendations provided by Internal Auditors and Management's responses to these recommendations.



2. SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE DURING THE YEAR (CONT'D)

- (v) Reviewed the adequacy of the scope, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its works.
- (vi) 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.
- (vii) 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.
- (viii) Reviewed and approved the Audit Committee Report and the statement by the Audit Committee on the verification of allocation of share options to the Group's eligible employees in compliance with the criteria set out in the Bylaws of the Company's Employees' Share Option Scheme for inclusion in the Company's Annual Report.
- (ix) Reviewed the disclosure statements on compliance of the Malaysian Code on Corporate Governance and the Statement on Internal Controls as well as the Directors' Responsibility Statement for inclusion in the Company's Annual Report.
- (x) Discussed the implications of any latest changes and pronouncements on Company and the Group issued by the statutory and regulatory bodies.

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, all of whom shall be non-executive. All of the Audit Committee members shall be independent directors.

In this respect, the Board adopts the definition of "independent director" as defined under Bursa Malaysia Securities Berhad ("Bursa Securities"), Main Market Listing Requirements.

All members of the Audit Committee shall be financially literate and at least one (1) member of the Audit Committee must be:-

- (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 (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 Securities.

No alternate director of the Board shall be appointed as a member of the Audit Committee.



3. TERMS OF REFERENCE (CONT'D)

(i) Composition of Members (cont'd)

Retirement and Resignation

If a member of the Audit Committee resigns, dies, or for any reason ceases to be a member resulting in non-compliance to the composition criteria as stated in paragraph 1 above, the Board shall within three (3) months of the event appoint such number of the new members as may be required to fill the vacancy.

ii) Chairman

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

In the absence of the Chairman of the Audit Committee, the other members of the Audit Committee shall amongst themselves elect a Chairman who must be independent director to chair the meeting.

iii) Secretary

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

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

iv) Terms of Office

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

v) Meetings

The Audit Committee meetings shall meet regularly, with due notice of issues to be discussed, and shall record its conclusions in discharging its duties and responsibilities. In addition, the Chairman may call for additional meetings at any time at the Chairman's discretion.

Upon the request of the external auditor, the Chairman of the Audit Committee shall convene a meeting of the Audit Committee to consider any matter the external auditor believes should be brought to the attention of the directors or shareholders.

Notice of Audit Committee meetings shall be given to all the Audit Committee members unless the Audit Committee waives such requirement.

The Chairman of the Audit Committee shall engage on a continuous basis with senior management, such as the Chairman, Chief Executive Officer, Finance Director, Head of Internal Audit and external auditors in order to be kept informed of matters affecting the Company.

The Chief Executive Officer, Finance Director, Head of Internal Audit and a representative of the external auditors should normally attend meetings. Other Board members and employees may attend meetings upon the invitation of the Audit Committee. However, the Audit Committee shall meet with the external auditors without executive Board members present at least twice a year and whenever necessary.

Questions arising at any meeting of the Audit Committee shall be decided by a majority of votes of the members present, and in the case of equality of votes, the Chairman of the Audit Committee shall have a second or casting vote.



3. TERMS OF REFERENCE (CONT'D)

vi) Minutes

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

The minutes of the Audit Committee meeting shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.

vii) Quorum

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

viii) 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.

ix) Objectives

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

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

x) 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) be authorised to investigate any activity within its terms of reference, the resources to do so, and full access to information. All employees shall be directed to co-operate as requested by members of the Audit Committee.
- (b) have full and unlimited/unrestricted access to all information and documents/resources which are required to perform its duties as well as to the internal and external auditors and senior management of the Company and the Group.
- (c) obtain, at the expense of the Company, other independent professional advice or other advice and to secure the attendance of outsiders with relevant experience and expertise if it considers necessary.
- (d) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity (if any).
- (e) where the Audit Committee is of the view that the matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements, the Audit Committee shall promptly report such matter to Bursa Securities.



3. TERMS OF REFERENCE (CONT'D)

xi) Duties and Responsibilities

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

- (a) To consider the appointment of the external auditor, the audit fee and any question of resignation or dismissal;
- (b) To discuss with the external auditor before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved;
- (c) To review with the external auditor his evaluation of the system of internal controls and his audit report;
- (d) To review the quarterly and year-end financial statements of the Board, focusing particularly on:-
 - any change in accounting policies and practices;
 - significant adjustments arising from the audit;
 - the going concern assumption; and
 - compliance with accounting standards and other legal requirements.
- (e) To discuss problems and reservations arising from the interim and final audits, and any matter the auditor may wish to discuss (in the absence of management, where necessary);
- (f) To review the external auditor's management letter and management's response;
- (g) To do the following, in relation to the internal audit function:-
 - review the adequacy of the scope, functions and resources of the internal audit function, and that it
 has the necessary authority to carry out its work;
 - review the internal audit programme and results of the internal audit process and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function;
 - review any appraisal or assessment of the performance of members of the internal audit function;
 - approve any appointment or termination of senior staff members of the internal audit function; and
 - take cognizance of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.
- (h) To consider any related party transactions 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) To report its findings on the financial and management performance, and other material matters to the Board;
- (j) To consider the major findings of internal investigations and management's response;
- (k) To verify the allocation of employees' share option scheme ("ESOS") in compliance with the criteria as stipulated in the by-laws of ESOS of the Company, if any;
- (I) To determine the scope of the internal audit function;
- (m) To consider other topics as defined by the Board; and
- (n) To consider and examine such other matters as the Audit Committee considers appropriate.



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

There were no options over ordinary shares offered to the Directors and employees during the financial year ended 31 October 2009.

5. INTERNAL AUDIT FUNCTION

The Company has an in house 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.

The principal activity of the Internal Audit Division is to conduct regular and systematic reviews of the key controls and processes within the group. The Internal Audit Division also conducts investigation and special reviews at the instruction and request of the Audit Committee and the Management respectively.

The Head of Internal Audit Division attends the Audit Committee meeting quarterly to present the internal audit findings and makes appropriate recommendations on areas of concern within the group. The Management would require to provide explanations during the Audit Committee meeting on the findings raised by the Internal Audit Head, together with the corrective action plan in resolving the audit findings. In addition, the Internal Audit Division also conducts follow-up audit review quarterly to monitor and ensure that all audit recommendations have been effectively implemented.

The cost incurred in undertaking the Internal Audit function for the financial year is approximately RM200,000.

Statement of corporate governance

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

The following statement states and affirms the means and manner which the Group has applied the principles and state the extent of compliance to the best practices of the Code during the financial year under review.

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 seven (7) Board members, which includes three (3) Non-Independent Non-Executive Director, and four (4) Independent Non-Executive Directors. There is effective check and balance on the Board with half of the Board Members being independent and non-executive.

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

Datuk Azizan bin Abd Rahman is the Non-Independent Non-Executive Chairman. The Chairman is responsible for the Board's effectiveness and conduct of the companies in the Group.

Since the resignation of the Managing Director, the Company has set up an Executive Committee wherein the Executive Committee's role is to undertake the day to day running of the business.

The Chairman along with the members of the Board is entrusted with the task of developing, adopting and monitoring overall business strategies and policies. The Independent Non-Executive Directors also contribute to the formulation of policies, providing unbiased and independent views, advice and judgement. They also act to safeguard the interest of the minority shareholders in respect of decisions taken by the Board pertaining to undertaking of the various business initiatives.

Board Responsibilities

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

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 nine (9) 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 2009. 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.

All proceedings at the Board meetings are minuted and recorded including the issues discussed and decisions arrived at.

A. THE BOARD (CONT'D)

Board of Directors Meetings

	Meeting Attendance	%
Datuk Azizan bin Abd Rahman *	4/4	100
Dato' Azizul Rahman bin Abd. Samad	8/9	89
Dato' Md. Zahari bin Md. Zin	9/9	100
Mr. Leou Thiam Lai	9/9	100
Mr. Too Kok Leng	8/9	89
En. Roslan bin Mohd Latif *	5/5	100
Dato' Mohzani bin Datuk Dr. Abdul Wahab **	N/A	N/A
Dr. Daniel Chung-Sung Ahn ***	3/5	60

* Appointed w.e.f. 11 June 2009

** Appointed w.e.f. 2 February 2010

*** Resigned on 26 June 2009

Audit Committee Meetings

Directors	No. of Meetings Attended	Percentage (%)
Mr. Leou Thiam Lai	5/5	100
Dato' Md. Zahari bin Md. Zin	5/5	100
Mr. Too Kok Leng	4/5	80

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 aid responsibilities as well as appropriate procedures for management of meetings.

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

Appointments of the Board and Re-election

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

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

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 on the various issues facing the changing business environment within which the company operates and the latest developments in order to discharge their duties and responsibilities more effectively.

Training on the Revised Code of Corporate Governance, Companies Act, 1965 amendments and the revamped Listing Requirements were given by the Company Secretaries to all Directors to facilitate knowledge enhancement in the areas of the Code of Corporate Governance and relevant compliance areas.

All Directors have full opportunity to attend seminars, trainings, workshops and conference to update themselves the knowledge and skills to contribute and to carry out their roles and duties in line with the directors' responsibility. Wherever there is a need, the Board calls for an in house briefing or talk in relation to a topic or a new legislation or current developments in the regulatory and compliance requirement.

For the financial year ended 31 October 2009, the Directors attended the following training programmes:-

Datuk Azizan Bin Abd Rahman

- Asia's New Competitive Games

Mr. Leou Thiam Lai

- Taxation seminar 2009
- FRS 139 Seminar

Mr. Too Kok Leng

- Corporate Governance Focus Group Session
- 2009 Tax Budget Review
- Single Tier System Imputation system on Dividend Structure

B. BOARD COMMITTEES

The Board has delegated certain functions to several committees namely:

- The Audit Committee;
- The Nomination Committee;
- The Remuneration Committee; and
- The Executive 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 of whom all are independent, and comprises the following directors:

Chairman:	Mr. Leou Thiar	n Lai (Independent	Non-Executive Director)
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Members: Dato' Md. Zahari bin Md. Zin (Independent Non-Executive Director) Mr. Too Kok Leng (Independent Non-Executive Director)

The Audit Committee assists and supports the Board in its responsibility to oversee the Company's operations. The terms of reference of the Audit Committee and the activities are set out on pages 12 to 17 of this Annual Report.

Katement OF CORPORATE GOVERNANCE (CONT'D)

(ii) Nomination Committee

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

Chairman:	Dato' Md. Zahari bin Md. Zin (Independent Non-Executive Director)
Members:	Dato' Azizul Rahman bin Abd. Samad (Non-Independent Non-Executive Director) Mr. Too Kok Leng (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: Dato' Mohzani bin Datuk Dr. Abdul Wahab (Non Indenpendent Non-Executive Director)
- Members: Dato' Md. Zahari bin Md. Zin (Independent Non-Executive Director) Mr. Leou Thiam Lai (Independent Non-Executive Director) Mr. Too Kok Leng (Non-Independent Non-Executive Director)

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

In view that there were no Executive Directors of the Company, the Remuneration Committee reviewed the remuneration packages of the Executive Committee Members during the financial year.

(iv) Executive Committee

The Executive Committee comprises the following directors:-

Chairman:	Datuk Azizan bin Abd Rahman (Non-Independent Non-Executive Director)
Members:	Dato' Azizul Rahman bin Abd. Samad (Non-Independent Non-Executive Director)
	Mr. Too Kok Leng (Independent Non-Executive Director)

The Executive Committee was formed to assume the roles and responsibilities pending the appointment of a new Managing Director. The Executive Committee meets monthly.



C. DIRECTORS REMUNERATION

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

Remuneration Policies and Procedures

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

The details of the remuneration of the Directors who served during the financial year ended 31 October 2009 are as follows:

Aggregate Remuneration By Category	Executive Directors (RM)	Non-Executive Directors (RM)
Basic salaries, bonuses and EPF	270,000	324,000
Fees and allowances	-	218,428
Total	270,000	542,428

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

	Number of Directors		
	Executive	Non-Executive	
Range of Remuneration	Directors	Directors	
RM50.000 & below	_	5	
RM100, 001 - RM500, 000	1	1	

D. SHAREHOLDERS

Shareholders and Investor Relations

The group's senior management views continuous and frequent interaction with its shareholders and investors as a key component of good Corporate Governance. Inline with this, the group has diligently practiced relevant and timely disclosure of material corporate developments as stipulated by the disclosure requirements of Bursa's Listing Requirements.

Apart from official announcements through Bursa Securities' website, the group strives to ensure the corporate developments are adequately and correctly conveyed to the general and investing public. An active dialogue was witnessed between senior management and shareholders at both the AGM and EGM which was recently held.

Ramunia is a corporate member of Malaysian Investor Relations Association, which is fully sponsored by Bursa Malaysia Securities Berhad.

Care is taken to ensure all information being disseminated and conveyed via the group's website, Bursa announcements and press interviews are authorized, accurate and timely.

Statement OF CORPORATE GOVERNANCE (CONT'D)

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 12 to 17.

The Statement of Directors' Responsibility in respect of the Audited Financial Statements pursuant to paragraph 15.26(a) of the Bursa Securities Listing Requirements is set out on page 24 of this Annual Report.

Relationship with External Auditors

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

Internal Audit

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

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

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 15.26(a) of Bursa Malaysia Securities Berhad, Main Market Listing Requirements.

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 2009.

The financial statements of the Company and the Group for the financial year in review are set out on pages 38 to 90 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 Bursa Malaysia Securities Berhad, Main Market Listing Requirements, 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. The system of internal control designed 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 recognises 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.

dditional compliance information

1. Share Buy-Back

The Company did not enter into any share buy-backs transactions during the financial year ended 31 October 2009.

2. Options, Warrants or Convertible Securities

On 20 December 2004, 21 December 2004 and 22 December 2004, the Company issued 237,800,000 detachable warrants ("Warrants"), 100,648,062 Irredeemable Convertible Preference Shares of RM0.50 each ("ICPS") and 164,000,000 Irredeemable Convertible Unsecured Ioan Stocks of RM0.50 each ("ICULS") pursuant to the Corporate restructuring Scheme.

The ICPS was fully converted into ordinary share of RM0.50 each on 20 December 2009 .

3. 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 2009.

4. 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 2009.

5. Non-Audit Fees

Non-audit fees incurred during the financial year ended 31 October 2009 amounted to approximately RM40,000

6. Variation in Results

There was no material variations between the audited results for the financial year ended 31 October 2009 against the unaudited results for the year ended 31 October 2009 released by the Company earlier.

7. Profit Guarantee

There was no profit guarantee imposed on the Company for the Financial Year ended 31 October 2009.

8. Material Contracts

- (a) On 7 November 2008, the Company announced the following contracts awarded by Sarawak Shell Berhad totaling approximately RM587 million as follows:-
 - (i) Fabrication of F23R-A Substructure, valued at approximately RM75 million;
 - (ii) Fabrication of F23R-A Topside, valued at approximately RM414 million; and
 - (iii) Fabrication of CPDR-A and F28DR-A-Substructure, valued at approximately RM98 million.

The contract works are under a Production Sharing Contract ("PSC") with PETRONAS. The PSC's partners are Shell Oil and Gas Malaysia/ Sarawak Shell Berhad and PCSB.

ditional COMPLIANCE INFORMATION (CONT'D)

- (b) On 4 May 2009, the Company received an offer from Sime Darby Engineering Sdn Bhd ("SDE"), an indirect wholly-owned subsidiary of Sime Darby Berhad to acquire the business and undertaking (including the assets and liabilities, whether in whole or in part, to be determined following a due diligence inquiry) of the Ramunia Holdings Bhd ("RaHB") and its subsidiaries ("Offer") for a total provisional purchase consideration of RM232.0 million, subject to adjustment under the terms of the Offer. The purchase consideration shall be satisfied by SDE in the following manner:
 - (a) RM46.2 million cash; and
 - (b) RM185.8 million equivalent value of new ordinary shares of RM1.00 each in SDE ("SDE" Shares") representing 20% of the ordinary shares in the enlarged SDE.

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

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

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

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

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

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

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

On 3 February 2010, RaHB, Ramunia Optima Sdn Bhd and SDE (collectively referred to as the "Parties") had mutually agreed to extend the date to fulfill the conditions precedent of the definitive sale and purchase agreement dated 3 August 2009, from 3 February 2010 to 4 April 2010.

The Parties agreed that if the completion for the Proposed Disposal ("Completion") does not occur on or before 3 March 2010, then RaHB shall pay SDE RM83,000 per day, commencing from 4 March 2010 until Completion (both dates inclusive), the sum of which shall be set off from the balance consideration payable by SDE.

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

ditional COMPLIANCE INFORMATION (CONT'D)

(c) On 28 January 2010, the Company signed a MoU with Pleasant Engineering Sdn. Bhd. ("PESB") for the proposed collaboration to undertake the tendering, bidding and fabrication in relation to any contract involving the engineering, procurement and construction of any topsides, jackets or any structures for the oil and gas industry. The MoU shall take effect on the date of its execution and shall continue to be of effect until the occurrence of any of the following, whichever is the earlier such as the execution of the appropriate legally binding agreements regarding the parties intended collaboration etc.

9. Revaluation Policy on Landed Properties

The Company has not adopted a policy of regular revaluation of its landed properties. As at 31 October 2009 the Company has not carried out any revaluation exercise on its landed properties.

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

There was no recurrent related party transactions during the financial year ended 31 October 2009.

Financial

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The Directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 October 2009.

PRINCIPAL ACTIVITIES

The principal activities of the Company are that of investment holding and provision of management services.

The principal activities of its subsidiary companies are disclosed in Note 15 to the Financial Statements.

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

FINANCIAL RESULTS

	Group RM	Company RM
Net loss for the financial year	(52,719,725)	(383,360,869)
Attributable to:- Equity holders of the Company Minority interests	(52,719,725)	
	(52,719,725)	

DIVIDENDS

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

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year except as disclosed in the Notes to the Financial Statements.

ISSUE OF SHARES AND DEBENTURES

There were no shares and debentures issued during the financial year.

DETACHABLE WARRANTS 2004/2014

On 20 December 2004, a total of 237,800,000 Detachable Warrants 2004/2014 were issued. The Company has 237,333,371 (2008: 237,333,371) units of unexercised warrants at the end of the financial year.

The salient features of the Detachable Warrants 2004/2014 are as mentioned in Note 6 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 7 to the Financial Statements.

The 100,648,062 ICPS had been automatically converted into ordinary shares of RM0.50 each upon the maturity date of the ICPS on 21 December 2009.

EMPLOYEE SHARE OPTION SCHEME ("ESOS")

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

The salient features and other terms of the ESOS are disclosed in Note 37 to the Financial Statements.

INFORMATION ON THE FINANCIAL STATEMENTS

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

- (a) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and adequate allowance had been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the 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:-

- (a) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent;
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) 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 months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Group and of the Company to meet its obligations as and when they fall due.

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

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



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 the opinion of the Directors:-

- (a) the results of the Group and of the Company's operations during the financial 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 financial 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 financial year in which this report is made.

DIRECTORS

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

Datuk Azizan bin Abd Rahman *(Chairman) (appointed on 11 June 2009)* Dato' Azizul Rahman bin Abd. Samad Dato' Md. Zahari bin Md. Zin Leou Thiam Lai Too Kok Leng Roslan bin Mohd Latif *(appointed on 11 June 2009)* Dato' Mohzani bin Datuk Dr. Abdul Wahab *(appointed on 2 February 2010)* Dr. Daniel Chung-Sung Ahn *(resigned on 26 June 2009)*

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

	Ordinary shares of RM0.50 each				
	As at 1.11.2008	As at Bought	Sold	31.10.2009	
Direct interest Dato' Azizul Rahman bin Abd. Samad Roslan bin Mohd Latif	157,500 -	- 25,000	- (25,000)	157,500	
Deemed interest Dato' Azizul Rahman bin Abd. Samad*	186,905,299	-	(53,493,435)	133,411,864	

- * deemed interest by virtue of his shareholdings in Ramunia Energy & Marine Corporation Sdn. Bhd., Dow Alpha Industries Sdn. Bhd. and Ribuan Positif Sdn. Bhd. which in turn hold shares in Ramunia Holdings Berhad.
- * deemed interest by virtue of being the spouse of Datin Azura Hanim Binti Tajudin.



DIRECTORS (CONT'D)

	Number of warrants			
	As at 1.11.2008	Bought	Sold and converted	As at 31.10.2009
Deemed interest Dato' Azizul Rahman bin Abd. Samad*	157,930,440	_	(21,482,999)	136,447,441

* deemed interest by virtue of his shareholdings in Ramunia Energy & Marine Corporation Sdn. Bhd. and Zen-End Resources Sdn. Bhd..

	Irredeemable Convertible Preference Shares of RM0.50 each				
	As at 1.11.2008	Bought	Matured and Converted	As at 31.10.2009	
Deemed interest Dato' Azizul Rahman bin Abd. Samad*	45.501.740	_	-	45.501.740	

- * deemed interest by virtue of his shareholdings in Ramunia Energy & Marine Corporation Sdn. Bhd. and Dow Alpha Industries Sdn. Bhd..
- * deemed interest by virtue of being the spouse of Datin Azura Hanim Binti Tajudin.

By virtue of Dato' Azizul Rahman bin Abd. Samad indirect interest in the Company, he is 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.

In accordance with Article 95 of the Company's Articles of Association, Mr. Leou Thiam Lai shall retire at the forthcoming Annual General Meeting, and being eligible offered himself for re-election.

In accordance with Article 101 of the Company's Articles of Association, Datuk Azizan bin Abd Rahman, Encik Roslan bin Mohd Latif and Dato' Mohzani bin Datuk Dr. Abdul Wahab shall retire at the forthcoming Annual General Meeting, and being eligible offered themselves for re-election.

DIRECTORS' BENEFITS

During and at the end of the financial 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.

Since the end of the previous financial year, no Director has received or become entitled to receive any benefit (other than as disclosed in Notes to the Financial Statements) 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.

SIGNIFICANT AND SUBSEQUENT EVENTS

Significant and subsequent events are disclosed in Note 44 and Note 45 to the Financial Statements.



AUDITORS

Messrs SJ 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 25 February 2010.



DATUK AZIZAN BIN ABD RAHMAN

DIRECTORS

)

DATO' AZIZUL RAHMAN BIN ABD. SAMAD

Kuala Lumpur 25 February 2010

Statement by directors

In the opinion of the Directors, the financial statements set out on pages 38 to 90 are drawn up in accordance with the Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 October 2009 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a Resolution of the Board of Directors dated 25 February 2010.

DATUK AZIZAN BIN ABD RAHMAN

DATO' AZIZUL RAHMAN BIN ABD. SAMAD

Kuala Lumpur 25 February 2010

• Statutory DECLARATION

I, Simon Wee Howe Yew, being the Director of Finance 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 38 to 90 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory this day of 25 February 2010 W.490 Before me: S. ARULSAM

16 - Tingkat Bawah Jalan Puda, 55100 Kuala Lampur. Commissioner for Oaths

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SIMON WEE HOWE YEW

ndependent auditors' report

TO THE MEMBERS OF RAMUNIA HOLDINGS BERHAD (INCORPORATED IN MALAYSIA)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Ramunia Holdings Berhad, which comprise the balance sheets of the Group and of the Company as at 31 October 2009, the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 38 to 90.

Directors' Responsibilities for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibilities

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 October 2009 and of their financial performance and cash flows for the financial year then ended.

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 2 to the Financial Statements which discloses the premise upon which the Group and the Company have prepared the financial statements by applying the going concern assumption, notwithstanding that the Group and the Company incurred a net loss of RM52,719,725 and RM383,360,869 respectively during the financial year ended 31 October 2009 and as of that date, the Company has a net current liabilities and shareholders' deficit of RM29,738,917 and RM28,439,874 respectively, thereby indicating the existence of a material uncertainty which may cast significant doubt about the Group and the Company's ability to continue as a going concern. Accordingly, the financial statements do not include any adjustments relating to the recoverability and classification of assets and the classification of liabilities that might be necessary should the Group or the Company be unable to continue as a going concern.

ndependent AUDITORS' REPORT (CONT'D)

TO THE MEMBERS OF RAMUNIA HOLDINGS BERHAD (INCORPORATED IN MALAYSIA)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:-

- a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- b) We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- c) Other than for those subsidiaries with disclaimer audit opinion and emphasis of matter as disclosed in Note 15 to the financial statements, the auditors' reports on the financial statements of the subsidiary companies did not contain any qualification or any adverse comment made under Section 174 (3) of the Act.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

SJ GRANT THORNTON (NO. AF: 0737) CHARTERED ACCOUNTANTS

Kuala Lumpur 25 February 2010

DATO' N. K. JASANI CHARTERED ACCOUNTANT (NO: 708/03/10(J/PH))



		Gr	oup	Com	npany
	Note	2009 RM	2008 RM	2009 RM	2008 RM
SHARE CAPITAL IRREDEEMABLE CONVERTIBLE	6	281,095,732	281,095,732	281,095,732	281,095,732
PREFERENCE SHARES IRREDEEMABLE CONVERTIBLE	7	50,324,031	50,324,031	50,324,031	50,324,031
UNSECURED LOAN STOCKS SHARE PREMIUM ACCUMULATED LOSSES	8	- 97,527,749 (329,739,707)	- 97,551,841 (277,019,982)	- 97,527,749 (457,387,386)	- 97,551,841 (74,026,517)
Total shareholders' fund		99,207,805	151,951,622	(28,439,874)	354,945,087
IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS BORROWINGS FINANCE LEASE LIABILITIES DEFERRED TAX LIABILITIES	8 9 10 11	- - 1,955,871 -	- 228,092,011 343,621 196,000	- - 79,981 -	- 179,256,993 95,654 -
		101,163,676	380,583,254	(28,359,893)	534,297,734
Represented by:-					
PROPERTY, PLANT AND EQUIPMENT PREPAID LAND LEASE PAYMENTS INTANGIBLE ASSETS INVESTMENT IN SUBSIDIARY COMPANIES OTHER INVESTMENT GOODWILL ON CONSOLIDATION DEFERRED TAX ASSETS	12 13 14 15 16 17 11	10,603,490 - - - - - 25,505,000	298,605,404 140,267,349 1,056,514 - - 59,484,619 37,574,582	1,374,022 - - 2 - 5,000	920,186 55,690,521 - 346,283,395 - - 5,000
CURRENT ASSETS Inventories Trade receivables	18 19	7,556,517 23,401,449	5,342,872 53,235,596	- -	-
Other receivables, deposits and prepayments Amount due from subsidiary companies Amount due from customers Tax recoverable	20 21 22	16,095,886 - 45,058,785 -	15,290,812 - 75,143,570 378,113	670,022 118,626,696 - -	101,539 218,735,694 - -
Short term deposits with licensed banks Cash and bank balances	23	82,462,021 13,899,938 188,474,596	32,215,917 25,769,090 207,375,970	53,007,068 2,485,457 174,789,243	- 139,045
Non Current Assets Classified as Held for Sale	24	494,278,982	-	132,853,449	-
Total current assets		682,753,578	207,375,970	307,642,692	218,976,278



		Gr	oup	Con	npany
	Note	2009	2008	2009	2008
		RM	RM	RM	RM
CURRENT LIABILITIES					
Trade payables	25	132,092,500	156,221,587	-	-
Other payables and accruals	26	127,091,431	55,830,834	99,173,921	15,665,136
Amount due to a corporate shareholder	27	692,228	687,386	692,228	687,386
Amount due to customers	22	-	622,478	-	-
Borrowings	9	346,782,562	142,301,889	236,317,827	71,207,491
Finance lease liabilities	10	1,146,106	75,493	17,633	17,633
Tax payable		9,893,565	8,041,517	1,180,000	-
Total current liabilities		617,698,392	363,781,184	337,381,609	87,577,646
NET CURRENT ASSETS/(LIABILITIES)		65,055,186	(156,405,214)	(29,738,917)	131,398,632
		101,163,676	380,583,254	(28,359,893)	534,297,734

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



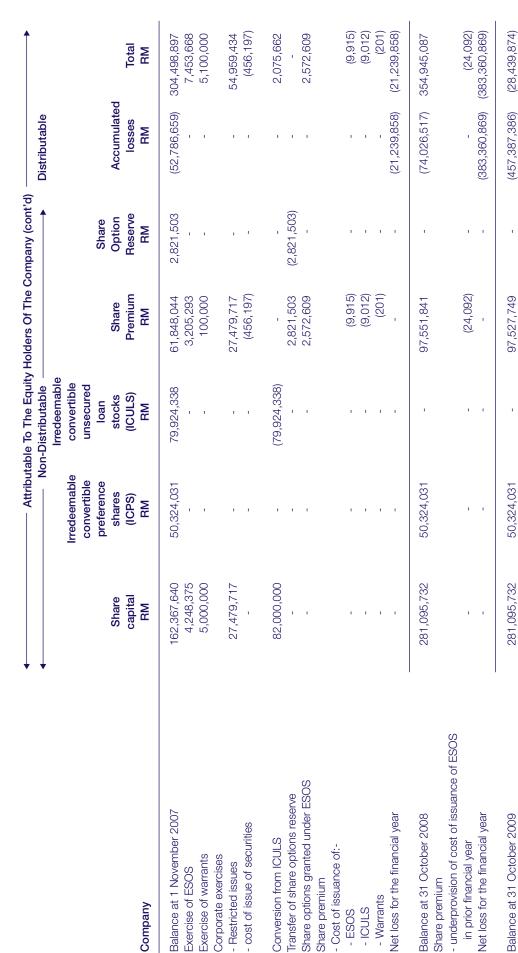
FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2009

		Gr	oup	Com	npany
	Note	2009 RM	2008 RM	2009 RM	2008 RM
		1 1111		1 1101	
Revenue	29	296,967,830	362,650,936	11,443,750	8,200,000
Cost of sales	30	(261,192,106)	(540,354,797)	-	-
Gross profit/(loss)		35,775,724	(177,703,861)	11,443,750	8,200,000
Other operating income	31	30,527,055	3,178,180	4,233,744	-
Administration expenses		(67,449,935)	(78,214,968)	(8,163,854)	(15,463,593)
Other operating expenses		(19,539,640)	(52,236,999)	(385,282,200)	(9,864,311)
Loss from operations		(20,686,796)	(304,977,648)	(377,768,560)	(17,127,904)
Finance costs	32	(18,718,171)	(13,971,712)	(4,412,309)	(4,200,124)
Loss before taxation	33	(39,404,967)	(318,949,360)	(382,180,869)	(21,328,028)
Taxation	34	(13,314,758)	31,621,411	(1,180,000)	88,170
Loss for the financial year		(52,719,725)	(287,327,949)	(383,360,869)	(21,239,858)
Attributable to:- Equity holders of the Company Minority interest		(52,719,725) -	(286,160,380) (1,167,569)		
		(52,719,725)	(287,327,949)		
Losses per share attributable to equity holders of the Company (sen):-	35				
Basic loss per ordinary share		(9.38)	(55.36)		
Diluted loss per ordinary share		-	-		



FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2009

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Group	Share capital RM	Irredeemable convertible preference shares (ICPS) RM	Irredeemable convertible unsecured loan stocks (ICULS) RM	Share Premium RM	Share Option Reserve RM	Retained profits/ (Accumulated losses) RM	Total RM	Minority Interest RM	Total RM
Balance at 1 November 2007 Exercise of FSOS	162,367,640 4 248 375	50,324,031 -	79,924,338 -	61,848,044 3 205 293	2,821,503 -	9,140,398 _	366,425,954 7 453 668	1,167,569 -	367,593,523 7 453 668
Exercise of warrants	5,000,000	I	ı	100,000		ı	5,100,000		5,100,000
Corporate exercises									
- Restricted issues	27,479,717	Ţ	1	27,479,717	ī		54,959,434	I	54,959,434
 cost of issue of securities 		ı		(456,197)	ı		(456,197)	ı	(456,197)
Conversion from ICULS	82,000,000		(79,924,338)		ı		2,075,662	ı	2,075,662
Transfer of share options reserve	ı	ı	,	2,821,503	(2,821,503)		ı	I	I
Share options granted under ESOS	Ţ	Ţ	1	2,572,609	1		2,572,609	T	2,572,609
Share premium									
- Cost of issuance of:-									
- ESOS	I	Ţ	I	(9,915)	I	1	(9,915)	I	(9,915)
- ICULS	I	Ţ	ı	(9,012)	I	1	(9,012)	I	(9,012)
- Warrants	I	Ţ	ı.	(201)	I	I	(201)	I	(201)
Net loss for the financial year		I	ı	I	I	(286,160,380)	(286,160,380)	(1,167,569)	(287,327,949)
Balance at 31 October 2008 28 Share premium	281,095,732	50,324,031	'	97,551,841	ı	(277,019,982)	151,951,622		151,951,622
- underprovision of cost of									
issuance or ESOS in prior financial vear				(24,092)		1	(24,092)		(24,092)
Net loss for the financial year			ı	1	ı	(52,719,725)	(52,719,725)		(52,719,725)
Balance at 31 October 2009 28	281,095,732	50,324,031	T	97,527,749	I	(329,739,707)	99,207,805	ı	99,207,805



- ICULS - ESOS

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

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FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2009



FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2009

		Gr	oup	Con	npany
	Note	2009 RM	2008 RM	2009 RM	2008 RM
CASH FLOWS FROM					
OPERATING ACTIVITIES Loss before taxation		(39,404,967)	(318,949,360)	(382,180,869)	(21,328,028)
		(00, 10 1,001)	(010,010,000)	(002,100,000)	(21,020,020)
Adjustment for:- Allowance for diminution in value		_	4,000,000	_	4,000,000
Allowance for doubtful debts		3,355,430	9,455,191	18,365,182	4,512,025
Amortisation of intangible asset		364,050	264,128	-	-
Amortisation of prepaid land lease payments		2,560,553	3,414,071	974,738	1,299,650
Bad debts written off		3,882,000	- , , , -	-	-
Depreciation		7,199,356	12,894,207	72,396	52,636
Deferred expenditure written off		-	1,171,696	-	-
Deposits written off		2,000	-	-	-
ESOS expense		-	2,097,284	-	(2,821,503)
Interest expenses		17,877,850	18,125,686	4,389,745	3,739,865
Interest income		(3,237,416)	(395,751)	(4,230,244)	-
Impairment of goodwill		-	22,907,129	-	-
Impairment on intangible assets		1,391,914	-	-	-
Impairment on inventories		1,782,000	-	-	-
Impairment made on subsidiary companies		-	-	348,833,393	-
Property, plant and equipment written off		64,765	-	-	-
Provision for corporate guarantee		-	-	11,218,959	-
Unrealised loss on foreign exchange		62,570	(404,068)	-	-
Waiver of debts		-	-	8,000,000	-
Operating (loss)/profit before working capital changes		(4,099,895)	(245,419,787)	5,443,300	(10,545,355)
Changes in working capital:-					
Inventories		(35,645)	(3,360,493)	-	-
Receivables		21,727,073	70,893,182	70,625,333	(56,980)
Customers		29,462,307	139,404,815	-	-
Corporate shareholder		4,842	162,005	4,842	162,005
Subsidiary companies		-	-	(78,655,648)	102,056,448
Payables		41,916,818	26,636,297	69,900,101	(4,545,148)
Cash generated from/(used in) operations		88,975,500	(11,683,981)	67,317,928	87,070,970
Interest received		3,237,416	395,751	4,230,244	-
Interest paid		(12,275,055)	(14,129,782)	(2,024,112)	(1,374,232)
Tax paid		788,985	(6,698,346)	-	(122,830)
Net cash generated from/ (used in) operating activities		80,726,846	(32,116,358)	69,524,060	85,573,908
CASH FLOWS FROM INVESTING ACTIVITIES Acquisition of investment					
in subsidiary companies		_	-	_	(245,000,000)
Acquisition of intangible assets		(699,450)	-	_	-
Purchase of property, plant and equipment	А	(16,761,969)	(86,201,697)	(8,250)	(15,000)
	-	(, , , , , , , , , , , , , , , , , , ,	()	(-,;)	(,
Net cash used in investing activities		(17,461,419)	(86,201,697)	(8,250)	(245,015,000)



FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2009

	G	roup	Con	npany
Not	e 2009 RM	2008 RM	2009 RM	2008 RM
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of shares	-	67,513,102	-	72,431,889
Net (repayment)/receipt of term loans	(17,853,909)	92,968,833	(14,649,573)	87,560,489
Revolving credits	2,590,184	27,097,059	-	-
Trust receipts	(7,490,025)	(50,253,966)	-	-
Bankers' acceptance	4,523,359	-	-	-
Net placement of fixed deposits	(50,246,104)	(25,536,418)	(53,007,068)	-
Repayment of finance lease liabilities	(1,277,137)	(60,656)	(15,673)	(17,633)
Net cash (used in)/				
generated from financing activities	(69,753,632)	111,727,954	(67,672,314)	159,974,745
CASH AND CASH EQUIVALENTS				
Net changes	(6,488,205)	(6,590,101)	1,843,496	533,653
At beginning of financial year	(12,426,849)	(5,836,748)	(9,408,307)	(9,941,960)
At end of financial year B	(18,915,054)	(12,426,849)	(7,564,811)	(9,408,307)

NOTES TO THE CASH FLOW STATEMENTS

A. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

Group

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM16,761,969 (2008: RM86,399,997) of which RMNil (2008: RM198,300) were acquired by means of hire purchase. Cash payments of RM16,761,969 (2008: RM86,201,697) were made to purchase the property, plant and equipment respectively.

Company

During the financial year, the Company acquired property, plant and equipment with an aggregate cost of RM8,250 (2008: RM15,000) of which RMNil (2008: RM15,000) were acquired by means of hire purchase. Cash payments of RM8,250 (2008: RM15,000) were made to purchase the property, plant and equipment respectively.

B. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following balance sheets amount:-

		Gro	pup	Con	npany
Nc	ote	2009 RM	2008 RM	2009 RM	2008 RM
Cash and bank balances Bank overdrafts		13,899,938 (32,814,992)	25,769,090 (38,195,939)	2,485,457 (10,050,268)	139,045 (9,547,352)
		(18,915,054)	(12,426,849)	(7,564,811)	(9,408,307)

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



1. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared in accordance with the provisions of the Companies Act, 1965 and Financial Reporting Standards issued by Malaysian Accounting Standards Board ("MASB").

2. GOING CONCERN

The Group and the Company incurred a net loss of RM52,719,725 and RM383,360,869 respectively during the financial year ended 31 October 2009 and the Company has a net current liabilities and shareholders' deficit of RM29,738,917 and RM28,439,874 respectively as at the balance sheet date.

In addition, a subsidiary company of the Company, Ramunia Fabricators Sdn. Bhd. ("RFSB") is currently facing numerous legal proceedings and winding up petitions initiated by various unsecured creditors as disclosed in Note 25 and Note 26 to the Financial Statements. The ability to fulfill the obligations to the unsecured creditors is dependent on a Scheme of Arrangement which in turn is dependent on the completion of the disposal of assets to Sime Darby Engineering Sdn. Bhd. ("SDE"). In the interim, a Restraining Order ("RO") has been obtained to restrain current and further proceedings against RFSB.

The appropriateness of preparing the financial statements of the Group and of the Company to continue as a going concern is dependent upon the successful completion of the disposal of the assets to SDE in order to repay bankers and creditors and future profitable operations as well as the ability of RFSB to successfully implement the Debt Restructuring scheme. Accordingly, the financial statements do not include any adjustments relating to the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary should the Group and the Company be unable to continue as a going concern.

The Directors are of the opinion that, barring unforeseen circumstances, the Group and the Company will be able to operate profitably in the foreseeable future and of the opinion that the application of the going concern basis in the preparation of the Group and the Company's financial statements is appropriate based on the above circumstances. The Directors strongly believe that the future profitably of the Group will be sustained by the signing of MoU with Pleasant Engineering Sdn. Bhd. ("PESB"), a subsidiary company of Coastal Contracts Bhd, for the proposed collaboration to undertake the tendering, bidding and fabrication in relation to any contract involving the engineering, procurement and construction of any topsides, jackets or any structures for the oil and gas industry as disclosed in Note 45(c) to the Financial Statements.

3. FINANCIAL RISK MANAGEMENT POLICIES

Exposure to credit, interest rate and currency risks arise 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 operating activities, both external and intra-Group where the currency denominated in a currency other than the respective functional currencies of the Group activities. The Group's guidelines are to minimise the exposure of overseas operating activities to transaction risk by matching local currency income against local currency costs.



FINANCIAL RISK MANAGEMENT POLICIES (CONT'D) 3.

(b) Interest rate risk

The Group's exposure to interest rate risk for changes in interest rates primarily to investment portfolio in fixed deposits and cash equivalents with financial institution. The Group manages its interest rate risks by placing such balances on varying maturities and interest rate terms.

The Group's debts include bank overdrafts, short-term and long-term borrowings. The Group's interest rate management objective is to manage the interest expenses consistent with maintaining an acceptable level of exposure to interest rate fluctuation. In order to achieve this objective, the Group targets a mix of fixed and floating debt based on assessment of its existing exposure and desired interest profile. To obtain this mix, the Group combines cross-currency interest rate swaps, interest rate swaps and options to convert certain long-term foreign currency borrowings from variable to fixed rate and vice-versa.

(c) Credit risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

The credit risk is controlled by the application of credit approvals, limits and monitoring procedures. An internal credit review is conducted if the credit risk is material. The Group does not require collateral in respect of financial assets.

SIGNIFICANT ACCOUNTING POLICIES 4.

(a) Accounting convention

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

The financial statements are presented in Ringgit Malaysia (RM) which is the Company's functional currency.

(b) Adoption of New and Revised Financial Reporting Standards ("FRS")

The following are standards and IC Interpretations which are not yet effective and have not been early adopted by the Group and the Company:-

a)	Amendments to FRS 1	-	First-time Adoption of Financial Reporting Standards. Amendments relating to cost of an investment in a subsidiary, jointly controlled entity or associate
b)	FRS 1 (#)	-	First time Adoption of Financial Reporting Standards
c)	Amendments to FRS 2	-	Share Based Payment. Amendments relating to vesting conditions and cancellations
d)	Amendments to FRS 2 (#)	-	Share Based Payment. Amendments relating to the scope of the Standard
e)	FRS 3 (#)	-	Business Combinations
f)	FRS 4	-	Insurance Contracts
g)	Amendments to FRS 5	-	Non-current Assets Held for Sale and Discontinued Operations. Amendments relating to disclosure of non-current assets (or disposal groups) classified as held for sale or discontinued operations.



4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Adoption of New and Revised Financial Reporting Standards ("FRS") (cont'd)

The following are standards and IC Interpretations which are not yet effective and have not been early adopted by the Group and the Company (cont'd):-

h)	Amendments to FRS 5 (#)	-	Non-current Assets Held for Sale and Discontinued Operations. Amendment relating to the inclusion of non-current assets as held for distribution to owners in the standard.
i)	FRS 7	-	Financial Instruments: Disclosures
j)	Amendment to FRS 7	-	Financial Instruments: Disclosures. Amendment relating to financial assets
k)	FRS 8	-	Operating Segments
I)	Amendments to FRS 8	-	Operating Segments – Amendment relating to disclosure information about segment assets
m)	FRS 101	-	Presentation of Financial Statements (Revised)
n)	Amendment to FRS 107	-	Statement of Cash Flows. Amendment relating to classification of expenditures on unrecognsised assets
0)	Amendment to FRS 108	-	Accounting Policies, Changes in Accounting Estimates and Errors. Amendment relating to selection and application of accounting policies
p)	Amendments to FRS 110	-	Events After the Reporting Period. Amendment relating to reason for dividend not recognised as a liability at the end of the reporting period
q)	Amendment to FRS 116	-	Property, Plant and Equipment. Amendment relating to derecognition of asset
r)	Amendment to FRS 117	-	Leases. Amendment relating to classification of leases
S)	Amendment to FRS 118	-	Revenue. Amendment relating to Appendix of this standard and recognition and measurement
t)	Amendment to FRS 119	-	Employee Benefits. Amendment relating to definition, curtailment and settlements
u)	Amendment to FRS 120	-	Accounting for Government Grants and Disclosure of Government Assistance. Amendment relating to definition and government loan at a below – market rate of interest
V)	FRS 123	-	Borrowing Costs
w)	Amendments to FRS 123	-	Borrowing costs. Amendment relating to exclusion of incidental cost to borrowing
X)	Amendments to FRS 127	-	Consolidated and Separate Financial Statements. Amendments relating to cost of an investment in a subsidiary, jointly controlled entity or associate
y)	FRS 127 (#)	-	Consolidated Separate Financial Statements
Z)	Amendment to FRS 128	-	Investment in Associates. Amendment relating to impairment losses in application of the equity method and the scope of this standard



4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Adoption of New and Revised Financial Reporting Standards ("FRS") (cont'd)

The following are standards and IC Interpretations which are not yet effective and have not been early adopted by the Group and the Company (cont'd):-

aa) Amendment to FRS 129	-	Financial Reporting in Hyperinflationary Economies. Amendment relating to changing of terms used
ab) Amendment to FRS 131	-	Interests in Joint Ventures. Amendment relating to additional disclosure required for joint venture that does not apply FRS 131
ac) Amendment to FRS 132	-	Financial Instruments: Presentation. Amendment relating to puttable financial instruments
ad) Amendment to FRS 134	-	Interim Financial Reporting. Amendment relating to disclosure of earnings per share
ae) Amendment to FRS 136	-	Impairment of assets. Amendment relating to the disclosure of recoverable amount
af) Amendment to FRS 138	-	Intangible assets. Amendment relating to recognition of an expense
ag) Amendment to FRS 138 (#) -	Intangible assets. Amendments relating to the revision to FRS 3
ah) FRS 139	-	Financial instruments: Recognition and measurement
ai) Amendment to FRS 139	-	Financial Instruments: Recognition and Measurement. Amendment relating to eligible hedged items, reclassification of financial assets and embedded derivatives
aj) Amendment to FRS 140	-	Investment Property. Amendment relating to inability to determine fair value reliably
ak) IC Interpretations 9	-	Reassessment of Embedded Derivates
al) Amendment to IC Interpretations 9 (#)	-	Reassessment of Embedded Derivates. Amendments relating to the scope of the IC and revision to FRS 3
am) IC Interpretation 10	-	Interim Financial Reporting and Impairment
an) IC Interpretation 11	-	FRS 2 - Group and Treasury Share Transactions
ao) IC Interpretation 12 (#)	-	Service Concession Agreements
ap) IC Interpretation 13	-	Customer Loyalty Programmes
aq) IC Interpretation 14	-	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their interaction
ar) IC Internetation 15 (#)	_	Agreement for the Construction of Real Estate
ar) IC Interpretation 15 (#)		
as) IC Interpretation 15 (#)	-	Hedges of a Net Investment in a Foreign Operation



4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Adoption of New and Revised Financial Reporting Standards ("FRS") (cont'd)

The following are standards and IC Interpretations which are not yet effective and have not been early adopted by the Group and the Company (cont'd):-

All the above Amendments, IC Interpretations and FRSs will be effective for accounting period beginning on or after 1 January 2010, other than FRS 8 and those marked with (#) which will be applicable to accounting period beginning on or after 1 July 2009 and 1 July 2010 respectively. The existing FRS 1, FRS 3, FRS 127 as well as FRS 201₂₀₀₄ will be withdrawn upon the adoption of the new requirements that take effect on 1 July 2010.

Notes: With the issuance of IC Interpretation 15, FRS 2012004 Property Development Activities is withdrawn.

FRS 4, FRS 128, FRS 129, FRS 131, IC Interpretation 11, 12, 13, 14, 15, 16 and 17 are not expected to be relevant to the operations of the Group and of the Company. The directors anticipate that the other FRS, amendments to FRS and IC Interpretations and amendments to IC Interpretation will be adopted in the annual financial statements of the Group and of the Company for the financial year commencing 1 January 2010 and that the adoption of these new/revised FRS, amendments to FRS, Interpretations and amendments to IC Interpretations will have no material impact on the financial statements of the Group and of the Company in the period for initial application.

FRS 3 Business Combination

The revised standard continues to apply the acquisition method to business combinations, with some significant changes. All payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the income statement. There is a choice to measure the non-controlling interest in the acquiree at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed.

FRS 7 Financial Instruments: Disclosures

FRS 7 and the consequential amendment to FRS 101 Presentation of Financial Statements require disclosure of information about the significance of financial instruments for the Group's and the Company's financial position and performance, the nature and extent of risks arising from financial instruments and the objectives, policies and processes for managing capital.

FRS 8 Operating Segments

FRS 8, which replaces FRS 114₂₀₀₄ Segment Reporting, requires the identification of operating segments based on internal reports that are regularly reviewed by the Group's chief operating decision maker in order to allocate resources to the segments and to assess their performance. Currently, the Group identifies two sets of segments (business and geographical) using a risks and rewards approach, with the Group's system of internal financial reporting to key management personnel serving only as the starting point for the identification of such segments. As a result, following the adoption of FRS 8, the identification of the Group's reportable segments may change.

FRS 123 Borrowing Costs (Revised)

FRS 123 (Revised) eliminates the option available under the previous version of FRS 123 to recognise all borrowing costs immediately as an expense. The Group and the Company shall capitalise borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset.

FRS 127 Consolidated and Separate Financial Statements

The revised standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. Losses are required to allocate to non-controlling interests, even if it results in the non-controlling interest to be in a deficit position.



4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Significant Accounting Estimates and Judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's accounting policies and reported amounts of assets, liabilities, income and expenses, and disclosures made. Estimates and underlying assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual result may differ from these estimates.

(i) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:-

Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences, unabsorbed re-investment allowances, unutilised tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against all deductible temporary differences, unutilised tax losses and unabsorbed capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Income taxes

Significant judgement is involved in determining the Group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognised tax liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

Impairment of goodwill

The Group determines whether goodwill is impaired at least once annually. This requires the estimation of value in use of the cash-generating units to which goodwill are allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

Impairment of development cost and property, plant and equipment

The Group carried out the impairment test based on a variety of estimation including the value-in-use of the cash-generating units to which the development cost and property, plant and equipment are allocated. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.



4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Significant Accounting Estimates and Judgements (cont'd)

(i) Key sources of estimation uncertainty (cont'd)

Impairment of investment in subsidiary companies and other non-current assets

The Directors assess whether the carrying amount of its investments in subsidiaries and other non-current assets are impaired at balance sheet date. This involves measuring the recoverable amounts based on the fair value less costs to sell or value in use of these assets.

Fair value less costs to sell is determined based on available published third party information or contractual value in agreements entered into by the Group and by the Company.

The Directors are of the opinion that adequate impairment losses have been recognised in the income statements and the management's assessments have been provided reasonable assumptions that the carrying amounts of assets at the balance sheet date are not further impaired.

Allowance for bad and doubtful debts

Allowance for doubtful debts is determined using a combination of factors, including the overall quality and aging of receivables, continuing credit evaluation of the customer's financial strength and collateral requirements from customers in certain circumstances. The Directors make allowance for doubtful debts based on its best estimates at the balance sheet date.

Provision for corporate guarantee

These are the debts of the subsidiary companies but secured against the Company, thus the Company is required to address all corporate guarantees that have been given by the Company to the subsidiary companies.

Contingent liability

Determination of the treatment of contingent liabilities is based on management's view of the expected outcome of the contingencies after consulting legal counsel for litigation cases and experts, internal and external to the Group, for matters in the ordinary course of business.

(ii) Critical judgement made in applying accounting policies

Construction contract

Construction contract accounting requires reliable estimation of the costs to complete the contract and reliable estimate of the stage of contract completion. Using experience gained on each contract and taking into account of the expectation of the time and materials required to complete the contract, management uses budgeting tools to estimate the profitability of the contract at any time.

Construction contract accounting requires that variation, claims and incentive payments only be recognised as contract revenue to the extent that it is probable that they will be accepted by the customer. As the approval process often takes some time, a judgement is required to be made of its probability and revenue recognised accordingly.



4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Basis of consolidation

The Group financial statements consolidate the audited financial statements of the Company and all of its subsidiary companies, which have been prepared in accordance with the Group's accounting policies.

All intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated; unrealised losses are also eliminated on consolidation unless cost cannot be recovered.

The financial statements of the Company and its subsidiary companies are all drawn up to the same reporting date.

Acquisition of subsidiary companies is accounted for using the purchase method. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest.

Any excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. The goodwill is accounted for in accordance with the accounting policy for goodwill.

Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised as income on the date of acquisition.

Minority interests represent the portion of profit or loss and net assets in subsidiary companies not held by the Group. They are presented in the consolidated balance sheet within equity, separately from the parent shareholders' equity, and are separately disclosed in the consolidated income statement.

Subsidiary companies are consolidated using the acquisition method of accounting from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

The gain or loss on disposal of a subsidiary company is the difference between net disposal proceeds and the Group's share of its net assets together with any unamortised or unimpaired balance of goodwill on acquisition and exchange differences.

The consolidated financial statements include the financial statements of the Company and its subsidiary companies as disclosed in Note 15 to the Financial Statements made up to the end of the financial year except for PT. Sarana Transglobal Jaya which was incorporated on 5 August 2006 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.

(e) Investment in subsidiary companies

A subsidiary company is a company in which the Group or the Company has the power to exercise control over the financial and operating policies so as to obtain benefits therefrom.

Investment in subsidiary companies is stated at cost less any impairment losses and/or valuation. Where an indication of impairment exists, the carrying amount of the subsidiary companies is assessed and written down immediately to their recoverable amount.



4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Interest-bearing borrowings

Interest-bearing borrowings are recorded at the amount of proceeds received, net of transaction costs incurred.

Borrowing costs incurred to finance the construction of property, plant and equipment, construction contracts and property development are capitalised as part of the cost of those assets during the period of time that is required to complete and prepare the assets for its intended use.

All other borrowing costs are recognised as an expense in the income statement in the period in which they are incurred.

(g) Investments

Non-current investments other than investment in subsidiary companies are shown at cost and allowance is only made when there is an indication of impairment exists. Impairment in the value of an investment is recognised as an expense in the period in which the impairment is identified.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is charged or credited to the income statement.

(h) 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 4(v) to the Financial Statements.

Depreciation of other property, plant and equipment is provided on the straight line method to write off the cost of the property, plant and equipment over their estimated useful lives at the following annual rates:-

Short leasehold building	2%
Yard infrastructures	2%
Plant and machineries	6%
Vessel	10%
Furniture, fittings and equipments	10%
Renovation	10%
Motor vehicles	20%
Computers	20%

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 is completed and ready for its intended use.

Restoration cost relating to an item of property, plant and equipment is capitalised only if such expenditure is expected to increase the future benefits from the existing property, plant and equipment beyond its previously assessed standard of performance.

Property, plant and equipment are written down to recoverable amount if, in the opinion of the Directors, it is less than their carrying value. Recoverable amount is the net selling price of the property, plant and equipment i.e. the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

The residual values, useful lives and depreciation method are reviewed at the end of each financial year to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.



4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Property, plant and equipment and depreciation (cont'd)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the income statement in the financial year the asset is derecognised.

(i) 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.

(j) Non-current assets held for sale and discontinued operations

Non-current assets are deemed to be held for sale if their carrying amount is recovered principally through a sale transaction rather than through continuing use.

A component of the Group is classified as discontinued operation when the criteria to be classified as held for sale have been met or it has been disposed off and such a component represents a separate major line of business or geographical area of operations, is part of a single-co-ordinate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale.

Classification of the asset as held for sale occurs only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary and sale must be highly probable. Management must be committed to a plan to sell the assets which are expected to qualify for recognition as a completed sale within one year from the date of classification.

Action required to complete the plan should indicate that is unlikely that significant changes to the plan will be made or the plan will be withdrawn.

Immediately before the initial recognition of the asset as held for sale, the carrying amounts of the assets are measured in accordance with the applicable FRSs. Upon classification as held for sale, a non-current assets and disposals group is measured at the lower of carrying amount and fair value less costs to sell and is not depreciated. Any differences are recognised in the income statement.

(k) 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

Receivables are carried at anticipated realisable value. Bad debts are written off in the period in which they are identified. An allowance is made for doubtful debts based on a review of all outstanding amounts at the period end.



4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Assets acquired under lease agreements

(i) Finance leases

Lease of property, plant and equipment acquired under hire purchase and finance lease arrangements which transfer substantially all the risks and rewards of ownership to the Group are capitalised. The depreciation policy on these assets is similar to that of the Group's property, plant and equipment depreciation policy.

Outstanding obligation due under hire purchase and finance lease arrangements after deducting finance expenses are included as liabilities in the financial statements. Finance charges on hire purchase and finance lease arrangements are allocated to income statement over the period of the respective agreements.

(ii) Operating leases

Leased payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the period in which they are incurred.

(iii) Leased assets

Leasehold land that normally has an indefinite economic life and title is not expected to pass to the Group by the end of the lease term is treated as operating lease. The payment made on entering into or acquiring a leasehold land is accounted for as prepaid land lease payment and is amortised over the respective lease term ranging from 40 to 45 years on a straight-line basis.

(n) 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 (5) 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 as disclosed in Note 14 to the Financial Statements.

(ii) License fee

The know-how license is for right to manufacture five (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 carrying amount of intangible assets is reviewed at least annually and written down immediately to their recoverable amount when an indication of impairment exists. The policy for the recognition and measurement of impairment losses is in accordance with Note 4(v) to the Financial Statements.



4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) 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.

(p) Provisions

Provisions are recognised when there is a present obligation legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

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.

(q) 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 todate/certified workdone bear to the estimated total contract cost/total contract values. Provision is made for all foreseeable losses.

(r) Employee benefits

(i) Short term benefit

Wages, salaries, bonuses and social security contributions are recognised as an expense in the financial year 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

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities of funds and will have no legal or constructive obligation to pay further contribution if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years.

Such contributions are recognised as an expense in the income statement as incurred. As required by law, companies in Malaysia make such contributions to the Employee Provident Fund ("EPF").



4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Employee benefits (cont'd)

(iii) Equity compensation benefits

The Employee Share Option Scheme ("ESOS") allows the Group's employees to acquire shares of the Company and none of the Group's plan features any options for a cash settlement.

The fair value of the employee services received in exchange for the grant of the share options is recognised as expenses in the income statement over the vesting period of the grant with a corresponding increase in share option reserve.

No compensation cost or obligation is recognised. When the options are exercised, equity is increased by the amount of the proceeds received net of any directly attributable transaction costs.

(s) Income tax

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

Deferred tax liabilities and assets are provided for under the liability method at the current tax rate in respect of all temporary differences at the balance sheet date between the carrying amount of an asset or liability in the balance sheet and its tax base including unused tax losses and capital allowances.

Deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. The carrying amount of a deferred tax asset is reviewed at each balance sheet date. If it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilised, the carrying amount of the deferred tax asset will be reduced accordingly. When it becomes probable that sufficient taxable profit will be available, such reductions will be reversed to the extent of the taxable profit.

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.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the balance sheet date.

(t) Foreign currency transactions and translations

The financial statements are presented in Ringgit Malaysia, which is also the functional currency of the holding company.

Transactions in foreign currencies are recorded in Ringgit Malaysia at rates of exchange ruling at the date of the transactions. Foreign currency monetary assets and liabilities are translated at exchange rates ruling at balance sheet date.

The assets and liabilities of the foreign entities, including goodwill and fair value adjustments arising on the acquisitions, are translated to Ringgit Malaysia at the closing rates at the balance sheet date.



4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(t) Foreign currency transactions and translations (cont'd)

The operating results are translated to Ringgit Malaysia at the exchange rates at the average rates during the financial year.

Gains and losses resulting from settlement of such transactions and conversion of monetary assets and liabilities, whether realised or unrealised, are included in the income statement as they arise.

Financial statements of foreign consolidated subsidiary companies are translated at year-end exchange rates with respect to the assets and liabilities. All resulting translation differences are included in the foreign exchange reserve in shareholders' equity.

All other foreign exchange differences are taken to the income statement in the financial year in which they arise.

(u) 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.

(v) Impairment of assets

At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication of impairment. Intangible asset with indefinite useful life such as goodwill is tested for impairment annually at financial year end or more frequently if events or changes in circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level.

If any such indication exists, or when annual impairment testing for an asset is required, the recoverable amount is estimated and an impairment loss is recognised whenever the recoverable amount of the asset or a cash-generating unit is less than its carrying amount. Recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognised in the income statement in those expense categories consistent with the function of the impaired asset.

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

An assessment is made at each balance sheet date as to whether there is any indication that previously recognised impairment losses for an asset other than goodwill may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior financial years.

All reversals of impairment losses are recognised as income immediately in the income statement unless the asset is carried at revalued amount, in which case the reversal in excess of impairment loss previously recognised through the income statement is treated as revaluation increase. After such a reversal, the depreciation charge is adjusted in future periods to allocate the revised carrying amount of the asset, less any residual value, on a systematic basis over its remaining useful life.

An impairment loss recognised for goodwill shall not be reversed in a subsequent period.



4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(w) Financial instruments

Financial instruments carried on the balance sheet include cash and bank balances, investments, receivables, payables and borrowings. The particular recognition methods adopted are disclosed in the individual accounting policy statements associated with each item.

Financial instruments are offset when the Group and the Company has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

5. PRINCIPAL ACTIVITIES AND GENERAL INFORMATION

The principal activities of the Company are that of investment holding and provision of management services.

The principal activities of the subsidiary companies are disclosed in Note 15 to the Financial Statements.

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

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad. The principal place of business of the Company is located at Teluk Ramunia Yard, 437, Teluk Ramunia, 81620 Pengerang, Johor Darul Takzim.

The registered office of the Company is located at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, 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 25 February 2010.

6. SHARE CAPITAL

	Group an 2009 RM	d Company 2008 RM
Authorised:-		
Ordinary shares of RM0.50 each		
At beginning/end of financial year	800,000,000	800,000,000
Issued and fully paid:-		
Ordinary shares of RM0.50 each		
At beginning of financial year	281,095,732	162,367,640
Pursuant to Corporate Exercise:-		
- Restricted issues	-	27,479,717
Pursuant to ESOS	-	4,248,375
Exercise of warrants	-	5,000,000
Conversion of ICULS (Note 8)	-	82,000,000
At end of financial year	281,095,732	281,095,732



6. SHARE CAPITAL (CONT'D)

The outstanding Detachable Warrants 2004/2014 as at 31 October 2009 amounted to 237,333,371 (2008:237,333,371) units of warrants.

Subsequent to the balance sheet date up to the date of this report, the Company increased its issued and paid-up share capital from RM281,095,732 to RM331,419,763 by way of conversion of 100,648,062 units of ICPS of RM 0.50 each.

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 RM0.51;
- (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 lapsed and ceased to be valid for any purposes.

7. IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES ("ICPS")

	Group an 2009 RM	d Company 2008 RM
Authorised:- Irredeemable convertible preference shares of RM0.50 each At beginning/end of financial 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:-

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

Subsequent to financial year, the ICPS have been fully converted to ordinary shares.



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

	Group	and Company
	2009 RM	2008 RM
At beginning of financial year/At the end of financial year	-	-
	2009 RM	2008 RM
Analysed into:-		
Liability component	-	2,075,662
Equity component	-	79,924,338
Less: Conversion into ordinary shares (Note 6)	-	(82,000,000)
At the end of financial year	-	-

On 22 December 2004, the Company issued RM82,000,000 nominal value of Irredeemable Convertible Unsecured Loan Stocks ("ICULS").

The terms of the conversion of ICULS are as follows:-

- (a) Conversion Ratio on the basis of 1 ICULS for 1 new ordinary share of RM0.50 in the Company;
- (b) Conversion Right the ICULS shall automatically be converted at the conversion ratio on the date of maturity. There shall be no conversion prior to the maturity date save and except on the occurrence of an event of default before the maturity date and followed by an election in writing to the Company by the ICULS holder;
- (c) The ICULS bear interest rate of one per cent (1%) per annum, which is payable annually in arrears and the last payment shall be made on the maturity date on 21 December 2007; and
- (d) The new ordinary shares to be issued upon pursuant to the conversion of the ICULS shall, upon allotment and issue, rank pari passu in all respects with the existing ordinary shares of the Company except that they shall not be entitled to any rights, dividends, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment of the new ordinary shares.

During the previous financial year, the ICULS has been fully converted to ordinary shares.



9. BORROWINGS

		roup		npany
	2009 RM	2008 RM	2009 RM	2008 RM
Non-current				
Unsecured:- Term loan	-	40,000,000	-	40,000,000
Secured:- Term loans	-	188,092,011	-	139,256,993
	-	228,092,011	-	179,256,993
Current				
Unsecured:- Term loan	40,000,000	-	40,000,000	-
Secured:- Term loans Bank overdrafts (Note 28) Revolving credits Bankers' acceptance Trust receipts	205,568,691 32,814,992 63,875,520 4,523,359 -	35,330,589 38,195,939 61,285,336 - 7,490,025	155,875,214 10,050,268 30,392,345 - -	31,504,252 9,547,352 30,155,887 - -
	346,782,562	142,301,889	236,317,827	71,207,491
	346,782,562	370,393,900	236,317,827	250,464,484

	Gi	roup	Con	npany
	2009 RM	2008 RM	2009 RM	2008 RM
Repayment terms:- Bankers' acceptances, revolving credits, trust receipts and term loans - not later than 1 financial year - between 2 to 5 financial years	346,782,562 -	142,301,889 228,092,011	236,317,827 -	71,207,491 179,256,993
	346,782,562	370,393,900	236,317,827	250,464,484



9. BORROWINGS (CONT'D)

Group and Company

Secured

The borrowings granted by the financial institutions to the Company and subsidiary companies 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, 2048 held under:-
 - (i) HSD8585 Lot PTD 421;
 - (ii) HSD8586 Lot PTD 501;
 - (iii) HSD14211 Lot PTD 421 A; and
 - (iv) HSD7794 Lot PTD 502

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;
- (d) Corporate guarantee from the Company and two subsidiary companies;
- (e) Pledge of short term deposits with licensed banks; and
- (f) Irrevocable letter of undertaking from Ramunia Fabricators Sdn. Bhd. to pay the term loan installments of the Company.

The borrowings are obtained at interest rates ranging from 5.35% to 8.75% (2008: 5.35% to 8.75%) per annum.

Company

Unsecured

The borrowing is obtained at interest rates of 7.13% (2008: 7.13%) per annum.

The Group had received a redemption letter from certain financial institutions amounting to RM332,683,232 where the loan payables will be settled upon completion of the disposal of assets to Sime Darby Engineering Sdn. Bhd. ("SDE").



10. FINANCE LEASE LIABILITIES

	Gi	roup	Con	npany
	2009 RM	2008 RM	2009 RM	2008 RM
Minimum lease premium - not later than 1 financial year - later than 1 financial year and	1,302,024	107,724	23,532	23,532
not later than 5 financial years - later than 5 financial years	2,195,105 23,552	370,281 52,670	91,502 14,307	94,129 33,251
	3,520,681	530,675	129,341	150,912
Less : Future finance charges on finance leases	(418,704)	(111,561)	(31,727)	(37,625)
	3,101,977	419,114	97,614	113,287
Present value of finance lease liabilities - not later than 1 financial year - later than 1 financial year and	1,146,106	75,493	17,633	17,633
not later than 5 financial years - later than 5 financial years	1,939,652 16,219	304,854 38,767	70,535 9,446	70,535 25,119
	3,101,977	419,114	97,614	113,287

	Gi	roup	Cor	npany
	2009 RM	2008 RM	2009 RM	2008 RM
Analysed as:- Due within 12 months Due after 12 months	1,146,106 1,955,871	75,493 343,621	17,633 79,981	17,633 95,654
	3,101,977	419,114	97,614	113,287

11. DEFERRED TAX LIABILITIES/(ASSETS)

	Gr	oup	Con	npany
	2009	2008	2009	2008
	RM	RM	RM	RM
At beginning of financial year	(37,378,582)	(6,679,000)	(5,000)	(5,000)
Recognised in income statement (Note 34)	11,873,582	(30,699,582)	-	-
At end of financial year	(25,505,000)	(37,378,582)	(5,000)	(5,000)

Presented after appropriate offsetting as follows:-

	Gr	oup	Con	npany
	2009	2008	2009	2008
	RM	RM	RM	RM
Deferred tax assets Deferred tax liabilities	(25,505,000) -	(46,146,582) 8,768,000	(5,000) -	(5,000) -



11. DEFERRED TAX LIABILITIES/(ASSETS) (CONT'D)

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

	Gro	oup	Con	npany
	2009 RM	2008 RM	2009 RM	2008 RM
Deferred tax assets:-				
Unutilised tax losses	(25,500,000)	(34,949,582)	-	-
Unabsorbed reinvestment allowances	-	(5,267,000)	-	-
Allowance for doubtful debts	-	(1,945,000)	-	-
Unabsorbed capital allowances Excess of property, plant and equipment's tax written down value over its	(3,000)	(3,983,000)	(3,000)	(3,000)
carrying amount	(2,000)	(2,000)	(2,000)	(2,000)
	(25,505,000)	(46,146,582)	(5,000)	(5,000)

	G	roup	Cor	npany
	2009 RM	2008 RM	2009 RM	2008 RM
Deferred tax liabilities:- Tax effects of the excess of property, plant and equipment's carrying amount over its tax base	-	8,768,000	-	-

As at balance sheet date, deferred tax assets not recognised in the financial statements on the following deductive temporary differences:-

	Gro	oup	Con	npany
	2009 RM	2008 RM	2009 RM	2008 RM
Deferred tax assets:- Unutilised business losses Unabsorbed capital allowances	(37,457,000) (12,902,000)	(29,720,418) (4,000)	(37,000) (6,613,000)	(4,000) (4,000)
Deferred tax liabilities:- Tax effects of the excess of property, plant and equipment's carrying amounts over its tax base	10,506,000	(12,000)	2,352,000	(12,000)

Votes TO THE FINANCIAL STATEMENTS (CONT'D)

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Group	Short leasehold building RM	Yard Infrastructure RM	Plant and machineries RM	Vessel RM	Furniture, fittings and equipments RM	Renovation RM	Motor vehicles RM	Computers RM	Total RM
Cost Balance as at 1 November 2007 Additions	106,238,033 70,991,538	58,308,245 5,636,454	56,118,045 7,038,986	3,539,954 -	2,257,314 689,508	2,086,541 814,763	651,464 439,869	7,353,352 788,879	236,552,948 86,399,997
Balance as at 31 October 2008 Additions Reclassification Written off Reclassified as held for sale (Note 24)	177,229,571 16,434,058 (4,377,864) - (189,105,607)	63,944,699 47,869 (1,431,640) - (62,560,928)	63,157,031 66,509 2,412,913 (62,906,744)	3,539,954 - - -	2,946,822 68,330 (60,852) (14,750) (145,414)	2,901,304 70,106 (17,246) (67,576) (577,850)	1,091,333 - (26,834) - (196,212)	8,142,231 75,097 47,790 - (152,859)	322,952,945 16,761,969 (3,453,733) (82,326) (315,645,614)
Balance as at 31 October 2009	180,158		2,729,709	3,539,954	2,794,136	2,308,738	868,287	8,112,259	20,533,241
Accumulated depreciation Balance as at 1 November 2007 Charge for the financial year	773,908 4,282,442	2,581,954 1,260,427	4,859,387 3,215,324	527,920 353,995	338,790 263,037	262,145 257,460	289,937 115,339	1,819,293 3,146,183	11,453,334 12,894,207
Balance as at 31 October 2008 Charge for the financial year Reclassification Written off Reclassified as held for sale (Note 24)	5,056,350 1,265,458 (1,136,625) - (5,176,634)	3,842,381 1,004,130 (1,430,119) - (3,416,392)	8,074,711 2,624,560 (428,162) - -	881,915 353,995 - -	601,827 280,715 (1,881) (3,811) (28,548)	519,605 278,093 (17,247) (13,750) (103,764)	405,276 165,048 (26,836) - (53,298)	4,965,476 1,227,357 (668) - (63,583)	24,347,541 7,199,356 (3,041,538) (17,561) (18,558,047)
Balance as at 31 October 2009	8,549	ı	555,281	1,235,910	848,302	662,937	490,190	6,128,582	9,929,751
Net book value 2009	171,609		2,174,427	2,304,044	1,945,834	1,645,801	378,097	1,983,677	10,603,490
2008	172,173,221	60,102,318	55,082,320	2,658,039	2,344,995	2,381,699	686,057	3,176,755	298,605,404

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12. PROPERTY, PLANT AND EQUIPMENT

TO THE FINANCIAL STATEMENTS (CONT'D)

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12. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Yard infrastructure RM	Motor vehicles RM	Computers RM	Plant & machinery RM	Furniture & Fittings RM	Renovation RM	n Building RM	Total RM
Cost								
Balance as at 1 November 2007 Additons	863,571 -	164,499 -	- 15,000		1 1	1 1	1 1	1,028,070 15,000
Balance as at 31 October 2008 Additions Additions through intercompany transfer Reclassified as held for sale	863,571 - 56,013,034 (56,876,605)	164,499 - (63,268)	15,000 8,250 -	- - 3,529,824 (2,011,777)	885 - '	- - (45,616)	- - 24,274,216 (24,274,216)	1,043,070 8,250 83,969,190 (83,271,482)
Balance as at 31 October 2009	T	147,465	23,250	1,518,047	885	59,381		1,749,028
Accumulated depreciation								
Balance as at November 2007 Charge for the financial year	48,526 18,236	21,722 32,900	- 1,500			1 1		70,248 52,636
Balance as at 31 October 2008 Charged for the financial year Additions through intercompany transfer Reclassified as held for sale	66,762 12,158 3,206,727 (3,285,647)	54,622 32,048 24,658 (25,307)	1,500 3,912 -	- 22,771 564,773 (321,886)	- 22 192 -	- 1,485 27,999 (11,784)	- - 1,489,192 (1,489,192)	122,884 72,396 5,317,580 (5,133,816)
Balance as at 31 October 2009		86,021	5,412	265,659	214	17,700		375,006
Net book value 2009		61,444	17,838	1,252,388	671	41,681		1,374,022
2008	796,809	109,877	13,500	Ţ	Ţ	T	T	920,186
Net book value of the short leasehold land, building and yard banking facilities granted to a subsidiary company.	Ind yard infrastructure	of the Group :	amounting to	infrastructure of the Group amounting to RM171,609 (2008: RM232,275,539) are charged to bank as security for	008: RM232,27	(5,539) are cl	narged to bank	as securi

Net book value of the yard infrastructure of the Company amounting to RMNil (2008: RM796,809) are charged to bank as security for banking facilities granted to a subsidiary company.

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13. PREPAID LAND LEASE PAYMENTS

	Gr	oup	Com	npany
	2009 RM	2008 RM	2009 RM	2008 RM
Cost				
At beginning of financial year	147,355,838	147,355,838	60,664,589	60,664,589
Reclassified as held for sales (Note 24)	(147,355,838)	-	(60,664,589)	-
At end of financial year	-	147,355,838	-	60,664,589
Accumulated amortisation				
At beginning of financial year Amortisation charged to	7,088,489	3,674,418	4,974,068	3,674,418
income statements	2,560,553	3,414,071	974,738	1,299,650
Reclassified as held for sale (Note 24)	(9,649,042)	-	(5,948,806)	-
At end of financial year	-	7,088,489	-	4,974,068
Analysed as:-				
- Short term leasehold land	-	140,267,349	-	55,690,521

Leasehold land for the Group and for the Company with an aggregate carrying amount of RMNil and RMNil (2008: RM140,267,349 and RM55,690,521) respectively are pledged as securities for borrowings.

14. INTANGIBLE ASSETS

	Gi	roup
	2009 RM	2008 RM
Deferred development expenditure		
Cost		
At beginning of financial year	-	1,171,696
Written off during the financial year	-	(1,171,696)
At end of financial year	-	-
License fee		
Cost		
At beginning of financial year	1,848,898	1,848,898
Additions during the financial year	699,450	-
At end of financial year	2,548,348	1,848,898



14. INTANGIBLE ASSETS (CONT'D)

	G	roup
	2009 RM	2008 RM
Accumulated amortisation		
At beginning of financial year	792,384	528,256
Charge during the financial year	364,050	264,128
Impairment losses	1,391,914	-
At end of financial year	2,548,348	792,384
	-	1,056,514
Net carrying amount	-	1,056,514

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

15. INVESTMENT IN SUBSIDIARY COMPANIES

	Con	npany
	2009 RM	2008 RM
Unquoted shares, at cost Less: Allowance for diminution in value	346,283,395 (346,283,393)	346,283,395 -
	2	346,283,395

Details of the subsidiary companies are as follows:-

Name of companies	Place of incorporation	Effec equity i 2009 %		Principal activities
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
Ramunia International Holdings Ltd. [#] ("RIHL")	Labuan	100	100	Offshore investment holding



15. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

Name of companies	Place of incorporation	Effect equity 2009 %	ctive interest 2008 %	Principal activities
Ramunia International Services Ltd. #("RISL")	Hong Kong	100	100	Upstream activities of the oil and gas industry
Ramunia Optima Sdn. Bhd. #("ROSB")	Malaysia	100	100	Asset owning company, specifically holding ownership of marine vessels
Globe World Realty Sdn. Bhd #("GWRSB")	. Malaysia	100	100	Yard development and management of the company's fabrication yards
Ramunia Training Services Sdn. Bhd. #("RTSSB")	Malaysia	100	100	Provision of training and related services
O & G Works Sdn. Bhd. #("O & G")	Malaysia	100	100	Provisions of management & administration services
Asian Tubular Sdn. Bhd. [#] ("ATSB")	Malaysia	70	70	Rolling mill and cater for roll tubular demand of local and international market
Held by Ramunia Interna	ational Holdin	gs Ltd.:-		
PT. Sarana Transglobal Jaya *("PTSTJ")	Indonesia	51	51	Dormant
Held by Ramunia Internat	tional Services	Ltd.:-		
RISL Engineering Sdn. Bhd. #("RISLE")	Malaysia	100	100	Fabrication of offshore oil and gas steel structures and platforms and all activities related incidental thereto
* Company not audited b	ov S.I.Grant Tho	rnton		

Company not audited by SJ Grant Thornton.
 As at the balance sheet date, the company remain dormant.

- # The auditors' reports of these subsidiaries have been modified to include an emphasis of matter which detailed the uncertainty of the basis of going concern used in the preparation of the financial statements of these subsidiaries.
- @ The auditors' report of this subsidiary has been qualified with a disclaimer of opinion arising from the pervasiveness of uncertainties over going concern of this subsidiary.

16. OTHER INVESTMENT

	Group a	nd Company
	2009 RM	2008 RM
Unquoted bond, at cost	4,000,000	4,000,000
Less: Impairment losses	(4,000,000) (4,000,000)
	-	-



17. GOODWILL ON CONSOLIDATION

	G	roup
	2009 RM	2008 RM
At beginning of financial year Impairment of goodwill on consolidation Transferred to non-current assets held for sale (Note 24)	59,484,619 - (59,484,619)	82,391,748 (22,907,129) -
At end of financial year	-	59,484,619

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest level within the Group at which the goodwill is monitored for internal management purpose.

18. INVENTORIES

	C	aroup
	2009 RM	2008 RM
Cost		
Raw materials	7,556,517	5,342,872

None of the inventories are carried at net realisable value.

19. TRADE RECEIVABLES

	(Group
	2009 RM	2008 RM
Trade receivables Less: Allowance for doubtful debts	33,318,349 (9,916,900	
	23,401,449	53,179,444
Retention sum on contracts (Note 22)	-	56,152
	23,401,449	53,235,596

The currency exposure profile of the trade receivables other than balances denominated in the Group's functional currency is as follows (foreign currency balances are unhedged):-

	Gr	oup
	2009 RM	2008 RM
US Dollar	5,033,488	9,041,315

The normal trade credit terms granted by the Group to the trade receivables ranges from 30 days to 60 days.



20. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Other receivables	15,354,671	5,862,605	137,970	23,680
Deposits	1,410,447	8,961,818	2,275	1,000
Advances	1,545,690	1,132,963	381,999	5,000
Prepayments	1,038,799	1,302,177	154,498	78,579
Less: Allowance for doubtful debts	(3,253,721)	(1,968,751)	(6,720)	(6,720)
	16,095,886	15,290,812	670,022	101,539

21. AMOUNT DUE FROM SUBSIDIARY COMPANIES

	Сог	mpany
	2009 RM	2008 RM
Amount due from subsidiary companies Less: Allowances for doubtful debts	141,497,183 (22,870,487)	223,240,999 (4,505,305)
	118,626,696	218,735,694

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

22. AMOUNT DUE FROM/(TO) CUSTOMERS

	Gi	roup
	2009 RM	2008 RM
Cost incurred to date Attributable profits	1,285,823,273 56,154,010	1,349,701,470 (22,036,583)
	1,341,977,283	1,327,664,887
Less: Progress billings received and receivables	(1,296,918,498)	(1,253,143,795)
Amount due from customers	45,058,785	74,521,092
Amount due to customers on contracts Amount due from customers on contracts	- 45,058,785	(622,478) 75,143,570
	45,058,785	74,521,092
Retention sum on contracts indicated in trade receivables (Note 19)	-	56,152



22. AMOUNT DUE FROM/(TO) CUSTOMERS (CONT'D)

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

	2009 RM	2008 RM
Hire of equipments	28,336,461	33,763,647
Loan interest	3,119,344	4,707,026
Overdraft interest	299,643	1,979,851
Realised loss on foreign exchange	90,197	518,423

23. SHORT TERM DEPOSITS WITH LICENSED BANKS

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Deposits with licensed banks	82,462,021	32,215,917	53,007,068	-

Included in the above is an amount of RM29,454,953 (2008: RM32,215,917) which is pledged for certain bank borrowings granted to subsidiary companies.

24. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

The non-current assets held for sale are as follows:-

	Gr	oup	Con	npany
	2009 RM	2008 RM	2009 RM	2008 RM
Property, plant and equipment (Note 12) At cost Less: Accumulated depreciation	315,645,614 (18,558,047)	-	83,271,482 (5,133,816)	- -
	297,087,567	-	78,137,666	-
Prepaid land lease payments (Note 13) At cost Less: Accumulated amortisation	147,355,838 (9,649,042)	- -	60,664,589 (5,948,806)	-
	137,706,796	-	54,715,783	-
Goodwill (Note 17)	59,484,619	-	-	-
	494,278,982	-	132,853,449	-



24. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE (CONT'D)

On 3 August 2009, the Company entered into a Sale and Purchase Agreement with a third party for the disposal of its yard together with all moveable and immoveable assets located thereon as disclosed in Note 44(b) to the Financial Statements.

Net book value of the short leasehold land, building and yard infrastructure of the Group amounting to RM243,075,029 (2008: RMNil) are charged to bank as security for banking facilities granted to a subsidiary company.

Net book value of the yard infrastructure of the Company amounting to RM784,651 (2008: RMNil) are charged to bank as security for banking facilities granted to a subsidiary company.

Leasehold land for the Group and for the Company with an aggregate carrying amount of RM137,706,796 and RM54,715,783 (2008: RMNil and RMNil) respectively are pledged as securities for borrowings.

25. TRADE PAYABLES

	G	roup
	2009 RM	2008 RM
Trade payables	132,092,500	156,221,587

The currency exposure profile of the trade payables other than balances denominated in the Group's functional currency is as follows (foreign currency balances are unhedged):-

		Group
	2009 RM	2008 RM
US Dollar Singapore Dollar EURO Others	4,409,362 2,334,940 638,880 894,204	1,294,7381,868,859
	8,277,386	8,994,154

Included in the trade payables are unsecured creditors amounting to RM22,740,326 where legal action had been initiated against the Group for default in payment.

26. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
Accruals	31,554,558	34,097,047	19,905,740	3,681,320
Other payables	95,536,873	21,733,787	79,268,181	11,983,816
	127,091,431	55,830,834	99,173,921	15,665,136



26. OTHER PAYABLES AND ACCRUALS (CONT'D)

The currency exposure profile of the other payables and accruals, other than balances denominated in the Group's and Company's functional currency is as follows (foreign currency balances are hedged):-

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Singapore Dollar	654,712	234,120	-	-

Included in other payables of the Group and of the Company are deposit amounting to RM53,000,000 (2008: RMNil) received from a third party for the disposal of the assets.

Included in the other payables are unsecured creditors amounting to RM11,031,330 where legal action had been initiated against the Group.

27. AMOUNT DUE TO A CORPORATE SHAREHOLDER

Company

Amount due to a corporate shareholder is unsecured, interest free and has no fixed term of repayment.

28. BANK OVERDRAFTS

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Secured	32,814,992	38,195,939	10,050,268	9,547,352

Securities of the secured bank overdrafts of the Group and of the Company are summarised in Note 9 to the Financial Statements.

29. REVENUE

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Construction contracts Management fee Rental income Sale of cranes Others	284,181,119 - 525,150 12,261,137 424	357,711,646 - - 4,939,290 -	- 7,050,000 4,393,750 - -	4,200,000 4,000,000 - -
	296,967,830	362,650,936	11,443,750	8,200,000



30. COST OF SALES

	Gr	oup
	2009 RM	2008 RM
Constructions contracts Sales of cranes Maintenance of yard	228,392,943 32,387,371 411,792	515,358,627 23,389,424 1,606,746
	261,192,106	540,354,797

31. OTHER OPERATING INCOME

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Electrical charges	7,917	869,395	-	-
Interest income	3,237,416	395,751	4,230,244	-
Miscellaneous	3,667,867	1,595,536	-	-
Realised gain on foreign exchange	361,143	241,125	-	-
Unrealised gain on foreign exchange	22,081	76,129	-	-
Rental income	23,170,854	244	-	-
Sale of scrap	59,777	-	3,500	-
	30,527,055	3,178,180	4,233,744	-

32. FINANCE COSTS

	Group		Con	npany
	2009 RM	2008 RM	2009 RM	2008 RM
Interest expense on:- Bank borrowings Facility fees	17,809,377	20,924,739 450,000	4,386,390	3,624,643 450,000
Finance lease liabilities Irredeemable Convertible Unsecured	77,708	7,554	5,899	5,899
Loan Stocks Others	(2,544) 833,630	109,323 110,494	(2,544) 22,564	109,323 10,259
Total expense	18,718,171	21,602,110	4,412,309	4,200,124
Less: Constructions contracts Interest capitalised in qualifying assets	-	(4,714,468) (2,915,930)	-	-
	-	(7,630,398)	-	-
	18,718,171	13,971,712	4,412,309	4,200,124

Borrowing costs incurred to finance the construction of property, plant and equipment, construction contracts are capitalised as part of the cost of those assets during the period of time that is required to complete and prepare the assets for its intended use.



33. LOSS BEFORE TAXATION

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

Auditors remuneration:- - statutory audit - current financial year - underprovision in prior financial year Allowance for doubtful debts Allowance for diminution in value of other investment Allowance for diminution in value of investment in subsidiary companies Amortisation of intangible asset Amortisation of prepaid land lease payment Bad debts written off	2009 RM 110,000 - 3,355,430 - - 364,050 2,560,553 3,882,000 - 7,199,356	2008 RM 97,500 4,900 9,455,191 4,000,000 - 264,128 3,414,071 - 1,171,696 12,894,207	2009 RM 20,000 - 18,365,182 - 346,283,393 - 974,738 -	2008 RM 17,000 - 4,512,025 4,000,000 - - 1,299,650
 statutory audit current financial year underprovision in prior financial year Allowance for doubtful debts Allowance for diminution in value of other investment Allowance for diminution in value of investment in subsidiary companies Amortisation of intangible asset Amortisation of prepaid land lease payment Bad debts written off 	3,355,430 - 364,050 2,560,553 3,882,000 -	4,900 9,455,191 4,000,000 - 264,128 3,414,071 - 1,171,696	- 18,365,182 - 346,283,393 -	4,512,025 4,000,000 - -
 current financial year underprovision in prior financial year Allowance for doubtful debts Allowance for diminution in value of other investment Allowance for diminution in value of investment in subsidiary companies Amortisation of intangible asset Amortisation of prepaid land lease payment Bad debts written off 	3,355,430 - 364,050 2,560,553 3,882,000 -	4,900 9,455,191 4,000,000 - 264,128 3,414,071 - 1,171,696	- 18,365,182 - 346,283,393 -	4,512,025 4,000,000 - -
 - underprovision in prior financial year Allowance for doubtful debts Allowance for diminution in value of other investment Allowance for diminution in value of investment in subsidiary companies Amortisation of intangible asset Amortisation of prepaid land lease payment Bad debts written off 	3,355,430 - 364,050 2,560,553 3,882,000 -	4,900 9,455,191 4,000,000 - 264,128 3,414,071 - 1,171,696	- 18,365,182 - 346,283,393 -	4,512,025 4,000,000 - -
Allowance for doubtful debts Allowance for diminution in value of other investment Allowance for diminution in value of investment in subsidiary companies Amortisation of intangible asset Amortisation of prepaid land lease payment Bad debts written off	- 364,050 2,560,553 3,882,000 -	9,455,191 4,000,000 - 264,128 3,414,071 - 1,171,696	- 346,283,393 -	4,000,000 - -
Allowance for diminution in value of other investment Allowance for diminution in value of investment in subsidiary companies Amortisation of intangible asset Amortisation of prepaid land lease payment Bad debts written off	- 364,050 2,560,553 3,882,000 -	4,000,000 - 264,128 3,414,071 - 1,171,696	- 346,283,393 -	4,000,000 - -
other investment Allowance for diminution in value of investment in subsidiary companies Amortisation of intangible asset Amortisation of prepaid land lease payment Bad debts written off	2,560,553 3,882,000 -	- 264,128 3,414,071 - 1,171,696	-	-
Allowance for diminution in value of investment in subsidiary companies Amortisation of intangible asset Amortisation of prepaid land lease payment Bad debts written off	2,560,553 3,882,000 -	- 264,128 3,414,071 - 1,171,696	-	-
investment in subsidiary companies Amortisation of intangible asset Amortisation of prepaid land lease payment Bad debts written off	2,560,553 3,882,000 -	3,414,071 - 1,171,696	-	- - 1,299,650 -
Amortisation of intangible asset Amortisation of prepaid land lease payment Bad debts written off	2,560,553 3,882,000 -	3,414,071 - 1,171,696	-	- - 1,299,650 -
Amortisation of prepaid land lease payment Bad debts written off	2,560,553 3,882,000 -	3,414,071 - 1,171,696	- 974,738 -	- 1,299,650 -
Bad debts written off	3,882,000 -	- 1,171,696	974,738 -	1,299,650
	-		-	_
	- 7,199,356		_	
Deferred expenditure written off	7,199,356	12 804 207		-
Depreciation		12,034,207	72,396	52,636
Deposit written off	2,000	-	-	-
(Gain)/Loss on foreign exchange				
- realised	(176,169)	622,704	-	-
- unrealised	62,570	(404,068)	-	-
Impairment of goodwill on consolidation	-	22,907,129	-	-
Impairment of intangible assets	1,391,914	-	-	-
Impairment of inventories	1,782,000	-	-	-
Interest expenses				
- finance lease	77,708	7,554	5,899	5,899
- overdraft interest	3,007,112	2,750,032	753,311	770,181
- term loans	11,162,494	15,258,777	2,979,304	2,852,000
- ICULS	(2,544)	109,323	(2,544)	109,323
- bridging RC interest	836,457	2,462	835,775	2,462
Office rental	498,972	651,659	43,283	50,388
Property, plant and equipments written off	64,765	_	-	-
Provisions for corporate guarantee	-	-	11,218,959	-
Rental of computer	103,236	171,737	-	-
Rental of motor vehicle	17,364	137,035	_	-
Rental of photocopier	536,075	203,869	_	-
Rental of guarters	1,250	-	_	-
Waiver of debts	-	_	8,000,000	-
Interest income	(3,237,416)	(395,751)	(4,230,244)	_
	(23,696,004)	(244)	(4,393,750)	(4,000,000)



33. LOSS BEFORE TAXATION (CONT'D)

Loss before taxation is determined after charging/(crediting) amongst other items the following (cont'd):-

	Group		Con	npany
	2009 RM	2008 RM	2009 RM	2008 RM
Executive:-				
Salaries and other emoluments	270,000	648,000	270,000	648,000
	270,000	648,000	270,000	648,000
Non-executive:- Salaries and other				
emoluments Fees	1,155,275	348,700	324,000	348,700
- current financial year	775,027	566,562	179,548	146,562
- underprovision in prior financial year Bonus	-	272,794 47,250	-	- 47,250
Defined contribution plan	138,786	44,550	38,880	44,550
	2,069,088	1,279,856	542,428	587,062
Total	2,339,088	1,927,856	812,428	1,235,062

34. TAXATION

	Group		Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
Current financial year provision	1,441,176	165,824	1,180,000	-
Overprovision in previous financial year	-	(1,087,653)	-	(88,170)
Transferred from/(to) deferred taxation (Note 11)	11,873,582	(30,699,582)	-	-
	13,314,758	(31,621,411)	1,180,000	(88,170)

Malaysian income tax rate is calculated at the statutory tax rate of 25% (2008: 26%) of the estimated assessable profits for the financial year.

The Malaysian Budget 2008 introduced a single tier company income tax system with effect from year of assessment 2008. As such, the Section 108 tax credit as at 31 October 2009 will be available to the Company until such time the credit is fully utilised or upon expiry of the six-year transitional period on 31 December 2013, which ever is earlier.

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34. TAXATION (CONT'D)

A reconciliation of income tax expenses on loss before taxation where applicable is as follow:-

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Loss before taxation	(39,404,967)	(318,949,360)	(382,180,869)	(21,328,028)
Income tax at rate of 25% (2008:26%)	(9,851,242)	(82,926,834)	(95,545,217)	(5,545,287)
Tax effects in respect of:-				
Non allowable expenses	10,858,681	12,662,506	94,263,843	5,525,287
Income not subject to tax	(1,895,012)	(12,651,202)	(1,782,626)	-
Tax savings from utilisation of				
capital allowances	-	(252,076)	-	-
Tax savings from utilisation of				
business losses	-	(140,646)	-	-
Tax savings as a result of first RM500,000				
taxable income at 20%	-	(30,000)	-	-
Deferred taxation not recognised				
in the financial statements	14,202,331	39,671,418	4,244,000	20,000
Deferred taxation recognised				
in the financial statements	-	1,754,336	-	-
Current financial year tax expenses	13,314,758	(30,533,758)	1,180,000	
	10,014,700		1,100,000	- (99.170)
Prior financial year overprovision	-	(1,087,653)		(88,170)
Total tax expenses	13,314,758	(31,621,411)	1,180,000	(88,170)

35. LOSS PER SHARE

Group

(a) Basic loss per ordinary share

Basic loss per ordinary share of the Group is based on the net loss attributable to shareholders for the financial year and the weighted average number of shares in issue during the financial year as follows:-

	2009	2008
Net loss attributable to shareholders (RM)	(52,719,725)	(286,160,380)
Weighted average number of ordinary shares in issue	562,191,464	516,948,460
Basic loss per ordinary share (sen)	(9.38)	(55.36)



35. LOSS PER SHARE (CONT'D)

(b) Diluted loss per ordinary share

2009 and 2008

For the shares option granted to employees and ICPS, 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 subscription rights attached to outstanding share options and ICPS. 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 equity holders of the Company for the diluted loss per share calculation.

There is no diluted loss per ordinary share as there is no potential dilutive ordinary share.

36. EMPLOYEE BENEFIT EXPENSES

	Group		Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
Wages and salaries	45,301,975	47,988,200	4,621,165	5,583,122
Contributions to defined contribution plan	4,096,675	4,608,936	392,688	601,042
	49,398,650	52,597,136	5,013,853	6,184,164

37. 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 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;



37. EMPLOYEE SHARE OPTION SCHEME ("ESOS") (CONT'D)

- (d) The option price for each share shall be weighted average of the market price as quoted in the Daily Official List issued by Bursa Malaysia Securities Berhad for the 5 market days immediately preceding the date on which the option is granted less, if the ESOS Committee shall so determine at their discretion from time to time, a discount of not more than 10% or the par value of the shares of the Company of RM0.50;
- (e) The number of outstanding options to subscribe for shares or the option price or both may be adjusted following any issue of additional shares by way of right issues, bonus issues or other capitalisation issues 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 40,000 ordinary shares of RM0.50 each.

There was no number of share options outstanding since the end of the previous financial year.

The weighted average fair value of the share options measured at grant date and the assumptions are as follows:-

	2008
Fair value of the share options granted on 21 January 2008 (RM)	0.56-1.05
Weighted average share price (RM)	1.21
Weighted average exercise price (RM)	0.82
Expected volatility (%)	54.99
Expected weighted average option life (years)	0.28
Risk free rate based on Malaysian Government Bonds (%)	3.50
Expected dividend yield (%)	-
Fair value of the share options granted on 16 April 2008 (RM)	1.03
Weighted average share price (RM)	1.34
Weighted average exercise price (RM)	1.03
Expected volatility (%)	54.99
Expected weighted average option life (years)	0.20
Risk free rate based on Malaysian Government Bonds (%)	3.50
Expected dividend yield (%)	-

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.



38. SIGNIFICANT RELATED PARTY DISCLOSURE

(a) The following transactions were carried out with related parties:-

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Rental income received/receivable from subsidiary companies	_	-	4,000,000	4,000,000
Management fee received/ receivable from subsidiary companies	-	-	7,050,000	4,200,000
Transfer of property, plant and equipment from subsidiary companies	-	-	78,651,610	-

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 that those arranged with independent third parties.

(b) The remuneration of directors and other members of key management personnel during the financial year are as follows:-

	Group		Con	npany
	2009 RM	2008 RM	2009 RM	2008 RM
Salaries and other short-term employee benefits	2,154,331	3,922,394	1,605,556	1,576,630
Post employment benefits:- Defined contribution plan Share options granted under ESOS	227,238 -	168,497 87,625	161,292 -	92,149 68,985
	2,381,569	4,178,516	1,766,848	1,737,764

Other members of key management personnel comprise of persons other than the Directors of the Group and of the Company, having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly.

(c) The outstanding balances arising from the related party transactions are as follows:-

	Group		Con	npany
	2009 2008 RM RM		2009 RM	2008 RM
Receivables from related parties	-	-	118,626,696	218,735,694
Payables to related parties	692,228	687,386	692,228	687,386



39. CAPITAL COMMITMENT

	Group		Cor	npany
	2009 RM	2008 RM	2009 RM	2008 RM
Authorised and contracted for:- Acquisition of property, plant and equipment	-	10,200,000	-	-
	-	10,200,000	-	-

40. CONTINGENT LIABILITIES

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

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Corporate guarantee granted to subsidiary companies	-	-	470,355,300	571,337,320
Being claims from third parties in dispute	58,935,290	5,723,472	-	-

41. 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.

42. 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:-

Group	Less than a financial <u>year</u> RM	2 to 5 financial <u>years</u> RM	More than 5 financial <u>years</u> RM	<u>Total</u> RM	Effective interest rate during the <u>financial year</u>
2009					
Financial asset					
Short term deposit					
with licensed banks	82,462,021	-	-	82,462,021	1.00%-1.40%
Financial liabilities					
Finance lease liabilities	1,146,106	1,939,652	16,219	3,101,977	3.65%-7.66%
Term loans	245,568,691	-	-	245,568,691	5.35%-7.25%
Bank overdrafts	32,814,992	-	-	32,814,992	7.25%-8.75%
Revolving credits	63,875,520	-	-	63,875,520	7.25%-8.00%
Bankers' acceptance	4,523,359	-	-	4,523,359	7.25%-8.00%



42. FINANCIAL INSTRUMENTS (CONT'D)

Interest rate risk (cont'd) (i)

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:- (cont'd)

Less than a financial <u>year</u> RM	2 to 5 financial <u>years</u> RM	More than 5 financial <u>years</u> RM	<u>Total</u> RM	Effective interest rate during the <u>financial year</u>
			50.007.000	1 000/ 1 400/
53,007,068	-	-	53,007,068	1.00%-1.40%
17,633	70,535	9,446	97,614	3.88%-4.30%
195,875,214	-	-	195,875,214	5.35%-7.25%
10,050,268	-	-	10,050,268	7.25%-8.75%
30,392,345	-	-	30,392,345	7.25%-8.00%
32,215,917	_	_	32.215.917	3.00%-3.70%
- , -,-			- , -,-	
75 400	004.054	00 707		
	,	38,767		3.65%-7.66%
	220,092,011	-		5.35%-7.25% 7.25%-8.75%
	-	-		7.25%-8.00%
7,490,025	-	-	7,490,025	8.00%
31,504,252	179,256,993	-	210,761,245	5.35%-7.25%
9,547,352	-	-	9,547,352	7.25%-8.75%
17,633	70,535	25,119	113,287	3.88%-4.30%
30,155,887			30,155,887	7.25%-8.00%
	financial year RM 53,007,068 17,633 195,875,214 10,050,268 30,392,345 32,215,917 32,215,917 75,493 35,330,589 38,195,939 61,285,336 7,490,025 31,504,252 9,547,352 17,633	financial year RMfinancial years RM53,007,068-17,63370,535195,875,214-10,050,268-30,392,345-32,215,917-75,493304,85435,330,589228,092,01138,195,939-61,285,336-7,490,025-31,504,252179,256,9939,547,352-17,63370,535	financial year RM financial years RM 5 financial years RM 53,007,068 - - 17,633 70,535 9,446 195,875,214 - - 10,050,268 - - 30,392,345 - - 32,215,917 - - 75,493 304,854 38,767 35,330,589 228,092,011 - 38,195,939 - - 61,285,336 - - 7,490,025 - - 31,504,252 179,256,993 - 9,547,352 - - 17,633 70,535 25,119	financial year RM financial years RM 5 financial years RM Total RM 53,007,068 - - 53,007,068 17,633 70,535 9,446 97,614 195,875,214 - 195,875,214 10,050,268 - - 10,050,268 30,392,345 - - 30,392,345 32,215,917 - - 32,215,917 75,493 304,854 38,767 419,114 35,330,589 228,092,011 - 263,422,600 38,195,939 - - 38,195,939 61,285,336 - - 61,285,336 7,490,025 - - 7,490,025 31,504,252 179,256,993 - 210,761,245 9,547,352 - - 9,547,352 17,633 70,535 25,119 113,287

(ii) Credit risk

The Group has no significant credit risk with any single counterparty, except for trade receivables due from customers which represents approximately 85% of the Group's trade receivables.

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42. FINANCIAL INSTRUMENTS (CONT'D)

(iii) Fair values

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

	20	Group and Compar 2009		
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
Unquoted bonds	-	*	-	*
	20	009	ompany 200	08
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
Unquoted shares in subsidiary companies	2	*	346,283,395	*

* For investment in unquoted bonds and shares in subsidiary companies, 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 determined such fair value with sufficient reliability. Therefore, such investment in the balance sheet is carried at cost less allowance for diminution in value based on Directors' assessment.

At the end of the financial year, the net tangible assets reported by the subsidiary companies were as follows:-

Company	2009 RM	2008 RM
Unquoted shares in subsidiary companies	(65,647,760)	84,300,008

43. MATERIAL LITIGATION

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

An order under Section 176(1) was granted for RFSB on 9 February 2010 to hold a creditors meeting within 90 days from the date of the order. An application to extend the Restraining Order was also filed on 12 February 2010.



43. MATERIAL LITIGATION (CONT'D)

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

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

Ingress Fabricators Sdn Bhd is claiming for a sum of money for services rendered. The claimed is for RM1,494,699.72. The next mention date is on 3 March 2010.

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

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

Ingress Fabricators Sdn Bhd is claiming for a sum of money for services rendered. The claimed is for RM4,228,772.44. The next mention date is on 3 March 2010.

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

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

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

- i) RM 633,807.00 being the retention sum for completed project
- ii) RM 23,630.00 for additional works completed
- iii) RM 16,115.00 for corrective works completed
- iv) RM 3,917,072.73 for work done

Based on the solicitor's opinion, the sum claim in this suit should have been raised in the 147 and 424 suits respectively. Therefore, the third suit constitutes multiplicity of proceedings and therefore ought to be struck off. The next mention date is on 3 March 2010.

(d) Promet Berhad vs Ramunia Fabricators Sdn Bhd (Guaman Sivil No. MT3-22-650-2008)

Promet Berhad is claiming for an alleged trespass on their land and claiming for RM6,088,973.31 in damages. Statement of defence has been filed on 28 October 2008. The matter is fixed for a case management on 10 March 2010.

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

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

Efficient Technology Sdn Bhd is claiming for a sum of money for goods delivered and services rendered. The writ of summons was served to the RFSB on 3 March 2009. The claimed is for RM2,316,277.55. Proceedings to be stayed pursuant to court order under Section 176(10) of Companies Act 1965. The next mention date is on 3 March 2010.



43. MATERIAL LITIGATION (CONT'D)

(f) Alam Maritim (M) Sdn Bhd vs Ramunia Fabricators Sdn Bhd

Alam Maritim is claiming for a sum of money for services rendered. The writ of summons was served to the Company on 30 December 2009. The claimed is for RM1,897,666.75 with interest. The case management date has been scheduled on 18 March 2010.

Winding Up Petitions

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

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

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

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

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

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

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

The matter involves a claim by Pantech for goods rendered to the Company. Winding up petition dated 16 September 2009 was served on the 12 October 2009 for the amount of RM458,885.83 together with interest thereon and costs to be taxed.

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

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

The matter involves a claim by Perusahaan Maju Teguh for rental of goods rendered to MS Herkules. Winding up petition dated 1 December 2009 was served on the 8 December 2009 for the amount of RM230,128.50 with interest thereon at the rate of 8% per annum from 28 September 2009 to the date of realization. The petition was withdrawn with no cost on 20 January 2010.

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

The matter involves a claim by JB Yew Seng for goods rendered to MS Herkules. Winding up petition dated 9 November 2009 was served on the 11 November for the amount of RM35,007.60, with no interest claimed. The petition was withdrawn on 14 January 2010.



44. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) On 7 November 2008, the Company announced the following contracts awarded by Sarawak Shell Berhad totaling approximately RM587 million as follows:-
 - (i) Fabrication of F23R-A Substructure, valued at approximately RM75 million;
 - (ii) Fabrication of F23R-A Topside, valued at approximately RM414 million; and
 - (iii) Fabrication of CPDR-A and F28DR-A-Substructure, valued at approximately RM98 million.

The contract works are under a Production Sharing Contract ("PSC") with PETRONAS. The PSC's partners are Shell Oil and Gas Malaysia/Sarawak Shell Berhad and PCSB.

- (b) On 4 May 2009, the Company received an offer from Sime Darby Engineering Sdn Bhd ("SDE"), an indirect wholly-owned subsidiary of Sime Darby Berhad to acquire the business and undertaking (including the assets and liabilities, whether in whole or in part, to be determined following a due diligence inquiry) of the Ramunia Holdings Bhd ("RaHB") and its subsidiaries ("Offer") for a total provisional purchase consideration of RM232.0 million, subject to adjustment under the terms of the Offer. The purchase consideration shall be satisfied by SDE in the following manner:
 - (a) RM46.2 million cash; and
 - (b) RM185.8 million equivalent value of new ordinary shares of RM1.00 each in SDE ("SDE" Shares") representing 20% of the ordinary shares in the enlarged SDE.

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

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

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

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

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

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



44. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

(b) cont'd

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

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

On 3 February 2010, RaHB, ROSB and SDE had mutually agreed to extend the date to fulfill the conditions precedent of the SPA from 3 February 2010 to 4 April 2010.

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

RFSB is unable to meet or fulfill its financial obligations towards its creditors which has resulted in various winding up petitions, and pending and threatened legal proceedings against RFSB by various unsecured creditors of RFSB. In view of this, the Company, in consultation with RFSB, is currently in the midst of finalising a proposed scheme of arrangement to be presented before its unsecured creditors pursuant to Section 176(1) of the Companies Act 1965.

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

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



45. SUBSEQUENT EVENTS AFTER BALANCE SHEET DATE

- (a) On 4 January 2010, the Company increased its issued and paid-up capital from RM281,095,732 to RM331,419,763 by way of conversion of 100,648,062 units of ICPS at RM0.50 each.
- (b) At the EGM of RaHB held on 12 January 2010, the shareholders of RaHB approved the Proposed Disposal.
- (c) On 28 January 2010, the Company signed a MoU with Pleasant Engineering Sdn. Bhd. ("PESB") for the proposed collaboration to undertake the tendering, bidding and fabrication in relation to any contract involving the engineering, procurement and construction of any topsides, jackets or any structures for the oil and gas industry. The MoU shall take effect on the date of its execution and shall continue to be of effect until the occurrence of any of the following, whichever is the earlier such as the execution of the appropriate legally binding agreements regarding the parties intended collaboration etc.
- (d) On 3 February 2010, RaHB, Ramunia Optima Sdn Bhd and SDE (collectively referred to as the "Parties") had mutually agreed to extend the date to fulfill the conditions precedent of the definitive sale and purchase agreement dated 3 August 2009, from 3 February 2010 to 4 April 2010.
 - The Parties agreed that if the completion for the Proposed Disposal ("Completion") does not occur on or before 3 March 2010, then RaHB shall pay SDE RM83,000 per day, commencing from 4 March 2010 until Completion (both dates inclusive), the sum of which shall be set off from the balance consideration payable by SDE.
- (e) An order under Section 176(1) was granted for RFSB on 9 February 2010 to hold a creditors meeting within 90 days from the date of the order. An application to extend the Restraining Order ("RO") was also filed on 12 February 2010.
- (f) On 8 February 2010, a Consent Order ("CO") was granted by the High Court of Johor Darul Takzim, pursuant to an application made by RFSB vide Saman Pemula No 24M-8 (2010), for a Validation Order under Section 223 of the Act.

The CO was awarded as all the creditors who had served winding-up petitions against RFSB, namely Serba Mahir Sdn. Bhd., Sigur Ros Sdn. Bhd., Interglen Sdn. Bhd. and JB Yew Seng Stationery Sdn. Bhd. duly consented to the disposal of the assets of RFSB to SDE.

(g) On 22 February 2010, the High Court of Malaya in Johor Darul Takzim had extended the RO for a further 60 days to 30 April 2010 from 2 March 2010.



The properties of the Group as at 31 October 2009 are as follows.

Title / Location	Description and Existing Use	Land Area / Built-Up Area	Approximate Age of Building	Tenure	Audited Net Book Value at 31.10.2009	Date of Acquisition
HS(D) 8585 PTD No. 421 HS(D) 14211 PTD No. 421a HS(D) 8586 PTD No. 501 and HSD 7794 PTD No. 502 Of Mukim Pantai Timur District of Kota Tinggi State of Johor	Purpose-built steel fabrication facilities which undertake steel fabrication of, offshore platforms of approximately 61,000 MT	69.17 hectares	15 - 20 years	Leasehold for 60 years expiring on: 18.12.2050 (PTD No. 421,501), 27.1.2054 (PTD No. 421A) and 30.10.2048 for (PTD No. 502)	* RM171,609	20 December 2004 and 7 September 2007 for HSD 7794 PTD No. 502

Darul Takzim

* Note:

The Net Book Value amount reclassed as Asset Held for Disposal as below:	
Land	RM137,706,796
Building	RM183,928,973
Yard Infrastructure	RM59,144,536



SHARE CAPITAL

Authorised share capital	:	RM800,000,000 1,600,000,000 Ordinary shares of RM0.50 each
Issued and paid up share capital	:	RM331,419,763 (based on statutory records of the Company)
Total number of shares issued	:	662,839,526 Ordinary shares of RM0.50 each
Number of shareholders	:	27,523 (Ordinary Shares)
Voting rights	:	One vote per Ordinary Share held

(A) Ordinary Shares of RM0.50 Each

DISTRIBUTION SCHEDULE OF SHAREHOLDERS

(based on the Record of Depositors as at 03 March 2010)

NO. OF SHAREHOLDERS	% OF SHAREHOLDERS	NO. OF SHARES HELD	% OF ISSUED CAPITAL
6,319	22.96	465,303	0.07
9,844	35.77	3,568,121	0.54
7,100	25.80	37,105,071	5.60
3,815	13.86	124,923,042	18.85
442	1.61	218,876,782	33.02
3	0.01	277,901,207	41.93
27,523	100.00	662,839,526	100.00
	6,319 9,844 7,100 3,815 442 3	SHAREHOLDERS SHAREHOLDERS 6,319 22.96 9,844 35.77 7,100 25.80 3,815 13.86 442 1.61 3 0.01	SHAREHOLDERS SHAREHOLDERS SHARES HELD 6,319 22.96 465,303 9,844 35.77 3,568,121 7,100 25.80 37,105,071 3,815 13.86 124,923,042 442 1.61 218,876,782 3 0.01 277,901,207

DIRECTORS' INTEREST IN SHARES AND OPTIONS OVER ORDINARY SHARES

(based on the Register as at 03 March 2010)

(i) Ordinary Shares of RM0.50 each

		No. of shares beneficially held				
Name of Directors	Nationality	Direct	%	Indirect	%	
Datuk Azizan bin Abd Rahman	Malaysian	-	-			
Dato' Azizul Rahman bin Abd. Samad *	Malaysian	157,500	0.2	161,456,104	24.36	
Dato' Mohzani bin Datuk Dr. Abdul Wahab	Malaysian	-	-	-	-	
Dato' Md. Zahari bin Md. Zin	Malaysian	-	-	-	-	
Mr. Leou Thiam Lai	Malaysian	-	-	-	-	
Mr. Too Kok Leng	Malaysian	-	-	-	-	
En. Roslan bin Mohd Latif	Malaysian	-	-	-	-	

• Analysis OF SHAREHOLDING (CONT'D)

AS AT 3 MARCH 2010

(A) Ordinary Shares of RM0.50 Each (cont'd)

(i) Ordinary Shares of RM0.50 each (cont'd)

* 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 Ribuan Positif 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 Dow Alpha Industries Sdn. Bhd. which in turn hold shares in Ramunia Holdings Berhad.

(ii) Options over Ordinary Shares of RM0.50 each

There were no options over ordinary shares offered to the Directors during the financial year ending 31 October 2009.

SUBSTANTIAL SHAREHOLDERS

(based on the Register as at 03 March 2010)

	No. of shares beneficially held				
Name of Directors	Nationality	Direct	%	Indirect	%
Dato' Azizul Rahman bin Abd. Samad $^{(1)}$	Malaysian	157,500	0.02	161,456,104	24.36
Datin Azura Hanim binti Tajudin ⁽²⁾	Malaysian	1,530,000	0.23	160,083,604	24.15
Ramunia Energy & Marine Corporation Sdn Bhd ⁽³⁾	Incorporated in Malaysia	153,426,104	21.87	6,500,000	0.98
Lembaga Tabung Haji	Incorporated in Malaysia	166,836,333	25.17	-	-



AS AT 3 MARCH 2010

(ii) Options over Ordinary Shares of RM0.50 each (cont'd)

⁽¹⁾ 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 Ribuan Positif 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 Dow Alpha Industries Sdn. Bhd. which in turn hold shares in Ramunia Holdings Berhad.

⁽²⁾ 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 Ribuan Positif 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 Dow Alpha Industries Sdn. Bhd. which in turn hold shares in Ramunia Holdings Berhad.

⁽³⁾ Deemed interested by virtue of its direct interest of more than 15% equity interest in Ribuan Positif Sdn. Bhd. which in turn holds shares in Ramunia Holdings Berhad.

LIST OF THIRTY (30) LARGEST ORDINARY SHARES ACCOUNTS HOLDERS

NO.	NAME	NO. OF SHARES BENEFICIALLY HELD	%
1	LEMBAGA TABUNG HAJI LEMBAGA TABUNG HAJI,BHG PEMEROSESAN PELABURAN	166,836,833	25.17
2	AMSEC NOMINEES (TEMPATAN) SDN BHD AMBANK (M) BERHAD FOR RAMUNIA ENERGY & MARINE CORPORATION SDN BHD	58,100,000	8.77
3	BIMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR BIMB (L) OFFSHORE BRANCH FOR RAMUNIA ENERGY & MARINE CORPORATION SDN BHD	52,964,374	7.99
4	BIMSEC NOMINEES (TEMPATAN) SDN BHD RAMUNIA ENERGY & MARINE CORPORATION SDN BHD	24,483,951	3.69
5	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR RAMUNIA ENERGY & MARINE CORPORATION SDN BHD	9,800,000	1.48
6	M.I.T NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOK HUEY MING (MG0039-198)	8,367,100	1.26

Inalysis OF SHAREHOLDING (CONT'D) Ш.),

AS AT 3 MARCH 2010

(A) Ordinary Shares of RM0.50 Each (cont'd)

LIST OF THIRTY (30) LARGEST ORDINARY SHARES ACCOUNTS HOLDERS

NO.	NAME	NO. OF SHARES BENEFICIALLY HELD	%
7	EB NOMINEES (TEMPATAN) SENDIRIAN BERHAD PLEDGED SECURITIES ACCOUNT FOR RAMUNIA ENERGY & MARINE CORPORATION SDN. BHD. (KLM)	8,000,000	1.21
8	CIMSEC NOMINEES (ASING) SDN BHD CIMB FOR DANIEL CHUNG SUNG AHN (PB)	6,901,000	1.04
9	AIBB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN SIEW BOOY (D18)	6,171,815	0.93
10	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR BHLB TRUSTEE BERHAD (50106 TR01)	4,923,900	0.74
11	NG FUNG LANG	3,690,000	0.56
12	HDM NOMINEES (TEMPATAN) SDN PLEDGED SECURITIES ACCOUNT FOR CHEE CHI VUN (M02)	3,500,095	0.53
13	EB NOMINEES (TEMPATAN) SENDIRIAN BERHAD PLEDGED SECURITIES ACCOUNT FOR RIBUAN POSITIF SDN. BHD. (KL	3,000,000 M)	0.45
14	MUHAMMAD SYAFIQ BALJIT BIN ABDULLAH	2,895,100	0.44
15	MOHAMMAD ALLAUDIN & CO. SDN. BHD.	2,754,000	0.42
16	CHEW LAI HAR	2,675,700	0.40
17	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FORDIMENSIONAL EMERGING MARKETS VALUE FUND	2,434,736	0.37
18	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR DOW ALPHA INDUSTRIES SDN BHD (REMC 681130)	2,000,000	0.30
19	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CH'NG CHENG BOON	1,925,100	0.29
20	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PHEIM ASSET MANAGEMENT SDN BHD FOR EMPLOYEES PROVIDENT FUND	1,802,600	0.27
21	ZULKIFLI BIN ISMAIL	1,800,000	0.27
22	WONG CHEE THONG	1,778,700	0.27
23	YEO ECK LIONG	1,568,900	0.24
24	AZURA HANIM BT TAJUDIN	1,530,000	0.23
25	KAMARUDDIN @ MAMAT BIN ENDUT	1,487,155	0.22
26	LEE CHOI YIN	1,408,300	0.21

Inalysis OF SHAREHOLDING (CONT'D)

AS AT 3 MARCH 2010

A) Ordinary Shares of RM0.50 Each (cont'd)

LIST OF THIRTY (30) LARGEST ORDINARY SHARES ACCOUNTS HOLDERS

NO.	NAME	NO. OF SHARES BENEFICIALLY HELD	%
27	CITIGROUP NOMINEES (ASING) SDN BHD	1,352,000	0.20
28	MAYBAN SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIEW THIN SANG (R02-MARGIN)	1,310,000	0.20
29	TAN SIEW BOOY	1,201,400	0.18
30	INTER-PACIFIC EQUITY NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE CHOI YIN	1,150,000	0.17

C) WARRANTS

Type of Securities	: Warrant 2004/2014
No. of Warrants issued and not exercised	: 237,333,371
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	: 4,430

DISTRIBUTION SCHEDULE OF WARRANTS HOLDERS

SIZE OF WARRANTS HOLDINGS	NO. OF WARRANTS WARRANTS HOLDERS	% OF WARRANTS HOLDERS	NO. OF WARRANTS SHARES HELD	% of Issued Warrants
1 - 99	1,127	25.44	57,558	0.02
100 – 1,000	1,069	24.13	341,118	0.14
1,001 - 10,000	927	20.93	5,747,614	2.42
10,001 – 100,000	1,137	25.67	41,356,378	17.43
100,001 – 11,866,667	168	3.79	83,830,703	35.32
11,866,667 and above	2	0.05	106,000,000	44.66
Total	4,430	100.00	237,333,371	100.00

DIRECTORS' WARRANTS HOLDINGS

(based on the Register as at 03 March 2010)

		<u>No. o</u>	f warrant	s beneficially he	eld
Name of Directors	Nationality	Direct	%	Indirect	%
Datuk Azizan bin Abd Rahman	Malaysian	-	-	-	-
Dato' Azizul Rahman bin Abd. Samad *	Malaysian	-	-	115,285,641	48.58
Dato' Mohzani bin Datuk Dr. Abdul Wahab	Malaysian	-	-	-	-
Dato' Md. Zahari bin Md. Zin	Malaysian	-	-	-	-
Mr. Leou Thiam Lai	Malaysian	-	-	-	-
Mr. Too Kok Leng	Malaysian	-	-	-	-
En. Roslan bin Mohd Latif	Malaysian	27,906	0.01	-	-



C) WARRANTS (CONT'D)

* 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 Ribuan Positif Sdn. Bhd. and 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	RHB CAPITAL NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR RAMUNIA ENERGY & MARINE CORPORATION SDN. BHD	61,000,000	25.70
2	RHB CAPITAL NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ZEN-END RESOURCES SDN. BHD.	45,000,000	18.96
3	RHB CAPITAL NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ZEN-END RESOURCES SDN. BHD.	11,295,100	4.76
4	LEMBAGA TABUNG HAJI LEMBAGA TABUNG HAJI,BHG PEMEROSESAN PELABURAN	10,436,200	4.40
5	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ZEN-END RESOURCES SDN BHD	9,042,924	3.81
6	MOHAMMAD ALLAUDIN BIN MD ALI	5,216,000	2.20
7	LEE WAI YUEN	1,500,000	0.63
8	CITIGROUP NOMINEES (ASING) SDN BHD UBS AG SINGAPORE FOR CLAYMORE MANAGEMENT LIMITED	1,472,701	0.62
9	KEE NGENG HONG	1,270,000	0.54
10	YEO ECK LIONG	1,250,000	0.53
11	NAZMIN BINTI RAZAK	1,124,000	0.47
12	EICAS COMM (M) SDN. BHD.	1,100,000	0.46
13	MAYBAN NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN KIAN KOK	1,100,000	0.46
14	JAROD CHOO CHEE CHEONG	1,050,000	0.44
15	CHEW LAI HAR	992,673	0.42



C) WARRANTS (CONT'D)

LIST OF THIRTY (30) LARGEST WARRANTS ACCOUNTS HOLDERS

NO.	NAME	NO. OF WARRANTS BENEFICIALLY HELD	%
16	SAI YEE @ SIA SAY YEE	895,007	0.38
17	IAN TAN TEE HIANG	850,000	0.36
18	ELITA LAU HUI PING	660,000	0.28
19	CHIA YONG KIANG	610,000	0.26
20	HUNG KWANG HOU	609,596	0.26
21	INTER-PACIFIC EQUITY NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE CHOI YIN	556,803	0.23
22	JF APEX NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TOH KOK KWANG	526,200	0.22
23	LEE CHOI YIN	505,530	0.21
24	CHONG CHIN LOONG	500,000	0.21
25	MOHD RAZIF BIN ABDULLAH	500,000	0.21
26	NG LAI YIN	500,000	0.21
27	TAN CHAN HEE	500,000	0.21
28	TOK HOCK BANG	500,000	0.21
29	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEH CHAI CHOO (CEB)	480,000	0.20
30	TEOH CHENG HUA	477,000	0.20



NOTICE IS HEREBY GIVEN that the SIXTH ANNUAL GENERAL MEETING of the Company will be held at Dewan Seroja, Kelab Golf Perkhidmatan Awam, Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Tuesday, 20th day of April 2010 at 2:30 p.m. or at any adjournment thereof for the following purposes:-

AGENDA

1.	To receive the Audited Financial Statements for the financial year ended 31 October 2009 together with the Report of the Directors' and the Auditor's thereon.	(Resolution 1)
2.	To approve the payment of Directors' Fees for the financial year ended 31 October 2009.	(Resolution 2)
3.	To re-elect Mr. Leou Thiam Lai who is retiring pursuant to Article 95 of the Company's Articles of Association, and being eligible, has offered himself for re-election.	(Resolution 3)
4.	To re-elect the following Directors who are retiring pursuant to Article 101 of the Company's Articles of Association, and being eligible, have offered themselves for re-election:-	
	 Dato' Azizan bin Abd Rahman; Dato' Mohzani bin Datuk Dr. Abdul Wahab; and 	(Resolution 4) (Resolution 5)
	 Encik Roslan bin Mohd Latif. 	(Resolution 6)
5.	To re-appoint Messrs. SJ 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 7)
6.	As Special Business	(Resolution 8)
	To consider and, if thought fit, with or without any modification, to pass the following Ordinary Resolution:-	

ORDINARY RESOLUTION

- AUTHORITY TO ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965

"THAT subject to Section 132D of the Companies Act, 1965 and approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue and allot shares in the Company, at any time to such persons 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 the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on 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."

7. To transact any other ordinary business for which due notice has been given.

BY ORDER OF THE BOARD

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

Kuala Lumpur Date: 29 March 2010



Explanatory Note to Special Business:

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

The Company wishes to renew the mandate on the authority to issue shares pursuant to Section 132D of the Companies Act 1965 at the Sixth AGM of the Company (hereinafter referred to as the "General Mandate").

The Company had been granted a general mandate by its shareholders at the Fifth AGM of the Company held on 28 April 2009 (hereinafter referred to as the "Previous Mandate").

The Previous Mandate granted by the shareholders had not been utilised and hence no proceed was raised therefrom.

The purpose to seek the General Mandate is to enable the Directors of the Company to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting as it would be both time and cost-consuming to organise a general meeting. This authority unless revoked or varied by the Company in general meeting, will expire at the next Annual General Meeting. The proceeds raised from the General Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/ or acquisitions.

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

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

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

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





CDS Account No.

Number of shares held

being a *member/members of

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

of (full address)

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 Sixth Annual General Meeting of the Company to be held at Dewan Seroja, Kelab Golf Perkhidmatan Awam, Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Tuesday, 20th day of April 2010 at 2:30 p.m. and at any adjournment thereof.

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

First Proxy (1) %

Second Proxy (2) ______%

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

NO.	AGENDA / RESOLUTIONS	FOR	AGAINST
1.	To receive the Audited Financial Statements for the financial year ended 31 October 2009 together with the Reports of the Directors' and the Auditor's thereon.		
2.	To approve the payment of Directors' Fees for the financial year ended 31 October 2009.		
3.	To re-elect Mr. Leou Thiam Lai who is retiring pursuant to Article 95 of the Company's Articles of Association, and being eligible, has offered himself for re-election.		
4.	To re-elect Dato' Azizan bin Abd Rahman who is retiring pursuant to Article 101 of the Company's Articles of Association, and being eligible, has offered himself for re-election.		
5.	To re-elect Dato' Mohzani bin Datuk Dr. Abdul Wahab who is retiring pursuant to Article 101 of the Company's Articles of Association, and being eligible, has offered himself for re-election.		
6.	To re-elect Encik Roslan bin Mohd Latif who is retiring pursuant to Article 101 of the Company's Articles of Association, and being eligible, has offered himself for re-election.		
7.	To re-appoint Messrs. SJ 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.		
8.	As Special Business Authority to issue shares pursuant to Section 132D of the Companies Act, 1965.		

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

As witness my/our hand(s) this _____ day of , 2010

Notes:

A member shall be entitled to appoint more than one proxy to attend and vote at the same meeting 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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AFFIX STAMP

To: RAMUNIA HOLDINGS BERHAD (634775-D)

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

RAMUNIA HOLDINGS BERHAD (634775-D)

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