ATURMAJU RESOURCES BERHAD

(Company No. 448934-M)
(Incorporated in Malaysia)

Annual Report 2012

Contents

Corporate Profile and Structure

Our Company was incorporated in Malaysia on 3 October 1997 under the Companies Act, 1965 as a public company, namely ATURMAJU RESOURCES BERHAD ("ARB"). On 13 February 2004, ARB was officially listed on the Second Board (currently known as Main Market) of Bursa Malaysia Securities Berhad ("Bursa Securities").

ARB is an investment holding company and provide management services. Our core business of the Group is in timber activities of both upstream and downstream operations. The Group structure and core activities of the subsidiary companies are as follows:

ATURMAJU RESOURCES BERHAD ("ARB')
(Company No. 448934-M)

100%
ATURMAJU (SABAH) HOLDING SDN. BHD. ("AHSB")
(Company No. 183346-D)

Integrated timber complex processing sawntimber, veneer, plywood, blockboard,wooden flooring board and multiple plywood board.

100%
ARB DEVELOPMENT SDN.BHD.("ADSB")
(Company No. 897494-A)

Dormant

100%
KALABAKAN TUG BOAT SDN BHD ("KTBSB")
(Company No. 236594-D)

Provide barging services

100%
ALAMJAD SDN BHD ("AJSB")
(Company No. 752136-H)

Contract logging and sales of logs

100%
AMPERMAI SDN BHD ("APSB")
(Company No. 830053-D)

Contract logging and sales of logs

ARB currently does not have any associate company.

Corporate Information

BOARD OF DIRECTORS

Datuk Baharon Bin Talib
(Independent Non-Executive Chairman)

Datuk Yeo Wang Seng
(Managing Director)

Yeo Gee Kuan
(Executive Director)

Yeo Wang Ting
(Executive Director)

Lim Yun Nyen
(Executive Director)

Datuk Tan Choon Hwa (JMK,JP)
(Independent Non-Executive Director)

Ng Kok Wah
(Independent Non-Executive Director)

AUDIT COMMITTEE

Ng Kok Wah (Chairman)
Datuk Tan Choon Hwa (JMK,JP)
Datuk Baharon Bin Talib

NOMINATION COMMITTEE

Datuk Baharon Bin Talib
Ng Kok Wah
Datuk Tan Choon Hwa (JMK,JP)

REMUNERATION COMMITTEE

Datuk Baharon Bin Talib
Ng Kok Wah
Datuk Tan Choon Hwa (JMK,JP)

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
Main Market
Stock Code :7181

REGISTERED OFFICE

TB 8285, Lot 20C
Perdana Square Commercial Centre
Mile 3 ½, Jalan Apas
91000 Tawau
Sabah, Malaysia
Tel : 089-911026/913970
Fax : 089-911304
Email : aturmaju_arb@yahoo.com
Website: www.aturmaju.com.my

SHARE REGISTRAR

Symphony Share Registrars Sdn Bhd
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan

Tel : 603-78418000
Fax : 603-78418151/8152

COMPANY SECRETARIES

Tan Tong Lang (MAICSA 7045482)
Chong Voon Wah (MAICSA 7055003)

AUDITORS

UHY (Firm No. AF1411)
Suite 11.05, Level 11
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Tel : 603-22793088
Fax: 603-22793099
Website : www.uhy.com.my

PRINCIPAL BANKERS

Bank Kerjasama Rakyat Malaysia Berhad
Hong Leong Bank Berhad
Public Bank Berhad

DATE OF LISTING

13 February 2004

Board of Directors' Profiles

DATUK BAHARON BIN TALIB
(Independent Non-Executive Chairman)

Malaysian, aged 61, was appointed to the Board as Independent Non-Executive Director on 20th October 2010 and has been re-designated to Independent Non-Executive Chairman on 31 May 2013. Datuk Baharon is a member of the Audit Committee, and the Chairman of Nomination Committee and Remuneration Committee of ARB.

Datuk Baharon was graduated from University of Malaya and posses a Degree in History. Datuk Baharon served as government servant for 35 years and held various positions in the government sector. Datuk Baharon started his career as an Assistant District Officer, State Secretariat Office, and also at the Ministry level with the Federal Government. Datuk Baharon last post was State Immigration Director of Sabah. Currently Datuk Baharon is Chairman of Koperasi Imigresen Berhad.

Datuk Baharon does not have any family relationship with any Director and/or major shareholder of the Company. Datuk Baharon does not have any conflict of interest with the Company. Datuk Baharon has had no conviction for any offences within the past 10 years other than traffic offences, if any.

DATUK YEO WANG SENG
(Managing Director)

Malaysian, aged 63, was appointed to the Board as Managing Director on 1st November 2003. Datuk Yeo oversees the sourcing of logs including marketing of woods products and financial management of the Group's operations.

Datuk Yeo started his career in the wood industry in 1968, working as a trainer in a sawmill in Johor. Subsequently, in 1970, Datuk Yeo worked as a sawing contractor for a sawmill based in Kuantan. In 1978, Datuk Yeo was employed as a manager in a sawmill based in Terengganu prior moved to Sabah in 1980. Datuk Yeo started his operation in Sabah as a sawing contractor and then became the Managing Director of a well-established sawmill company based in Tawau from 1983 to 1986. Datuk Yeo commenced timber logging operations in Tawau since 1987 and in 1989, Datuk Yeo accompanied with some business associates established Aturmaju (Sabah) Holding Sdn. Bhd. ("AHSB") as a sawmilling company. AHSB was subsequently expanded into timber logging and plywood and related down stream products operating and barging. Over the years and through his involvement as Managing Director, Datuk Yeo has accumulated vast and over 40 years of experience in the timber industry and has established sound rapport with the buyers of woods products. This has placed him an advantageous and primary role in the marketing of woods products.

Datuk Yeo is the farther of Mr. Yeo Gee Kuan and brother of Mr. Yeo Wang Ting, both Executive Directors of ARB. Datuk Yeo's family relationship with major shareholders of ARB is disclosed in the List of Substantial Shareholders on **Page 110**. Datuk Yeo does not have any conflict of interest with the Company He has had no conviction for any offences within the past 10 years other than traffic offences, if any.

Board of Directors' Profiles

YEO WANG TING
(Executive Director)

Malaysian, aged 64, was appointed to the Board as Executive Director on 1st November 2003.

He began his career as an apprentice in carpentry works in furniture making from 1972 to 1975 in Singapore. In 1976, he moved to Kuantan and served as a sawmill contractor. Thereafter he came to Sabah in 1982 and continued to run his sawmill contracting for Sri Langgas Kilang Papan Sdn. Bhd., a sizable sawmill located in Kunak, Sabah. In 1986, he started to work as a logging contractor in the Tawau. Then he was with AHSB as an Executive Director in 1989. He is principally in-charge of the raw material supplies of AHSB. Mr Yeo is brother of Datuk Yeo Wang Seng (Managing Director of ARB) and uncle of Mr Yeo Gee Kuan (Executive Director of ARB). His family relationship with major shareholders of ARB is disclosed in the List of Substantial Shareholders on **Page 110**. Mr Yeo does not have any conflict of interest with the Company.He has had no conviction for any offences within the past 10 years other than traffic offences, if any.

LIM YUN NYEN
(Executive Director)

Malaysian, age 42, was appointed to the Board as Executive Director on 1st November 2003.

He is an Operational Director of AHSB. He holds a Diploma in Business Studies in 1990 before joining Ernst & Young as an Audit Assistant for 4 years. In 1995, he joined AHSB as an Accounts Supervisor and was subsequently promoted to Finance and Administrative Manager in 1997. He has over 11 years of experiences in the timber industry and involved in the co-ordination and day-to-day operations of the mills and assumed his current position in 2000. He does not have any family relationship with any Director and/or major shareholder of the Company. Mr Lim does not have any conflict of interest with the Company. He has had no conviction for any offences within the past 10 years other than traffic offences, if any.

YEO GEE KUAN
(Executive Director)

Malaysian, aged 37, was appointed to the Board as Executive Director on 1st November 2003.

He holds a Business Certificate from Tafe College, Australia. Upon his return from Australia, he was appointed as Sawmill Manager by AHSB and subsequently appointed as Director of Operations of AHSB on 18th July 2001. He has considerable and direct experience of over 7 years in timber industry covering the activities range from manufacturing to export trading. Mr Yeo is the son of Datuk Yeo Wang Seng (Managing Director of ARB) and nephew of Mr Yeo Wang Ting (Executive Director of ARB). His family relationship with major shareholders of ARB is disclosed in the List of Substantial Shareholders on **Page 110.** Mr Yeo does not have any conflict of interest with the Company. He has had no conviction for any offences within the past 10 years other than traffic offences, if any.

Board of Directors' Profiles

DATUK TAN CHOON HWA(JMK,JP)
(Independent Non-Executive Director)

Malaysian, aged 56, was appointed to the Board as Director on 1st November 2003. Datuk Tan is also a member of Audit Committee, Remuneration Committee and Nomination Committee of ARB.

Datuk Tan is a businessman who has attached himself in various industries such as timber extraction, main contractor, housing and land development. Datuk Tan is an Executive Chairman of TCH Group of Companies, Director of Wazlian Group of Companies and holds other chairmanship in several associations, namely Teo Chew Association, Persatuan Pendidikan AKLAH Kelantan / Sabah, Vice President of Persatuan Jaksa Pendamai Kelantan etc. Datuk Tan is also a director of Naim Indah Corporation Berhad, Harvest Court Industries Berhad, VTI Vintage Berhad and China Stationery Limited. Datuk Tan does not have any family relationship with any Director and/or major shareholder of the Company, and Datuk Tan does not have any conflict of interest with the Company. Datuk Tan has had no conviction for any offences within the past 10 years other than traffic offences, if any.

NG KOK WAH
(Independent Non-Executive Director)

Malaysian, aged 34, was appointed to the Board as Independent Non-Executive Director on 15th March 2013. He is the Chairman of the Audit Committee, and member of Nomination Committee and Remuneration Committee of ARB.

He is an Accountant by profession, a fellow member of the Association of Chartered Certified Accountants (ACCA), United Kingdom and a member of Malaysian Institute of Accountants (MIA). He started his career with a small accounting film since year 1988 followed by an international medium accounting firm, Morison Anuarul Azizan Chew & Co. Handling various audit and non-audit assignments for both listed and non-listed companies involved in a wide range of business activities include financial institutions like bank and insurance company.

He does not have any family relationship with any Director and/or major shareholder of the Company. Mr Ng does not have any conflict of interest with the Company. He has had no conviction for any offences within the past 10 years other than traffic offences, if any.

Chairman's Statement

DEAR SHAREHOLDERS,

On behalf of the Board of Directors of Aturmaju Resources Berhad ("ARB" or " the Company"), I am pleased to present the Annual Report and Financial Statement of the Company for the financial year ended 31st December 2012.

OVERVIEW AND FINANCIAL PERFORMANCE

For the financial year 2012, we have faced increasing challenges in sustaining sales to its key timber export markets which were affected by a general slowdown in the world economy. The impact of the European sovereign debt issues, the relatively slow recovery in the United States and the slow moving of the construction activities and the weakening of purchasing power in Asia and Asean regions, has overall affected the global timber market.

The Group achieved a revenue and gross profit of RM62 million and RM2.5 million respectively. Gross profit margin at 4% was lower compared to that of the preceding financial year. After accounting for a loss arising from the impairment of inventories of RM7.6 million and the rose of depreciation of property, plant & equipment of RM9.8 million due to the changes in the policy of depreciation rate on its estimated useful lives, the Group recorded a loss after taxation of RM22 million.

PROSPECTS AND CHALLENGES

As the recovery of the world economy is still in an uncertainty in the Europe and US, hence, we are currently concentrated more on Asia and Asean market.

Operating under an uncertain outlook with lower margins, the Group, when appropriate, will reduce its log extraction volumes to preserve its log resource. The Group would continue to work on improving production efficiencies and the productivity of its workforce and of its plant and equipment, to implement tighter cost control to remain competitive.

ACKNOWLEDGEMENT

On behalf of the Board, we thank management and employees for their outstanding commitment, dedication, loyalty and their most encouraging contribution towards the Group over such challenging times. We thank our customers, business partners, bankers and the authorities for their support to the Group.

I would also like to convey my sincere appreciation and gratitude to my fellow Directors and the shareholders for your continued support.

Thank you.

DATUK BAHARON BIN TALIB
Independent Non-Executive Chairman

Corporate Social Responsibility

As part of our commitment to be responsible corporate citizen, the Group continues to place great emphasis on Corporate Social Responsibility and embarked on its mission by focusing on three primary areas, namely workplace, environment and community.

ENVIRONMENTAL CARE

Efforts towards the conservation and environmental protection are carried out by the Group in compliance with the provisions in the Wildlife Conservation Enactment 1997 to protect of animals in the concession area and compliance to Environmental Act in respect of logging methods, proper use of logging equipment, preventive measures against soil erosion, environmental degradation, zero burning, logging within riparian reserves and steep areas above 25 degrees slope.

EMPLOYEE WELFARE

Our employees are our biggest asset and we aim to nurture talents and creating opportunities and experiences for our employees to contribute and grow. We strive to maintain a strong company culture that emphasizes safety, ethical conduct and environmental responsibility.

The Group's main focus is on improving the quality and living standards of its employees. As part of this strategic plan, the provision of treated water and the upgrading of employees' quarters commenced previously and is continue to monitor in order to provide our employees a good and healthy environment under our care in the coming years.

OCCUPATIONAL SAFETY AND HEALTH AT THE WORK SITE

The Group continues to focus on safety and health of our employees and workers by conducting regular training and briefings on safety and health.

Safety and health committees are formed in each operational unit to monitor and oversee employees' activities to minimize or eliminate the risk of occupational incidents, injuries and health hazards.

CONTRIBUTION TO CHARITABLE CAUSES

During the year, the Group continues to contribute to various educational, social and welfare programmes, because we believe that we do not operate in isolation and is very much aware of its responsibility to both shareholders and the community at large.

Corporate Governance Statement

The Board of Directors of Aturmaju Resources Berhad is committed to ensuring that the Principles and Best Practices of the Malaysian Code on Corporate Governance 2012 ("the Code") are observed and practiced as a fundamental part of discharging its responsibilities to protect and enhance shareholders' value and financial performance of the Group.

This statement sets out the commitment of the Board towards the Code and describes how the Group has applied the principles laid down in the Code and the Group has complied with the Best Practices of the Code throughout the financial year.

A. THE BOARD OF DIRECTORS

(i) Responsibilities

The Board has the overall responsibility for corporate governance, strategic direction and overseeing the investment and business of the Group. The Board's other prime duties are to conduct regular review of the Group's business operations and performances and to ensure that effective controls and systems exists to measure and manage business risk.

(ii) Composition

The current Board of Directors consists of 7 members comprising:

- 1 Independent Non-Executive Chairman
- 1 Managing Director
- 3 Executive Directors
- 2 Independent Non-Executive Directors

The composition meets the minimum one-third requirement for independent directors to be appointed to the Board as required under the Listing Requirements ("LR") of Bursa Malaysia Securities Berhad ("Bursa Securities"). A brief profile of each director is presented in **pages 3 to 5** of this Annual Report. The combination of diverse professionals with varied background, experience and expertise in finance and corporate affairs have also enables the Board to discharge its responsibilities effectively and efficiently.

Indeed, there is a clear segregation of duties between the Chairman of the Board ("the Chairman") and the Managing Director ("MD") so as to ensure that there is always a balance of power and authority. Essentially, the Chairman has the obligation to preside at various meetings, namely the general meetings of shareholders, Board and Audit Committee meetings in order to address issues to be highlighted by and to members independently, whilst the MD has the responsibility to manage the day-to-day business operations of the Group by ensuring that strategies, policies and matters approved by the Board and other committees are implemented diligently.

There is also a balance in the Board with the presence of the Independent Non-Executive Directors of the necessary caliber and experience to carry sufficient weight in Board decisions. Although all the Directors have equal responsibility for the Group's operations, the role of the Independent Non-Executive Directors is particularly important in providing and independent view, advice and judgment to take into account the interest of Group, shareholders, employees and communities in which the Group conducts its business.

Corporate Governance Statement

(ii) Composition (cont'd)

The Board did not appoint a Senior Independent Non-Executive Director to whom concerns may be conveyed as the Chairman of the Board encourages the active participation of each and every Board member in the decision making process.

(iii) Directors' Training

All Directors have attended and completed the Mandatory Accreditation Programme ("MAP") conducted by Bursatra Sdn Bhd. In addition, seminars and conferences organized by Bursa Securities, relevant regulatory bodies and professional bodies on areas pertinent to the Directors' are communicated to the Board for their participation at such seminars and conferences.

During the year, all the Directors of the Company attended a seminar on 28 May 2012 in respect of Strategic Risk Management.

The Board will continue to evaluate and determine the training needed by the Directors from time to time to enhance their skills and knowledge in order to enable them to discharge their responsibilities more effectively.

(iv) Supply of information

The Board members were presented with comprehensive information concerning the performance and financial status of the Company at the Board Meetings. Each Director was provided with the agenda and a full set of the Board Papers prior to each Board Meeting with the aim of enabling the Directors to make fully informed decision at the Board Meetings.

All directors have access to all information within the Group as well as the advices and services of the Company Secretary whether as full Board or at their individual capacity to assist them in discharging their duties. Where necessary, the directors may engage independent professionals at the Group's expense on specialised issues to enable the directors to discharge their duties with adequate knowledge on the matters deliberated.

The proceedings and resolutions reach at each Board Meeting are recorded in the minutes of the meetings, which are kept in the Minutes Book at the registered office. Besides Board Meetings, the Board also exercises control on matters that require Board's approval through circulation of Directors Resolutions.

(v) Appointment to the Board

Prior to the appointment of a director, the Nomination Committee will recommend the appointment to the Board by submitting the nomination for Board's deliberation on the suitability of the candidate for directorship and approval. A familiarisation programme, including visits to the Group's business and operations premises and meetings with senior management will be arranged for new directors to enhance their understanding with the Group.

(vi) Re-election of Directors

In accordance with the Company's Articles of Association, one-third (1/3) of the directors including the Managing Director ("MD") shall retire by rotation from office at every Annual General Meeting ("AGM") and they shall be eligible for re-election at such AGMs. The directors to retire shall be the directors who have been longest service with the office since their appointment or last re-election.

Corporate Governance Statement

(vii) Reinforce Independence

The Non-Executive Directors are not employees of the Group and do not participate in the day to day management of the Group. The Non-Executive Directors, including the Chairman, are independent directors and are able to express their views without any constraint. This strengthens the Board which benefits from the independent views expressed before any decisions are taken. The Nomination Committee has reviewed the performance of the independent directors and is satisfied they have been able to discharge their responsibilities in an independent manner.

None of the current independent board members [save for Datuk Tan Choon Hwa (JMK, JP)]had served the company for more than nine (9) years as per the recommendations of the Code. Should the tenure of an independent director exceed nine (9) years, shareholders approval will be sought at a General Meeting or if the services of the director concerned are still required, the director concerned will be re-designated as a non-independent director.

(viii) Board Meetings

The Board has at least 5 (five) scheduled meetings per annum with additional meetings convened as and when necessary. During the financial year ended 31 December 2012, the Board conducted 5 (five) board meetings and each Board member fulfilled the required attendance of board meetings as required under Paragraph 15.05 of the Bursa Malaysia Securities Berhad's Main Market Listing Requirements ("The Listing Requirement"). The summary of attendance at the Board meetings is as follows:-

Name of Directors	Attendance	Percentage of Attendance
Abdul Rahman Bin Ahmad Mahidin	5/5	100%
(Resigned on 31 May 2013)		
Datuk Yeo Wang Seng	5/5	100%
Yeo Wang Ting	5/5	100%
Yeo Gee Kuan	5/5	100%
Lim Yun Nyen	5/5	100%
Datuk Tan Choon Hwa (JMK,JP)	5/5	100%
Datuk Baharon Bin Talib	4/5	80%
Wong Yew Sen	5/5	100%
(Resigned on 15 March 2013)		
Ng Kok Wah	N/A	N/A
(Appointed on 15 March 2013)		

Corporate Governance Statement

(ix) Directors' Remuneration

Details of Director's remuneration are set out below and in **note 22** to the financial statements.

(a) Aggregate remuneration of Director categorised into appropriate components.

	Fee	Salary & *Other Emoluments	Total
	RM'000	RM'000	RM'000
Executive Director	550	1,075	1,625
Non-Executive Director	30	--	30

*Other emoluments include bonus and the Company's contribution to Employer Provident Fund.

(b) The remuneration paid to Directors during the year analyzed into bands of RM50,000, which complies with the disclosure requirements under Bursa Malaysia Listing Requirements is as follows:-

The number of Directors whose remuneration fell within the following bands is shown below:

Range of Remuneration	Number of Directors Executive	Number of Directors Non-Executive
Up to RM50,000	1	3
RM50,001 – RM100,000	1	--
RM100,001 – RM150,000	--	--
RM150,001 and above	2	--

Details of the individual Director's remuneration are not disclosed in this report as the Board is of the view that the above remuneration disclosures by band and analysis between Executive and Non-Executive Directors satisfies the accountability and transparency aspects of the Code.

B. BOARD COMMITTEES

The following committees have been established to assist the Board in discharging of its duties. The committees operate under approved terms of references or guidelines.

(i) Audit Committee

The terms of the Company's Audit Committee and its activities during the financial year are outlined under the Audit Committee Report in **pages 16 to 19** of this Annual Report.

(ii) Remuneration Committee

The Remuneration Committee composed wholly of non-executive directors, as follows:-

Datuk Baharon Bin Talib (Independent Non-Executive Chairman) (Chairman)
Ng Kok Wah (Independent Non-Executive Director)
Datuk Tan Choon Hwa (JMK,JP) (Independent Non-Executive Director)

Corporate Governance Statement

The function of the Remuneration Committee shall be to:

- Set the policy framework and recommend to the Board the remuneration packages and benefits and other terms of employment of Board members to ensure the remuneration packages of member reflect their responsibility and contribution.
- Recommend appointments to Board Committees.

(iii) Nomination Committee

The Nomination Committee composed exclusively of non-executive directors, of whom are independent, as follows:-

Datuk Baharon Bin Talib (Independent Non-Executive Director) (Chairman)
Ng Kok Wah (Independent Non-Executive Director)
Datuk Tan Choon Hwa (JMK,JP) (Independent Non-Executive Chairman)

The functions of the Nomination Committee shall be to:

- Recommend candidates for all directorships.
- Recommend appointments to Board Committees.
- Annually review the required mix of skills and experience and other qualities, including core competencies, which non-executive Directors should bring to the Board.

C. INVESTORS AND SHAREHOLDERS RELATIONSHIP

Dialogue between Company and Investors

The Group vales dialogue with investors. In this regard, the Group strictly adheres to the disclosure requirements of Bursa Securities and the Malaysian Accounting Board. The Group practices an open communication with its investors. In its efforts to promote effective communication, the Board has dialogue with shareholders and investors and recognises that timely and equal dissemination of consistent and accurate information are provided to them through public announcements made throughout the year to Bursa Securities. The Company's Annual Report, circulars and financial results on quarterly basis are dispatched to shareholders and investors to let them have an overview of the Group's business activities and performances. The Share Registrar is available to attend to matters relating to shareholder interests.

Annual General Meeting

The Annual General Meeting is the principal forum for dialogue with the Shareholders. Shareholders will be given sufficient notice on the holding of Annual General Meeting ("AGM") through Annual Report sent to them at least twenty one (21) clear days prior to the date of the AGM. At the AGM, the Board will present the shareholders a comprehensive report on the progress and performance of the Group and the shareholders are encouraged to participate in the questions and answers session thereat, and will be given the opportunity to raise questions or seek more information during the AGM.

D. ACCOUNTABILITY AND AUDIT

Financial Reporting

In preparing the annual financial statements and quarterly announcement of results to shareholders, the Board has always strived to present a balanced and understandable assessment of the Group's position and prospects to shareholders.

Before that, the Directors have taken the necessary steps to ensure the Group had used all the applicable accounting policies consistently which are supported by reasonable and prudent judgements and estimates.

The Audit Committee assists the Board in ensuring accuracy and adequacy of information by reviewing and recommending for adoption of information for disclosure.

Internal Control

The information on the Group's internal control is presented in the Risk Management and Internal Control Statement in the Annual Report.

Relationship with External Auditors

The Board has established a appropriate and transparent relationship with the external auditors. The role of the Audit Committee in relation to the external auditors can be found in the Audit Committee Report as set out in **pages 16 to 19** of this Annual Report.

E. STATEMENT OF DIRECTORS' RESPONSIBILITY IN RESPECT OF THE AUDITED FINANCIAL STATEMENTS

The Directors are required by the Companies Act, 1965 to prepare financial statements for each financial year which have been made out in accordance with the applicable approved accounting standards so as to give a true and fair view of the state of affairs of the Group and Company at the end of the financial year and of the results and cash flows of the Group and Company for the financial year.

The Directors are satisfied that in preparing the financial statements of the Group for the financial year ended 31 December 2012, the Group has used the appropriate accounting policies and applied them consistently and supported by reasonable and prudent judgments and estimates. The Directors also consider that all applicable approved accounting standards have been complied with and further confirm that the financial statements have been prepared on a going concern basis.

The Directors are responsible for ensuring that the Company keeps proper accounting records with reasonable accuracy of the financial position of the Company. The Directors are to ensure that the financial statements comply with mandatory provisions of the Companies Act, 1965, the Malaysia Approved Accounting Standards and the Listing Requirements. The Directors are also responsible for taking such reasonable steps to safeguard the assets of the Group and to minimise fraud and other irregularities.

F. COMPLIANCE STATEMENT

The Group has complied with and shall remain committed to attaining the highest possible standards through the continuous adoption of the principles and best practices of the Code and all other applicable laws.

Risk Management and Internal Control Statement

A. INTRODUCTION

The Board of Directors of Aturmaju Resources Berhad is pleased to make the following statement on internal control which outlines the key elements of the internal control system within the Group. The Risk Management and Internal Control Statement is made in compliance with paragraph 15.26(b) of the Bursa Malaysia Securities Berhad ("Bursa Securities") Listing Requirements.

B. BOARD RESPONSIBILITY

The Board acknowledges its responsibilities to maintaining a sound system of internal control to safeguard shareholders 'investments and the Group's assets and for reviewing the adequacy an integrity of the system. Notwithstanding, due to the limitations that are inherent in any system of internal control, Group' internal control system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement of loss.

The Board has received assurance from the Managing Director and management of the Company that the Group's risk management and internal control system is operating adequately and effectively in all material aspects, based on the risk management and internal control system of the Group.

C. RISK MANAGEMENT

The Board recognises that risk management is an integral part of the Group's business operations and that the identification and management of risks will affect the achievement of the Group's business objectives. The Board is thus committed to continually promote the culture of risk awareness and builds the necessary knowledge in identifying, evaluating, mitigating, monitoring and managing the significant risks on an on-going basis. In discharging its responsibilities, the Board has taken into account the guidance of the Malaysian Code on Corporate Governance 2012.

The key risk management initiatives undertaken include among others:

(i) The Group has an outsourced internal audit function which assists in managing risk and maintaining effective controls. Scope of work undertaken includes identifying and assessing significant organisational risks, evaluating the existing controls for effectiveness and efficiency and providing recommendations for improvement.

(ii) Risks relating to the business and operations of the Group, including the measures undertaken to address them have been identified during the due diligence process undertaken for the Company's Initial Public Offer exercise. The Board through the Executive Directors are monitoring the risks and the effectiveness of the measures on a regular basis.

Risk Management and Internal Control Statement

D. SYSTEM OF INTERNAL CONTROL

The Board is committed to maintain a sound internal control structure to govern the manner in which the Group and its employees conduct themselves. The key elements of controls are:

(i) The responsibilities of the Board and the Management are clearly defined in the organisation structure to ensure the effective discharge of the roles and responsibilities of the parties in overseeing the conduct of the Group's business.

(ii) Formation of operational policies and procedures by the Management with a view of establishing group wide operational standards in order for all operating units to work cohesively towards achieving the business objectives of the Group. For accounting systems and financial processes, efforts are being taken to ensure consistency in the Group as a whole.

(iii) Frequent on-site visits to the operating units by senior management so as to acquire a first hand view on various operational matters and addressing the issues accordingly.

(iv) The Board gathers and reviews key financial and operating statistics on a monthly basis and constantly keep track and monitor the achievement of the Group's performance.

(v) A detailed budgeting process where operating units prepare budgets for the coming year.

(vi) Regular visit by internal auditors which provide independent assurance on the effectiveness of the Group's system of internal control and advising the Management on the areas for further improvement.

(vii) The Audit Committee reviews on a quarterly basis the quarterly unaudited financial results to monitor the Group's progress towards achieving the Group's business objectives. Authority is given to the Audit Committee members to investigate and report on any areas of improvement for the betterment of the Group.

(viii) Regular interactive meetings between the external and internal auditors to identify and rectify any weakness in the system of internal controls. The Board on a timely basis would be informed of any matters brought up in the Audit Committee meetings.

E. BOARD CONCLUSION

The Board is satisfied that, during the year under review, the existing system of internal controls is sound and adequate to safeguard the Group's assets at the existing level of operations of the Group. The Board recognizes that the development of internal control system is an ongoing process. Therefore, in striving for continuous improvement, the Board will continue to take appropriate action plans to further enhance the Group's system of internal control.

Pursuant to Paragraph 15.23 of the Listing Requirements, the External Auditors have reviewed this Risk Management and Internal Control Statement for inclusion in the Annual Report of the Company for the financial year ended 31 December 2012 and reported to the Board that nothing has come to their attention that causes them to believe that this statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal controls.

This statement is made in accordance with the resolution of the Board of Directors dated 29 April 2013.

Audit Committee Report

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

The terms of reference of the Committee are as follows:

MEMBERSHIP

(i) The Audit Committee shall be appointed by the Board pursuant to a Board Resolution.

(ii) It shall comprise at least three (3) members of whom majority shall be independent non-executive directors.

(iii) The Chairman of the Audit Committee shall be appointed by the Committee amongst the members of the Audit Committee themselves.

(iv) If the number of the members is reduced to below three (3) as a result of resignation or death of a member, or for any other reason(s), the Committee shall, within three (3) months of that event, appoint amongst such other directors, a new member to make-up the minimum number required herein.

(v) At least one (1) member of the Audit Committee :-

(a) must be a member of the Malaysian Institute of Accountants ("MIA"); or

(b) if he/she is not a member of the MIA, he/she must have at least three (3) years working experience and:-
- he/she must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
- he/she must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967.

(c) must possess such qualifications as may from time to time be prescribed by the Bursa Malaysia.

(vi) An alternate director is not eligible for membership in the Audit Committee.

Audit Committee Report

AUTHORITY

The Audit Committee shall, wherever necessary and reasonable for the performance of its duties, in accordance with a procedure to be determined by the Board of Directors and at the cost of the Company:-

(i) have authority to investigate any matter within its term of reference;
(ii) have the resources which are required to perform its duties;
(iii) have full and unrestricted access to any information pertaining to the Company;
(iv) have direct communication channels with the external auditors and person(s) carrying out the internal audit function and activity;
(v) be able to obtain independent professional or other advise; and
(vi) be able to convene meetings with external auditors, the internal auditors or both, excluding the attendance of other Directors and employees of the Company, whenever deemed necessary.

DUTIES AND RESPONSIBILITIES

The Committee shall undertake the following responsibilities and duties:

i. To review with the external auditors, the audit plan, the scope of audit and the audit report.
ii. To review the evaluation of the system of internal control with the internal and external auditors.
iii. To review the adequacy of the scope, functions and resources of the internal audit functions and that it has the necessary authority to carry out its work.
iv. To review the internal audit programme, processes, the results of the internal audit programme or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function.
v. To provide an independent assessment of the adequacy and reliability of the risk assessment process.
vi. To review the quarterly results and the year and financial statements of the Group prior to the approval by the Board of Directors, focusing particularly on :
   - any changes in accounting policies and practices;
   - any significant and unusual results or events; and
   - compliance with accounting standards and other legal requirements.
vii. To review any related party transactions and conflict of interest situation that may arise within the Group including any transaction, procedure or course of conduct that raises question of management integrity.
viii. To recommend to the Board the appointment or reappointment of the external auditors, audit fee, and where applicable, their resignation and dismissal.
ix. To review with the external auditors their audit report, management letter and management’s response.
x. To understand such other responsibilities as may be agreed by the Committee and the Board of Directors.

Audit Committee Report

MEETING

(i) The Audit Committee shall hold at least four (4) meetings a year and such additional meeting(s) as the Chairman shall decide in order to fulfill its duties.
(ii) Apart from the members of the Committee who will be present at the meetings, the Committee may invite any member of the Board of Directors, the management, staff and representatives of the external auditors and internal auditors to be present at the meeting of the Committee.
(iii) A quorum shall consist of two (2) members. The majority of members present must be independent non-executive directors.
(iv) Notices of not less than three (3) working days shall be given for the calling of any Meeting to members.
(v) Matters raised and tabled at all meetings shall be decided by a majority of votes of the members.
(vi) A resolution in writing, signed by all the members shall be as valid and effective as if it had been deliberated and decided upon at a meeting of the Audit Committee.
(vii) Proceedings of all meetings held and resolutions passed as referred to in clause above shall be recorded by the Secretary and kept at the Group's registered office.
(viii) Every member of the Board shall have the right at any time to inspect the minutes of all meetings held and resolutions passed by the Audit Committee and the reports submitted thereat.
(ix) The external auditors shall have the right to appear and be heard at any meeting and shall appear before the Audit Committee when so required by the Audit Committee.
(x) Upon the request of the external auditors, the Chairman shall convene a meeting to consider any matters that the external auditors believe should be brought to the attention of the directors or shareholders of the Company.
(xi) The Audit Committee shall meet with the external auditors at least once in a financial year without presence of the executive board members of the Group.

INTERNAL AUDIT FUNCTION

The Group outsourced its internal audit function to an independent professional firm, which assists the Audit Committee in discharging its duties and responsibilities. The Internal Auditors' roles is to report to the Audit Committee on the improvement of the organisational's management controls, records, accounting policies, as well as on the identification and management of significant risk.

Besides that, the internal audit functions also include among others the review of the compliance with established procedures, guideline and statutory requirements as well as assessing the efficiency of the Group's operations.

The costs incurred for the internal audit function in respect of the financial year is approximately RM5,000.

Audit Committee Report

COMPOSITION

In compliance with paragraph 15.09 of the Listing Requirements of the Bursa Malaysia Securities Berhad ("Bursa Securities"), the Audit Committee ("the Committee") comprises three (3) directors, whom are Independent Non-Executive Directors.

Chairman

Ng Kok Wah - Independent Non-Executive Director

Members

Datuk Tan Choon Hwa (JMK, JP) - Independent Non-Executive Director

Datuk Baharon Bin Talib - Independent Non-Executive Chairman

DETAILS OF ATTENDANCE

Members	Attendance
Wong Yew Sen (Resigned on 15 March 2013)	5/5
Ng Kok Wah (Appointed on 15 March 2013)	N/A
Abdul Rahman B. Ahmad Mahidin (Resigned on 31 May 2013)	5/5
Datuk Baharon Bin Talib	4/5
Datuk Tan Choon Hwa (JMK, JP)(Appointed on 31 May 2013)	N/A

SUMMARY OF ACTIVITIES

During the financial year under review, the Audit Committee had held five (5) meetings and the following activities were undertaken:-

(i) Reviewed the quarterly unaudited financial results announcement of the Group and the annual audited financial statements prior to the Board of Directors' approval and subsequence announcement;
(ii) Reviewed the Corporate Governance Statement, Audit Committee Report and Statement of Internal Control of the Group for the purpose of inclusion in the Annual Report;
(iii) Reviewed the audit activities carried out by the internal auditors and the auditors' reports to ensure that corrective actions have been taken to address the risks and weaknesses identified;
(iv) Reviewed and discussed the related parties' transactions to satisfy itself that the related parties' transactions represent arms length transactions that were entered into in the normal course of business and not detrimental to the minority shareholders' interest;
(v) Reviewed with the external auditors their scope of work and audit plan;
(vi) Reviewed the Company's compliance with the Listing Requirements, financial reporting standards and other relevant legal and regulatory requirements.
(vii) Considered and recommended the trainings for Board of Directors.
(viii) Reviewed the enterprise risk management framework and the effectiveness of the system of internal control of the Group; and
(ix) Reviewed the audit fees payable to external / internal auditors.

This statement is issued in accordance with the resolution of the Board of Directors dated 29 April 2013.

FINANCIAL STATEMENTS

31 DECEMBER 2012

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DIRECTORS' REPORT

The Directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2012.

Principal Activities

The principal activities of the Company are those of provision of management services and investment holding.
The principal activities of the subsidiaries are disclosed in Note 5 to the financial statements.There have been no significant changes in the nature of these activities during the financial year.

Financial Results

	Group RM'000	Company RM'000
Loss for the financial year		
- attributable to owners of the parent	(22,319)	(63)

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 other than as disclosed in the financial statements.

Issued of Share and Debentures

There were no issues of shares or debentures during the financial year.

Options Granted Over Unissued Shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

Directors

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

Abdul Rahman Bin Ahmad Mahidin
Datuk Yeo Wang Seng
Yeo Wang Ting
Lim Yun Nyen
Yeo Gee Kuan
Tan Choon Hwa (JMK, JP)

Dato' Baharon bin Talib	
Ng Kok Wah	(appointed on 15 March 2013)
Wong Yew Sen	(resigned on 15 March 2013)

Directors' Interests

The interests and deemed interests in the shares and options over shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at year end (including their spouses or children) according to the Register of Directors' Shareholdings are as follows:

	No. of ordinary shares of RM1.00 each			
	At 1.1.2012	**Acquired**	**Disposed**	**At 31.12.2012**
Aturmaju Resources Berhad				
Direct interest:				
Abdul Rahman Bin Ahmad Mahidin	21,226	-	-	21,226
Yeo Gee Kuan	1,619,927	-	-	1,619,927
Tan Choon Hwa (JMK, JP)	125,830	-	-	125,830
Yeo Wang Ting	1,284,950	-	-	1,284,950
Lim Yun Nyen	6,612	-	-	6,612
Indirect interest:				
Datuk Yeo Wang Seng [1]	31,431,713	-	-	31,431,713
Yeo Wang Ting [2]	27,905,263	-	-	27,905,263
Yeo Gee Kuan [3]	10,779,760	-	-	10,779,760

Note:

1 *Deemed interest through direct shareholdings of his family members and his substantial shareholdings in Affinity Gateway Sdn. Bhd. and Aspirasi Puspita Sdn. Bhd.*

2 *Deemed interest through direct shareholdings of his family members and his substantial shareholdings in Affinity Gateway Sdn. Bhd. and Aspirasi Puspita Sdn. Bhd.*

3 *Deemed interest through direct shareholdings of his family members and his substantial shareholdings in Affinity Gateway Sdn. Bhd..*

By virtue of their interests in the shares of the Company, Datuk Yeo Wang Seng, Yeo Wang Ting and Yeo Gee Kuan are also deemed to have interests in the shares of all the subsidiaries to the extent the Company has an interest.

None of the other Directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

Directors' Benefits

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporations 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.

Neither during nor at the end of the financial year, was the Company a party to any arrangement the object of which is to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Other Statutory Information

(a) Before the statements of comprehensive income and statements of financial position of the Group and the Company were made out, the Directors took reasonable steps:

- (i) to ascertain that action had been taken in relation to the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and adequate provision had been made for doubtful debts; and

- (ii) 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 of the Company have been written down to an amount which they might be expected so to realise.

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

- (i) which would render the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

- (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

- (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; and

- (iv) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

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

- (i) any charge on the assets of the Group and the Company which has arisen since the end of the financial year which secures the liabilities of any other person; and

- (ii) any contingent liability in respect of the Group and the Company which has arisen since the end of the financial year.

Other Statutory Information (Cont'd)

(d) In the opinion of the Directors:

(i) no contingent liability 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 will or may affect the ability of the Group and of the Company to meet its obligations as and when they fall due;

(ii) the results of operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(iii) 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 current financial year in which this report is made.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 29 April 2013.

ABDUL RAHMAN BIN AHMAD MAHIDIN DATUK YEO WANG SENG

STATEMENT BY DIRECTORS
Pursuant to Section 169(15) of the Companies Act, 1965

We, the undersigned, being two of the Directors of ATURMAJU RESOURCES BERHAD, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 30 to 100 are drawn up in accordance with Malaysian Financial Reporting Standards, International 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 December 2012 and of their financial performance and the cash flows for the financial year then ended.

The supplementary information set out on page 101 have been compiled in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 29 April 2013.

ABDUL RAHMAN BIN AHMAD MAHIDIN DATUK YEO WANG SENG

STATUTORY DECLARATION
Pursuant to Section 169(16) of the Companies Act, 1965

I, YEO GEE KUAN, being the Director primarily responsible for the financial management of ATURMAJU RESOURCES BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 30 to 100 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed YEO GEE KUAN at)
KUALA LUMPUR in the Federal)
Territory on 29 April 2013)

YEO GEE KUAN

Before me,

ARSHAD ABDULLAH
W550

COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ATURMAJU RESOURCES BERHAD

(Company No: 448934 - M)
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Aturmaju Resources Berhad, which comprise the statements of financial position as at 31 December 2012 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 30 to 100.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 about 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 entity's preparation of financial statements that give a true and fair view 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 entity'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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ATURMAJU RESOURCES BERHAD (CONT'D)

(Company No: 448934 - M)
(Incorporated in Malaysia)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 December 2012 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 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 followings:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries 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 accounts of the subsidiaries 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) The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174 (3) of the Act.

Other Reporting Responsibilities

The supplementary information set out on page 101 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ATURMAJU RESOURCES BERHAD (CONT'D)

(Company No: 448934 - M)
(Incorporated in Malaysia)

Other Matters

1. As stated in Note 2(a) to the financial statements, Aturmaju Resources Berhad adopted Malaysian Financial Reporting Standards on 1 January 2012 with a transition date of 1 January 2011. These standards were applied retrospectively by directors to the comparative information in these financial statements, including the statement of financial position as at 31 December 2011 and 1 January 2011 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 December 2011 and related disclosures. We were not engaged to report on the restated comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Group and the Company for the year ended 31 December 2012 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 January 2012 do not contain misstatements that materially affect the financial position as of 31 December 2012 and financial performance and cash flows for the year then ended.

2. 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.

UHY
Firm Number: AF 1411
Chartered Accountants

YEOH AIK CHUAN
Approved Number: 2239/07/14 (J)
Chartered Accountant

KUALA LUMPUR
29 April 2013

ATURMAJU RESOURCES BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012

		Group			Company		
		31.12.2012	31.12.2011	1.1.2011	31.12.2012	31.12.2011	1.1.2011
	Note	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Non-Current Assets							
Property, plant and equipment	4	20,678	30,422	34,698	-	-	-
Investment in subsidiaries	5	-	-	-	60,914	60,914	60,914
Intangible asset	6	12,251	16,416	19,501	-	-	-
		32,929	46,838	54,199	60,914	60,914	60,914
Current Assets							
Inventories	7	26,289	44,539	51,299	-	-	-
Trade receivables	8	9,147	5,590	15,118	-	-	-
Other receivables and deposits	9	13,102	13,696	11,786	18	18	18
Amounts owing by subsidiaries	10	-	-	-	7,498	7,383	7,518
Derivative asset	11	-	4	-	-	-	-
Tax recoverable		104	-	-	-	-	-
Fixed deposit with licensed bank	12	3,391	3,291	3,193	-	-	-
Cash and bank balances		61	61	162	-	-	-
		52,094	67,181	81,558	7,516	7,401	7,536
Total Assets		85,023	114,019	135,757	68,430	68,315	68,450

ATURMAJU RESOURCES BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012 (CONT'D)

		Group			Company		
		31.12.2012	31.12.2011	1.1.2011	31.12.2012	31.12.2011	1.1.2011
	Note	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Equity							
Share capital	13	61,100	61,100	61,100	61,100	61,100	61,100
Share premium		7,761	7,761	7,761	7,761	7,761	7,761
(Accumulated loss)/retained earnings		(19,276)	3,043	9,442	(1,111)	(1,048)	(978)
Total equity attributable to owners of the parent		49,585	71,904	78,303	67,750	67,813	67,883
Non-Current Liabilities							
Hire purchase payables	14	8	129	476	-	-	-
Bank borrowings	15	2,527	15,700	27,575	-	-	-
Deferred tax liabilities	16	5,804	3,760	5,161	-	-	-
		8,339	19,589	33,212	-	-	-

ATURMAJU RESOURCES BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012 (CONT'D)

		Group			Company		
		31.12.2012	31.12.2011	1.1.2011	31.12.2012	31.12.2011	1.1.2011
	Note	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Current Liabilities							
Trade payables	17	1,364	1,947	3,308	-	-	-
Other payables	18	9,776	4,300	3,996	676	498	563
Amounts owing to directors	19	232	2,053	3,227	4	4	4
Hire purchase payables	14	121	349	380	-	-	-
Bank borrowings	15	14,386	13,866	12,941	-	-	-
Derivative liability	11	88	-	80	-	-	-
Tax payable		1,132	11	310	-	-	-
		27,099	22,526	24,242	680	502	567
Total Liabilities		35,438	42,115	57,454	680	502	567
Total Equity and Liabilities		85,023	114,019	135,757	68,430	68,315	68,450

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

ATURMAJU RESOURCES BERHAD
(Incorporated in Malaysia)

STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

		Group		Company	
		2012	2011	2012	2011
	Note	RM'000	RM'000	RM'000	RM'000
Revenue	20	61,853	61,622	609	322
Cost of sales		(59,384)	(55,504)	-	-
Gross profit		2,469	6,118	609	322
Other income		991	1,189	-	-
Selling expenses		(3,250)	(4,068)	-	-
Administrative expenses		(12,242)	(4,298)	(672)	(392)
Other expenses		(5,140)	(3,085)	-	-
Finance costs	21	(1,850)	(3,590)	-	-
Loss before tax	22	(19,022)	(7,734)	(63)	(70)
Taxation	23	(3,297)	1,335	-	-
Loss for the financial year, representing total comprehensive income for the financial year		(22,319)	(6,399)	(63)	(70)
Loss per share attributable to owners of the parent (sen):					
Basic	24	(36.53)	(10.47)		

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

ATURMAJU RESOURCES BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

	Attributable to Owners of the Parent			
		Non-Distributable	Distributable	
	Share Capital RM'000	Share Premium RM'000	Retained Earnings/ (Accumulated Loss) RM'000	Total Equity RM'000
Group				
At 1 January 2011	61,100	7,761	9,442	78,303
Loss for the financial year, representing total comprehensive income for the financial year	-	-	(6,399)	(6,399)
At 31 December 2011	61,100	7,761	3,043	71,904
At 1 January 2012	61,100	7,761	3,043	71,904
Loss for the financial year, representing total comprehensive income for the financial year	-	-	(22,319)	(22,319)
At 31 December 2012	61,100	7,761	(19,276)	49,585

ATURMAJU RESOURCES BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

		Non-Distributable		
	Share Capital RM'000	Share Premium RM'000	Accumulated Losses RM'000	Total Equity RM'000
Company				
At 1 January 2011	61,100	7,761	(978)	67,883
Loss for the financial year, representing total comprehensive income for the financial year	-	-	(70)	(70)
At 31 December 2011	61,100	7,761	(1,048)	67,813
At 1 January 2012	61,100	7,761	(1,048)	67,813
Loss for the financial year, representing total comprehensive income for the financial year	-	-	(63)	(63)
At 31 December 2012	61,100	7,761	(1,111)	67,750

The accompanying notes form an integral part of the financial statements

ATURMAJU RESOURCES BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Cash Flows From Operating Activities				
Loss before tax	(19,022)	(7,734)	(63)	(70)
Adjustments for:				
Amortisation of intangible asset	4,165	3,085	-	-
Depreciation of property, plant and equipment	9,778	4,288	-	-
Fair value loss/(gain) on derivative financial instrument	88	(4)	-	-
Gain on disposal of property, plant and equipment	-	(18)	-	-
Impairment loss on other receivables	274	-	-	-
Impairment loss on property, plant and equipment	286	-	-	-
Interest expenses	1,850	3,590	-	-
Interest income	(103)	(117)	-	-
Inventories written off	7,635	4,561	-	-
Other receivables written off	414	-	-	-
Operating profit/(loss) before working capital changes	5,365	7,651	(63)	(70)
Change in working capital:				
Inventories	10,615	2,199	-	-
Trade and other receivables	(3,647)	7,830	-	-
Trade and other payables	4,893	(1,057)	178	(65)
Amounts owing by subsidiaries	-	-	(115)	135
Amounts owing to directors	(1,821)	(1,466)	-	-
	10,040	7,506	63	70
Cash generated from operations	15,405	15,157	-	-
Interest received	103	117	-	-
Interest paid	(1,850)	(3,590)	-	-
Tax paid	(236)	(365)	-	-
	(1,983)	(3,838)	-	-
Net cash from operating activities	13,422	11,319	-	-

ATURMAJU RESOURCES BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Cash Flows From Investing Activities				
Purchase of property, plant and equipment	(320)	(12)	-	-
Proceeds from disposal of property, plant and equipment	-	18	-	-
Net cash (used in)/from investing activities	(320)	6	-	-
Cash Flows From Financing Activities				
Increased in fixed deposit pledged with licensed bank	(100)	(98)	-	-
Repayment of hire purchase payables	(349)	(378)	-	-
Repayment of bank borrowings	(12,653)	(10,950)	-	-
Net cash used in financing activities	(13,102)	(11,426)	-	-
Net decrease in cash and cash equivalents	-	(101)	-	-
Cash and cash equivalents at beginning of the financial year	61	162	-	-
Cash and cash equivalents at the end of the financial year	61	61	-	-

ATURMAJU RESOURCES BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Cash and cash equivalents at the end of the financial year comprises:				
Cash and bank balances	61	61	-	-
Fixed deposit with licensed bank	3,391	3,291	-	-
	3,452	3,352	-	-
Less: Fixed deposit pledged to licensed bank	(3,391)	(3,291)	-	-
	61	61	-	-

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

ATURMAJU RESOURCES BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

1. Corporate Information

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office and principal place of business of the Company is located at TB8285, Lot 20C, Perdana Square Commercial Centre, Miles 3 ½, Jalan Apas, 91000 Tawau, Sabah.

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

The principal activities of the subsidiaries are disclosed in Note 5.

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

2. Basis of Preparation

(a) Statement of Compliance

The financial statements of the Group and of the Company have been prepared on the historical cost convention except as disclosed in the notes to the financial statements and in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the Companies Act, 1965 in Malaysia.

In the previous years, the financial statements of the Group and the Company were prepared in accordance with Financial Reporting Standards ("FRSs"). These are the Group's and the Company's first financial statements prepared in accordance with MFRSs and MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards has been applied.

The transition to MFRSs does not have financial impact to the financial statements of the Group and of the Company.

The Group and the Company have not applied the following MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the Group and the Company:

2. Basis of Preparation (Cont'd)

(a) Statement of Compliance (Cont'd)

		Effective date for financial periods beginning on or after
Amendments to MFRS 101	Presentation of Items of Other Comprehensive Income	1 July 2012
MFRS 10	Consolidated Financial Statements	1 January 2013
MFRS 11	Joint Arrangements	1 January 2013
MFRS 12	Disclosure of Interests in Other Entities	1 January 2013
MFRS 13	Fair Value Measurement	1 January 2013
MFRS 119	Employee Benefits	1 January 2013
MFRS 127	Separate Financial Statements	1 January 2013
MFRS 128	Investments in Associates and Joint Ventures	1 January 2013
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to MFRS 1	Government Loans	1 January 2013
Amendments to MFRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 10, MFRS 11 and MFRS 12	Consolidated Financial Statements, Joint Arrangement and Disclosure of Interests in Other Entities: Transition Guidance	1 January 2013
Amendments to MFRSs contained in the document entitled "Annual Improvements 2009 – 2011 Cycle"		1 January 2013
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendment to MFRS 10	Investment Entity	1 January 2014
MFRS 9 (IFRS 9 as issued by IASB in November 2009)	Financial Instruments	1 January 2015
MFRS 9 (IFRS 9 as issued by IASB in October 2010)	Financial Instruments	1 January 2015

The Group and the Company intend to adopt the above MFRSs when they become effective.

2. Basis of Preparation (Cont'd)

(a) Statement of Compliance (Cont'd)

The initial application of the standards which will be applied prospectively or which requires extended disclosures, is not expected to have any financial impacts to the current and prior period's financial statements upon the first adoption.

The possible financial impacts of initial application of MFRSs, which will be applied retrospectively is as follows:

MFRS 9 *Financial Instruments*

MFRS 9 (IFRS 9 (2009)) replaces the guidance in MFRS 139 Financial Instruments: Recognition and Measurement on classification and measurement of financial asset. MFRS 9 requires financial asset to be measured at fair value or amortised cost. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument.

MFRS 9 (IFRS 9 (2010)) includes the requirements for the classification and measurement of financial liabilities and for derecognition. Measurement for financial liability designated as at fair value through profit or loss, requires the amount of change in the fair value of the financial liability, that is attributable to the change of credit risk of that liability, is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss.

Under MFRS 139, the entire amount of the change in fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

The adoption of MFRS 9 will result in a change in accounting policy. The Group is currently examining the financial impact of adopting MFRS 9.

MFRS 10 *Consolidated Financial Statements*

MFRS 10 replaces all the guidance on control and consolidation in MFRS 127 Consolidated and Separate Financial Statements and IC Interpretation 112 Consolidation – Special Purpose Entities.

2. Basis of Preparation (Cont'd)

(a) Statement of Compliance (Cont'd)

MFRS 10 *Consolidated Financial Statements* (Cont'd)

MFRS 10 changes the definition of control. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. It establishes control as the basis for determining which entities are consolidated in the consolidated financial statements and sets out the accounting requirements for the preparation of consolidated financial statements.

The adoption of MFRS 10 may lead to consolidation of entities that were previously not included in the Group. The Group is currently examining the financial impact of application of MFRS 10.

MFRS 11 Joint Arrangements

MFRS 11 replaces MFRS 131 Interest in Joint Ventures. MFRS 11 requires joint arrangement are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. Interest in joint venture will be accounted for using the equity method whilst interest in joint operation will be accounted for using the applicable MFRSs relating to the underlying assets, liabilities, income and expense items arising from the joint operations.

The adoption of MFRS 11 will result in a change in accounting policy as the Group is currently applying proportionate method in the consolidation of its jointly-controlled entity. The Group is currently examining the financial impact of adopting MFRS 11.

MFRS 13 Fair Value Measurement

MFRS 13 defines fair value and sets out a framework for measuring fair value, and the disclosure requirements about fair value. This standard is intended to address the inconsistencies in the requirements for measuring fair value across different accounting standards. The definition of fair value under this standard emphasises the principle that fair value is a market-based measurement, not an entity specific measurement.

The adoption of MFRS 13 will result in a change in accounting policy. The Group is currently examining the financial impact of adopting MFRS 13.

2. Basis of Preparation (Cont'd)

(a) Statement of Compliance (Cont'd)

MFRS 119 Employee Benefits (2011)

This revised MFRS 119 will supersede the existing MFRS 119 when effective. This new standard makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits, and to the disclosures for all employee benefits. Actuarial gains and losses will no longer be deferred using the corridor approach. Past service costs, whether unvested or already vested, are recognised immediately in the profit or loss as incurred and the annual defined benefit costs in the profit or loss will include net interest expense/ income on the defined benefit asset/liability.

The adoption of MFRS 119 (2011) will result in a change in accounting policy. The Group is currently examining the financial impact of adopting MFRS 119 (2011).

The initial applications of other MFRSs are not expected to have any material financial impacts on the financial statements of the Group and of the Company.

(b) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (RM), which is the Group's functional currency and all values has been rounded to the nearest RM in thousands except when otherwise stated.

(c) Significant accounting estimates and judgements

The summary of accounting policies as described in Note 3 are essential to understand the Group's and the Company's results of operations, financial position, cash flows and other disclosures. Certain of these accounting policies require critical accounting estimates that involve complex and subjective judgements and the use of assumptions, some of which may be for matters that are inherently uncertain and susceptible to change. Directors exercise their judgement in the process of applying the Group's accounting policies.

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. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The key assumptions concerning the future and other key sources of estimation or uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below.

2. Basis of Preparation (Cont'd)

(c) Significant accounting estimates and judgements (Cont'd)

Useful lives of property, plant and equipment
Management estimates the useful lives of the property, plant and equipment to be within 5 to 50 years and reviews the useful lives of depreciable assets at end of each reporting period. At 31 December 2012, management assesses that the useful lives represent the expected utilisation of the assets to the Group. Actual results, however, may vary due to change in the business plan and strategies, expected level of usage and technological developments, which will result in the adjustment to the Group's assets. A reduction in the estimated useful lives of property, plant and equipment would increase the recorded depreciation and decrease the value of property, plant and equipment. The effect of the change in the estimated useful lives of the property, plant and equipment is disclosed in Note 4(d).

Impairment of goodwill on consolidation
Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

Impairment of investment in subsidiaries
The carrying values of investment in subsidiaries and the related goodwill are reviewed for impairment. In the determination of the value in use of the investment, the Company is required to estimate the expected cash flows to be generated by the subsidiary companies and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

Deferred tax assets
Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which all the deductible temporary differences 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.

Inventories write-down
Inventories are measured at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected sales prices. Demand levels and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of its inventories.

2. Basis of Preparation (Cont'd)

(c) Significant accounting estimates and judgements (Cont'd)

Impairment of loans and receivables
The Group assesses at the end of the reporting period whether there is any objective evidence that a financial assets is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

Fair value of financial instruments
Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the notes regarding financial assets and liabilities. In applying the valuation techniques management makes maximum use of market inputs, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the end of the reporting period.

Impairment of non-financial assets
An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows management makes assumptions about future operating results. The actual results may vary, and may cause significant adjustments to the Group's assets within the next financial year.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

Amortisation of timber concession rights
The costs of timber concession rights of the Group are amortised based on the unit of production method over the remaining life of the concession of 6 years. These are common life expectancies applied in the industry. Changes in the expected level of usage could impact the economic useful life and the residual value of this asset, therefore future amortisation charges could be revised. The carrying amount of the Group's intangible asset at 31 December 2012 is disclosed in Note 6.

3. Significant Accounting Policies

(a) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiaries, its associate companies through equity accounting, and its jointly controlled entities through proportionate consolidation, which have been prepared in accordance with the Group's accounting policies, and are all drawn up to the same reporting period.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less impairment losses in accordance with Note 5. On disposal of these investments, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

(i) Subsidiaries

Subsidiaries are those companies in which the Group has long term equity interest and has the power, directly or indirectly, to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanying a shareholding of more than one half of the voting rights.

Investment in subsidiaries is stated at cost less any impairment losses in the Company's statement of financial position, unless the investment is held for sale or distribution. The cost of investments includes transaction costs.

Upon the disposal of investment in a subsidiary, the difference between the net disposal proceeds and its carrying amount is included in profit or loss.

(ii) Consolidation

Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

3. Significant Accounting Policies (Cont'd)

(a) Basis of Consolidation (Cont'd)

(ii) Consolidation (Cont'd)

The acquisition method of accounting is used to account for the purchase of subsidiary companies. The consideration transferred for acquisition of a subsidiary is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, as well as any contingent consideration given. Acquisition related costs are expensed off in the profit or loss as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values on the date of acquisition

In a business combination achieved in stages, the previously held equity interest in the acquiree is re-measured at its acquisition date fair value and the resulting gain or loss is recognised in profit or loss.

If the Group loses control of a subsidiary company, the assets and liabilities of the subsidiary company, including any goodwill, and non-controlling interests are derecognised at their carrying value on the date that control is lost. Any remaining investment in the entity is recognised at fair value. The difference between the fair value of consideration received and the amounts derecognised and the remaining fair value of the investment is recognised as a gain or loss on disposal in the consolidated statements of comprehensive income.

(iii) Goodwill on Consolidation

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired (ie. a bargain purchase), the gain is recognised in profit or loss.

Following the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying value may be impaired.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. Gains or losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

3. Significant Accounting Policies (Cont'd)

(a) Basis of Consolidation (Cont'd)

(iii) Goodwill on Consolidation (Cont'd)

As part of its transition to MFRS framework, the Group elected not to restate those business combinations that occurred before the date of transition to MFRS. Goodwill arising from acquisitions before 1 January 2011 has been carried forward from the previous FRS framework as at the date of transition.

(iv) Non-controlling interests

Non-controlling interest is the equity in a subsidiary not attributable, directly or indirectly, to the Group. On an acquisition-by-acquisition basis, the Group measures any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. At the end of reporting period, non-controlling interest consists of amount calculated on the date of combinations and its share of changes in the subsidiary's equity since the date of combination.

All earnings and losses of the subsidiary are attributed to the parent and the non-controlling interest, even if the attribution of losses to the non-controlling interest results in a debit balance in the shareholders' equity. Profit or loss attribution to non-controlling interests for prior years is not restated.

(b) Foreign Currency Transactions and Balances

Transactions in foreign currency are recorded in the functional currency of the respective Group entities using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date on which the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the rate at the date of transaction.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period. Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

3. Significant Accounting Policies (Cont'd)

(c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The policy of recognition and measurement of impairment losses is in accordance with Note 3(j).

(i) Recognition and measurement

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statements of comprehensive income as incurred.

(iii) Depreciation

Depreciation is recognised in the profit or loss on straight line basis to write off the cost of each asset to its residual value over its estimated useful life. Leased assets are depreciated over the shorter of the lease term and their useful lives.

3. Significant Accounting Policies (Cont'd)

(c) Property, plant and equipment

(iii) Depreciation (Cont'd)

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Leasehold lands and buildings	50 years
Plant and machinery	7 years
Tractors, motor vehicles and tug boats	5 years
Office equipment, furniture and fittings	10 years
Access road	5 years

The residual values, useful lives and depreciation method are reviewed at each financial year end 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 property, plant and equipment.

(d) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or asset or the arrangement conveys a right to use the asset, even if that right is not explicitly specific in an arrangement.

For arrangements entered into prior to 1 January 2010, the date of inception is deemed to be 1 January 2010 in accordance with the MFRS 1.

(i) Finance Lease

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance lease. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the profit or loss. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Leasehold land which in substance is a finance lease is classified as a property, plant and equipment.

3. Significant Accounting Policies (Cont'd)

(d) Leases (Cont'd)

(ii) Operating Lease

Leases, where the Group does not assume substantially all the risks and rewards of ownership are classified as operating leases and, except for property interest held under operating lease, the leased assets are not recognised on the statement of financial position. Property interest held under an operating lease, which is held to earn rental income or for capital appreciation or both, is classified as investment property.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

Leasehold land which in substance is an operating lease is classified as prepaid land lease payments.

(e) Intangible assets

Timber concession is the cost of rights conferred upon a subsidiary to extract the timber.

Following the initial recognition, concession rights are measured at cost less accumulated amortisation and accumulated impairment losses. The policy of recognition and measurement of impairment losses is in accordance with Note 3(j).

Timber concession is amortised over the concession period of 6 years in proportion to estimated production from logging activities in the concession areas.

(f) Financial assets

Financial assets are recognised on the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

3. Significant Accounting Policies (Cont'd)

(f) Financial assets (Cont'd)

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately in profit or loss.

The Group and the Company classify their financial assets depending on the purpose for which they were acquired at initial recognition, into the following categories:

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading, including derivative or financial assets that are designated into this category upon initial recognition. A financial asset is classified in this category if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

After initial recognition, financial assets in this category are measured at fair value with any gains or losses arising from changes in the fair values recognised in profit or loss in the period in which the changes arise.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the end of the reporting period which are presented as non-current assets.

After initial recognition, financial assets categorised as loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Group and the Company have the positive intention and ability to hold to maturity. They are classified as non-current assets, except for those having maturity within 12 months after the end of the reporting period which are classified as current.

3. **Significant Accounting Policies (Cont'd)**

(f) Financial assets (Cont'd)

(iii) Held-to-maturity investments (Cont'd)

After initial recognition, financial assets categorised as held-to-maturity investments are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when held-to-maturity investments are derecognised or impaired, and though the amortisation process.

(iv) Available-for-sale-financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are presented as non-current assets unless management intends to dispose of the assets within 12 months after the end of the reporting period.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial asset are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group's and the Company's right to receive payment is established.

Investment in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less impairment loss.

Regular way purchase or sale of financial assets

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

3. **Significant Accounting Policies (Cont'd)**

(f) Financial assets (Cont'd)

Derecognition

Financial assets are derecognised when the contractual rights to receive cash flows from the financial assets have expired or have been transferred and the Group and the Company have transferred substantially all risks and rewards of ownership. On derecognition of a financial asset, the difference between the carrying amount and the sum of consideration received and any cumulative gains or loss that had been recognised in equity is recognised in the profit or loss.

(g) Financial liabilities

Financial liabilities are recognised on the statements of financial position when, and only when the Group and the Company become a party to the contractual provisions of the financial instrument.

All financial liabilities are initially recognised at fair value plus transaction cost and subsequently carried at amortised cost using the effective interest method, other than those categorised as fair value through profit or loss. Changes in the carrying value of these liabilities are recognised in the profit or loss.

The Group and the Company classify their financial liabilities at initial recognition, into the following categories:

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading, derivative (except for financial guarantee contracts or a designated and effective hedging instrument) and financial liabilities designated into this category upon initial recognition.

The Group and the Company have not designated any financial liabilities as at fair value through profit or loss.

(ii) Other liabilities measured at amortised cost

Other financial liabilities are non-derivatives financial liabilities. The Group's and the Company's other financial liabilities comprise trade and other payables and borrowings. Other financial liabilities are classified as current liabilities; except for maturities more than 12 months after the end of the reporting period, in which case they are classified as non-current liabilities.

Other liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the profit or loss when the liabilities are derecognised as well as through the effective interest rate method amortisation process.

3. Significant Accounting Policies (Cont'd)

(g) Financial liabilities

(iii) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specific payment to reimburse the holder for a loss it incurs because a specific debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are recognised initially at fair value and are amortised to profit or loss using a straight-line method over the contractual period or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. Subsequently, the carrying amount is measured at the higher of the best estimate of the obligation under the contract in accordance with MFRS 137 at the reporting date and the initial amount recognised less accumulated amortisation. If the carrying amount of the financial guarantee contract is lower than the obligation, the carrying amount is adjusted to the obligation amount and accounted for as a provision.

Derecognition

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Offsetting of Financial Instruments

A financial asset and financial liability are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(h) Inventories

Raw materials, work-in-progress and finished goods are stated at the lower of cost and net realisable value.

Cost of raw material is determined on a weighted average basis. Cost of finished goods and work-in-progress consists of direct material, direct labour and an appropriate proportion of production overheads (based on normal operating capacity).

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

3. Significant Accounting Policies (Cont'd)

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdraft and highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(j) Impairment of Assets

(i) Non-financial assets

The carrying amounts of non-financial assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets with indefinite useful lives are tested for impairment annually as at the end of each reporting period, either individually or at the cash-generating unit level, as appropriate and when circumstances indicate that the carrying value may be impaired.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised immediately in profit or loss. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups.

The recoverable amount of an asset or cash-generating units is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Previously recognised impairment losses are assessed at the end of each reporting period whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

3. Significant Accounting Policies (Cont'd)

(j) Impairment of Assets (Cont'd)

(i) Non-financial assets (Cont'd)

Impairment of goodwill

Goodwill is tested for impairment annually as at the end of each reporting period, and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than their carrying amount, an impairment loss is recognised in profit or loss. Impairment loss relating to goodwill is not reversed.

(ii) Financial assets

All financial assets, other than those at fair value through profit or loss, investment in subsidiaries, are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset.

Financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the receivable and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics.

Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with defaults on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of impairment loss is recognised in the profit or loss.

3. **Significant Accounting Policies (Cont'd)**

(j) Impairment of Assets (Cont'd)

(ii) Financial assets (Cont'd)

Financial assets carried at amortised cost (Cont'd)

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

Available-for-sale financial assets

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

If an available-for-sale financial asset is impaired, the amount of impairment loss is recognised in profit or loss and is measured as the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously. When a decline of fair value of an available-for-sale financial asset has been recognised in other comprehensive income, the cumulative loss is reclassified from equity to profit or loss.

Impairment losses on available-for-sale equity investment that is carried at cost are not reversed in profit or loss in the subsequent periods. For available-for-sale debt investments, impairment losses are subsequently reversed in profit or loss, if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

(k) Share Capital

(i) Ordinary shares

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments. Ordinary shares are recorded at the nominal value of shares issued. Ordinary shares are classified as equity.

Dividends on ordinary shares are accounted for in equity as appropriation of retained earnings and recognised as a liability in the period in which they are declared.

3. **Significant Accounting Policies (Cont'd)**

(k) Share Capital (Cont'd)

(ii) Distribution of non-cash assets to owners of the Company

The distribution of non-cash assets to owners is recognised as dividend payable when the dividend was approved by shareholders. The dividend payable is measured at the fair value of the shares to be distributed. At the end of the financial year and on the settlement date, the Group reviews the carrying amount of the dividend payable, with any changes in the fair value of the dividend payable recognised in equity. When the Group settles the dividend payable, the difference between the carrying amount of the dividend distributed and the carrying amount of the dividend payable is recognised as a separate line item in profit or loss.

(l) Provisions

Provisions are recognised when there is a present legal or constructive obligation that can be estimated reliably, 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 the amount of the obligation can be estimated reliably.

Provisions are reviewed at each end of the reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. The relating expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

(m) Employee benefits

(i) Short term Employee Benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the 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. Short term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur.

3. Significant Accounting Policies (Cont'd)

(m) Employee benefits (Cont'd)

(i) Short term Employee Benefits (Cont'd)

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

(ii) Defined contribution plans

As required by law, companies in Malaysia contributions to the state pension scheme, the Employee Provident Fund ("EPF"). Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group has no further payment obligations.

(n) Revenue Recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and the Company and when the revenue can be measured reliably, on the following bases:

(i) Sale of goods

Revenue is measured at the fair value of consideration received or receivable, net of returns and allowances, trade discount and volume rebates. Revenue from sale of goods is recognised when the transfer of significant risk and rewards of ownership of the goods to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

(ii) Rendering of services

Revenue from services rendered is recognised in the profit or loss based on the value of services performed and invoiced to customers during the period.

(iii) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

3. **Significant Accounting Policies (Cont'd)**

(n) Revenue Recognition (Cont'd)

(iv) Interest income

Interest income is recognised on accruals basis using the effective interest method.

(v) Management fee

Management fee is recognised on accrual basis when services are rendered.

(o) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the assets, which are assets that necessarily take a substantial period of time to get ready for theirs intended use or sale, are capitalised as part of the cost of those assets. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(p) Income taxes

Tax expense in profit or loss comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

3. Significant Accounting Policies (Cont'd)

(p) Income taxes (Cont'd)

Deferred tax is recognised using the liability method for all temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, at the end of the reporting period, except for investment properties carried at fair value model. Where investment properties measured using fair value model, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying amounts at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unutilised reinvestment allowance and investment tax allowance, being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against the unutilised tax incentive can be utilised.

3. Significant Accounting Policies (Cont'd)

(q) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-makers are responsible for allocating resources and assessing performance of the operating segments and make overall strategic decisions. The Group's operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

(r) Contingencies

Where it is not probable that an inflow or an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the asset or the obligation is disclosed as a contingent asset or contingent liability, unless the probability of inflow or outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

4. Property, Plant and Equipment

	Leasehold land and buildings RM'000	Plant and machinery RM'000	Tractors, motor vehicles and tug boats RM'000	Office equipment, furniture and fittings RM'000	Access road RM'000	Total RM'000
Group						
2012						
Cost						
At 1 January 2012	15,463	71,512	6,497	296	80	93,848
Additions	-	-	310	10	-	320
At 31 December 2012	15,463	71,512	6,807	306	80	94,168
Accumulated depreciation						
At 1 January 2012	5,669	52,108	5,357	212	80	63,426
Charge for the financial year	219	9,057	477	25	-	9,778
At 31 December 2012	5,888	61,165	5,834	237	80	73,204
Accumulated impairment						
At 1 January 2012	-	-	-	-	-	-
Charge for the financial year	-	-	285	1	-	286
At 31 December 2012	-	-	285	1	-	286
Net carrying amount						
At 31 December 2012	9,575	10,347	688	68	-	20,678

4. **Property, Plant and Equipment (Cont'd)**

	Leasehold land and buildings RM'000	Plant and machinery RM'000	Tractors, motor vehicles and tug boats RM'000	Office equipment, furniture and fittings RM'000	Access road RM'000	Total RM'000
Group						
2011						
Cost						
At 1 January 2011	15,463	71,534	6,497	284	80	93,858
Additions	-	-	-	12	-	12
Disposals	-	(22)	-	-	-	(22)
At 31 December 2011	15,463	71,512	6,497	296	80	93,848
Accumulated depreciation						
At 1 January 2011	5,450	48,614	4,845	187	64	59,160
Charge for the financial year	219	3,516	512	25	16	4,288
Disposals	-	(22)	-	-	-	(22)
At 31 December 2011	5,669	52,108	5,357	212	80	63,426
Net carrying amount						
At 31 December 2011	9,794	19,404	1,140	84	-	30,422
At 1 January 2011	10,013	22,920	1,652	97	16	34,698

4. **Property, Plant and Equipment (Cont'd)**

(a) **Assets held under hire purchase arrangements**

The carrying amounts of property, plant and equipment of the Company acquired under hire purchase arrangements are as follow:

	Group		
	31.12.2012	**31.12.2011**	**1.1.2011**
	RM'000	**RM'000**	**RM'000**
Tractors and motor vehicles	38	721	1,102

(b) **Assets pledged as securities to financial institutions**

The carrying amounts of property, plant and equipment of the Group pledged to licensed banks for credit facilities granted to a subsidiary as disclosed in Note 15 are as follows:

	Group		
	31.12.2012	**31.12.2011**	**1.1.2011**
	RM'000	**RM'000**	**RM'000**
Leasehold land and buildings	9,438	9,657	9,876
Tractors, motor vehicles and tug boats	*	*	*
	9,438	9,657	9,876

Note (*): Representing value of RM2 (31.12.2011: RM2, 1.1.2011: RM2) only.

(c) The remaining periods of the leasehold land and buildings ranges from 39 to 906 years (31.12.2011: 40 to 907 years, 1.1.2011: 41 to 908 years).

(d) **Change in estimates**

During the financial year ended 31 December 2012, the Group conducted operational efficiency review for its plant and equipment, which resulted in the changes in expected usage of its plant and equipment. As a result, the expected useful lives of these plant and equipment decreased and their estimated residual values increased. The effect of these changes on depreciation expense, recognised in profit or loss, in current and future periods are as follows:

	2012	**2013**	**2014**	**2015**	**2016**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Increase/(decrease) in depreciation expense	6,088	5,006	(4,671)	(5,006)	(1,416)

5. Investment in Subsidiaries

	Company		
	31.12.2012	**31.12.2011**	**1.1.2011**
	RM'000	**RM'000**	**RM'000**
Unquoted shares, at cost			
In Malaysia	60,914	60,914	60,914

Details of the subsidiaries, which were incorporated in Malaysia, are as follows:

Name of company	**Effective equity interest**			**Principal activities**
	31.12.2012	**31.12.2011**	**1.1.2011**	
	%	**%**	**%**	
Direct holding:				
Aturmaju (Sabah) Holding Sdn. Bhd.	100	100	100	Manufacturer of wood product
ARB Development Sdn. Bhd.	99.95	99.95	99.95	Dormant
Indirect holding:				
Subsidiaries of Aturmaju (Sabah) Holding Sdn. Bhd.				
Kalabakan Tug Boat Sdn. Bhd.	100	100	100	Hire of scows and tug boats
Alamjad Sdn. Bhd.	100	100	100	Timber contrator
Ampermai Sdn. Bhd.	100	100	100	Timber contrator

6. Intangible Asset

	Group 31.12.2012 RM'000	Group 31.12.2011 RM'000
Timber Concession Rights		
Cost		
At 1 January	23,003	23,003
Written off	-	-
At 31 December	23,003	23,003
Accumulated amortisation		
At 1 January	6,587	3,502
Charge for the financial year	4,165	3,085
Written off	-	-
At 31 December	10,752	6,587
Net carrying amount		
At 31 December	12,251	16,416
At 1 January	16,416	19,501

This represents the exclusive rights of a subsidiary to extract, purchase and sell merchantable timber logs from designated areas situated at coupes known as YL2/04 and YL3/04 (3,745 hectares) and YL3/02 (8,231 hectares) in the District of Sandakan, Sabah, Malaysia.

7. Inventories

	Group 31.12.2012 RM'000	Group 31.12.2011 RM'000	Group 1.1.2011 RM'000
At cost:			
Raw materials	1,390	1,915	669
Work-in-progress	22,738	28,395	34,215
Finished goods	2,071	14,060	16,144
Stores and supplies	90	169	271
	26,289	44,539	51,299
Recognised in profit or loss:			
Inventories written off	7,635	4,561	1,493

8. Trade Receivables

	Group 31.12.2012 RM'000	Group 31.12.2011 RM'000	Group 1.1.2011 RM'000
Trade receivables			
- Related parties	75	456	6,088
- Third parties	9,072	5,134	9,030
	9,147	5,590	15,118

The Group's normal trade credit terms ranges from 30 days to 120 days (31.12.2011: 30 days to 120 days, 1.1.2011: 30 days to 120 days). Other credit terms are assessed and approved on a case to case basis.

Trade receivables are recognised at their original invoice amounts which represent their fair value on initial recognition.

Analysis of the trade receivables ageing as at the end of the financial year is as follows:

	Group 31.12.2012 RM'000	Group 31.12.2011 RM'000	Group 1.1.2011 RM'000
Neither past due nor impaired	7,426	4,422	14,421
Past due not impaired:			
Less than 30 days	1,339	48	223
31- 90 days	382	140	221
91-150 days	-	406	253
More than 150 days	-	574	-
	1,721	1,168	697
	9,147	5,590	15,118

As at 31 December 2012, trade receivables of RM1,721,000 (31.12.2011: RM1,168,000, 1.1.2011: RM697,000) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default.

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

9. Other Receivables and Deposits

	Group		
	31.12.2012 RM'000	**31.12.2011 RM'000**	**1.1.2011 RM'000**
Other receivables			
- Third parties	4,567	2,870	824
Less: Accumulated impairment loss	(274)	-	-
	4,293	2,870	824
Sinking fund	1,350	1,350	1,350
Deposits	7,221	9,231	9,376
Prepayments	238	245	236
	13,102	13,696	11,786

	Company		
	31.12.2012 RM'000	**31.12.2011 RM'000**	**1.1.2011 RM'000**
Other receivables	18	18	18

Movement in impairment on other receivables during the financial year is as follows:

	31.12.2012 RM'000
At 1 January	-
Charge for the financial year	274
At 31 December	274

Included in the deposits of the Group is deposit placed with a supplier amounting to RM5,000,000 (31.12.2011: RM7,000,000, 1.1.2011: RM7,000,000).

10. Amounts Owing by Subsidiaries

These amounts are unsecured, non-trade in nature, non-interest bearing and repayable on demand.

11. Derivative Asset/(Liability)

	Group					
	31.12.2012		**31.12.2011**		**1.1.2011**	
	Contract/ Notional Amount USD'000	**Financial Liability RM'000**	**Contract/ Notional Amount USD'000**	**Financial Asset RM'000**	**Contract/ Notional Amount USD'000**	**Financial Liability RM'000**
Non-hedging Derivative:						
Current						
Forward currency contracts	2,255	(88)	2,012	4	1,215	(80)

The Group uses forward currency contracts to manage some of the transaction exposure. These contracts are not designated as cash flow or fair value hedges and are entered into for periods consistent with currency transaction exposure and fair value changes exposure. Such derivatives do not qualify for hedge accounting.

Forward currency contracts are used to hedge the Group' sales denominated in USD for which firm commitments existed at the reporting date, extending to April 2013.

At the reporting date, the Group recognised a loss of RM88,000 (31.12.2011: a gain of RM4,000, 1.1.2011: a loss of RM80,000) arising from the fair value change in the spot exchange rate and the forward rate.

12. Fixed Deposit with Licensed Bank

The fixed deposit of the Group has been pledged to licensed bank as security for credit facilities granted to a subsidiary as disclosed in Note 15.

The interest rate of the fixed deposit during the financial year is 3.00% (31.12.2011: 3.04%, 1.1.2011: 3.00%) per annum and maturities of deposit are ranging from 30 days to 365 days (31.12.2011: 30 days to 365 days, 1.1.2011: 30 days to 365 days).

13. Share Capital

	Group/Company			
	<--Number of Shares -->		<-------- Amount -------->	
	31.12.2012	**31.12.2011**	**31.12.2012**	**31.12.2011**
	Unit'000	**Unit'000**	**RM'000**	**RM'000**
Ordinary shares of RM1 each				
Authorised				
At beginning/end of the year	75,000	75,000	75,000	75,000
Issued and fully paid				
At beginning/end of the year	61,100	61,100	61,100	61,100

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

14. Hire Purchase Payables

	Group		
	31.12.2012	**31.12.2011**	**1.1.2011**
	RM'000	**RM'000**	**RM'000**
Minimum hire purchase payments			
Payable within one year	125	369	421
Payable between one to five years	8	133	502
	133	502	923
Less: Future finance charges	(4)	(24)	(67)
Present value of hire purchase liabilities	129	478	856
Present value of hire purchase liabilities			
Within one year	121	349	380
Between one and five years	8	129	476
	129	478	856

14. Hire Purchase Payables (Cont'd)

	Group		
	31.12.2012	**31.12.2011**	**1.1.2011**
	RM'000	**RM'000**	**RM'000**
Analysed as:			
Repayable within twelve months	121	349	380
Repayables after twelve months	8	129	476
	129	478	856

The hire purchase interest rate at the reporting date is 4.95% (31.12.2012: 6.47%, 1.1.2011: 8.83%) per annum.

15. Bank Borrowings

	Group		
	31.12.2012	**31.12.2011**	**1.1.2011**
	RM'000	**RM'000**	**RM'000**
Secured			
Term loans	16,913	29,566	40,516
Analysed as:			
Repayable within twelve months	14,386	13,866	12,941
Repayable after twelve months	2,527	15,700	27,575
	16,913	29,566	40,516

The above credit facilities obtained from licensed bank are secured by the following:

(a) fixed charge on certain leasehold land and buildings of a subsidiary as disclosed in Note 4;

(b) first legal charge over leasehold land of a company in which certain Directors have financial interest;

(c) a fixed debenture over the present and future fixed and floating assets of its subsidiaries;

(d) personal guarantee by a Director of the Company;

(e) a pledge of fixed deposit of a subsidiary as disclosed in Note 12;

(f) assignment of all insurance proceeds under the Concession Agreement;

(g) Deed of Assignment on all rights, interests and benefits of the Designated Accounts; and

(h) Memorandum of Deposit of subsidiaries ordinary shares.

15. Bank Borrowings (Cont'd)

The term loans are repayable by 60 monthly instalments commencing from the date of first drawdown.

Maturities of the borrowings are as follows:

	Group		
	31.12.2012 RM'000	**31.12.2011 RM'000**	**1.1.2011 RM'000**
Within one year	14,386	13,866	12,941
Between one and two years	2,527	13,461	14,024
Between two and three years	-	2,239	12,484
Between three and four years	-	-	1,067
	16,913	29,566	40,516

The weighted average effective interest rates per annum are as follows:

	Group		
	31.12.2012 %	**31.12.2011 %**	**1.1.2011 %**
Term loans	7.64	9.93	8.41

16. Deferred Taxation

	Group	
	2012 RM'000	**2011 RM'000**
At 1 January	3,760	5,161
Recognised in profit or loss (Note 23)	2,044	(1,401)
At 31 December	5,804	3,760
Presented after appropriate offsetting as follows:		
Deferred tax liabilities	5,804	4,550
Deferred tax assets	-	(790)
At 31 December	5,804	3,760

16. **Deferred Taxation (Cont'd)**

The components and movements of deferred tax liabilities/(assets) are as below:

Deferred tax liabilities of the Group

	Property, Plant and Equipment RM'000	**Intangible Asset RM'000**	**Total RM'000**
At 1 January 2012	4,550	-	4,550
Recognised in profit or loss	(1,808)	3,062	1,254
At 31 December 2012	2,742	3,062	5,804
At 1 January 2011	5,222	-	5,222
Recognised in profit or loss	(672)	-	(672)
At 31 December 2011	4,550	-	4,550

Deferred tax assets of the Group

	Unabsorbed capital allowances RM'000	**Unutilised tax losses RM'000**	**Total RM'000**
At 1 January 2012	(424)	(366)	(790)
Recognised in profit or loss	424	366	790
At 31 December 2012	-	-	-
At 1 January 2011	(61)	-	(61)
Recognised in profit or loss	(363)	(366)	(729)
At 31 December 2011	(424)	(366)	(790)

16. Deferred Taxation (Cont'd)

Deferred tax assets have not been recognised in respect of the following temporary difference due to uncertainty of its recoverability:

	Group		Company	
	31.12.2012 RM'000	**31.12.2011 RM'000**	**31.12.2012 RM'000**	**31.12.2011 RM'000**
Unutilised tax losses	2,684	1,219	170	170
Unabsorbed capital allowances	106	8	-	-
Other deductible temporary differences	229	32	-	-
	3,019	1,259	170	170

Deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset or they have arisen in subsidiaries that have a recent history of losses.

17. Trade Payables

The normal trade credit terms granted to the Group ranges from 30 days to 120 days (31.12.2011: 30 days to 120 days, 1.1.2011: 30 days to 120 days). Other credit terms are assessed and approved on a case to case basis.

18. Other Payables

	Group			Company		
	31.12.2012 RM'000	**31.12.2011 RM'000**	**1.1.2011 RM'000**	**31.12.2012 RM'000**	**31.12.2011 RM'000**	**1.1.2011 RM'000**
Other payables						
- Related parties	569	43	65	-	-	-
- Third parties	8,574	3,654	1,688	676	250	251
	9,143	3,697	1,753	676	250	251
Accruals	534	444	460	-	248	312
Deposits	99	159	1,783	-	-	-
	9,776	4,300	3,996	676	498	563

The amounts due to related parties are unsecured, non-trade in nature, non-interest bearing and repayable on demand.

19. Amounts Owing to Directors

These amounts are unsecured, non-trade in nature, non-interest bearing and repayable on demand.

20. Revenue

	Group		Company	
	2012	**2011**	**2012**	**2011**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Timber products	61,853	61,622	-	-
Management fee from subsidiaries	-	-	609	322
	61,853	61,622	609	322

21. Finance Costs

	Group	
	2012	**2011**
	RM'000	**RM'000**
Interest expenses on:		
- hire purchase	20	43
- letter of credit	54	69
- term loans	1,775	3,478
- overdue interest	1	-
	1,850	3,590

22. Loss before Tax

Loss before tax is derived at after charging/(crediting):

	Group		Company	
	2012	**2011**	**2012**	**2011**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Amortisation of intangible asset	4,165	3,085	-	-
Auditors' remuneration				
- current year	68	64	22	20
- other services	5	5	-	-
Depreciation of property, plant and equipment	9,778	4,288	-	-

22. Loss before Tax (Cont't)

Loss before tax is derived at after charging/(crediting) (Cont'd):

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Directors' remuneration				
- fees	580	307	580	307
- other emoluments	1,075	1,071	-	-
Fair value loss/(gain) on derivative financial instrument	88	(4)	-	-
Fixed deposit interest income	(103)	(117)	-	-
Gain on disposal of property, plant and equipment	-	(18)	-	-
Impairment loss on other receivables	274	-	-	-
Impairment loss on property, plant and equipment	286	-	-	-
Inventories written off	7,635	4,561	-	-
Other receivables written off	414	-	-	-
Rental of premises	286	287	-	-
Rental of machinery	610	899	-	-
Rental income of scows and tug boats	(525)	(468)	-	-
Rental income of premises	(130)	(286)	-	-

23. Taxation

	Group	
	2012	2011
	RM'000	RM'000
Tax expense/(credit) recognised in profit or loss:		
Current tax provision	1,253	5
Under provision in prior year	-	61
	1,253	66
Deferred tax (Note 16):		
Relating to reversal of temporary differences	(1,570)	(1,367)
Under/(over) provision in prior year	3,614	(34)
	2,044	(1,401)
Tax expense/(credit) for the financial year	3,297	(1,335)

23. Taxation (Cont'd)

Malaysian income tax is calculated at the statutory tax rate of 25% (31.12.2011: 25%) of the estimated assessable profit for the financial year.

A reconciliation of income tax expense applicable to loss before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company are as follows:

	Group		Company	
	2012	**2011**	**2012**	**2011**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Loss before tax	(19,022)	(7,734)	(63)	(70)
Taxation at Malaysian statutory tax rate of 25% (2011: 25%)	(4,756)	(1,934)	(16)	(18)
Expenses not deductible for tax purposes	3,999	1,183	16	18
Income exempted under pioneer status	-	(818)	-	-
Deferred tax assets not recognised	440	207	-	-
Under provision of tax expense in prior year	-	61	-	-
Under/(over) provision of deferred tax in prior year	3,614	(34)	-	-
Tax expense/(credit) for the financial year	3,297	(1,335)	-	-

The Group and the Company have the following unutilised tax losses and unabsorbed capital allowances available for carry forward to set-off against future taxable profits. The said amounts are subject to approval by the tax authorities.

	Group		Company	
	31.12.2012	**31.12.2011**	**31.12.2012**	**31.12.2011**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Unutilised tax losses	2,684	2,684	170	170
Unabsorbed capital allowances	106	1,704	-	-
	2,790	4,388	170	170

The wholly-owned subsidiary, Aturmaju (Sabah) Holding Sdn. Bhd., was granted pioneer status by the relevant authorities for a period of five (5) years commencing from 1 February 2007 to 31 January 2012.

24. Loss Per Share

The basic loss per share has been calculated based on the consolidated loss for the financial year attributable to owners of the parent and the weighted average number of ordinary shares in issue during the financial year as follow:

	Group	
	31.12.2012	**31.12.2011**
Loss for the financial year attributable to the owners of the parent (RM'000)	(22,319)	(6,399)
Weighted number of ordinary shares in issue ('000)	61,100	61,100
Basic loss per ordinary share (in sen)	(36.53)	(10.47)

The diluted loss per share was not presented as there were no dilutive potential ordinary shares outstanding at the end of the reporting period.

25. Staff Costs

	Group	
	2012	**2011**
	RM	**RM**
Staff costs (excluding Directors)	3,136	3,039

Included in the total staff costs above are contributions made to the Employees Provident Fund under a defined contribution plan for the Group amounting to RM116,557 (31.12.2011: RM110,554).

26. Related Party Disclosures

(a) Identifying related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Group and certain members of senior management and chief executive officers of major subsidiaries of the Group.

26. Related Party Disclosures (Cont'd)

(a) Identifying related parties (Cont'd)

The Group has related party relationships with its subsidiaries and director related companies.

(b) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year.

	Group	
	2012	**2011**
	RM'000	**RM'000**
Related party		
Hire of scows and tug boats	545	-

	Company	
	2012	**2011**
	RM'000	**RM'000**
Subsidiaries		
Management fee received/receivable	609	322

(c) Information regarding outstanding balances arising from related party transactions are disclosed in Notes 8, 10, 18 and 19 respectively.

(d) Information regarding the compensation of key management personnel is as follows:

	Group/Company	
	2012	**2011**
	RM'000	**RM'000**
Short-term employee benefits	1,074	1,071

Key management personnel include personnel having authority and responsibility for planning, directing and controlling the activities of the entity, including any Director of the Company.

27. Segment Reporting

The Group has four reporting segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Group's Chief Executive Officer reviews internal management reports on at least a quarterly basis.

27. **Segment Reporting (Cont'd)**

The following summary describes the operations in each of the Group's reportable segments:

Investment holding	Provision of management services and investment holding.
Manufacturer of wood products	Manufacturer of wood products
Barging	Hire of scows and tug boats
Timber	Timber contractor

The accounting policies of the segments are consistent with the accounting policies of the Group.

Performance is measured based on segment profit before tax, interest, depreciation and amortisation, as included in the internal management reports that are reviewed by the Group Chief Executive Officer, who is the Group's chief operating decision maker. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment assets

The total of segment asset is measured based on all assets (including goodwill) of a segment, as included in the internal management reports that are reviewed by the Group's Chief Executive Officer. Segment total asset is used to measure the return of assets of each segment.

Segment liabilities

Segment liabilities information is neither included in the internal management reports nor provided regularly to the Chief Executive Officer. Hence no disclosure is made on segment liability.

27. Segment Reporting (Cont'd)

	Investment holdings and others RM'000	Manufacturing of wood products RM'000	Barging RM'000	Timber RM'000	Adjustment and elimination RM'000	Consolidated RM'000
2012						
REVENUE						
External sales	-	61,853	-	-	-	61,853
Inter-segment sales	609	8,080	494	22,997	(32,180)	-
Total revenue	609	69,933	494	22,997	(32,180)	61,853
RESULTS						
Segment results	(63)	(22,729)	(1,292)	(704)	7,513	(17,275)
Interest income	-	103	-	-	-	103
Interest expense	-	(1,850)	-	-	-	(1,850)
Loss before tax	(63)	(24,476)	(1,292)	(704)	7,513	(19,022)
Taxation	-	(235)	-	-	(3,062)	(3,297)
Loss for the financial year	(63)	(24,711)	(1,292)	(704)	4,451	(22,319)
Addition to non-current assets	-	9	311	-	-	320
Segment assets	18	61,474	168	11,112	12,251	85,023
NON-CASH EXPENSES						
Amortisation of intangible asset	-	-	-	-	4,165	4,165
Depreciation of property, plant and equipment	-	9,750	28	-	-	9,778
Inventories written off	-	7,635	-	-	-	7,635
Impairment loss on property, plant and equipment	-	-	286	-	-	286
Impairment loss on other receivables	-	159	-	115	-	274
Other receivables written off	-	414	-	-	-	414
Fair value loss on derivative financial instrument	-	88	-	-	-	88

27. Segment Reporting (Cont'd)

	Investment holdings and others RM'000	Manufacturing of wood products RM'000	Barging RM'000	Timber RM'000	Adjustment and elimination RM'000	Consolidated RM'000
2011						
REVENUE						
External sales	-	61,622	-	-	-	61,622
Inter-segment sales	322	-	774	21,897	(22,993)	-
Total revenue	322	61,622	774	21,897	(22,993)	61,622
RESULTS						
Segment results	(73)	(425)	(63)	(615)	(3,085)	(4,261)
Interest income	-	98	-	19	-	117
Interest expense	-	(3,590)	-	-	-	(3,590)
Loss before tax	(73)	(3,917)	(63)	(596)	(3,085)	(7,734)
Taxation	-	1,277	16	42	-	1,335
Loss for the financial year	(73)	(2,640)	(47)	(554)	(3,085)	(6,399)
Addition to non-current assets	-	12	-	-	-	12
Segment assets	20	87,569	81	9,932	16,417	114,019
NON-CASH EXPENSES/(INCOME)						
Amortisation of intangible asset	-	-	-	-	3,085	3,085
Depreciation of property, plant and equipment	-	4,266	6	16	-	4,288
Gain on disposal of property, plant and equipment	-	(18)	-	-	-	(18)
Inventories written off	-	4,561	-	-	-	4,561
Fair value gain on derivative financial instrument	-	(4)	-	-	-	(4)

27. **Segment Reporting (Cont'd)**

Geographical segments

In determining the geographical segments of the Group, segment revenue is based on the geographical location of customers. Segment assets and segment capital expenditure are based on geographical location of assets.

Revenue by geographical market:

	2012 RM'000	2011 RM'000
Malaysia	1,131	1,034
Thailand and Vietnam	17,761	10,741
Hong Kong and China	3,138	3,256
Taiwan	18,251	21,714
Singapore	-	1,436
Korea	9,427	10,433
United Arab Emirates	4,742	3,778
Europe and other countries	7,403	9,230
	61,853	61,622

Major Customers

There are no major customers contributing to 10% or more of the Group's revenue.

28. **Financial Instruments**

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of the financial instruments are measured and how income and expenses including fair values gain or loss are recognised.

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned and therefore by the measurement basis:

28. Financial Instruments (Cont'd)

(a) Classification of financial instrument (Cont'd)

	At fair value through profit or loss RM'000	Loans and receivables RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
Group				
31.12.2012				
Financial Assets				
Trade receivables	-	9,147	-	9,147
Other receivables and deposits	-	13,102	-	13,102
Fixed deposit with licensed bank	-	3,391	-	3,391
Cash and bank balances	-	61	-	61
Total financial asset	-	25,701	-	25,701
Financial Liabilities				
Trade payables	-	-	1,364	1,364
Other payables	-	-	9,776	9,776
Amounts owing to directors	-	-	232	232
Derivative liability	88	-	-	88
Hire purchase payables	-	-	129	129
Bank borrowings	-	-	16,913	16,913
Total financial liabilities	88	-	28,414	28,502
Group				
31.12.2011				
Financial Assets				
Trade receivables	-	5,590	-	5,590
Other receivables and deposits	-	13,696	-	13,696
Derivative asset	4	-	-	4
Fixed deposit with licensed bank	-	3,291	-	3,291
Cash and bank balances	-	61	-	61
Total financial asset	4	22,638	-	22,642

28. Financial Instruments (Cont'd)

(a) Classification of financial instrument (Cont'd)

	At fair value through profit or loss RM'000	Loans and receivables RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
Group (Cont'd)				
31.12.2011 (Cont'd)				
Financial Liabilities				
Trade payables	-	-	1,947	1,947
Other payables	-	-	4,300	4,300
Amounts owing to directors	-	-	2,053	2,053
Hire purchase payables	-	-	478	478
Bank borrowings	-	-	29,566	29,566
Total financial liabilities	-	-	38,344	38,344
Group				
1.1.2011				
Financial Assets				
Trade receivables	-	15,118	-	15,118
Other receivables and deposits	-	11,786	-	11,786
Fixed deposit with licensed bank	-	3,193	-	3,193
Cash and bank balances	-	162	-	162
Total financial asset	-	30,259	-	30,259
Financial Liabilities				
Trade payables	-	-	3,308	3,308
Other payables	-	-	3,996	3,996
Amounts owing to directors	-	-	3,227	3,227
Derivative liability	80	-	-	80
Hire purchase payables	-	-	856	856
Bank borrowings	-	-	40,516	40,516
Total financial liabilities	80	-	51,903	51,983

28. Financial Instruments (Cont'd)

(a) Classification of financial instrument (Cont'd)

	Loans and receivables RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
Company			
31.12.2012			
Financial Assets			
Other receivables	18	-	18
Amounts owing by subsidiaries	7,498	-	7,498
Total financial assets	7,516	-	7,516
Financial Liabilities			
Other payables	-	676	676
Amounts owing to directors	-	4	4
Total financial liabilities	-	680	680
31.12.2011			
Financial Assets			
Other receivables	18	-	18
Amounts owing by subsidiaries	7,383	-	7,383
Total financial assets	7,401	-	7,401
Financial Liabilities			
Other payables	-	498	498
Amounts owing to directors	-	4	4
Total financial liabilities	-	502	502

28. **Financial Instruments (Cont'd)**

(a) Classification of financial instrument (Cont'd)

	Loans and receivables RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
Company (Cont'd)			
1.1.2011			
Financial Assets			
Other receivables	18	-	18
Amounts owing by subsidiaries	7,518	-	7,518
Total financial assets	7,536	-	7,536
Financial Liabilities			
Other payables	-	563	563
Amounts owing to directors	-	4	4
Total financial liabilities	-	567	567

(b) Financial risk management objectives and policies

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its financial risks, including foreign currency exchange risk, interest rate risk, credit risk, liquidity risk and cash flows risk. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

The following sections provide details regarding the Group's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Credit risk

<u>Receivables</u>
Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from the inability of its customers to make payments when due. Cash and bank balances and fixed deposit with licensed banks are placed with credit worthy financial institutions.

28. **Financial Instruments (Cont'd)**

(b) Financial risk management objectives and policies

(i) Credit risk (Cont'd)

Receivables (Cont'd)

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the financial year represents the Group's and the Company's maximum exposure to credit risk. No financial assets carry a significant exposure to credit risk.

Financial guarantee

The Group provides secured financial guarantee given to licensed bankers for credit facilities granted to a subsidiary. The maximum exposure of credit risk amounts to Nil (2011: RM73,000). The financial guarantee has not been recognised since the fair value on initial recognition was not material as the financial guarantee was secured by certain property, plant and equipment of the Group.

Intercompany loan advances

The Company provides unsecured loans and advances to subsidiaries. The Company monitors the results of the subsidiaries regularly. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

As at the end of the reporting period, there was no indication that the loans and advances to subsidiaries are not recoverable. The Company does not specifically monitor the ageing of current advances to the subsidiaries.

Credit risk concentration profile

The Group does not have any major concentration of credit risk related to any individual customer or counter party.

28. **Financial Instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(i) Credit risk (Cont'd)

Exposure to credit risk by geographical region

The significant exposure of credit risk for trade and other receivables by geographical region is as follows:

	Group	
	2012	**2011**
	RM'000	**RM'000**
Malaysia	13,346	14,599
Arab	263	44
China	7	47
Europe	2,574	1,185
Hong Kong	951	488
Korea	1,476	532
Singapore	-	65
Taiwan	2,559	2,038
Thailand	1,073	288
	22,249	19,286

(ii) Liquidity risk

Liquidity risk refers to the risk that the Group or the Company will encounter difficulty in meeting its financial obligations as they fall. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's funding requirements and liquidity risk is managed with the objective of meeting business obligations on a timely basis. The Group finances its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

The following table analyses the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

28. **Financial Instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

	On demand or within 1 year RM	1 - 2 years RM	2 - 3 years RM	3 - 4 years RM	4 - 5 years RM	After 5 years RM	Total contractual cash flows RM	Carrying amount RM
31.12.2012								
Financial liabilities								
Trade payables	1,364	-	-	-	-	-	1,364	1,364
Other payables	9,776	-	-	-	-	-	9,776	9,776
Amounts owing to directors	232	-	-	-	-	-	232	232
Derivative liability	88	-	-	-	-	-	88	88
Hire purchase payables	125	8	-	-	-	-	133	129
Bank borrowings	14,608	3,205	-	-	-	-	17,813	16,913
Total financial liabilities	26,193	3,213	-	-	-	-	29,406	28,502

28. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

	On demand or within 1 year RM	1 - 2 years RM	2 - 3 years RM	3 - 4 years RM	4 - 5 years RM	After 5 years RM	Total contractual cash flows RM	Carrying amount RM
31.12.2011								
Financial liabilities								
Trade payables	1,947	-	-	-	-	-	1,947	1,947
Other payables	4,300	-	-	-	-	-	4,300	4,300
Amounts owing to directors	2,053	-	-	-	-	-	2,053	2,053
Hire purchase payables	369	125	8	-	-	-	502	478
Bank borrowings	15,740	14,206	2,267	-	-	-	32,213	29,566
Total financial liabilities	24,409	14,331	2,275	-	-	-	41,015	38,344

28. **Financial Instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

	On demand or within 1 year RM	1 - 2 years RM	2 - 3 years RM	3 - 4 years RM	4 - 5 years RM	After 5 years RM	Total contractual cash flows RM	Carrying amount RM
1.1.2011								
Financial liabilities								
Trade payables	3,308	-	-	-	-	-	3,308	3,308
Other payables	3,996	-	-	-	-	-	3,996	3,996
Amounts owing to directors	3,227	-	-	-	-	-	3,227	3,227
Derivative liability	80	-	-	-	-	-	80	80
Hire purchase payables	421	369	125	8	-	-	923	856
Bank borrowings	15,740	15,740	13,073	1,077	-	-	45,630	40,516
Total financial liabilities	26,772	16,109	13,198	1,085	-	-	57,164	51,983

All the Company's liabilities of the reporting date mature within a year or repayable on demand.

28. **Financial Instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(iii) Foreign currency exchange risk

The Group incurs foreign currency risk on transactions that are denominated in foreign currencies. The currencies giving rise to this risk are primarily the United States Dollar (USD).

The carrying amounts of the Group's foreign currency denominated financial assets and financial liabilities at the end of the reporting period are as follows:

	Group	
	31.12.2012	**31.12.2011**
	RM'000	**RM'000**
USD		
Financial Asset		
Trade receivables	1,648	2,420
Financial Liability		
Other payables	2,443	658

Foreign currency sensitivity analysis

The following table demonstrates the sensitivity of the Group's loss for the financial year to a reasonably possible change in USD exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

	2012	**2011**
	Increase/ (Decrease) RM'000	**Increase/ (Decrease) RM'000**
Effects on loss for the financial year		
USD		
- Strengthen by 5% (2011: 5%)	40	(88)
- Weaken by 5% (2011: 5%)	(40)	88

28. **Financial Instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(iv) Interest rate risk

The Group is exposed to interest rate risk arises primarily from financing through interest bearing financial assets and financial liabilities. The Group's policy is to obtain the financing with the most favourable interest rates in the market.

The Group constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

The Group is exposed to interest rate risk arising from its short and long term debts obligations, and its fixed deposits. Fixed deposits interest rate is insignificant and any fluctuations in the rate would have no material impact on the results of the Group.

The carrying amounts of the Group's financial instruments that are exposed to interest rate risk are as follows:

	Group	
	31.12.2012	**31.12.2011**
	RM'000	**RM'000**
Financial Asset		
Fixed deposit with licensed bank	3,391	3,291
Financial Liability		
Bank borrowings	16,913	29,566

<u>Interest rate sensitivity analysis</u>

An increase in market interest rates by 1% on financial assets and liabilities of the Group which have variable interest rates at the end of the reporting period would increase the loss before tax by RM135,000 (2011: RM263,000). This analysis assumes that all other variables remain unchanged.

A decrease in market interest rates by 1% on financial assets and liabilities of the Group which have variable interest rates at the end of the reporting period would have had the equal but opposite effect on the amounts shown above, on the basis that all other variables remain unchanged.

28. **Financial Instruments (Cont'd)**

(c) Fair values of financial instruments

(i) Financial instrument at fair value

The fair value measurement hierarchies used to measure financial instruments at fair value in the statements of financial position are as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: Inputs for the asset or liability that is not based on observable market data (unobservable inputs).

	Level 1 RM RM'000	**Level 2 RM RM'000**	**Level 3 RM RM'000**	**Total RM RM'000**
Group				
31.12.2012				
Financial Liability				
Derivative liability	-	(88)	-	(88)
31.12.2011				
Financial Asset				
Derivative asset	-	4	-	4
1.1.2011				
Financial Liability				
Derivative liability	-	(80)	-	(80)

28. **Financial Instruments (Cont'd)**

(c) Fair value of financial instruments (Cont'd)

(i) Financial instrument at fair value (Cont'd)

There were no transfers between Level 1 and Level 2 during the current and previous financial years.

(ii) Financial instrument other than those carried at fair value

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of short term receivables and payable, cash and cash equivalents and short term borrowings approximate their fair value due to the relatively short term nature of these financial instruments and insignificant impact of discounting.

Financial instruments that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

The carrying amounts of the financial assets and liabilities of the Group and the Company at the reporting date reasonably approximate their fair values except as follows:

		Group	
	31.12.2012	**31.12.2011**	**1.1.2011**
	RM	**RM**	**RM**
Group			
Financial liabilities			
Hire purchase payables			
- Carrying amount			
(Non-current)	8	129	476
- Fair value	4	119	463
Loans and borrowings			
- Carrying amount			
(Non-current)	2,527	15,700	27,575
- Fair value	@	@	@

28. **Financial Instruments (Cont'd)**

(c) Fair value of financial instruments (Cont'd)

(ii) Financial instrument other than those carried at fair value (Cont'd)

	Company		
	31.12.2012	**31.12.2011**	**1.1.2011**
	RM	**RM**	**RM**
Financial asset			
Investment in subsidiaries			
- Carrying amount	60,914	60,914	60,914
- Fair value	#	#	#

The following summarises the methods used in determining the fair value of financial instruments reflected in the above table:

Loans and borrowings

@ The carrying amounts of the non-current loans and borrowings are reasonable approximation of fair values as they are floating rate instruments that are re-priced to market interest rates on or near the reporting rate.

Investments in subsidiaries

\# It was not practicable to estimate the fair value of investment in subsidiaries due to the lack of comparable market prices and the inability to estimate fair value without incurring excessive costs.

29. **Capital Management**

The Group's management manage its capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern and maintains an optimal capital structure, so as to maximise shareholders value. The management reviews the capital structure by considering the cost of capital and the risks associated with the capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Total capital managed at Group level, which comprises shareholders' funds, cash and cash equivalents and bank borrowings.

29. Capital Management (Cont'd)

The gearing ratio is as follows:

	Group		
	31.12.2012	**31.12.2011**	**1.1.2011**
Total loans and borrowings (RM)	17,042	30,044	41,372
Less: Cash and cash equivalents (RM)	(3,452)	(3,352)	(3,355)
Total net debts (RM)	13,590	26,692	38,017
Total equity (RM)	49,585	71,904	78,303
Debt-to-equity ratio (%)	27%	37%	49%

30. Date of Authorisation for Issue

The financial statements of the Group and of the Company for the financial year ended 31 December 2012 were authorised for issue in accordance with a resolution of the Board of Directors on 29 April 2013.

Supplementary Information on the Disclosure of Realised and Unrealised Profits or Losses

The following analysis of realised and unrealised retained profits/ (accumulated losses) of the Group and of the Company at 31 December 2012 is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad ("Bursa Securities") dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

The retained profits/ (accumulated losses) of the Group and of the Company as at 31 December 2012 is analysed as follows:

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Total retained profits/ (accumulated losses) of the Company and its subsidiaries				
- realised	11,982	40,464	(1,111)	(1,048)
- unrealised	(2,044)	(3,756)	-	-
	9,938	36,708	(1,111)	(1,048)
Less: Consolidation adjustments	(29,214)	(33,665)	-	-
	(19,276)	3,043	(1,111)	(1,048)

Additional Disclosure

The information set out below is disclosed in accordance with the Listing Requirements of Bursa Malaysia:

1. UTILISATION OF PROCEEDS

The gross proceeds of the Public Issues amounting to RM10.2 million have been utilised for the following purposes to-date:-

Description		Proposed Amount RM’000	Utilised Amount RM’000
a)	Repayment of bank borrowings	5,000	5,000
b)	Working capital	3,600	3,500
c)	Listing expenses	1,600	1,700
Total		10,200	10,200

2. SHARE BUY-BACKS

During the financial year, there was no share buy-backs exercise carried out by the Company.

3. DEPOSITORY RECEIPT PROGRAMME

During the financial year, the Company did not sponsor any Depository Receipt Programme.

4. IMPOSITION OF SANCTIONS AND/OR PENALTIES

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or Management by the relevant regulatory bodies.

5. NON-AUDIT FEES

No non-audit fees were paid to the external auditors during the financial year.

Additional Disclosure

6. VARIATION IN RESULTS

Description	Unaudited results* 31.12.2012 RM'000	Audited results 31.12.2012 RM'000	Difference	
			RM'000	%
Loss after taxation	(24,060)	(22,319)	1,741	7.2

*Based on announcement of quarterly financial reports for the fourth quarter ended 31 December 2012 made on 28 February 2013.

7. PROFIT GUARANTEES

During the financial year, there were no profit guarantees given by the Company and its subsidiaries.

8. MATERIAL CONTRACTS

During the financial year, there were no material contracts entered into by the Company and its subsidiaries involving Directors' and major shareholders' interests.

9. CONTRACTS RELATING TO LOANS

There were no material contracts relating to loans entered into by the Company involving Directors and major shareholders.

10. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES EXERCISED

There were no issuances of options, warrants or convertible securities during the financial year.

11. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

There was no material Recurrent Related Party Transactions of a revenue or trading nature during the financial year.

Group Properties Portfolio

The landed property of ARB as at the date of this Annual Report is as follows:

	Registered Owner / Location	Land Area (sq.m)	Tenure	Description/Existing Use/Restriction in Interest	Land Area and Building's Built- up Area (sq. m.)	Approx. Age of Building (Year)	Net Book Value @ 31 Dec 2012 RM
1	CL 105477361 Alongside the Kalabakan River, 100km to the North-west of Tawau Municipal Centre, Kalabakan, District of Tawau, State of Sabah	31,760	99 years (01.01.1993 - 31.12.2091)	• Land			689,300
				• Sawmill Building	2,016	20	0
				• Mini Saw Building	669	20	83,604
				• 7 units timber sheds	10,701	20	83,427
				• Store cum planner	613	20	4,149
				• Workshop	297	20	20,734
				• Generator House	56	20	1,580
							882,794
2	CL 105474557 Alongside the Kalabakan River, 100 km to the North-west of Tawau Municipal Centre, Kalabakan, District of Tawau, State of Sabah	19,920	60 years (01.01.1992 - 31.12.2051)	• Land			380,907
				• Land Reclamation			179,563
				• Sawmill Complex			1
				• Double storey office cum senior staff quarters	483	20	1
				• Badminton hall	238	20	9,325
				• Canteen	260	20	1
				• Double storey office cum senior staff quarters	1,085	13	18,380
				• Canteen Building		10	1,375
				• Labour Line		5	30,976
							620,529

	Registered Owner / Location	Land Area (sq.m)	Tenure	Description/Existing Use/Restriction in Interest	Land Area and Building's Built- up Area (sq. m.)	Approx. Age of Building (Year)	Net Book Value @ 31 Dec 2012 RM
3	CL 105491825 Alongside the Kalabakan River, 100 km to the north-west of Tawau Municipal Center, Kalabakan, District of Tawau, State of Sabah	53,760	99 years (01.01.1995 - (31.12.2093)	• Land			1,099,754
				• Land Reclamation			97,996
				• Plywood factory cum timber products shed	17,561	13	3,827,519
				• Workshop cum store	929	13	4,285
				• Generator store	297	13	1
				• Boiler Shed	334	13	1
				• Block board factory	2,055	13	173,310
				• Polyester and Tego plywood factory cum kiln dry section	7,808	13	1,880,861
				• 2 units water reservoir (cubic ft)	453	13	1
				• High rise platform water tank (Cubic ft)	37	13	27,111
				• Gate House		15	1
				• Workshop		13	1
				• Forestry House		19	1,462
				• New Office		17	136,990
				• New Shop Lot		8	123,707
							7,373,000

	Registered Owner / Location	Land Area (sq.m)	Tenure	Description/Existing Use/Restriction in Interest	Land Area and Building's Built-up Area (sq. m.)	Approx. Age of Building (Year)	Net Book Value @ 31 Dec 2012 RM
4	CL 105438855 –TB3744	153.9	999 years	Description/Existing Use			
	Taman Sri Aman Light Industrial Estate, Mile 3 ½, Jalan Apas, 91000 Tawau, Sabah.		(08.04.1920 - (07.04.2919)	• An intermediate double storey terrace commercial unit currently used as warehouse	307.80	24	84,882
				• Office Building			19,375
				• Electrical Installation			106,114
				• Renovation			82,833
5	CL 105438864 –TB3745	153.9	999 years	Description/Existing Use			
	Taman Sri Aman Light Industrial Estate, Mile 3 ½, Jalan Apas, 91000 Tawau, Sabah.		(08.04.1920 - (07.04.2919)	• An intermediate double storey terrace commercial unit currently used as warehouse	307.80	24	185,731
				• Renovation			82,833
6	CL 105316541	2,960	999 years	Description/Existing Use			
	Hot spring Jaya, 91000 Tawau, Sabah.		(25.09.1916 - 24.09.2915)	• Vacant residential land.	N/A	N/A	79,299
							641,067

Shareholding Statistics
As At 02 May 2013

DISTRIBUTION ACCORDING TO SIZE OF SHAREHOLDINGS

	No. Of Holders		No. Of Securities		%	
Size Holdings	**M'sian**	**Foreign**	**M'sian**	**Foreign**	**M'sian**	**Foreign**
1-99	16	3	731	148	0.00	0.00
100-1,000	324	2	130,409	200	0.21	0.00
1,001-10,000	259	5	1,213,400	30,900	1.99	0.05
10,001-100,000	100	8	3,314,200	283,873	5.42	0.46
100,001- less than 5% of issued shares	25	3	19,190,263	1,504,017	31.41	2.46
5% and above of issued shares	7	0	35,431,859	0	57.99	0.00
Sub total	731	21	59,280,862	1,819,138	97.02	2.98
Grand Total (Malaysian + Foreign)	752		**61,100,000**		**100%**	

THIRTY (30) LARGEST SECURITIES ACCOUNTS HOLDER
(ACCORDING TO REGISTER OF DEPOSITORS AS AT 02 MAY 2013)

		Holdings	
	Name	**No.**	**%**
1.	Aspirasi Puspita Sdn Bhd	9,924,303	16.24
2.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Sasaran Dedikasi Sdn Bhd	5,392,335	8.83
3.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Affinity Gateway Sdn Bhd	5,143,795	8.42
4.	AMBANK (M) Bhd Pledged Securities Account for Aspirasi Puspita Sdn Bhd (ATURMAJU)	4,913,726	8.04
5.	AMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Affinity Gateway Sdn Bhd	3,485,700	5.70
6.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yeo Gee Keing (E-TWU)	3,302,600	5.41

7.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yeo Ten Fong (E-TWU)	3,269,400	5.35
8.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yeo Gee Hong (E-TWU)	2,896,865	4.74
9.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Sedia Juta Sdn Bhd	2,024,224	3.31
10.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yeo Gee Kuan (E-TWU)	1,619,927	2.65
11.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yap Que Chun (E-TWU)	1,528,692	2.50
12.	CIMSEC Nominees (Tempatan) Sdn Bhd Danaharta Managers Sdn Bhd for Aspirasi Puspita Sdn Bhd (EKARHIJAU)	1,375,998	2.25
13.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yeo Sim Lan (E-TWU)	1,362,473	2.23
14.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yeo Wang Ting (E-TWU)	1,284,950	2.10
15.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yeo Gee Keing	988,300	1.62
16.	AMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yeo Ten Fong	898,800	1.47
17.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yeo Ten Fong	892,700	1.46
18.	AMSEC Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Yeo Gee Keing	886,300	1.45
19.	Public Nominees (Asing) Sdn Bhd Pledged Securities Account for Soh Poh Choo (E-TWU)	700,017	1.15
20.	CIMSEC Nominees (Tempatan) Sdn Bhd Danaharta Managers Sdn Bhd for Aspirasi Puspita Sdn Bhd (MILIYAKIN)	674,699	1.10
21.	RHB Nominees (Asing) Sdn Bhd Pledged Securities Account for Tang Teng Hong	610,000	1.00
22.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yeo Gee Hong	571,900	0.94
23.	Affinity Spring Sdn Bhd	423,000	0.69
24.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tey Yok Eng (E-BPT)	225,000	0.37

25.	Low Hing Noi	200,000	0.33
26.	CITIGROUP Nominees (Asing) Sdn Bhd Exempt an for OCBC Securities Private Limited (Client A/C-NR)	194,000	0.32
27.	Yeo Sim Lan	190,900	0.31
28.	Leow Pek Fong @ Liew Pek Fong	188,000	0.31
29.	Aturmaju Resources Berhad	186,705	0.31
30.	Ng Swee Ngoh	165,000	0.27

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SUBSTANTIAL SHAREHOLDERS

(ACCORDING TO THE COMPANY'S REGISTER OF SUBTANTIAL SHAREHOLDERS AS AT 02 MAY 2013)

		Direct		Indirect	
Name	**Place Of Incorporation/ Nationality**	**No. Of Ordinary Shares Of RM1.00 Each**	**Share Capital (%)**	**No. Of Ordinary Shares Of RM1.00 Each**	**Share Capital (%)**
Datuk Yeo Wang Seng	Malaysian	-	-	31,431,713(1)	51.65
Yeo Wang Ting	Malaysian	1,284,950	2.10	27,905,263(2)	45.86
Aspirasi Puspita Sdn. Bhd.	Malaysia	16,947,059	27.78	-	-
Affinity Gateway Sdn. Bhd.	Malaysia	8,629,495	14.12	-	-
Yeo Gee Kuan	Malaysian	1,619,927	2.65	10,779,760.(3)	17.70
Datin Yap Que Chun	Malaysian	1,528,692	2.50	2,241,500 (4)	3.68

Notes :-

(1) Deemed interest through direct shareholdings of his spouse (Datin Yap Que Chun), brother (Mr. Yeo Wang Ting), son (Mr. Yeo Gee Kuan), sister-in-law (Mdm. Soh Poh Choo) and daughter (Yeo Sim Lan) and his substantial shareholdings in Affinity Gateway Sdn. Bhd. and Aspirasi Puspita Sdn. Bhd.

(2) Deemed interest through direct shareholdings of his spouse (Mdm. Soh Poh Choo), sister-in-law (Datin Yap Que Chun) and his substantial shareholdings in Affinity Gateway Sdn. Bhd. and Aspirasi Puspita Sdn. Bhd.

(3) Deemed interest through direct shareholdings of his mother (Datin Yap Que Chun) and sister (Yeo Sim Lan).

(4) Deemed interest through direct shareholdings of her son (Mr. Yeo Gee Kuan) and her daughter (Yeo Sim Lan).

STATEMENT OF DIRECTORS' INTEREST IN THE COMPANY

Name	Direct No. Of Ordinary Shares Of RM1.00 Each	Share Capital (%)	Indirect No. Of Ordinary Shares Of RM1.00 Each	Share Capital (%)
Abdul Rahman Bin Ahmad Mahidin (Resigned on 31 May 2013)	21,226	0.03	0	0.00
Datuk Yeo Wang Seng	0	0	31,431,713[(1)]	51.65
Yeo Wang Ting	1,284,950	2.10	27,905,263[(2)]	45.86
Lim Yun Nyen	6,612	0.01	0	0.00
Yeo Gee Kuan	1,619,927	2.65	10,779,760[(3)]	17.70
Datuk Tan Choon Hwa (JMK,JP)	125,830	0.21	0	0.00
Datuk Baharon Bin Talib	0	0.00	0	0.00
Ng Kok Wah	0	0.00	0	0.00

Notes :-

(1) Deemed interest through direct shareholdings of his spouse (Datin Yap Que Chun), brother (Mr. Yeo Wang Ting), son (Mr. Yeo Gee Kuan), sister-in-law (Mdm. Soh Poh Choo)) and daughter (Yeo Sim Lan) and his substantial shareholdings in Affinity Gateway Sdn. Bhd. and Aspirasi Puspita Sdn. Bhd.

(2) Deemed interest through direct shareholdings of his spouse (Mdm. Soh Poh Choo), sister-in-law (Datin Yap Que Chun) and his substantial shareholdings in Affinity Gateway Sdn. Bhd. and Aspirasi Puspita Sdn. Bhd.

(3) Deemed interest through direct shareholdings of his mother (Datin Yap Que Chun) and sister (Yeo Sim Lan).

RHB
RHB Nominees (Tempatan) Sdn Bhd 259064-V
Level 10, Plaza OSK, Jalan Ampang,
50450 Kuala Lumpur, Malaysia.
TEL +603 2333 8333, 2175 3388 FAX +603 2175 3333

100 years RHB Banking Group A Century of Commitment

Our Ref : RHNT/ATURMAJU/AGM/2013

22 May 2013

The Company Secretary
ATURMAJU RESOURCES BERHAD
TB 8285, Lot 20C, Perdana Square Commercial Centre
Miles 3 1/2, Jalan Apas,
91000 Tawau, Sabah, Malaysia

Dear Sirs,

REQUISITION FOR RESOLUTION AT THE FORTHCOMING FIFTEENTH ANNUAL GENERAL MEETING OF ATURMAJU

We are writing on behalf of our client, SASARAN DEDIKASI SDN. BHD. (Co. no. 424966-V) being a member of ATURMAJU RESOURCES BERHAD ("the Company") wish to give a notice pursuant to Section 172(11) of the Companies Act, 1965 to nominate Messrs. CHI-LLTC (formerly known as Messrs. LLTC) (AF1114) for appointment as auditors of ATURMAJU in place of the retiring auditors, Messrs. UHY (AF1411). The intention is to move the motion to change auditors to be passed as an Ordinary Resolution at the forthcoming Annual General Meeting of ATURMAJU.

In this regard, a notice of the following resolution which is intended to be moved thereat as an Ordinary Resolution:-

> **"CHANGE OF AUDITORS**
> **THAT** Messrs. CHI-LLTC (formerly known as Messrs. LLTC), having consented to act, be and are hereby appointed auditors of the Company in place of the retiring auditors, Messrs. UHY, to hold office until the conclusion of the next Annual General Meeting at a remuneration to be agreed upon between the Directors and the auditors."

According to our records as of today, the client's holdings in the Company are as follow:-

Stock Code	CDS Account Name	CDS Account No.	Shareholdings
7181	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SASARAN DEDIKASI SDN. BHD.	087-018-047374442	5,392,335

Thank you.

Your faithfully

VINCENT BONG LET LOONG
Assistant Vice President
Custody & Nominees Unit

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fifteenth Annual General Meeting of Aturmaju Resources Berhad ("ARB" or "the Company") will be held at TB 8285 Lot 20C, Perdana Square Commercial Centre, Mile 3 ½, Jalan Apas, 91000 Tawau, Sabah, Malaysia on Saturday, 29 June 2013, at 10.00 a.m. for the purpose of transacting the following businesses:

AGENDA

1.	To receive the Audited Financial Statements for the financial year ended 31 December 2012 together with the Reports of the Directors and Auditors thereon.	**Please refer to Note A.**
2.	To approve the payment of Directors' fees to the directors of the Company for the financial year ended 31 December 2012.	(Ordinary Resolution 1)
3.	To re-elect Datuk Yeo Wang Seng as a Director of the Company in accordance with Article 89 of the Company's Articles of Association.	(Ordinary Resolution 2)
4.	To re-elect Mr Lim Yun Nyen as a Director of the Company in accordance with Article 89 of the Company's Articles of Association.	(Ordinary Resolution 3)
5.	To re-elect Mr Ng Kok Wah as Director of the Company in accordance with Article 96 of the Company's Articles of Association.	(Ordinary Resolution 4)
6.	To appoint Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. Notice of Nomination from a shareholder pursuant to Section 172 (11) of the Companies Act, 1965 has been received by the Company for the nomination of Messrs CHI-LLTC (formerly known as Messrs. LLTC)(a copy of which is annexed hereto and marked as "Annexure A"), who have given their consent to act, for the appointment as Auditors and intention to propose the following Ordinary Resolution: - "THAT Messrs. CHI-LLTC (formerly known as Messrs. LLTC) be and are hereby appointed as Auditors of the Company in place of the retiring Auditors, Messrs. UHY, and to hold office until the conclusion of the next Annual General Meeting and that authority be and is hereby given to the Directors to determine their remuneration." **As Special Business:** To consider and, if thought fit, to pass the following resolutions:	(Ordinary Resolution 5)
7.	Authority To Directors To Allot And Issue Shares "THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised to issue shares in the Company at any time until the conclusion of the next Annual General Meeting 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 10% of the issued share capital of the Company for the time being, subject always to the approval of all the relevant regulatory bodies having been obtained for such	(Ordinary Resolution 6)

	allotment and issue."	
8.	Retention of Independent Non-Executive Director "THAT Datuk Tan Choon Hwa (JMK, JP) be retained as Independent Non-Executive Director of the Company pursuant to the Malaysian Code of Corporate Governance 2012."	(Ordinary Resolution 7)
9.	To transact any other business of the Company for which due notice shall have been given.	

BY ORDER OF THE BOARD

TAN TONG LANG (MAICSA 7045482)
CHONG VOON WAH (MAICSA 7055003)
Company Secretaries

Kuala Lumpur
Date: 6 June 2013

NOTES ON APPOINTMENT OF PROXY

A. This Agenda item is meant for discussion only as Section 169(1) of the Companies Act, 1965 and the Company's Articles of Association provide that the audited financial statements are to be laid in the general meeting. Hence, it is not put forward for voting.

1. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy may but need not be a member and / or a qualified legal practitioner, an approved company auditor or a person approved by the Registrar of Companies.

2. Where a member duly executed the form of proxy but does not name any proxy, such member shall be deemed to have appointed the Chairman of the meeting as his/their proxy, provided always that the rest of the proxy form, other than the particulars of the proxy have been duly completed by the member.

3. Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportion of his holding to be represented by each proxy.

4. Where a member of the Company is an exempt authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provision of subsection 25A(1) of the Central Depositories Act which holds ordinary shares in the Company for multiple beneficial owners in one Securities Account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

5. In the case of a corporate member, the instrument appointing a proxy shall be under its Common Seal or under the hand of an officer or attorney, duly authorised.

6. The instrument appointing a proxy must be deposited at the Registered Office at TB 8285, Lot 20C, Perdana Square Commercial Centre, Mile 3 1/2, Jalan Apas, 91000 Tawau, Sabah, Malaysia not less than 48 hours before the time for holding the Meeting or any adjournment thereof.

7. For the purpose of determining a member who shall be entitled to attend the Fifteenth Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a General Meeting Record of Depositors as at 21 June 2013. Only members whose name appears on the Record of Depositors as at 21 June 2013 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

EXPLANATORY NOTES ON SPECIAL BUSINESS

Ordinary Resolution 6: Authority to Directors to Allot and Issue Shares

The Proposed Ordinary Resolution 6, if passed, is a renewal of General Mandate to empower the Directors to issue and allot shares up to an amount not exceeding 10% of the issued share capital of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company. This authority, unless revoked or varied by the Company at a General Meeting, will expire at the next Annual General Meeting.

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 the purpose of funding future investment project(s) workings capital and/or acquisitions.

As at the date of this Notice, no new shares in the Company were issued pursuant to the General Mandate granted to the Directors at the Fourteenth Annual General Meeting held on 30 June 2012 and which will lapse at the conclusion of the Fifteenth Annual General Meeting.

Ordinary Resolution 7: Retention of Independent Non-Executive Director

The Proposed Resolution 7, if passed, will retain Datuk Tan Choon Hwa (JMK, JP) as Independent Non-Executive Director of the Company. Datuk Tan Choon Hwa (JMK, JP) was appointed an Independent Director of the Company since 1 November 2003 and has, therefore served for more than 9 years. Pursuant to the Malaysian Code of Corporate Governance 2012, the Board of Directors had assessed the status of independence of Datuk Tan Choon Hwa (JMK, JP) and agreed that he has been and can continue to bring independent and objective judgment to Board deliberations and decisions. Therefore, the Board of Directors (save for Datuk Tan Choon Hwa (JMK, JP)) recommends to the shareholders for approval, the resolution to retain Datuk Tan Choon Hwa (JMK, JP) as Independent Director. The profile of Datuk Tan Choon Hwa (JMK, JP) is set out in the Annual Report 2012.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

The Directors who are standing for re-election at the Fifteenth Annual General Meeting of the Company are :-

i)	Datuk Yeo Wang Seng	Article 89	(Ordinary Resolution 2)
ii)	Mr Lim Yun Nyen	Article 89	(Ordinary Resolution 3)
iii)	Mr Ng Kok Wah	Article 96	(Ordinary Resolution 4)

The profile of the Directors standing for re-election for Ordinary Resolutions 2, 3 and 4 is set out on pages 3 to 5 of the Annual Report 2012. The shareholdings of the abovenamed Directors in the Company is disclosed on page 111 of the aforesaid Annual Report.

The details of the Directors' attendance for Board Meetings are disclosed in the Corporate Governance Statement on page 10 of the Annual Report 2012.

The Fifteenth Annual General Meeting of the Company will be held at TB 8285 Lot 20C, Perdana Square Commercial Centre, Mile 3 ½, Jalan Apas, 91000 Tawau, Sabah, Malaysia on Saturday, 29 June 2013, at 10.00 a.m.

Proxy Form

I / We (*Full Name in Block Letters)*____

NRIC No. / Passport No. / Company No. ____

of____

being a member / members of ATURMAJU RESOURCES BERHAD, hereby appoint____________________

____________________________NRIC No. / Passport No. / Company No.____________________

of____

and / or ____

of____

NRIC No. / Passport No.__________ ____
as my / our proxy to vote and act on my / our behalf at the Fifteenth Annual General Meeting of Aturmaju Resources Berhad ("ARB" or "the Company") to be held at TB 8285 Lot 20C, Perdana Square Commercial Centre, Mile 3 ½, Jalan Apas, 91000 Tawau, Sabah, Malaysia on Saturday, 29 June 2012, at 10.00 a.m. and at any adjournment thereof.

NO.	RESOLUTIONS	FOR	AGAINST
1.	**Ordinary Resolutions** To approve the payment of Directors' fees to the directors of the Company.		
2.	To re-elect Datuk Yeo Wang Seng as Director.		
3.	To re-elect Mr Lim Yun Nyen as Director.		
4.	To re-elect Mr Ng Kok Wah as Director.		
5.	To appoint Auditors of the Company.		
6.	**As Special Business :-** To approve the ordinary resolution pursuant to Section 132D of the Companies Act, 1965.		
7.	Retention of Datuk Tan Choon Hwa (JMK, JP) as Independent Non-Executive Director.		

(Please indicate with 'X' how you wish to cast your vote. In the absence of specific directions, the proxy may vote or abstain from voting on the resolutions as he/she may think fit.)

Signed this __________ day of ____________________, 2013.

Signature : ____
(If shareholder is a corporation, this form should be executed under seal)

NUMBER OF SHARES HELD	

The proportions of my/our holdings to be represented by my/our proxies are as follows:-
First Proxy
No. of Shares: ……………

Percentage : ……………….%

Second Proxy
No. of Shares: …………Percentage : ……………….%

NOTES:
1. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy may but need not be a member and / or a qualified legal practitioner, an approved company auditor or a person approved by the Registrar of Companies.
2. Where a member duly executed the form of proxy but does not name any proxy, such member shall be deemed to have appointed the Chairman of the meeting as his/their proxy, provided always that the rest of the proxy form, other than the particulars of the proxy have been duly completed by the member.
3. Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportion of his holding to be represented by each proxy.
4. Where a member of the Company is an exempt authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provision of subsection 25A(1) of the Central Depositories Act which holds ordinary shares in the Company for multiple beneficial owners in one Securities Account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. In the case of a corporate member, the instrument appointing a proxy shall be under its Common Seal or under the hand of an officer or attorney, duly authorised.
6. The instrument appointing a proxy must be deposited at the Registered Office at TB 8285, Lot 20C, Perdana Square Commercial Centre, Mile 3 1/2, Jalan Apas, 91000 Tawau, Sabah, Malaysia not less than 48 hours before the time for holding the Meeting or any adjournment thereof.
7. For the purpose of determining a member who shall be entitled to attend the Fifteenth Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a General Meeting Record of Depositors as at 21 June 2013. Only members whose name appears on the Record of Depositors as at 21 June 2013 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

Fold this flap for sealing

AFFIX
STAMP

THE COMPANY SECRETARY

Aturmaju Resources Berhad (Company No. 448934-M)

TB 8285, Lot 20C, Perdana Square Commercial Centre

Mile 3 1/2, Jalan Apas, 91000 Tawau, Sabah, Malaysia

2nd fold here

1st fold here

Management Office :
TB 8285, Lot 20C, Perdana Square Commercial Centre,
Mile 3½, Jalan Apas, 91000 Tawau, Sabah, Malaysia.

Tel: 089-911026, 913970 Fax: 089-911304

Email: aturmaju_arb@yahoo.com
Website: www.aturmaju.com.my