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Annual Report 2010 ATURMAJU RESOURCES BERHAD (448934-M)

ATURMAJU RESOURCES BERHAD

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

Annual Report 2010

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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 subsidiaries company 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,woodenflooringboard 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

Abdul Rahman B. Ahmad Mahidin
(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)

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

Wong Yew Sen
(Independent Non-Executive Director)

Datuk Baharon Bin Talib
(Independent Non-Executive Director)

AUDIT COMMITTEE

Wong Yew Sen (Chairman)
Abdul Rahman B. Ahmad Mahidin
Datuk Baharon Bin Talib

NOMINATION COMMITTEE

Datuk Baharon Bin Talib (Chairman)
Wong Yew Sen
Tan Choon Hwa (JMK,JP)

REMUNERATION COMMITTEE

Datuk Baharon Bin Talib (Chairman)
Wong Yew Sen
Abdul Rahman B. Ahmad Mahidin

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
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Email : aturmaju_arb@yahoo.com
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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

ABDUL RAHMAN B. AHMAD MAHIDIN
(Independent Non-Executive Chairman)

Malaysian**,** aged 42, was appointed to the Board as Director and Chairman on 1st November 2003. He is also a member of Audit Committee and Remuneration Committee of ARB

He graduated from International Islamic University Malaysia with a Bachelor of Laws (Hons) and obtained his Degree in 1993 and completed his chambering with Harun Idris Yeoh & Partners in 1994. He was then appointed as partner in Zulqarnain & Co. In 1996, he joined YADIM Holdings Sdn. Bhd., an investment holding company, as General Manager in charge of operations of a few subsidiary companies which engaged in various nature of business. He held the above said position for 4 years.

In 2000, he commenced his own businesses which amongst others are Saga Fortune Sdn. Bhd. (Film Production Company), Terminal Kreatif Sdn. Bhd. (Trading) and Mid-Genius Industries Sdn. Bhd.

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

DATUK YEO WANG SENG
(Managing Director)

Malaysian, aged 61, 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 97**. He has no conflict of interest with the Company and had no conviction for any offences within the past 10 years.

Board Of Directors' Profiles

YEO WANG TING
(Executive Director)

Malaysian, aged 62, 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 97**. He has no conflict of interest with the Company and had no conviction for any offences within the past 10 years.

LIM YUN NYEN
(Executive Director)

Malaysian, age 40, 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. He has no conflict of interest with the Company and had no conviction for any offences within the past 10 years.

YEO GEE KUAN
(Executive Director)

Malaysian, aged 35, 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 97.** He has no conflict of interest with the Company and had no conviction for any offences within the past 10 years.

Board Of Directors' Profiles

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

Malaysian**,** aged 54, was appointed to the Board as Director on 1st November 2003. He is also a member of Nomination Committee of ARB.

He is a businessman who has attached himself in various industries such as timber extraction, main contractor, housing and land development. He is 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. He does not have any family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest with the Company and had no conviction for any offences within the past 10 years.

DATUK BAHARON BIN TALIB
(Independent Non-Executive Director)

Malaysian**,** aged 59, was appointed to the Board as Independent Non-Executive Director on 20th October 2010. He is a member of the Audit Committee, and the Chairman of Nomination Committee and Remuneration Committee of ARB.

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

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

WONG YEW SEN
(Independent Non-Executive Director)

Malaysian**,** aged 64, was appointed to the Board as Independent Non-Executive Director on 1st August 2006. He is the Chairman of the Audit Committee, and member of Nomination Committee and Remuneration Committee of ARB.

He has been a Senior Associate Member of the Institute Bank-Bank Malaysia since 1978. He graduated with a Bachelor of Economics from University of Malaya in 1971 and obtained a Diploma in Banking from Institute Bankers, London in 1973. He was involved in the supervision of banking institutions for about 32 years since he joined Bank Negara Malaysia ("BNM") in August 1971. He held various positions in BNM including Deputy Director of Supervision Department, Head of Internal Audit Department, Director of Banking Supervision 2 Department and Director of Insurance Supervision Department.

From November 2003 to April 2006, he was appointed Advisor (Supervision) of Department of Co-operative Development Malaysia, responsible for building up the supervisory functions of the department on Co-operatives. He was a Governor of Institute of Internal Auditors Malaysia between April 1993 to April 2006 and was elected as its President for two terms from April 1998 to April 2000. He does not have any family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest with the Company and had no conviction for any offences within the past 10 years.

Chairman's Statement

DEAR SHAREHOLDERS,

On behalf of the Board of Directors of Aturmaju Resources Berhad ("ARB" or " the Company"), it is my pleasure once again to present the Annual Report and Financial Statement of the Company for the financial year ended 31st December 2010.

OVERVIEW

In 2010, the global economic environment was uncertain with a mixture of positive and negative developments.

The US consumer confidence improved following the government's economic stimulus programmes and efforts at maintaining stability in financial and housing sectors. In Europe, high levels of unemployment and the debt crisis in several countries continued to weigh down recovery in that region. In the Middle East recovery remained slow with supply overhang in the real estate sector and general contraction of economic activities.

The Malaysian economy has expanded by 7.2% in 2010, underpinned by strengthening domestic demand and supported by improving private investments. The demand for our timber products has shown a positive growth in the first and second half 2010 with demand picking up strongly thereafter as the market began to replenish depleted inventory followed by the buying movement of our key export countries.

FINANCIAL PERFORMANCE

During the financial year under review, the Group registered significantly higher turnover of RM71.70 million or increased by 13 % compared to RM63.49 million in the previous financial year. The loss after taxation of RM10.13 million compare to loss after taxation of RM7.14 million in previous year.

Even though there is a significant increased in the Group's revenue in the current financial year, the amortisation of goodwill at RM10.04 million derived from the subsidiary company's concession areas has eventually net off the Group's profit, and the rising costs of raw materials and the strengthening of Ringgit against the US Dollar has pushed the profit margin down to a lower lever.

The unpredictable heavy rainfall as a result of global warning has affected the logging operations and significantly reduced logging activities during the year end period.

Chairman's Statement

PROSPECTS AND CHALLENGES

Recent unstable political environment in the Middle East countries has resulted in concerns over global oil prices. The global economy is expected to have a significant impact due to the high rise of the oil price and will have severe repercussions on the recovery of the global economy. As the oil price surges to USD110 per barrel, the Company suffered pressure on the diesel consumed for day to day operations for both processing plant and logging activities.

On the other side, we expect there is a surge on the timber product price after earthquake and tsunami hit Japan recently. The demand of timber product shall be moving upwards towards the end of 2011.

We, as the exporters continue to face considerable uncertainties in the international market. The strengthening of the Ringgit against the US Dollar eroding the price competitiveness and profit margins.

In order to achieve profit performance in the coming years, the Group is undertaking various measures to improve production efficiency and cost stabilization on the raw material and labour costs.

We are confident of a recovery of the timber market and remained confident in the long run and subsequently contributes all positively to the Group in future.

IN APPRECIATION

On behalf of the Board, I would like to take this opportunity to express our sincere appreciation and gratitude to the management and employees for their dedication, team spirit and hard work during the period and their continuing support towards sustaining the growth of the Group in the coming years.

The achievements of the Group are also made possible through the long-standing support, co-operation and assistance of our valued customers, suppliers, business associates, bankers and government authorities.

Lastly, to you, our valued shareholders, our sincere appreciation for your faith in us and for your continuous support to the Group.

Thank you.

ABDUL RAHMAN BIN AHMAD MAHIDIN
Independent Non-Executive Chairman

Corporate Social Responsibility

As an entity, the Group is an integral part of the community and environment in which it operates. With Regard to corporate integrity and responsibility, the Group takes a holistic approach toward the marketplace, workforce, community and environment.

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

Recognising that our personnel are the driving force behind our growth and operational success, efforts are in place for the provision of a conductive working environment.

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 move towards maintaining high Occupational Safety and Health standards for all employees and others at the work place is eminent. The Group is readily committed to improving health and safety performance and conducting business in a social responsible manner.

Our safety and Health Policy was formulated with the aim of ensuring that all employees are aware that they are responsible and accountable for the well being of themselves and others.

During the year, Health and Safety committees were reinstated in all the work places for the following functions: Strong emphasis on the use of personnel protective equipment such as aprons, safety masks, rubber gloves, goggles and safety helmet; induction training for new recruits; Equipment training on the safe handling of chemicals; and organized fire-fighting training.

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 are observed and practiced as a fundamental part of discharging its responsibilities to protect and enhance shareholders' value and financial performance of the Group.

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

For the financial year ended 31 December 2010, The Board has 8 members comprising:

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

(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.

In accordance to the provisions of the LR of Bursa Securities, all Directors have attended the following seminars and training courses:-

Date	Courses	Directors attended
25 May 2010	Board Effectiveness: Redefining the role and function of an Independent Director	Abdul Rahman bin Ahmad Mahidin Lim Yun Nyen Tan Choon Hwa (JMK,JP)
25 May 2010	Board Effectiveness: Understanding the roles and Responsibilities of the Nominating and Remuneration Committees	Datuk Yeo Wang Seng Abdul Rahman bin Ahmad Mahidin Lim Yun Nyen Wong Yew Sen Tan Choon Hwa (JMK,JP)
28 June 2010	Updates on FRS139 Financial Instruments	Datuk Yeo Wang Seng Abdul Rahman bin Ahmad Mahidin Lim Yun Nyen Wong Yew Sen Yeo Wang Ting Yeo Gee Kuan
3 Dec 2010	Board Effectiveness: Redefining the role and function of an Independent Director	Datuk Baharon bin Talib

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.

Corporate Governance Statement

(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.

(vii) 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 2010, 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%
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%
Tan Choon Hwa (JMK,JP)	5/5	100%
Wong Yew Sen	5/5	100%
Datuk Baharon Bin Talib	1/1	20%

(viii) 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	200	497	697
Non-Executive Director	162	--	162

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

Corporate Governance Statement

(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	1	1
RM150,001 and above	1	--

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 Director) (Chairman)
Wong Yew Sen (Independent Non-Executive Director)
Abdul Rahman B. Ahmad Mahidin (Independent Non-Executive Chairman)

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)
Wong Yew Sen (Independent Non-Executive Director)
Tan Choon Hwa (JMK,JP) (Independent Non-Executive Director)

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.

Corporate Governance Statement

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 Statement on Internal Control 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.

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 Statement on Internal Control 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.

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.

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 Group Chief Executive Officer is monitoring the risks and the effectiveness of the measures on a regular basis.

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.

This statement is made in accordance with the resolution of the Board of Directors dated 28 April 2011.

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 must be non-executive directors, with a majority of them being 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 five (5) 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 approxiamately 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

Wong Yew Sen - Chairman/Independent Non-Executive Director

Members

Abdul Rahman B. Ahmad Mahidin - Member/ Independent Non-Executive Chairman

Datuk Baharon Bin Talib - Member/Independent Non-Executive Director

DETAILS OF ATTENDANCE

Members	Attendance
Wong Yew Sen	5/5
Abdul Rahman B. Ahmad Mahidin	5/5
Datuk Baharon Bin Talib	1/1

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 28 April 2011.

FINANCIAL STATEMENTS

31 DECEMBER 2010

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ATURMAJU RESOURCES BERHAD
(Incorporated in Malaysia)

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 2010.

Principal Activities

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

The principal activities of the subsidiary companies are disclosed in Note 4 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
Net loss for the financial year		
- attributable to equity holders of the parent	10,127	71

In the opinion of the Directors, the results of the operations of the Group and of the Company for the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

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.

Dividends

No dividend has been paid or declared by the Company since the end of the previous financial year. The Board of Directors does not recommend any dividend in respect of the financial year under review.

Reserves and Provisions

There were no material transfers to or from reserves and provisions during the financial year under review other than those disclosed in the financial statements.

Issued of Share Capital and Debentures

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

Options Granted Over Unissued Shares

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

Directors

The Directors who served since the date of the last report are as follows:

Abdul Rahman Bin Ahmad Mahidin	
Datuk Yeo Wang Seng	
Yeo Wang Ting	
Lim Yun Nyen	
Yeo Gee Kuan	
Tan Choon Hwa (JMK, JP)	
Wong Yew Sen	
Datuk Baharon Bin Talib	(appointed on 20.10.2010)
Wong Nyuk Pin	(resigned on 30.06.2010)

Directors' Interests

Details of holdings and deemed interests in the share capital of the Company or its related corporations by the Directors in office at the end of the financial year, according to the register required to be kept under Section 134 of the Companies Act, 1965 were as follows:

	No. of ordinary shares of RM1.00 each			
	At 1.1.2010	**Acquired**	**Disposed**	**At 31.12.2010**
Aturmaju Resources Berhad				
Direct interest:				
Abdul Rahman Bin Ahmad Mahidin	21,226	-	-	21,226
Yeo Gee Kuan	1,619,927	-	-	1,619,927
JP Tan Choon Hwa	125,830	-	-	125,830
Yeo Wang Ting	1,284,950	-	-	1,284,950
Lim Yun Nyen	85,612	-	50,000	35,612

	No. of ordinary shares of RM1.00 each			
	At 1.1.2010	**Acquired**	**Disposed**	**At 31.12.2010**
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, Abdul Rahman Bin Ahmad Mahidin, Yeo Gee Kuan, Tan Choon Hwa (JMK, JP), Yeo Wang Ting and Lim Yun Nyen are also deemed to have interests in the shares of all the subsidiary companies to the extent the Company has an interest.

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

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 corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than those disclosed in Note 22 to the financial statements.

Neither during nor at the end of the financial year, was the Company or its subsidiary companies 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 of the Company were made out, the Directors took reasonable steps:

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

(ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had 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 which would render:

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

(ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading;

(iii) any amount stated in the financial statements of the Group and of the Company misleading; and

(iv) adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(c) No contingent or other liabilities of the Group and of the Company have become enforceable, or are likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Company or its subsidiary companies to meet their obligations as and when they fall due.

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

(i) any charge on the assets of the Company and its subsidiary companies 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 Company and its subsidiary companies which has arisen since the end of the financial year.

Significant Event

The significant event is disclosed in Note 28 to the financial statements.

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Auditors

The auditors, UHY, have expressed their willingness to accept re-appointment.

Signed in accordance with a resolution of the Directors.

ABDUL RAHMAN BIN AHMAD MAHIDIN

DATUK YEO WANG SENG

KUALA LUMPUR
28 APRIL 2011

ATURMAJU RESOURCES BERHAD
(Incorporated in Malaysia)

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

We, ABDUL RAHMAN BIN AHMAD MAHIDIN and DATUK YEO WANG SENG, 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 31 to 90 are drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2010 and of their financial performance and cash flows for the financial year then ended.

The supplementary information set out in Note 13 to the financial statements 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 in accordance with a resolution of the Directors.

ABDUL RAHMAN BIN AHMAD MAHIDIN   DATUK YEO WANG SENG

KUALA LUMPUR
DATE 28 APRIL 2011

ATURMAJU RESOURCES BERHAD
(Incorporated in Malaysia)

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 31 to 90 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	)	
this 28 APRIL 2011	)	______________________
		YEO GEE KUAN

Before me,

W 456
ASMAH BT BUROH

____
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 2010 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statement 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 31 to 90.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as the Directors determine are 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 conduct 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 Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

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

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 have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2010 and of their financial performance and cash flows for the financial year then ended.

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 subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

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

(c) Our audit reports on the accounts of the subsidiary companies 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 in Note 13 is solely disclosed to meet the requirement of Bursa Malaysia Securities Berhad. 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 Malaysia 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

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

TEE GUAN PIAN
Approved Number: 1886/05/12 (J/PH)
Chartered Accountant

KUALA LUMPUR
28 APRIL 2011

ATURMAJU RESOURCES BERHAD
(Incorporated in Malaysia)

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2010

		Group		Company	
		2010	2009	2010	2009
	Note	RM'000	RM'000	RM'000	RM'000
Non-Current Assets					
Property, plant and equipment	3	34,698	38,408	-	-
Investment in subsidiary companies	4	-	-	60,914	60,912
Intangible asset	5	19,501	29,540	-	-
		54,199	67,948	60,914	60,912
Current Assets					
Inventories	6	51,299	48,127	-	-
Trade receivables	7	15,118	17,588	-	-
Other receivables	8	5,492	5,859	18	-
Deposit for supplies		7,000	5,000	-	-
Tax recoverable		-	10	-	-
Amount owing by subsidiary companies	9	-	-	7,518	7,560
Derivative financial instrument	10	3,701	-	-	-
Fixed deposits with licensed banks	11	3,193	3,857	-	-
Cash and bank balances		162	1,451	-	-
		85,965	81,892	7,536	7,560
Total Assets		140,164	149,840	68,450	68,472

ATURMAJU RESOURCES BERHAD
(Incorporated in Malaysia)

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2010 (CONT'D)

		Group		Company	
		2010	2009	2010	2009
	Note	RM'000	RM'000	RM'000	RM'000
Equity					
Share capital	12	61,100	61,100	61,100	61,100
Share premium		7,761	7,761	7,761	7,761
Retained profits/ (Accumulated losses)	13	9,442	19,569	(978)	(907)
Total equity attributable to equity holders of the parent		78,303	88,430	67,883	67,954
Non-Current Liabilities					
Hire purchase payables	14	476	363	-	-
Bank borrowing	15	27,575	33,423	-	-
Deferred taxation	16	5,161	5,538	-	-
		33,212	39,324	-	-
Current Liabilities					
Trade payables	17	3,308	4,040	-	-
Other payables	18	3,996	5,320	563	518
Amount owing to Directors	19	3,933	2,305	4	-
Hire purchase payables	14	380	199	-	-
Bank borrowing	15	12,941	9,496	-	-
Derivative financial instrument	10	3,781	-	-	-
Tax payable		310	726	-	-
		28,649	22,086	567	518
Total Liabilities		61,861	61,410	567	518
Total Equity and Liabilities		140,164	149,840	68,450	68,472

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 2010

		Group		Company	
		2010	2009	2010	2009
	Note	RM'000	RM'000	RM'000	RM'000
Revenue	20	71,704	63,494	380	391
Cost of sales		(59,834)	(52,113)	-	-
Gross profit		11,870	11,381	380	391
Other operating income		867	903	-	-
Selling expenses		(4,471)	(4,566)	-	-
Administration expenses		(5,006)	(3,654)	(451)	(464)
Other operating expenses		(10,039)	(7,807)	-	-
Finance costs	21	(3,649)	(3,449)	-	-
Loss before taxation	22	(10,428)	(7,192)	(71)	(73)
Taxation	23	301	56	-	-
Net loss for the financial year, representing total comprehensive income for the financial year		(10,127)	(7,136)	(71)	(73)
Net loss for the financial year attributable to:					
Equity holders of the parent		(10,127)	(7,136)		
Loss per share attributable to equity holders of the parent (sen):					
Basic	24	(16.58)	(11.68)		

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 2010

	Attributable to Equity Holders of the Parent				
		Non-Distributable		Distributable	
	Share Capital	Cumulative Irredeemable Convertible Preference Shares	Share Premium	Retained Profits	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Group					
At 1 January 2009	60,850	300	7,711	26,705	95,566
Net loss for the financial year, representing total comprehensive income for the financial year	-	-	-	(7,136)	(7,136)
Conversion of cumulative irredeemable convertible preference shares	250	(300)	50	-	-
At 31 December 2009	61,100	-	7,761	19,569	88,430
At 1 January 2010	61,100	-	7,761	19,569	88,430
Net loss for the financial year, representing total comprehensive income for the financial year	-	-	-	(10,127)	(10,127)
At 31 December 2010	61,100	-	7,761	9,442	78,303

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 2010 (CONT'D)

		Non-Distributable			
	Share Capital RM'000	**Cumulative Irredeemable Convertible Preference Shares** RM'000	**Share Premium** RM'000	**Accumulated Losses** RM'000	**Total** RM'000
Company					
At 1 January 2009	60,850	300	7,711	(834)	68,027
Net loss for the financial year, representing total comprehensive income for the financial year	-	-	-	(73)	(73)
Conversion of cumulative irredeemable convertible preference shares	250	(300)	50	-	-
At 31 December 2009	61,100	-	7,761	(907)	67,954
At 1 January 2010	61,100	-	7,761	(907)	67,954
Net loss for the financial year, representing total comprehensive income for the financial year	-	-	-	(71)	(71)
At 31 December 2010	61,100	-	7,761	(978)	67,883

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 2010

	Group		Company	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Cash Flows From Operating Activities				
Loss before taxation	(10,428)	(7,192)	(71)	(73)
Adjustments for:				
Amortisation of intangible asset	10,039	7,807	-	-
Bad debts written off	651	-	-	
Depreciation of property, plant and equipment	5,119	5,305	-	-
Gain on disposal of property, plant and equipment	(50)	-	-	-
Impairment on trade receivables	-	2	-	-
Impairment on other receivables	-	6	-	-
Interest expenses	3,649	3,449	-	-
Interest income	(91)	(116)	-	-
Inventories written off	3,045	3,414	-	-
Reversal of impairment on trade receivables	(2)	-	-	
Reversal of impairment on other receivables	(6)	-	-	-
Unrealised loss on derivative financial instrument	80	-	-	-
Operating profit/(loss) before working capital Changes	12,006	12,675	(71)	(73)
(Increase)/Decrease in working capital				
Inventories	(6,217)	(2,439)	-	-
Trade receivables	1,821	9,363	-	-
Other receivables	373	4,892	(18)	-
Deposit for supplies	(2,000)	-	-	-
Trade payables	(732)	1,680	-	-
Other payables	(1,324)	2,852	45	11
Amount owing by subsidiary companies	-	-	42	(2)
Amount owing to Directors	1,628	499	4	-
	(6,451)	16,847	73	9
Cash generated from/(used in) operations	5,555	29,522	2	(64)
Interest received	91	116	-	-
Interest paid	(3,649)	(3,449)	-	-
Tax paid	(482)	(130)	-	-
	(4,040)	(3,463)	-	-
Net cash from/(used in) operating activities	1,515	26,059	2	(64)

ATURMAJU RESOURCES BERHAD
(Incorporated in Malaysia)

CASH FLOW STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010 (CONT'D)

		Group		Company	
		2010	2009	2010	2009
	Note	RM'000	RM'000	RM'000	RM'000
Cash Flows From Investing Activities					
Purchase of property, plant and equipment	3(d)	(769)	(5)	-	-
Proceeds from disposal of property, plant equipment		50	-	-	-
Net cash outflow from investment in subsidiary company	4(c)	-	(22,997)		-
Investment in subsidiary company		-	-	(2)	-
Net cash used in investing activities		(719)	(23,002)	(2)	-
Cash Flows From Financing Activities					
Drawdown of bank borrowing		9,000	28,742	-	-
Decreased in fixed deposits pledged with licensed banks		664	38	-	-
Repayment of hire purchase payables		(346)	(207)	-	-
Repayment of bank borrowing		(11,403)	(34,684)	-	-
Net cash used in financing activities		(2,085)	(6,111)	-	-
Net decrease in cash and cash equivalents		(1,289)	(3,054)	-	(64)
Cash and cash equivalents at beginning of the financial year		1,451	4,505	-	64
Cash and cash equivalents at end of the financial year		162	1,451	-	-
Cash and cash equivalents at end of the financial year comprises:					
Cash and bank balances		162	1,451	-	-
Fixed deposits with licensed banks		3,193	3,857	-	-
		3,555	5,308	-	-
Less: Fixed deposits pledged with licensed banks		(3,193)	(3,857)	-	-
		162	1,451	-	-

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

The principal activities of the subsidiary companies are disclosed in Note 4 to the financial statements.

The Company is a public limited liability company, incorporated in Malaysia under the Companies Act, 1965 and domiciled in Malaysia, and is listed on 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.

2. Basis of Preparation and Significant Accounting Policies

(a) Basis of accounting

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 compliance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia.

During the financial year, the Group and the Company have adopted the following applicable new Financial Reporting Standards ("FRSs"), revised FRSs, Issues Committee ("IC") Interpretations, amendments to FRSs and IC Interpretations, issued by the Malaysian Accounting Standards Board that are mandatory for current financial year:

FRS 8	Operating Segments
FRS 4	Insurance Contracts
FRS 7	Financial Instruments: Disclosures
FRS 101	Presentation of Financial Statements
FRS 123	Borrowing Costs
FRS 139	Financial Instruments: Recognition and Measurement
Amendments to FRS 2	Share-based Payment-Vesting Conditions and Cancellations
Amendments to FRS 117	Leases
Amendments to FRS 132	Financial Instruments: Presentation

IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 - Group and Treasury Share Transactions
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS 119 - The Limit on a defined Benefit Asset, Minimum Funding Requirements and their Interaction

Amendments to FRS1, First-time Adoption Financial Reporting Standards and FRS 127, Consolidated and Separate Financial Statements - Cost of an investment in a subsidiary, Jointly Controlled Entity or Associate

Amendments to FRS 139, Financial Instruments: Recognition and Measurement, FRS 7, Financial Instruments: Disclosures and IC Interpretation 9, Reassessment of Embedded Derivatives

Amendments to FRSs contained in the document entitled "Improvements to FRSs (2009)"

The revised FRS are either not applicable to the Group and to the Company or the adoptions did not result in significant changes in accounting policies of the Company and did not have significant impact on the Company.

The Group and the Company have not early adopted the following new FRSs, revised FRSs, Issues Committee ("IC") Interpretations, amendments to FRSs and IC Interpretations, which have been issued as at the date of authorisation of these financial statements and will be effective for the financial periods as stated below:

		Effective date for financial periods beginning on or after
Amendments to FRS 132	Financial Instruments: Presentation	1 March 2010
FRS 1	First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 3	Business Combinations	1 July 2010
FRS 127	Consolidated & Separate Financial Statements	1 July 2010
Amendments to FRS 2	Share-based Payment	1 July 2010
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
Amendments to FRS 138	Intangible Assets	1 July 2010

		Effective date for financial periods beginning on or after
IC Interpretation 12	Service Concession Arrangements	1 July 2010
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17	Distributions of Non-cash Assets to Owners	1 July 2010
Amendments to IC Interpretation 9 Reassessment of Embedded Derivatives		1 July 2010
Amendment to FRS 1	Limited Exemption from Comparative FRS 7 Disclosure for First-time Adopters	1 January 2011
Amendment to FRS 7	Improving Disclosures about Financial Instruments	1 January 2011
IC Interpretation 4	Determining whether an Arrangement contains a Lease	1 January 2011
IC Interpretation 18	Transfers of Assets from Customers	1 January 2011
Amendments to FRSs contained in the documents entitled "Improvements to FRSs (2010)"		1 January 2011
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Amendments to IC Interpretation 14	Prepayment of a Minimum Funding Requirement	1 July 2011
IC Interpretation 15	Agreements for Construction of Real Estate	1 January 2012
FRS 124	Related Party Disclosures	1 January 2012

The initial applications of the above applicable new FRSs, revised FRSs, IC Interpretations, amendments to FRSs and IC Interpretations is not expected to have any material impact on the financial statements of the Group and the Company, except as discussed below:

(i) FRS 7 Financial Instruments: Disclosures

This new standard requires disclosures in financial statements that enable users to evaluate the significance of financial instruments for the entity's financial position and performance, and the nature and extent of risks arising from financial instruments to which an entity is exposed and how these risks are managed. This standard requires both qualitative disclosures describing management's objectives, policies and processes for managing those risks, and quantitative disclosures providing information about the extent to which an entity is exposed to risk, based on information provided internally to the entity's key management personnel.

(ii) FRS 123 Borrowing Costs

This new standard removes the option of immediately recognising as an expense borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. However, capitalisation of borrowing costs is not required for assets measured at fair value, and inventories that are manufactured or produced in large quantities on a repetitive basis, even if they take a substantial period of time to get ready for use or sale.

(iii) Amendment to FRS 117: Leases

Amendments to FRS 117 sets out the new requirement where leasehold land which is in substance a finance lease will be reclassified to property, plant and equipment. The Group has reassessed and determined that all leasehold land of the Group are in substance finance leases and accordingly, has reclassified the leasehold land to property, plant and equipment. The change in accounting policy has been made retrospectively in accordance with the transitional provisions of the amendment.

The reclassification does not affect the basic and diluted earnings per ordinary share for the current and prior periods.

The following comparative figures have been restated following the adoption of the amendments to FRS 117:

	As at 31 December 2009	
	As restated RM'000	As previously stated RM'000
Statements of financial position		
Carrying amount		
Property, plant and equipment	38,408	35,629
Prepaid land lease payments	-	2,779

(iv) FRS 139 Financial Instruments: Recognition and Measurement

This new standard establishes the principles for the recognition, derecognition and measurement of an entity's financial instruments and for hedge accounting. The impact of applying FRS 139 on the financial statements upon first adoption of this standard as required by paragraph 30(b) of FRS 108 Accounting Policies, Changes in Accounting Estimates and Errors is not required to be disclosed by virtue of exemptions provided under paragraph 103AB of FRS 139.

The Group and the Company has applied the transitional provisions in FRS 7 and FRS 139 which exempt entities from disclosing the possible impact arising from initial application of the respective standards on the financial statements of the Group and the Company.

(b) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (RM), which is the Group's and the Company's functional currency.

(c) Significant accounting estimates and judgements

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

The key assumptions concerning the future and other key sources of estimation or uncertainty at the statements of financial position date, 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:

(i) Depreciation of property, plant and equipment

The costs of property, plant and equipment of the Group and of the Company are depreciated on a straight-line basis over the useful lives of the assets. Management estimates the useful lives of the plant and equipment as disclosed in Note 2(j)(iii). These are common life expectancies applied in the industry. Changes in the expected level of usage could have impact the useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amounts of the Group's and of the Company's property, plant and equipment at 31 December 2010 are disclosed in Note 3 to the financial statements.

(ii) Estimation of fair value of properties

In the absence of current prices in an active market for similar properties, the Group considers information from a variety of sources, including:

(a) current prices in an active market for properties of a different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences; or

(b) recent prices of similar properties based on less active market, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices.

(iii) Amortisation of timber concession

The costs of timber concession of the Group are amortised based on the unit of production method over the remaining life of the concession of 5 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 2010 is disclosed in Note 5 to the financial statements.

(iv) Income taxes

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

(v) Impairment of investment in subsidiary companies

The carrying values of investment in subsidiary companies 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. The carrying amount of the Company's investment in subsidiary companies as at 31 December 2010 is disclosed in Note 4 to the financial statements.

(vi) Impairment of financial assets

The Group assess at each reporting date 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. The carrying amount of the Group's loans and receivables as at 31 December 2010 is disclosed in Notes 7 and 8 to the financial statements.

(d) Financial assets

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

(i) Initial measurement

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 the statement of comprehensive income.

(ii) Subsequent measurement

Financial assets, both available-for-sale and at fair value through profit or loss are subsequently carried at fair value. The fair value measurement considerations of the Group and of the Company are as disclosed in Note 2(e). Equity instrument that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, are measured at cost. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Changes in the fair values of financial assets, at fair value through profit or loss including the effects of currency translation, interest and dividends, are recognised in the statement of comprehensive income when the changes arise.

Interest and dividend income on financial assets, available-for-sale are recognised separately in the statement of comprehensive income. Changes in fair values of available-for-sale equity securities (i.e. non-monetary items) are recognised in the fair value reserve, together with the related currency translation differences.

(iii) Classification

The Group and the Company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables and available-for-sale. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition. The designation of financial assets at fair value through profit or loss is irrevocable.

Financial assets, at fair value through profit or loss

Financial assets designated as at fair value through profit or loss at inception are those that are managed and their performances are evaluated on a fair value basis, in accordance with a documented Company investment strategy.

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 statement of financial position date which are presented as non-current assets. Loans and receivables are presented as “trade and other receivables” and “cash and cash equivalents” on the statement of financial position.

Financial assets, available-for-sale

Financial assets, available-for-sale is 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 statement of financial position date.

‘Held-to-Maturity’ Investment

‘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.

Subsequent to initial recognition, 'held-to-maturity' investments are measured at amortised cost using the effective interest method less any accumulated impairment losses. Gains or losses are recognised in profit or loss when 'held-to-maturity' investments are derecognised or impaired.

Held-to-maturity investment are classified as non-current assets, except for those having maturity date within 12 months after the reporting date which are classified as current.

(iv) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on a trade-date basis - the date on which the Group and the Company commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group and the Company has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sales proceeds is recognised in the statement of comprehensive income.

(v) Impairment

The Group and the Company assesses at each statement of financial position date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired. The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in the statement of comprehensive income.

The allowance for impairment loss account is reduced through the statement of comprehensive income in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost, had no impairment been recognised in prior periods.

Financial assets, available-for-sale

Significant or prolonged declines in the fair value of the security below its cost and the disappearance of an active trading market for the security are objective evidence that the security is impaired.

The cumulative loss that was recognised in the fair value reserve is transferred to the statement of comprehensive income. The impairment losses recognised in the statement of comprehensive income on equity securities are not reversed through the statement of comprehensive income.

Financial assets, held-to-maturity

Impairment in respect of held-to-maturity investment carried at amortised cost are measured as the difference between the assets carrying amount and the present values of their estimated future cash flows discounted at the "held-to-maturity" investments' original effective interest rate.

(e) Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities) are based on quoted market prices at the statement of financial position date. The quoted market prices used for financial assets are current bid prices; the appropriate quoted market prices for financial liabilities are the current risk prices.

The fair values of financial instruments that are not traded in an active market are determined by using a variety of methods and makes assumptions based on market conditions existing at each statement of financial position date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Valuation techniques, such as discounted cash flow analyses, are also used to determine the fair values of the financial instruments. However, if the probabilities of various estimates cannot be reasonably measured the Group and the Company are precluded from measuring the instruments at fair value, and the financial instruments are measured at cost.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

(f) Derivatives

Derivatives relate to fair value hedges on financial assets held through profit or loss. Derivatives are initially recognised at fair values on the date the contract is entered into and is subsequently carried at fair value.

The fair value hedges are not designated as effective hedging investments therefore changes in fair value are recognised immediately in the statement of comprehensive income.

(g) Financial liabilities

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

Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transaction costs.

Subsequent to initial recognition, derivatives are measured at fair value. Other financial liabilities (except for financial guarantee) are measured at amortised cost using the effective interest method.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the profit or loss account.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial Liabilities at 'Fair Value Through Profit or Loss'

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

A financial liability held for trading include derivative enter by the Group and by the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange difference.

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

Other financial liabilities

The Group's and the Company's other financial liabilities includes trade payables, other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction cost and subsequently measured at amortised cost using the effective interest method.

Loan and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group and the Company have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(h) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiary companies and its associated companies through equity accounting, which are made up to the end of the financial year.

In the Company's separate financial statements, investments in subsidiary companies and investment in associated companies are stated at cost less impairment losses in accordance with Note 2(k). On disposal of these investments, the difference between the net disposal proceeds and the carrying amount is recognised in the statements of comprehensive income.

(i) Subsidiary companies

Subsidiary companies 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.

The purchase method of accounting is used to account for the acquisition of subsidiary companies. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values on the date of acquisition, irrespective of the extent of any minority interest. The difference between the acquisition cost and the fair values of the subsidiary companies' net assets is reflected as goodwill or reserve on consolidation as appropriate. The accounting policy on goodwill on acquisition of subsidiary companies is set out in Note 2(k). Reserve on consolidation is recognised immediately in statements of comprehensive income.

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

The gain or loss on disposal of a subsidiary company is the difference between net disposal proceeds and the Group's share of its net assets together with any unimpaired balance of goodwill which were not previously recognised in the consolidated statements of comprehensive income.

Minority interest is measured at the minorities' share of the fair value of identifiable assets and liabilities at the date of acquisition by the Group and the minorities' share of changes in equity since the date of acquisition, except when the losses applicable to the minority in a subsidiary exceed the minority interest in the equity of that subsidiary. In such cases, the excess and further losses applicable to the minority are attributed to the equity holders of the Company
.

(ii) Changes in Group composition

Where a subsidiary issues new equity shares to minority shareholders for cash consideration and the issue price has been established at fair value, the reduction in the Group's interests in the subsidiary is accounted for as a disposal of equity interest with the corresponding gain or loss recognised in the statements of comprehensive income.

When a group purchases a subsidiary's equity shares from minority shareholders for cash consideration and the purchase price has been established at fair value, the accretion of the Group's interests in the subsidiary is accounted for as a purchase of equity interest for which the acquisition accounting method of accounting is applied.

The Group treats all other changes in group composition as equity transactions between the Group and its minority shareholders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

(iii) Transaction costs

Costs directly attributable to an acquisition are included as part of the cost of acquisition.

(i) Intangible asset

Timber concession is the cost of rights conferred upon a subsidiary company 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 2(k).

Timber concession is amortised over the concession period of 5 years in proportion to estimated production from logging activities in the concession areas.

(j) Property, plant and equipment

(i) Recognition and measurement

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 2(k).

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.

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.

(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 statements of comprehensive income on a straight-line basis over the estimated useful lives of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives.

The estimated useful lives for the current and comparative periods are as follows:

Buildings	50 years
Plant and machinery	15 years
Tractors, motor vehicles and tug boats	5 years
Office equipment, furniture and fittings	10 years
Access road	5 years

The depreciable amount is determined after deducting the residual value.

Depreciation methods, useful lives and residual values are reassessed at each financial year end.

Upon disposal of an asset, the difference between the net disposal proceeds and the carrying amount of the assets is charged or credited to the statements of comprehensive income. On disposal of a revalued asset, the attributable revaluation surplus remaining in the revaluation reserve is transferred to distribution reserve.

(k) Impairment of non-financial assets

The carrying amounts of assets are reviewed at each reporting date to determine whether there is any indication of impairment.

If any such indication exists then the asset's recoverable amount is estimated. For goodwill that has indefinite useful lives, recoverable amount is estimated at each reporting date or more frequently when indications of impairment are identified.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount unless the asset is carried at a revalued amount, in which case the impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the statements of comprehensive income in the period in which it arises. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units (groups of units) and then to reduce the carrying amount of the other assets in the unit (groups of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit 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.

An impairment loss on goodwill is not reversed in a subsequent period. An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in statements of comprehensive income, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

(l) Inventories

Inventories of raw materials and finished goods are valued at the lower of cost and net realisable value after adequate allowance has been made for all deteriorated, damage, obsolete or slow-moving inventories.

Cost is determined on the weighted average method. Cost of finished goods comprises raw materials, direct labour and factory overheads.

Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

(m) Cash and cash equivalents

Cash and cash equivalent consist of cash in hand, bank balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in value. For the purpose of the cash flow statement, cash and cash equivalent are presented net of bank overdrafts and pledged deposits.

(n) Lease and hire purchase

A lease is recognised as a finance lease if it transfers substantially to the Group and the Company all the risks and rewards incident to ownership. All other leases are treated as operating leases.

Assets acquired by way of hire purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the statements of financial position as liabilities. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practical to determine; otherwise, the Group's or the Company's incremental borrowing rate is used.

Lease and hire purchase payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised as an expense in the statements of comprehensive income over the term of the relevant lease so as to produce a constant periodic rate of charges on the remaining balance of the obligations for each accounting period.

The depreciation policy for leased assets is consistent with that for depreciable property, plant and equipment which are owned.

Lease rental under operating lease is charged to the statements of comprehensive income on a straight line basis over the term of the relevant lease.

(o) Share capital

Ordinary shares are recorded at the nominal value and proceeds in excess of the nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Cost directly attributable to the issuance of the shares is accounted for as a deduction from share premium, otherwise, it is charged to the statements of comprehensive income.

When shares are repurchased, the amount of consideration paid, including directly attributable costs, is measured at cost and set off against equity. Shares repurchased and not cancelled are classified as treasury shares. Where treasury shares are reissued by re-sale in the open market, the difference between the sale consideration and the carrying amount is recognised in equity.

Dividends on ordinary shares, when declared or proposed by the Directors of the Company are disclosed in the notes to the financial statements. Upon approval and when paid, such dividends will be accounted for in the shareholders' equity as an appropriation of unappropriated profit in the financial year in which the dividends are paid.

(p) Irredeemable Convertible Preference Share ("ICPS")

ICPS are regarded as compound instruments consisting of a liability component and an equity component. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible borrowings. The difference between the proceeds of issue of the ICPS and the fair value assigned to the liability component, representing the conversion option is included in Equity Funds. The liability component is subsequently stated at amortised cost using the effective interest rate method until extinguished on conversion whilst the value of the equity component is not adjusted in subsequent periods except in times of ICPS conversion into ordinary shares.

Under the effective interest rate method, the interest expense on the liability component is calculated by applying the prevailing market interest rate for similar non-convertible borrowings. The difference between this amount and the interest paid is added to the carrying value of the ICPS.

(q) Foreign currencies

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statements of conprehensive income.

Translation differences on non-monetary items, such as financial assets held for trading held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the exchange fluctuation reserve in the equity.

The closing exchange rates used for the main foreign currency in the Group and in the Company is 1 United States Dollar = RM3.09 (2009: RM3.42).

(r) Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of 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 liabilities unless the probability of outflow of economic benefits is remote.

(s) Revenue recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably.

(i) Goods sold and services rendered

Revenue from sales of goods and services rendered is measured at the fair value of the consideration receivable and is recognised when significant risk and rewards have been transferred to the buyer or upon performance of services, net of sales taxes and discounts.

(ii) Rental income

Rental income is recognised on an accrual basis unless ability to collect is in doubt.

(iii) Interest income

Interest income is recognised on a time proportion basis that takes into account the effective yield on the asset.

(t) Employee benefits

(i) Short term 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 and the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensation absences. Short term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur.

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 statements of financial position date.

(ii) Defined contribution plans

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the statements of comprehensive income in the period to which they relate.

(u) Income taxes

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

Deferred tax is recognised on the liability method for all temporary differences between the carrying amount of an asset or liability in the statements of financial position and its tax base at the statements of financial position date. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax asset and liability is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted by the statements of financial position date. The carrying amount of a deferred tax asset is reviewed at each statements of financial position date and is reduced to the extent that it becomes probable that sufficient future taxable profit will be available.

Deferred tax is recognised in the statements of comprehensive income, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly to equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or negative goodwill.

(v) Segmental results

Segment revenues, expenses and results are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists. Segment assets include all assets used by a segment and consist principally of cash, receivables, intangibles and property, plant and equipment, net of provision and accumulated depreciation and amortisation. While most such assets can be directly attributed to the segments on a reasonable basis, segment assets and liabilities do not include income tax assets, income tax liabilities and deferred income taxes.

(w) Intersegment transfers

Segment revenues, expenses and result include transfers between segments. The prices charged on intersegment transactions are the same as those charged for similar goods to parties outside of the economic entity at an arm’s length transactions. These transfers are eliminated on consolidation.

3. Property, Plant and Equipment

Group	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
2010						
Cost						
At 1 January 2010						
- As previously stated	12,355	71,948	5,415	270	80	90,068
- Effect of amendments to FRS 117	3,108	-	-	-	-	3,108
- As restated	15,463	71,948	5,415	270	80	93,176
Additions	-	23	1,372	14	-	1,409
Disposals	-	(437)	-	-	-	(437)
Written-off	-	-	(290)	-	-	(290)
At 31 December 2010	15,463	71,534	6,497	284	80	93,858
Accumulated depreciation						
At 1 January 2010						
- As previously stated	4,902	44,636	4,690	163	48	54,439
- Effect of amendments to FRS 117	329	-	-	-	-	329
- As restated	5,231	44,636	4,690	163	48	54,768
Charge for the financial year	219	4,415	445	24	16	5,119
Disposals	-	(437)	-	-	-	(437)
Written-off	-	-	(290)	-	-	(290)
At 31 December 2010	5,450	48,614	4,845	187	64	59,160
Carrying amount						
At 31 December 2010	10,013	22,920	1,652	97	16	34,698

3. Property, Plant and Equipment (Cont'd)

Group	**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
2009						
Cost						
At 1 January 2009						
- As previously stated	12,355	71,948	5,415	265	80	90,063
- Effect of amendments to FRS 117	3,108	-	-	-	-	3,108
- As restated	15,463	71,948	5,415	265	80	93,171
Additions	-	-	-	5	-	5
At 31 December 2009	15,463	71,948	5,415	270	80	93,176
Accumulated depreciation						
At 1 January 2009						
- As previously stated	4,706	39,898	4,395	139	32	49,170
- Effect of amendment to FRS 117	293	-	-	-	-	293
- As restated	4,999	39,898	4,395	139	32	49,463
Charge for the financial year						
- As previously stated	196	4,738	295	24	16	5,269
- Effect of amendment to FRS 117	36	-	-	-	-	36
- As restated	232	4,738	295	24	16	5,305
At 31 December 2009						
- As previously stated	4,902	44,636	4,690	163	48	54,439
- Effect of amendment to FRS 117	329	-	-	-	-	329
- As restated	5,231	44,636	4,690	163	48	54,768
Carrying amount						
AT 31 December 2009	10,232	27,312	725	107	32	38,408

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

(a) Included in the property, plant and equipment of the Group are tractors and motor vehicles acquired under hire purchase with carrying amount of RM1,102,000 (2009: RM665,000).

(b) Carrying amount of property, plant and equipment has been pledged to licensed banks as security for credit facilities granted to subsidiary companies as disclosed in Note 15 to the financial statements are as follows:

	Group	
	2010	2009
	RM'000	RM'000
Leasehold land and buildings	9,876	10,095
Tractors, motor vehicles and tug boats	*	*
	9,876	10,095

Note (*): Representing value of RM2 (2009:RM2) only.

(c) The remaining periods of the leasehold land and buildings ranges from 41 to 908 years (2009: 42 to 909 years).

(d) The aggregate additional cost for the property, plant and equipment of the Group under hire purchase and cash payment are as follows:

	Group	
	2010	2009
	RM'000	RM'000
Aggregate costs	1,409	5
Less: Hire purchase financing	(640)	-
Cash payment	769	5

3. **Investment in Subsidiary Companies**

(a) Investment in subsidiary companies

	Company	
	2010	2009
	RM'000	RM'000
Unquoted shares, at cost		
In Malaysia	60,914	60,912

4. **Investment in Subsidiary Companies (Cont'd)**

(b) The subsidiary companies and shareholdings therein are as follows:

Name of company	Country of incorporation	Effective interest 2010 %	2009 %	Principal activities
Direct holding:				
Aturmaju (Sabah) Holding Sdn. Bhd.	Malaysia	100	100	Manufacturer of wood products
ARB Development Sdn. Bhd.	Malaysia	99.95	-	Dormant
Indirect holding:				
Subsidiary companies of Aturmaju (Sabah) Holding Sdn. Bhd.				
Kalabakan Tug Boat Sdn. Bhd.	Malaysia	100	100	Hire of scows and tug boats
Alamjad Sdn. Bhd.	Malaysia	100	100	Timber contractor
Ampermai Sdn. Bhd.	Malaysia	100	100	Timber contractor

(c) Acquisition of a subsidiary company

The effect of the acquisition on the financial results of the Group during the financial year is as follows:

	Group 2010 RM'000	2009 RM'000
Revenue	-	-
Other operating expenses	(1)	(88)
Net loss for the financial year	(1)	(88)

The fair value of the assets acquired and liabilities assumed from the acquisition of a subsidiary company are as follows:

	Group 2010 RM'000	2009 RM'000
Net assets acquired:		
Cash in hand	2	-
Timber concession	-	23,000
Trade and other payables	-	(3)
Total cost of acquisition, discharged by cash	2	22,997

4. Investment in Subsidiary Companies (Cont'd)

(c) Acquisition of a subsidiary company (Cont'd)

The cash outflow arising from the acquisition is as follows:

	Group 2010 RM'000	Group 2009 RM'000
Purchase consideration to be satisfied by cash	2	23,000
Less: Amount owing to third party	-	(3)
Less: Cash and cash equivalents	(2)	-
Net cash outflow on acquisition of a subsidiary company	-	22,997

5. Intangible Asset

	Group 2010 RM'000	Group 2009 RM'000
Timber Concession Rights		
Cost		
At 1 January	43,003	20,000
Written off during the financial year	(20,000)	-
Acquisition of a subsidiary company	-	23,003
At 31 December	23,003	43,003
Accumulated amortisation		
At 1 January	13,463	5,656
Amortisation during the financial year	10,039	7,807
Written off during the financial year	(20,000)	
At 31 December	3,502	13,463
Carrying amount	19,501	29,540

This represents the exclusive rights of the subsidiary companies 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.

During the financial year, the rights on coupes YL2/04 and YL3/04 has expired and was fully amortised.

6. Inventories

	Group 2010 RM'000	Group 2009 RM'000
At cost:		
Raw materials	669	9,141
Work-in-progress	34,215	19,451
Finished goods	16,144	19,365
Stores and supplies	271	170
	51,299	48,127

During the financial year, the Group has written off its work-in-progress and finished goods amounting to RM1,493,000 (2009: RM1,397,000) and RM1,552,000 (2009: RM2,017,000) respectively.

7. Trade Receivables

	Group 2010 RM'000	Group 2009 RM'000
Trade receivables		
- Related parties	6,088	6,378
- Third parties	9,030	11,212
	15,118	17,590
Less: Accumulated impairment	-	(2)
	15,118	17,588

The Group's normal trade credit terms ranges from 30 days to 120 days (2009: 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.

The currency exposure profile is as follows:

	Group 2010 RM'000	Group 2009 RM'000
United States Dollar (USD)	8,110	4,569

7. Trade Receivables (Cont'd)

Movements in impairment during the financial year are as follows:

	Group 2010 RM'000	Group 2009 RM'000
At 1 January	2	-
Impairment during the financial year	-	2
Reversal of impairment	(2)	-
At 31 December	-	2

Analysis of the trade receivables ageing is as follows:

	Group 2010 RM'000	Group 2009 RM'000
Neither past due nor impair	13,628	12,019
Past due less than 30 days not impaired	173	83
Past due for more than 30 days not impaired	1,317	5,486
	15,118	17,588
Impaired	-	2
	15,118	17,590

The Group has not made any impairment on all its past due receivables as the Directors are of the view that the receivables are recoverable.

8. Other Receivables

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Other receivables				
- Related parties	706	706	-	-
- Third parties	824	3,985	18	-
	1,530	4,691	18	-
Sinking fund	1,350	816	-	-
Deposits	2,376	122	-	-
Prepayments	236	236	-	-
	5,492	5,865	18	-
Less: Accumulated impairment	-	(6)	-	-
	5,492	5,859	18	-

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

8. Other Receivables (Cont'd)

Movements in impairment during the financial year are as follows:

	Group	
	2010	2009
	RM'000	RM'000
At 1 January	6	-
Impairment during the financial year	-	6
Reversal of impairment	(6)	
At 31 December	-	6

Analysis of the other receivables ageing is as follows:

	Group		Company	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Neither past due nor impair	463	2,627	18	-
Past due less than 30 days not impaired	3	-	-	-
Past due for more than 30 days not impaired	1,064	2,058	-	-
	1,530	4,685	18	-
Impaired	-	6	-	-
	1,530	4,691	18	-

The Group has not made any impairment on all its past due receivables as the Directors are of the view that the receivables are recoverable.

9. Amount Due by Subsidiary Companies

These represent unsecured, interest free advances and repayable on demand.

10. Derivative Financial Instrument

	Group			
	2010		2009	
	Assets	Liabilities	Assets	Liabilities
	RM'000	RM'000	RM'000	RM'000
Non-hedging derivative:				
Current				
Forward currency contracts	3,701	3,781	-	-

10. Derivative Financial Instrument (Cont'd)

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 March 2011.

During the financial year, the Group recognised a loss of RM80,000 (2009: Nil) arising from the fair value change in the spot exchange rate and the forward rate.

11. Fixed Deposits with Licensed Banks

Included in the fixed deposits of the Group is an amount of RM3,193,000 (2009: RM3,875,000) pledged to licensed banks as security for credit facilities granted to a subsidiary company as disclosed in Note 15 to the financial statements.

The interest rate is 3.00% (2009: 3.00%) per annum and maturities of deposits range between 30 days to 365 days (2009: 30 days to 365 days).

12. Share Capital

	Group/Company	
	2010	2009
	RM'000	RM'000
Ordinary shares of RM1.00 each:		
Authorised	75,000	75,000
Issued and fully paid		
At 1 January	61,100	60,850
Conversion from cumulative irredeemable convertible preference shares	-	250
At 31 December	61,100	61,100

13. Retained Profits/(Accumulated Losses)

	2010 Group RM'000	2010 Company RM'000
Retained Profits/(Accumulated Losses)		
- Realised	45,263	(978)
- Unrealised	(5,241)	-
	40,022	(978)
Less: Consolidation adjustments	(30,580)	-
	9,442	(978)

The disclosure of realised and unrealised profits or losses is solely compiled in accordance to the Malaysian Institute of Accountants Guidance of 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 issued on 20 December 2010.

The disclosure of realised and unrealised profits and losses is solely for the purpose of disclosure requirements of Bursa Malaysia Securities Berhad Listing Requirements, and the comparative figures are not required in the first financial year of complying with the realised and unrealised profits and losses disclosure.

14. Hire Purchase Payables

	Group 2010 RM'000	Group 2009 RM'000
(a) **Minimum hire purchase payments**		
Payable within one year	421	228
Payable between one to five years	502	384
	923	612
Less: Future finance charges	(67)	(50)
Present value of hire purchase liabilities	856	562
(b) **Present value of hire purchase liabilities**		
Within one year	380	199
Between one to five years	476	363
Present value of hire purchase liabilities	856	562
Analysed as:		
Repayable within twelve months	380	199
Repayable after twelve months	476	363
	856	562

The weighted average effective interest rate at the statements of financial position date is 8.83% (2009: 6.41%) per annum.

15. Bank Borrowing

	Group 2010 RM'000	Group 2009 RM'000
Secured:		
Term loans	40,516	42,919
Analysed as:		
Repayable within twelve months	12,941	9,496
Repayable after twelve months	27,575	33,423
	40,516	42,919

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 company as disclosed in Note 3 to the financial statements;

(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 subsidiary companies;

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

(e) a pledge of fixed deposits of a subsidiary company as disclosed in Note 11 to the financial statements;

(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 subsidiary companies' ordinary shares.

The term loans are repayable by 60 (2009: 60) monthly instalments commencing from the date of first drawdown.

Maturity of borrowing is as follows:

	Group 2010 RM'000	Group 2009 RM'000
Within one year	12,942	9,496
Between one and two years	14,024	10,310
Between two and three years	12,484	11,194
Between three and fours	1,066	10,303
Between four and five years	-	1,616
	40,516	42,919

15. Bank Borrowing (Cont'd)

The weighted average effective interest rate is as follows:

	Group	
	2010	2009
	%	%
Term loans	8.41	7.88

16. Deferred Taxation

	Group	
	2010	2009
	RM'000	RM'000
At 1 January	5,538	5,961
Recognised in statements of comprehensive income	(380)	(442)
Under provision in prior years	3	19
At 31 December	5,161	5,538
Presented after appropriate offsetting as follows:		
Deferred tax liabilities	5,222	5,538
Deferred tax assets	(61)	-
	5,161	5,538

The components and movements of deferred tax liabilities and assets of the Group are as follows:

Deferred tax liabilities of the Group:

	Accelerated capital allowances RM'000	Total RM'000
At 1 January 2010	5,538	5,538
Recognised in statements of comprehensive income	(319)	(319)
Under provision in prior years	3	3
At 31 December 2010	5,222	5,222

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

	Accelerated capital allowances RM'000	Total RM'000
At 1 January 2009	5,961	5,961
Recognised in statements of comprehensive income	(442)	(442)
Under provision in prior years	19	19
At 31 December 2009	5,538	5,538

Deferred tax assets of the Group:

	Unutilised capital allowances RM'000	Total RM'000
At 1 January 2010	-	-
Recognised in statements of comprehensive income	(61)	(61)
At 31 December 2010	(61)	(61)

Deferred tax assets have not been recognised in respect of the following temporary difference:

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Unused tax losses	137	163	137	141
Impairment on trade receivables	-	6	-	-
Decelerated capital allowances	24	10	-	-
	161	179	137	141

The unused tax losses and unutilised capital allowances are available indefinitely for offset against future taxable profits of the Company or its subsidiary company in which those items arose.

17. **Trade Payables**

The normal trade credit terms granted to the Group ranges from 30 days to 120 days (2009: 30 days to 120 days). Other credit terms are assessed and approved on a case to case basis.

18. Other Payables

	Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
Other payables				
- Related parties	65	82	-	-
- Third parties	1,688	2,071	251	234
	1,753	2,153	251	234
Accruals	460	650	312	284
Deposits	1,783	2,517	-	-
	3,996	5,320	563	518

19. Amount Owing to Directors

This represents unsecured, interest free advances and repayable on demand.

20. Revenue

	Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
Plywood products	12,394	11,127	-	-
Sawn timber and veneer	34,620	29,946	-	-
Wooden flooring board	23,142	17,085	-	-
Logs	1,548	3,226	-	-
Blockboard	-	2,110	-	-
Management fee received/ receivable from subsidiary companies	-	-	380	391
	71,704	63,494	380	391

21. Finance Costs

	Group 2010 RM'000	Group 2009 RM'000
Interest expenses on:		
- bank overdrafts	-	90
- bankers' acceptance	-	201
- hire purchase	63	43
- letter of credit	77	31
- term loans	3,509	3,082
- others	-	2
	3,649	3,449

22. Loss before Taxation

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

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Auditors' remuneration	43	39	12	12
Amortisation of intangible asset	10,039	7,807	-	-
Bad debts written off	651	-	-	-
Depreciation of property, plant and equipment	5,119	5,305	-	-
Directors' remuneration				
- fees				
- current year	362	392	362	382
- over provision in prior years	-	(10)	-	(10)
- other emoluments	497	191	-	-
Hire of machinery	1,145	1,022	-	-
Impairment on trade receivables	-	2	-	-
Impairment on other receivables	-	6	-	-
Inventories written off	3,045	3,414	-	-
Realised loss on foreign exchange	-	17	-	-
Rental of premises and cylinder	256	204	-	-
Unrealised loss on derivative financial instrument	80	-	-	-
Fixed deposits interest income	(91)	(116)	-	-
Gain on disposal of property, plant and equipment	(50)	-	-	-
Rental income on premises	(284)	(42)	-	-
Rental income on scows and tug boats	(322)	(198)	-	-
Reversal of impairment on trade receivables	(2)	-	-	-
Reversal of impairment on other receivables	(6)	-	-	-

23. Taxation

	Group 2010 RM'000	Group 2009 RM'000
Tax expense for the financial year:		
Current tax provision	269	328
(Over)/Under provision in prior years	(193)	39
	76	367
Deferred tax:		
Relating to origination and reversal of temporary differences	(380)	(442)
Under provision in prior years	3	19
	(377)	(423)
	(301)	(56)

Income tax is calculated at the statutory tax rate of 25% (2009: 25%) of the estimated assessable profit for the financial year.

A reconciliation of income tax expense applicable to loss before taxation 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 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
Loss before taxation	(10,428)	(7,192)	(71)	(73)
Taxation at statutory tax rate of 25% (2009: 25%)	(2,607)	(1,798)	(18)	(18)
Expenses not deductible for tax purposes	3,656	2,418	16	16
Deferred tax asset not recognised	2	4	2	2
Reversal of deferred tax assets not recognised	(41)	(17)	-	-
Income exempted under pioneer status	(1,121)	(721)	-	-
(Over)/Under provision of current tax in prior years	(193)	39	-	-
Under provision of deferred tax in prior years	3	19	-	-
Tax expense for the financial year	(301)	(56)	-	-

23. **Taxation (Cont'd)**

The Company has unused tax losses amounting to approximately RM137,000 (2009: RM141,000) available for carry forward to set-off against future taxable profits. The said amounts are subject to approval by the tax authorities.

The wholly owned subsidiary company, 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 loss per share has been calculated based on the consolidated loss after taxation for the financial year attributable to equity holders of the parent for the Group and the adjusted weighted average number of ordinary shares in issue during the financial year as follow:

	Group	
	2010	2009
Net loss for the financial year attributable to the equity holders of the parent (RM'000)	(10,127)	(7,136)
Weighted number of ordinary shares issue ('000)	61,100	61,100

25. **Staff Costs**

	Group	
	2010 RM'000	2009 RM'000
Staff costs (excluding Directors)	3,900	3,902

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 RM102,779 (2009: RM94,899).

26. Related Party Disclosures

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

	Company	
	2010	2009
	RM'000	RM'000
Subsidiary companies		
* Management fee received/receivable	380	391

* The Directors are of the opinion that all the transactions above have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

(b) Information regarding outstanding balances arising from related party transactions are disclosed in Notes 7, 8, 9 and 18 to the financial statements.

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

	2010	2009
	RM'000	RM'000
Short-term employee benefits	497	201

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

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

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)

2010	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
REVENUE						
External sales	-	70,156	-	1,548	-	71,704
Inter-segment sales	380	14,849	970	30,709	(46,908)	-
Total revenue	380	85,005	970	32,257	(46,908)	71,704
RESULTS						
Segment results	(71)	(16,427)	27	(460)	10,061	(6,870)
Interest income	-	91	-	-	-	91
Interest expense	-	(3,649)	-	-	-	(3,649)
(Loss)/Profit before taxation	(71)	(19,985)	27	(460)	10,061	(10,428)
Taxation	-	372	(21)	(50)	-	301
Net (loss)/profit for the financial year	(71)	(19,613)	6	(510)	10,061	(10,127)
Additions to non-current assets	-	1,406	1	2	-	1,409
Segment assets	21	110,818	234	9,590	19,501	140,164
NON-CASH EXPENSES/(INCOME)						
Amortisation of intangible asset	-	-	-	-	10,039	10,039
Bad debts written off	-	643	8	-	-	651
Depreciation of property, plant and equipment	-	5,097	6	16	-	5,119
Gain on disposal of property, plant and equipment	-	(50)	-	-	-	(50)
Impairment loss on investment in subsidiary company	20,100	-	-	-	(20,100)	-
Inventory written off	-	3,045	-	-	-	3,045
Reversal of impairment on trade receivables	-	-	(2)	-	-	(2)
Reversal of impairment on other receivables	-	-	(6)	-	-	(6)
Unrealised loss on derivative financial instrument	-	80	-	-	-	80

27. Segment Reporting (Cont'd)

2009	Investment holdings and others RM'000	Manufacturing of wood products RM'000	Barging RM'000	Timber RM'000	Elimination RM'000	Consolidated RM'000
REVENUE						
External sales	-	60,267	-	3,227	-	64,624
Inter-segment sales	391	-	869	34,641	(35,901)	-
Total revenue	391	60,267	869	37,868	(35,901)	63,494
RESULTS						
Segment results	(73)	3,990	24	7	(7,807)	(3,859)
Interest income	-	116	-	-	-	116
Interest expense	-	(3,449)	-	-	-	(3,449)
(Loss)/Profit before taxation	(73)	657	24	7	(7,807)	(7,192)
Taxation	-	83	-	(27)	-	56
Net (loss)/profit for the financial year	(73)	740	24	(20)	(7,807)	(7,136)
Additions to non-current assets	-	5	-	-	-	5
Segment assets	-	113,139	47	7,114	29,540	149,840
NON-CASH EXPENSES						
Amortisation of intangible asset	-	-	-	-	7,807	7,807
Depreciation of property, plant and equipment	-	5,283	6	16	-	5,305
Impairment on trade receivables	-	-	2	-	-	2
Impairment on other receivables	-	-	6	-	-	6
Inventories written off	-	3,414	-	-	-	3,414

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

	2010 RM'000	2009 RM'000
Malaysia	1,814	4,244
Thailand and Vietnam	18,580	15,084
Hong Kong and China	6,694	3,536
Taiwan	20,852	14,198
Singapore	3,319	2,734
Korea	7,515	15,640
United Arab Emirates	716	1,388
Pakistan	-	1,825
Europe and other countries	12,214	4,845
	71,704	63,494

28. Significant Event

On 7 April 2010, the Company had acquired 99.95% equity interest in ARB Development Sdn. Bhd. ("ARBDSB") comprising 1,999 ordinary shares of RM1.00 each, for a cash consideration of RM1,999 only. Consequently, ARBDSB become a subsidiary of the Company.

29. Contingent Liabilities

	Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
Limit of guarantees				
Banker guarantees in favour of the third parties	73	823	-	-
Amount utilised				
Banker guarantees in favour of the third parties	10	10	-	-

30. Financial Instruments

Certain comparative figures have not been presented for 31 December 2009 by virtue of the exemption given in the paragraph 44AA of FRS 7, which is effective for annual periods beginning on and after 1 January 2010.

i. 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 2 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, 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:

	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				
2010	-			
Financial Assets	-			
Trade and other receivables	-	20,610	-	20,610
Deposits for supplies	-	7,000	-	7,000
Derivative financial instrument	3,701			3,701
Fixed deposoits with licensed banks	-	3,193	-	3,193
Cash and bank balances	-	162	-	162
Total financial assets	3,701	30,965	-	34,666
Financial Liabilities				
Trade and other payables	-	-	7,304	7,304
Amount owing to Directors	-	-	3,933	3,933
Hire purchase payables	-	-	856	856
Bank borrowing	-	-	40,516	40,516
Derivative financial instrument	3,781	-	-	3,781
Total financial liabilties	3,781	-	52,609	56,390

30. 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
Group			
2009			
Financial Assets			
Trade and receivables	23,447	-	23,447
Deposits for supplies	5,000	-	5,000
Fixed deposoits with licensed banks	3,857	-	3,857
Cash and bank balances	1,451	-	1,451
Total financial assets	33,755	-	33,755
Financial Liabilities			
Trade and other payables	-	9,360	9,360
Amount owing to Directors	-	2,305	2,305
Hire purchase payables	-	562	562
Bank borrowing	-	42,919	42,919
Total financial liabilties	-	55,146	55,146
Company			
2010			
Financial Assets			
Other receivables	18	-	18
Amount owing by subsidiary companies	7,518	-	7,518
Total financial assets	7,536	-	7,536
Financial Liabilities			
Other payables	-	563	563
Amount owing to Directors	-	4	4
Total financial liabilties	-	567	567

30. 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			
2009			
Financial Asset			
Amount owing by subsidiary companies	7,560	-	7,560
Total financial asset	7,560	-	7,560
Financial Liability			
Other payables	-	518	518
Total financial liabilty	-	518	518

(b) Financial assets/(liabilities) at "fair value through profit or loss"

There is no fair value through profit or loss has been imposed as the Group and the Company credit risks and liquidity risk are within the acceptable collection/payment period.

(c) Capital risk management objectives and policies

The Group's and the Company's management manages its capital to ensure that the Group's and the Company are able to continue as a going concern and maintains an optimal capital structure so as to maximise shareholder value. The management reviews the capital structure by considering the cost of capital and the risks associated with the capital.

The capital of the Group and the Company consists of issued capital, cash and cash equivalents and bank borrowing.

(d) Financial risk management objectives and policies

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

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

(e) Credit risk

Fixed deposits with licensed banks and bank balances are placed with a credit worthy financial institution.

Credit risk arises mainly from the inability of its customers to make payments when due. The Group and the Company has adopted a policy of only dealing with creditworthy counterparties. Receivables are monitored on an ongoing basis via Company's management reporting procedures and action will be taken for long outstanding debts.

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

(f) Liquidity risk

The Group's and the Company's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group and the Company monitors its cash flows and ensures that sufficient funding is in place to meet the obligations as and when they fall due.

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.

	On demand or within 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	Total RM'000
Group				
2010				
Trade and other payables	7,304	-	-	7,304
Amount owing to Directors	3,933	-	-	3,933
Hire purchase payables	380	349	127	856
Bank borrowing	12,941	14,024	13,551	40,516
Derivative financial instrument	3,781	-	-	3,781
	28,339	14,373	13,678	56,390

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

(f) Liquidity risk (Cont'd)

	On demand or within 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	Total RM'000
Group				
2009				
Trade and other payables	9,360	-	-	9,360
Amount owing to Directors	2,305	-	-	2,305
Hire purchase payables	199	363	-	562
Bank borrowing	9,496	10,310	23,113	42,919
	21,360	10,673	23,113	55,146
Company				
2010				
Other payables	563	-	-	563
Amount owing to Directors	4	-	-	4
	567	-	-	567
2009				
Other payables	518	-	-	518
	518	-	-	518

(g) Market risk

(i) 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 are foreign currency denominated financial assets and financial liabilities at the end of the reporting period are as follows:

	Financial Assets	
	2010 RM'000	2009 RM'000
Group		
Trade receivables		
USD	8,110	4,569

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

(g) Market risk (Cont'd)

(ii) Foreign currency risk sensitivity

A 10% strengthening of Ringgit Malaysia against the following foreign currencies at the end of the reporting period would increase/(decrease) the profit before tax and other comprehensive income by the amounts shown below. This analysis assumes that all other variables remain unchanged.

	USD RM'000
Group	
2010	
Profit before taxation	(811)

A 10% weakening of Ringgit Malaysia against the above foreign currencies at the end of the reporting period would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain unchanged.

(iii) Interest rate risk

The Group obtains financing through other 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 and does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes. At the end of the reporting period, there were no such arrangements, interest rate swap contracts or other derivative instruments outstanding.

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

	Group	
	2010 RM'000	2009 RM'000
Financial Asset		
Fixed deposits with licensed banks	3,193	3,857
Financial Liability		
Bank borrowing	40,516	42,919

30. Financial Instruments (Cont'd)

(g) Market risk (Cont'd)

(iii) Interest rate risk (Cont'd)

The Group are 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 and the Company.

(iv) Interest rate risk sensitivity

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 decrease the profit before tax by RM417,000. 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.

(h) Fair values of financial assets and financial liabilities

(i) Fair value of financial instruments by categories that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value.

The carrying amount of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The carrying amounts of the current portion of bank borrowing are reasonable approximations of fair value due to the insignificant impact of discounting.

The fair values of current bank borrowing are estimated by discounting expected future cash flows at market incremental lending rate similar types of lending, borrowing or leasing arrangements at the reporting date.

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

(h) Fair values of financial assets and financial liabilities (Cont'd)

(ii) Fair value of financial instruments by categories that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value:

	2010		2009	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Group				
Financial liabilities				
Hire purchase payables	476	463	363	334
Contingent liabilities	10	@	10	@

@ It is not practicable to estimate the fair value of contingent liabilities reliably due to the uncertainties of timing, cost and eventual outcome.

31. **Comparative Figures**

Certain comparative figures have been reclassified where necessary to conform with the current financial year's presentation as follows:

	As previously stated RM'000	**Reclassified** RM'000	**As restated** RM'000
Group			
Statements of Financial Position			
Non-Current Assets			
Property, plant and equipment	35,629	2,779	38,408
Prepaid land lease payments	2,779	(2,779)	-
Equity			
Reserves	27,330	(27,330)	-
Share premium	-	7,761	7,761
Retained profits	-	19,569	19,569

31. Comparative Figures (Cont'd)

	As previously stated RM'000	**Reclassified** RM'000	**As restated** RM'000
Group			
Statements of Cash Flows			
Adjustments for:			
Amortisation of prepaid lease payments	36	(36)	-
Depreciation of property, plant and equipment	5,269	36	5,305
Company			
Statements of Financial Position			
Equity			
Reserves	6,854	(6,854)	-
Share premium	-	7,761	7,761
Accumulated losses	-	(907)	(907)

32. Date of Authorisation for Issue

The financial statements of the Group and of the Company for the financial year ended 31 December 2010 were authorised for issue in accordance with a resolution of the Board of Directors on 28 April 2011.

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

During the financial year, the Company did not sponsor any depository receipt programmes.

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* 31.12.2010 RM'000	Audited results 31.12.2010 RM'000	Difference	
			RM'000	%
Loss after taxation	(10,345)	(10,127)	218	2.11

*Based on announcement of quarterly financial reports for the fourth quarter ended 31 December 2010 made on 28 February 2011.

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. REVALUATION OF LANDED PROPERTIES

The Group's landed properties classified as Property, Plant and Equipment are not re-valued, but are reviewed at each Balance Sheet date to determine if there is any indication of impairment. These landed properties are stated at cost less accumulated depreciation and impairment.

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 2010 RM
1	CL 105477361	31,760	99 years	• Land			706,750
	Alongside the Kalabakan		(01.01.1993 -	• Sawmill Building	2,016	18	0
	River, 100km to the		31.12.2091)	• Mini Saw Building	669	18	88,825
	North-west of Tawau			• 7 units timber sheds	10,701	18	89,019
	Municipal Centre,			• Store cum planner	613	18	4,403
	Kalabakan, District of			• Workshop	297	18	22,128
	Tawau, State of Sabah			• Generator House	56	18	1,695
							912,820
2	CL 105474557	19,920	60 years	• Land			400,439
	Alongside the Kalabakan		(01.01.1992 -	• Land Reclamation			184,109
	River, 100 km to the		31.12.2051)	• Sawmill Complex			1
	North-west of Tawau Municipal Centre, Kalabakan,			• Double storey office cum senior staff quarters	483	18	1
	District of			• Badminton hall	238	18	9,994
	Tawau, State of Sabah			• Canteen	260	18	1
				• Double storey office cum senior staff quarters	1,085	11	19,515
				• Canteen Building		8	1,475
				• Labour Line		3	32,340
							647,875

	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 2010 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			1,126,908
				• Land Reclamation			100,416
				• Plywood factory cum timber products shed	17,561	11	4,059,689
				• Workshop cum store	929	11	4,595
				• Generator store	297	11	1
				• Broiler Shed	334	11	1
				• Block board factory	2,055	11	183,632
				• Polyester and Tego plywood factory cum kiln dry section	7,808	11	2,009,217
				• 2 units water reservoir (cubic ft)	453	11	1
				• High rise platform water tank (Cubic ft)	37	11	28,994
				• Gate House		13	1
				• Workshop		11	1
				• Forestry House		17	1,560
				• New Office		15	67,339
				• New Shop Lot		6	143,592
							7,725,947

	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 2010 RM
4	CL 105438855 –TB3744 Taman Sri Aman Light Industrial Estate, Mile 3 ½, Jalan Apas, 91000 Tawau, Sabah.	153.9	999 years (08.04.1920 - (07.04.2919)	Description/Existing Use			
				• An intermediate double storey terrace commercial unit currently used as warehouse	307.80	22	88,580
				• Office Building			20,759
				• Electrical Installation			113,445
				• Renovation			86,833
5	CL 105438864 –TB3745 Taman Sri Aman Light Industrial Estate, Mile 3 ½, Jalan Apas, 91000 Tawau, Sabah.	153.9	999 years (08.04.1920 - (07.04.2919)	Description/Existing Use			
				• An intermediate double storey terrace commercial unit currently used as warehouse	307.80	22	192,670
				• Renovation			86,833
6	CL 105316541 Hot spring Jaya, 91000 Tawau, Sabah.	2,960	999 years (25.09.1916 - 24.09.2915)	Description/Existing Use			
				• Vacant residential land.	N/A	N/A	79,474
							668,594

Shareholdings Statistics
As At 3 May 2011

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	742	148	0.00	0.00
100-1,000	349	2	143,092	200	0.23	0.00
1,001-10,000	276	7	1,283,300	46,317	2.11	0.08
10,001-100,000	111	8	3,564,289	298,073	5.85	0.49
100,001- less than 5% of issued shares	29	3	21,670,566	1,504,017	35.58	2.47
5% and above of issued shares	7	0	32,402,551	0	53.19	0.00
Sub total	788	23	59,064,540	1,848,755	96.96	3.04
Grand Total (Malaysian + Foreign)	811		**61,100,000**		**100%**	

THIRTY (30) LARGEST SECURITIES ACCOUNTS HOLDER
(ACCORDING TO REGISTER OF DEPOSITORS AS AT 3 MAY 2011)

		Holdings	
	Name	**No.**	**%**
1.	Aspirasi Puspita Sdn Bhd	6,701,784	11.00
2.	OSK Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Sasaran Dedikasi Sdn Bhd	5,392,335	8.85
3.	OSK Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Affinity Gateway Sdn Bhd	5,143,795	8.44
4.	AMBANK (M) Bhd Pledged Securities Account for Aspirasi Puspita Sdn Bhd (ATURMAJU)	4,913,726	8.07
5.	CIMSEC Nominees (Tempatan) Sdn Bhd Danaharta Managers Sdn Bhd for Aspirasi Puspita Sdn Bhd (EKARHIJAU)	3,567,311	5.86
6.	AMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Affinity Gateway Sdn Bhd	3,485,700	5.72
7.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yeo Ten Fong (E-TWU)	3,197,900	5.25

8.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yeo Gee Hong (E-TWU)	2,895,865	4.75
9.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yeo Gee Keing (E-TWU)	2,490,400	4.09
10.	OSK Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Sedia Juta Sdn Bhd	2,024,224	3.32
11.	CIMSEC Nominees (Tempatan) Sdn Bhd Danaharta Managers Sdn Bhd for Aspirasi Puspita Sdn Bhd (MILIYAKIN)	1,705,905	2.80
12.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yeo Gee Kuan (E-TWU)	1,619,927	2.66
13.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yap Que Chun (E-TWU)	1,528,692	2.51
14.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yeo Sim Lan (E-TWU)	1,362,473	2.24
15.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yeo Wang Ting (E-TWU)	1,284,950	2.11
16.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yeo Gee Keing	988,300	1.62
17.	AMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yeo Ten Fong	898,800	1.48
18.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yeo Ten Fong	892,700	1.47
19.	AMSEC Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Yeo Gee Keing	886,300	1.46
20.	Public Nominees (Asing) Sdn Bhd Pledged Securities Account for Soh Poh Choo (E-TWU)	700,017	1.15
21.	OSK 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.	Tey Yok Eng	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.	AIBB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Low Choon Chuan	177,500	0.29
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 3 MAY 2011)

		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	2.11	27,905,263(2)	45.86
Aspirasi Puspita Sdn. Bhd.	Malaysia	17,623,530	28.99	-	-
Affinity Gateway Sdn. Bhd.	Malaysia	8,629,495	14.12	-	-
Yeo Gee Kuan	Malaysian	1,619,927	2.66	10,779,760.(3)	17.70
Datin Yap Que Chun	Malaysian	1,528,692	2.51	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	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	2.11	27,905,263[(2)]	45.86
Lim Yun Nyen	35,612	0.06	0	0.00
Yeo Gee Kuan	1,619,927	2.66	10,779,760[(3)]	17.70
Tan Choon Hwa (JMK,JP)	125,830	0.21	0	0.00
Wong Yew Sen	0	0.00	0	0.00
Datuk Baharon Bin Talib	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).

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirteenth 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, 25 June 2011, 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 2010 together with the Reports of the Directors and Auditors thereon.	(Ordinary Resolution 1)
2.	To approve the payment of Directors' fees to the directors of the Company for the financial year ended 31 December 2010.	(Ordinary Resolution 2)
3.	To re-elect Tan Choon Hwa (JMK,JP) as a Director of the Company in accordance with Article 89 of the Company's Articles of Association.	(Ordinary Resolution 3)
4.	To re-elect Yeo Wan Ting as a Director of the Company in accordance with Article 89 of the Company's Articles of Association.	(Ordinary Resolution 4)
5.	To re-elect Datuk Baharon Bin Talib as Director of the Company in accordance with Article 96 of the Company's Articles of Association.	(Ordinary Resolution 5)
6.	To re-appoint Messrs. UHY as Auditors of the Company and to authorise the Directors to fix their remuneration.	(Ordinary Resolution 6)
	As Special Business: To consider and, if thought fit, to pass the following resolutions:	
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 allotment and issue."	(Ordinary Resolution 7)
8.	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: 3 June 2011

NOTES ON APPOINTMENT OF PROXY

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 is an authorised nominee as defined under the Securities Industry (Central Depositories Act, 1991) it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

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.

EXPLANATORY NOTES ON SPECIAL BUSINESS

Ordinary Resolution 7: Authority to Directors to Allot and Issue Shares

The Proposed Ordinary Resolution 7, 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 Twelfth Annual General Meeting held on 28 June 2010 and which will lapse at the conclusion of the Thirteenth Annual General Meeting.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

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

i)	Tan Choon Hwa (JMK,JP)	Article 89	(Ordinary Resolution 3)
ii)	Yeo Wan Ting	Article 89	(Ordinary Resolution 4)
iii)	Datuk Baharon Bin Talib	Article 96	(Ordinary Resolution 5)

The profile of the Directors standing for re-election for Ordinary Resolutions 3, 4 and 5 is set out on page 4 and 5 of the Annual Report 2010. The shareholdings of the abovenamed Directors in the Company is disclosed on page 98 of the aforesaid Annual Report.

The details of the Directors' attendance for Board Meetings are disclosed in the Corporate Governance Statement on page 11 of the Annual Report 2010.

The Thirteenth 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, 25 June 2011, 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 Thirteenth Annual General Meeting of the Company to be held at the TB8285, Lot 20C, Perdana Square Commercial Complex, Mile 3 ½, Jalan Apas, 91000 Tawau, Sabah, Malaysia on **Saturday, 25 June, 2011** at **10.00 a.m.** and at any adjournment thereof.

NO.	RESOLUTIONS	FOR	AGAINST
1.	**Ordinary Resolutions** To receive and adopt the Audited Financial Statements for the year ended 31 December, 2010 and Reports of the Directors' and Auditors thereon.		
2.	To approve the payment of Directors' fees to the directors.		
3.	To re-elect Mr. Tan Choon Hwa (JMK,JP) as Director.		
4.	To re-elect Mr. Yeo Wang Ting as Director.		
5.	To re-elect Datuk Baharon Bin Talib as Director		
6.	To re-appoint Auditors of the Company.		
7.	As special business, to approve the ordinary resolution pursuant to Section 132D of the Companies Act, 1965.		

(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 in the resolutions as he / she may think fit.)

Signed this___________ day of __________________,2011.

____
Signature of Shareholder(s)
(If shareholder is a corporation, this part 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 is an authorised nominee as defined under the Securities Industry (Central Depositories Act, 1991), it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
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.

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

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