

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

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS  
FOR THE FIRST QUARTER ENDED 31 MARCH 2006**

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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 FRS 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 2005. These explanatory notes attached to the interim financial statement 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 2005.

**A2. Changes in Accounting Policies**

The significant accounting policies adopted in the interim financial report are consistent with those of the audited financial statements for the year ended 31 December 2005 except for the adoption of the new/revised Financial Reporting Standards (“FRS”) issued by MASB that are effective for financial period beginning 1 January 2006:

FRS 2	Share-based Payment
FRS 3	Business Combination
FRS 5	Non-Current Assets Held for Sale and Discontinued Operations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 128	Investment in Associates
FRS 131	Interests in Joint Ventures
FRS 132	Financial Instruments: Disclosure and Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets
FRS 140	Investment Properties

With the exception of FRS 3, the adoption of the remaining FRSs does not have significant financial impact on the Group. The principal effects of adopting FRS 3 is as follow :-

FRS 3: Business Combinations.

Under FRS 3, negative goodwill which represents the excess in fair value of the net identifiable assets acquired over the cost of the acquisition, is now recognized immediately to the income statement. Prior to 1 January 2006, negative goodwill was capitalized in reserve on consolidation. In accordance with the transitional provisions of FRS 3, the negative goodwill as at 1 January 2006 of RM14,104,418 was derecognized with a corresponding increase in retained profits.

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**A3. Auditors' Report on Preceding Annual Financial Statement**

The auditors' report on the preceding annual financial statements was not qualified.

**A4. Seasonal or Cyclical Factors**

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

**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 financial period ended 31 March 2006.

**A6. Changes in Estimates**

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

**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 debt and equity securities.

**A8. Dividends Paid**

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

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**A9. Segmental Information**

(i) Segment analysis for the current quarter ended 31 March 2006:-

	<b>Investment Holding</b>	<b>Manufacturing In Wood Products</b>	<b>Barging Services</b>	<b>Inter-co Elimination</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue</b>					
- External	-	12,174	-	-	12,174
- Inter-segmental sales	-	-	201	(201)	-
Total Revenue	-	12,174	201	(201)	12,174
<b>Results</b>					
Segment result	(90)	2,567	79	-	2,556
Unallocated corporate expenses					(1,659)
Profit from operations					897
Finance costs					(652)
Profit before taxation					245
Taxation					(50)
Net profit for the period					195

(ii) Segment analysis for the financial year-to-date ended 31 March 2006:-

	<b>Investment Holding</b>	<b>Manufacturing In Wood Products</b>	<b>Barging Services</b>	<b>Inter-co Elimination</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue</b>					
- External	-	12,174	-	-	12,174
- Inter-segmental sales	-	-	201	(201)	-
Total Revenue	-	12,174	201	(201)	12,174
<b>Results</b>					
Segment result	(90)	2,567	79	-	2,556
Unallocated corporate expenses					(1,659)
Profit from operations					897
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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 year-to-date.

**A11. Subsequent Events**

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

**A12. Changes in the Composition of the Group**

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

**A13. Changes in Contingent Liabilities and Assets**

There were no contingent liabilities or contingent assets since the last balance sheet as at 31 March 2006.

**A14. Capital Commitments**

There were no capital commitments as at 31 March 2006.

**A15. Significant Related Party Transaction**

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

	<b>Amount RM'000</b>
Sawing fee, hire of log loader and kiln dry charges paid/payable to:- Bayan Cekap Sdn Bhd	576
Office rental paid/payable to:- Golden Bond Sdn Bhd	15
Hire of log loader paid/payable to:- Biramans Transportation Sdn Bhd	30
Rental of premises received/receivable from:- Bayan Cekap Sdn Bhd	21

Bayan Cekap Sdn Bhd, Golden Bond Sdn Bhd and Biramans 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.