

ATURMAJU RESOURCES BERHAD
(Company No: 448934-M)

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2005**

NOTES TO THE INTERIM FINANCIAL REPORT

A1. Basis of the preparation

The interim financial report is unaudited and has been prepared in accordance with the requirements of FRS 134, Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“BMSB”).

The interim financial statements should be read in conjunction with audited financial statements for the year ended 31 December 2004.

The accounting policies and methods of computation adopted by Aturmaju Resources Berhad (“ARB”) in this interim financial report are consistent with those adopted in the preparation of the audited financial statements for the previous financial year.

A2. Auditors’ Qualification

There was no qualification on the audit report of the preceding annual financial statements of the Group.

A3. Seasonal or Cyclical Factors

The Group’s operations are not materially affected by any seasonal or cyclical factors.

A4. 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 financial period ended 31 December 2005.

A5. Changes in Estimates

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

A6. Changes in Debts and Equity Securities

On 30 November 2005, 6,926,611 Irredeemable Convertible Preference Shares (“ICPS”), which represents 57.72% of the total outstanding ICPS was converted into 5,772,176 new ordinary shares of RM1 each at a conversion price of RM1.20 each. The conversion resulted in an increase in share premium of RM1,154,435.

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A7. Dividends Paid

No dividend has been paid during the current quarter and financial year-to-date.

A8. Segmental Information

(i) Segment analysis for the current quarter ended 31 December 2005:-

	Investment Holding	Manufacturing In Wood Products	Barging Services	Inter-co Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
- External	-	13,805	-	-	13,805
- Inter-segmental sales	401	-	249	(650)	-
Total Revenue	401	13,805	249	(650)	13,805
Results					
Segment result	565	3,060	56	(401)	3,280
Unallocated corporate expenses					(1,900)
Profit from operations					1,380
Finance costs					(622)
Profit before taxation					758
Taxation					(647)
Net profit for the period					111

(ii) Segment analysis for the financial year-to-date ended 31 December 2005:-

	Investment Holding	Manufacturing In Wood Products	Barging Services	Inter-co Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
- External	-	65,786	-	-	65,786
- Inter-segmental sales	401	-	1,056	(1,457)	-
Total Revenue	401	65,786	1,056	(1,457)	65,786
Results					
Segment result	1,123	15,811	256	(401)	16,789
Unallocated corporate expenses					(9,954)
Profit from operations					6,835
Finance costs					(2,425)
Profit before taxation					4,410
Taxation					(902)
Net profit for the year					3,508

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A9. Revaluation of Property, Plant and Equipment

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

A10. Subsequent Events

There were no material events subsequent to the end of the current quarter.

A11. Changes in the Composition of the Group

There were no changes in the composition of the Group during the current quarter.

A12. Changes in Contingent Liabilities and Assets

There were no contingent liabilities or contingent assets since the last balance sheet as at 31 December 2004.

A13. Capital Commitments

There were no capital commitments as at 31 December 2005.

A14. Significant Related Party Transaction

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

	Amount RM'000
Sawing fee, hire of log loader and kiln dry charges paid/payable to:- Bayan Cekap Sdn Bhd	2,570
Office rental paid/payable to:- Golden Bond Sdn Bhd	60
Hire of log loader paid/payable to:- Birammas Transportation Sdn Bhd	120
Rental of premises received/receivable from:- Bayan Cekap Sdn Bhd	84
Purchase of logs from:- Seraya Permai Sdn Bhd	1,200

Seraya Permai Sdn. Bhd., Bayan Cekap Sdn. Bhd., Golden Bond Sdn. Bhd. and Birammas Transportation Sdn. Bhd. are companies 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.

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ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1. Review of Performance

The comparison of the quarterly results is tabulated below:

	Current quarter ended 31 December 2005 (RM'000)	Immediate quarter ended 30 September 2005 (RM'000)	Difference (%)
Revenue	13,805	16,683	(17.3)
Profit before tax	758	945	(19.8)

The major revenue of the Group is contributed by Aturmaju (Sabah) Holding Sdn. Bhd. which is the principal subsidiary of ARB and is principally involved in the operation of an integrated wood processing complex producing veneer, plywood, blockboard and sawn timber. Although the Group is maintaining the sales of its timber products, the operating cost has increased due to the continuing increase of diesel price. This has resulted in lower profit being generated.

For the current financial year-to-date, the Group has generated lower revenue and recorded a significant drop in profit before tax as compared with preceding year corresponding period due to lower demand from the market and also impacted by high diesel prices.

B2. Variation of Results Compared to Preceding Quarter

The lower profit before tax for the quarter under review as compared to the immediate preceding quarter is due to additional interest income from ICPS recognised in accordance with FRS 132, Financial Instruments: Disclosure and Presentation in the immediate preceding quarter.

B3. Prospect for Current Financial Year

The impact of the world's oil price which had constantly escalated during this financial year had hindered the Group's performance in terms of profit as overall operating cost had increased. In view of the impact of the soaring world's oil price, the directors of the Group anticipated that this financial year would be a challenging year. However, barring any unforeseen circumstances, the directors anticipate that the timber business will continue to contribute favourably to the results of the Group in this financial year due to the wide varieties and high quality timber based products produced by the Group.

B4. Profit Forecast and Profit Guarantee

The disclosure requirements for this matter are not applicable.

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B5. Taxation

Taxation comprises the following:-

	3 months ended 31.12.2005 RM'000	12 months ended 31.12.2005 RM'000
Current taxation	125	380
Under provision for the previous years	302	302
Deferred taxation	220	220
	647	902

Taxation is computed after taking into consideration the capital allowances available to set-off against taxable profit and the tax-exempt income on certain products where pioneer status had been granted. Hence, the effective tax rate of the current quarter was higher than the statutory tax mainly due to under provision for the previous years and deferred taxation been taken up during the quarter.

B6. Unquoted Investments and Properties

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

B7. Quoted Securities

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

B8. Corporate Proposals

(i) Status of Corporate Proposals

There was no corporate proposal announced but not completed during the quarter under review.

(ii) Status of Utilisation of Proceeds

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

	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

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B9. Group Borrowings and Debts Securities

Total group borrowings as at 31 December 2005 are as follows:

(a) Long Term Borrowing

	Secured (Total) RM'000
Term Loan	17,787
Hire Purchases	-
	<u>17,787</u>

(b) Short Term Borrowing

	Secured (Total) RM'000
Revolving Credit	
Trade Finance Facilities	7,281
Term Loan	3,573
Bank Overdrafts	1,453
	<u>12,307</u>
Hire Purchases	1,010
	<u>13,317</u>

All the above borrowings are denominated in Ringgit Malaysia.

B10. Off Balance Sheet Financial Instruments

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

B11. Material Litigations

The Company is not involved in any material litigation as at the date of this interim financial report, which has a material effect on the financial position of the Group.

B12. Dividend

No dividend has been recommended by the Board of Directors for the current financial period.

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B13. Earnings Per Share

The calculation of basic earnings per share is based on the consolidated net profit after taxation and weighted average number of ordinary shares.

	3 months ended 31.12.2005 RM'000	12 months ended 31.12.2005 RM'000
Net profit for the period	111	3,508
Weighted average number of ordinary shares in issue	57,026	54,461

For the purpose of calculating diluted earnings per share, the net profit for the period and the weighted average number of ordinary shares in issue during the period have been adjusted for the dilutive effects of all potential ordinary shares, i.e. Irredeemable Convertible Preference Shares ("ICPS").

	3 months ended 31.12.2005 RM'000	12 months ended 31.12.2005 RM'000
Net profit for the period	111	3,508
Weighted average number of ordinary shares in issue	57,026	54,461
Effect of dilution: ICPS	309	309
Adjusted weighted average number of ordinary shares in issue and issuable	57,335	54,770

By Order of the Board,

Yeo Gee Kuan
Director

28 February 2006