

ATURMAJU RESOURCES BERHAD
(Company No: 448934-M)

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

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1. Review of Performance

The comparison of the quarterly results is tabulated below:

	Current quarter ended 31 March 2006 (RM'000)	Immediate quarter ended 31 December 2005 (RM'000)	Difference (%)
Revenue	12,174	13,805	(11.8)
Profit before tax	245	758	(67.7)

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.

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B4. Profit Forecast and Profit Guarantee

The disclosure requirements for this matter are not applicable.

B5. Taxation

Taxation comprises the following:-

	Current Quarter 31.03.2006 RM'000	Current Year To Date 31.03.2006 RM'000
Current taxation	50	50
Under provision for the previous years	-	-
Deferred taxation	-	-
	<hr/>	<hr/>
	50	50

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 and financial year to-date was lower than the statutory tax rate.

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.

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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	<u>10,200</u>	<u>10,200</u>

B9. Group Borrowings and Debts Securities

(a) Long Term Borrowing (Secured)

	As At 31.03.2006 RM'000	As At 31.12.2005 RM'000
Term Loan	17,070	17,787
Hire Purchases	-	-
	<u>17,070</u>	<u>17,787</u>

(b) Short Term Borrowing (Secured)

	As At 31.03.2006 RM'000	As At 31.12.2005 RM'000
Trade Finance Facilities	9,000	7,281
Term Loan	3,531	3,573
Bank Overdrafts	1,461	1,453
	<u>13,992</u>	<u>12,307</u>
Hire Purchases	725	1,010
	<u>14,717</u>	<u>13,317</u>

All the above borrowings are denominated in Ringgit Malaysia.

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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.

B13. Earnings Per Share

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.03.2006 RM'000	Preceding year Corresponding Quarter 31.03.2005 RM'000	Current Year Quarter 31.03.2006 RM'000	Preceding year Corresponding Quarter 31.03.2005 RM'000
Profit attributable to equity holder of the parent	195	1,199	195	1,199
Weighted average number of ordinary shares in issue	60,791	51,100	60,791	51,100
Basic earnings per share (sen)	0.32	2.35	0.32	2.35

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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”).

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.03.2006 RM'000	Preceding year Corresponding Quarter 31.03.2005 RM'000	Current Year Quarter 31.03.2006 RM'000	Preceding year Corresponding Quarter 31.03.2005 RM'000
Profit attributable to equity holder of the parent	195	1,199	195	1,199
Adjustment for after-tax effect of interest expense on ICPS	-	-	-	-
Adjusted profit attributable to equity holders of the parent	<u>195</u>	<u>1,199</u>	<u>195</u>	<u>1,199</u>
Weighted average number of ordinary shares in issue	60,791	51,100	60,791	51,100
Adjustment for assumed conversion of ICPS	309	10,000	309	10,000
Diluted weighted average number of ordinary shares in issue	<u>61,100</u>	<u>61,100</u>	<u>61,100</u>	<u>61,100</u>
Diluted earnings per share (sen)	0.32	1.96	0.32	1.96

By Order of the Board,

Datuk Yeo Wang Seng
Managing Director

29 May 2006