

**ATURMAJU RESOURCES BERHAD (448934-M)****UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2016**

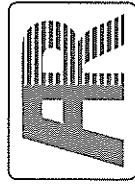
	(UNAUDITED) 30.09.16 RM'000	(AUDITED) 31.12.2015 RM'000
<b>ASSETS</b>		
<b>Non-Current Asset</b>		
Property, plant and equipment	10,022	10,776
<b>Current Assets</b>		
Inventories	21,747	18,853
Trade receivables	3,351	9,713
Other receivables and deposits	3,467	3,145
Derivative assets	391	391
Tax recoverable	83	344
Fixed deposits with licenced banks	20	20
Cash & bank balances	1,416	529
	<u>30,475</u>	<u>32,995</u>
<b>TOTAL ASSETS</b>	<u><u>40,497</u></u>	<u><u>43,771</u></u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	61,100	61,100
Share premium	7,761	7,761
Accumulated losses	(31,456)	(31,689)
<b>Total Equity</b>	<u>37,405</u>	<u>37,172</u>
<b>Current Liabilities</b>		
Trade payables	656	2,495
Other payables	532	1,652
Amount due to directors	1,661	2,182
Hire purchase payables	243	70
Tax payable	-	200
	<u>3,092</u>	<u>6,599</u>
<b>Total Liabilities</b>	<u>3,092</u>	<u>6,599</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>40,497</u></u>	<u><u>43,771</u></u>
<b>Net assets per share attributable to equity holders of parent (sen)</b>	<u>61</u>	<u>61</u>

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2015 and the accompanying explanatory notes to the quarterly report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30.09.2016 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.09.2015 RM'000	CURRENT YEAR TO DATE 30.09.2016 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30.09.2015 RM'000
Revenue	8,612	5,066	25,194	24,419
Cost of sales	(6,711)	(4,040)	(20,871)	(19,821)
Gross profit	1,901	1,026	4,323	4,598
Selling expenses	(743)	(369)	(1,997)	(1,612)
Administrative expenses	(305)	(1,259)	(2,059)	(3,014)
Other operating income	24	5	33	48
Profit/(Loss) from operations	877	(597)	300	20
Finance costs	(53)	(6)	(67)	(40)
Profit / (Loss) before taxation	824	(603)	233	(20)
Taxation	-	(50)	-	(150)
Net profit/(Loss) for the financial period, representing total comprehensive income for the financial period	<u>824</u>	<u>(653)</u>	<u>233</u>	<u>(170)</u>
Net profit / (Loss) for the financial period attributable to:				
Equity holders of the parent	<u>824</u>	<u>(653)</u>	<u>233</u>	<u>(170)</u>
Earning / (Loss) per share attributable to equity holder of the parent:				
Basic EPS (sen)	<u>1.35</u>	<u>(1.07)</u>	<u>0.38</u>	<u>(0.28)</u>

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2015 and the accompanying explanatory notes to the quarterly report.



**ATURMAJU RESOURCES BERHAD (448934-M)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016**

	Attributable To Equity Holders Of The Parent		Share Premium RM'000	Accumulated Losses RM'000	Total Equity RM'000
	Share Capital RM'000	Non-Distributable Distributable			
At 1 January 2015	61,100		7,761	(30,906)	37,955
Net Loss for the financial period	-		-	(170)	(170)
At 30 September 2015	61,100		7,761	(31,076)	37,785
At 1 January 2016	61,100		7,761	(31,689)	37,172
Net Profit for the financial period	-		-	233	233
At 30 September 2016	61,100		7,761	(31,456)	37,405

**The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2015 and the accompanying explanatory notes to the quarterly report.**

**ATURMAJU RESOURCES BERHAD (448934-M)****UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016**

	(UNAUDITED)	
	Current Year To Date 30.09.2016 RM'000	Preceding Year Corresponding Period 30.09.2015 RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before taxation	233	(20)
Adjustments:-		
Depreciation of property, plant and equipment	1,253	1,356
Gain on disposal of property, plant and equipment	(19)	-
Interest expense	67	40
Operating profit before working capital changes	<u>1,534</u>	<u>1,376</u>
Changes in working capital:		
Inventories	(2,894)	4,527
Receivables	6,039	(2,155)
Payables	(2,959)	(2,872)
Amount due to directors	(521)	461
Cash generated from operations	<u>1,199</u>	<u>1,337</u>
Interest paid	(67)	(40)
Tax paid	(118)	(281)
Tax refunded	179	-
<b>Net cash generated from operating activity</b>	<u>1,193</u>	<u>1,016</u>
<b>CASH FLOW FROM INVESTING ACTIVITY</b>		
Purchase of property, plant and equipment	(249)	(6)
Proceeds from disposal of property, plant and equipment	20	-
<b>Net cash used in investing activity</b>	<u>(229)</u>	<u>(6)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayments of hire purchase payables	(77)	(76)
Repayments of term loans	-	(382)
<b>Net cash used in financing activities</b>	<u>(77)</u>	<u>(458)</u>
<b>Net increase in cash &amp; cash equivalents</b>	887	552
<b>Cash &amp; cash equivalents at beginning of the financial period</b>	529	25
<b>Cash &amp; cash equivalents at end of the financial period</b>	<u>1,416</u>	<u>577</u>
<b><u>Cash &amp; Cash Equivalents at end of the financial period comprise the followings:</u></b>		
Fixed deposits with licenced banks	20	20
Cash and bank balances	1,416	577
	<u>1,436</u>	<u>597</u>
Less: Fixed deposit pledged with licensed bank	(20)	(20)
	<u>1,416</u>	<u>577</u>

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2015 and the accompanying explanatory notes to the quarterly report.

# ATURMAJU RESOURCES BERHAD

(Company No: 448934-M)

## INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEP 2016

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### NOTES TO THE INTERIM FINANCIAL REPORT

#### **A1. Basis of the Preparation**

The interim financial report is unaudited and has been prepared in compliance with the requirements of MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2015. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2015.

Since the previous annual audited financial statements as at 31 December 2015 were issued, the Group has adopted the Malaysian Financial Reporting Standards (“MFRS”) framework issued by the Malaysian Accounting Standards Board (“MASB”) with effect from 1 January 2012. This MFRS framework was introduced by the MASB in order to fully coverage Malaysia’s existing Financial Reporting Standards (“FRS”) framework with the International Financial Reporting Standards (“IFRS”) framework issued by the International Accounting Standards Board.

#### **A2. Significant Accounting Policies**

The financial statements of the Group 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.

##### **2.1 MFRSs, Amendments to MFRSs and Interpretations adopted**

For the preparation of the financial statements, the following accounting standards, amendments and interpretations of the MFRS framework issued by the MASB are mandatory for the first time for the financial year beginning on or after 1 January 2016:

- MFRS 14 *Regulatory Deferral Accounts*
- Amendments to MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations – Changes in Method of Disposal (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 7 *Financial Instruments: Disclosures – Servicing Contracts and Applicability of the Amendments to MFRS 7 to Condensed Interim Financial Statements (Annual Improvements 2012-2014 Cycle)*

# ATURMAJU RESOURCES BERHAD

(Company No: 448934-M)

## INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEP 2016

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- Amendments to MFRS 10 *Consolidated Financial Statements*, MFRS 12 *Disclosure of Interests in Other Entities* and MFRS 128 *Investment in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception*
- Amendments to MFRS 11 *Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations*
- Amendments to MFRS 101 *Presentation of Financial Statements – Disclosure Initiative*
- Amendments to MFRS 116 *Property, Plant and Equipment* and MFRS 138 *Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation*
- Amendments to MFRS 116 *Property, Plant and Equipment* and MFRS 141 *Agriculture – Agriculture: Bearer Plants*
- Amendments to MFRS 119 *Employee Benefits – Discount Rates: Regional Market Issue (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 127 *Separate Financial Statements – Equity Method in Separate Financial Statements*
- Amendments to MFRS 134 *Interim Financial Reporting – Disclosure of Information ‘Elsewhere in the Interim Financial Report’ (Annual Improvements 2012-2014 Cycle)*

The adoption of the above mentioned accounting standards, amendments and interpretations are not expected to have any significant impact on the financial statements of the Group and the Company.

### 2.2 New/ Revised MFRSs, Amendments to MFRSs and Interpretations not adopted

The following are accounting standards, amendments and interpretations of the MFRS framework that have been issued by the MASB but have not been adopted by the Group and the Company:

#### **MFRSs, Amendments to MFRSs and Interpretations effective for annual periods beginning on or after 1 January 2017**

- Amendments to MFRS 107 *Statement of Cash Flows – Disclosure Initiative*
- Amendments to MFRS 112 *Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses*

# ATURMAJU RESOURCES BERHAD

(Company No: 448934-M)

## INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEP 2016

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**MFRSs, Amendments to MFRSs and Interpretations effective for annual period beginning on or after 1 January 2018**

- MFRS 9 *Financial Instruments* (2014)
- MFRS 15 *Revenue from Contracts with Customers*
- Amendments to MFRS 2 *Share-based Payment – Classification and Measurement of Share-based Payment Transactions*

**MFRSs, Amendments to MFRSs and Interpretations effective for annual periods beginning on or after 1 January 2019**

- MFRS 16 *Leases*

**MFRSs, Amendments to MFRSs and Interpretations effective a date yet to be confirmed**

- Amendments to MFRS 10 *Consolidated Financial Statements* and MFRS 128 *Investment in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The directors anticipate that the above mentioned accounting standards, interpretations and amendments will be adopted by the Group and the Company when they become effective.

### **A3. Auditors' Report on Preceding Annual Financial Statements**

There was no audit qualification in the audited report of the Company and its subsidiary companies preceding annual financial statements for the financial year ended 31 December 2015.

### **A4. Seasonal or Cyclical Factors**

The principal business operations of the Group are not materially affected by seasonal or cyclical factors during the financial period-to-date under review.

# ATURMAJU RESOURCES BERHAD

(Company No: 448934-M)

## INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEP 2016

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### **A5. Exceptional Items**

There were no items affecting assets, liabilities, equity, net income or cash flows that were unusual because of their nature, size or incidence during the quarter ended 30 June 2016.

### **A6. Changes in Estimates**

There were no material changes in estimates of the amounts reported during the current quarter and financial period-to-date under review.

### **A7. Changes in Debts and Equity Securities**

There were no issuances, share cancellations, share buy-back, share held as treasury share, resale of treasury share and repayments of debts and equity securities.

### **A8. Dividends Paid**

No dividend has been paid during the current quarter and financial period-to-date under review.



**ATURMAJU RESOURCES BERHAD**

(Company No: 448934-M)

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS  
FOR THE THIRD QUARTER ENDED 30 SEP 2016**

**A9. Segmental Information**

(i) Segment analysis for the financial period-to-date ended 30 September 2016:-

	Investment Holding RM'000	Manufacturing in Wood Products RM'000	Barging Services RM'000	Sales of Logs RM'000	Property Development RM'000	Total RM'000
<b>Revenue</b>						
- External	-	24,560	634	-	-	25,194
- Inter-segmental sales	-	-	-	-	-	-
<b>Total Revenue</b>	-	24,560	634	-	-	25,194
<b>Results</b>						
Segment result	405	(246)	157	(14)	(2)	300
Interest expense	-	(67)	-	-	-	(67)
Profit/(Loss) from before taxation	405	(313)	157	(14)	(2)	233
Taxation	-	-	-	-	-	-
<b>Net profit/ (loss) for the financial period</b>	405	(313)	157	(14)	(2)	233
Additional to non-current assets	-	249	-	-	-	249
Segment assets	-	38,459	721	1,232	2	40,414
<b>Non-Cash Expense /(Income)</b>						
Depreciation of property, plant and equipment	-	1,226	27	-	-	1,253
Gain on disposal of property, plant and equipment	-	(19)	-	-	-	(19)

**ATURMAJU RESOURCES BERHAD**  
(Company No: 448934-M)

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS  
FOR THE THIRD QUARTER ENDED 30 SEP 2016**

**A9. Segmental Information (Cont'd)**

(ii) Segment analysis for the preceding year corresponding period ended 30 September 2015:-

	Investment Holding RM'000	Manufacturing in Wood Products RM'000	Barging Services RM'000	Sales of Logs RM'000	Adjustment and Elimination RM'000	Total RM'000
<b>Revenue</b>						
- External	-	23,932	487	-	-	24,419
- Inter-segmental sales	-	-	140	5,896	(6,036)	-
<b>Total Revenue</b>	-	<b>23,932</b>	<b>627</b>	<b>5,896</b>	<b>(6,036)</b>	<b>24,419</b>
<b>Results</b>						
Segment result	(281)	58	(6)	249	-	20
Interest expenses	-	(40)	-	-	-	(40)
(Loss)/Profit from before taxation	(281)	18	(6)	249	-	(20)
Taxation	-	(150)	-	-	-	(150)
<b>Net (loss)/profit for the financial period</b>	<b>(281)</b>	<b>(132)</b>	<b>(6)</b>	<b>249</b>	<b>-</b>	<b>(170)</b>
Additional to non-current assets	-	6	-	-	-	6
Segment assets	-	41,264	622	1,284	-	43,170
<b>Non-Cash Expense</b>						
Depreciation of property, plant and equipment	-	1,329	27	-	-	1,356

# ATURMAJU RESOURCES BERHAD

(Company No: 448934-M)

## INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEP 2016

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### A10. Revaluation of Property, Plant and Equipment

No valuations of property, plant and equipment were carried out during the current quarter and financial period -to-date under review.

### A11. Significant Events

There were no material events subsequent to the end of the current period under review.

### A12. Subsequent Events

There were no material events subsequent to the end of the current period under review.

### A13. Changes in the Composition of the Group

There were no changes in the composition of the Group during the period under review.

### A14. Changes in Contingent Liabilities and Assets

There were no material contingent liabilities or assets during the current quarter under review.

### A15. Capital Commitments

There were no capital commitments during the current quarter under review.

### A16. Significant Related Party Transactions

The significant related party transactions as at period -to- date were summarised as below:-

	<b>Current Quarter</b> <b>30.09.2016</b> <b>RM'000</b>	<b>Period To Date</b> <b>30.09.2016</b> <b>RM'000</b>
Office rental paid/payable to:- Golden Bond Sdn Bhd	<u>30</u>	<u>90</u>

Golden Bond Sdn Bhd is company in which the Directors of the Company have financial interests. These transactions have been entered into in the normal course of business and have been established on commercial terms.

# ATURMAJU RESOURCES BERHAD

(Company No: 448934-M)

## INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEP 2016

### ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

#### **B1. Review of Performance**

The comparison of the quarterly results is tabulated below:

	<b>Current quarter ended 30 September 2016 (RM'000)</b>	<b>Preceding year corresponding quarter ended 30 September 2015 (RM'000)</b>	<b>Difference (%)</b>
Revenue	8,612	5,066	70
Profit before taxation	824	(603)	237

The major revenue of the Group is contributed by Aturmaju (Sabah) Holding Sdn. Bhd. which is the principal subsidiary of the Company and is principally involved in the operation of an integrated wood processing complex producing veneer and sawn timber.

For the current quarter period, the Group's revenue increase by 70% to RM8.6 million mainly due to higher demand in the market and benefits from the hiking of exchange rate for US Dollar to Ringgit. The Group achieves a profit before taxation result mainly due to the effectiveness cost of control in the quarter under review.

#### **B2. Variation of Results Compared to Preceding Quarter**

Profit before taxation for the quarter under review achieving positive position as compared to the immediate preceding quarter is due to the hiking of US Dollar exchange rate to Ringgit which has benefits the Company as a genuine exporter in the quarter under review.

#### **B3. Prospect for Current Financial Year**

As the company has continuously registered losses for the previous financial years, we are now in the path to recover by taking the below precaution and measures:-

- To increase the production yield by reconditioning all the heavy plant and machinery and the installation of upgraded processing system.
- To reduce or at least to maintain the production costs in the long run.
- To reduce the fixed cost of the Group, i.e. the reduction of directors' remuneration during the challenging period.

In Other words, we are putting efforts to maximize production and therefore to minimize production cost at the same time. Hence , the re-investment to recondition and upgrade of the processing system of the existing plant and machinery from manual to semi-auto is

# ATURMAJU RESOURCES BERHAD

(Company No: 448934-M)

## INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEP 2016

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vital and necessary, aiming to save time consume and reduce labour cost to achieve high efficiency cost control and timber recovery.

The strengthen of US Dollar to Malaysian Ringgit from 4.10 to 4.40 has indeed contributed to the Groups' additional revenue of over 7% for the time being, whereby our total revenue is comprised of 95% export.

Due to uncertainty of the current global economy, we do not have any concrete plan and measure to diversify to other business and field. We foresee that timber industry shall be in the path of recovering, ever though it is considered as a sunset industry. Due to the scarcity of the tropical woods and the elimination of several players in the timber industry, we believe that there is still a stable growth in the next five years.

### B4. Profit Forecast and Profit Guarantee

The Group did not announce and profit forecast nor profit guarantee for the current financial year.

### B5. Taxation

Taxation comprises the following:-

	Current Quarter 30.09.2016 RM'000	Period To Date 30.09.2016 RM'000
Current year provision	-	-
Over provision in prior year	-	-
	-	-
Deferred taxation	-	-
	-	-

Taxation is computed after taking into consideration the available capital allowances and the adjusted business losses carried forward from previous years to set off against taxable profit. Hence, there is no provision of taxation for the current quarter.

# ATURMAJU RESOURCES BERHAD

(Company No: 448934-M)

## INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEP 2016

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### **B6. Unquoted Investments and Properties**

There was no sale of unquoted investments and / or properties for the current quarter and financial period -to- date under review.

### **B7. Quoted Securities**

There was no purchase or disposal of quoted securities for the current quarter and financial period -to- date under review.

### **B8. Corporate Proposals**

There were no corporate proposals as at the date of this announcement.

### **B9. Group Borrowings and Debts Securities**

#### **Short Term Borrowing (Secured)**

	<b>As at 30.09.2016 RM'000</b>	<b>As at 31.12.2015 RM'000</b>
Hire purchase payables	243	70
	<u>243</u>	<u>70</u>

All the above borrowings are denominated in Ringgit Malaysia.

**ATURMAJU RESOURCES BERHAD**

(Company No: 448934-M)

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS  
FOR THE THIRD QUARTER ENDED 30 SEP 2016****B10. Accumulated Losses**

	(Unaudited) As at 30.09.2016 RM'000	(Audited) As at 31.12.2015 RM'000
Total accumulated losses of the Group		
- Realised	(35,843)	(36,128)
- Unrealised	(1,988)	(1,988)
	<u>(37,831)</u>	<u>(38,116)</u>
Less: Consolidated adjustments	6,375	6,427
Total accumulated losses as per Statements of Financial Position	<u>(31,456)</u>	<u>(31,689)</u>

**B11. Off Balance Sheet Financial Instruments**

The Group does not have any off balance sheet financial instruments as at the date of this report.

**B12. Material Litigations**

The Group does not engaged in any material litigation either as plaintiff or defendant and the Directors do not have any knowledge of any proceedings pending or threatened against the Group which might materially and adversely affect the financial position or business of the Group.

**B13. Dividend**

No dividend has been recommended by the Board of Directors for the current quarter under review.

**ATURMAJU RESOURCES BERHAD**

(Company No: 448934-M)

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS  
FOR THE THIRD QUARTER ENDED 30 SEP 2016****B14. Earnings per Share**

The basic earning per share amounts are calculated by dividing the net profit/ (loss) for the period attributable to the ordinary equity holders of the parent by the weighted average number of ordinary share in issue during the financial period.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.09.2016 RM'000	Preceding year Corresponding Quarter 30.09.2015 RM'000	Current Year Quarter 30.09.2016 RM'000	Preceding year Corresponding Quarter 30.09.2015 RM'000
Net profit/(loss) attributable to equity holder of the parent	824	(653)	233	(170)
Weighted average number of ordinary shares in issue	61,100	61,100	61,100	61,100
Basic earning /(loss) per share (sen)	1.35	(1.07)	0.38	(0.28)

**B15. Notes to the Statement of Comprehensive Income**

	Current Quarter 30.09.2016 RM'000	Period To Date 30.09.2016 RM'000
Depreciation of property, plant and equipment	424	1,253
Gain on disposal of property , plant & equipment	19	19
Interest expense	53	67

**By Order of the Board,****Datuk Yeo Wang Seng**  
**Managing Director**  
30 NOVEMBER 2016