

**ATURMAJU RESOURCES BERHAD (448934-M)****UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2007**

	(UNAUDITED) 30.06.2007 RM'000	(AUDITED) 31.12.2006 RM'000
ASSETS		
Non-Current Asset		
Property, plant and equipment	46,435	44,564
Current Assets		
Inventories	54,681	51,524
Trade receivables	25,048	30,545
Other receivables	6,434	8,272
Deposits for Suppliers	8,500	8,500
Fixed Deposits with licenced banks	593	593
Cash & Bank Balances	3,110	2,178
	<u>98,366</u>	<u>101,612</u>
TOTAL ASSETS	<u>144,801</u>	<u>146,176</u>
EQUITY AND LIABILITIES		
Equity Attributable To Equity Holders Of The Parent		
Share capital	60,850	60,850
Preference Shares	300	300
Share premium	7,711	7,711
Retained profits	28,761	27,029
	<u>97,622</u>	<u>95,890</u>
Minority Interest	-	-
Total Equity	<u>97,622</u>	<u>95,890</u>
Non-Current Liabilities		
Hire Purchase Creditors	149	165
Borrowings	12,654	13,521
Deferred tax liabilities	6,840	6,840
	<u>19,643</u>	<u>20,526</u>
Current Liabilities		
Trade payables	5,028	6,404
Other payables	1,209	1,929
Short term borrowings	18,695	18,910
Amount due to Directors	1,949	1,575
Hire Purchase Creditors	59	58
Cumulative irredeemable convertible preference share	-	-
Tax payable	596	884
	<u>27,536</u>	<u>29,760</u>
Total Liabilities	<u>47,179</u>	<u>50,286</u>
TOTAL EQUITY AND LIABILITIES	<u>144,801</u>	<u>146,176</u>
Net Assets Per Share (Sen)	160	158

The notes set out on pages 5 to 13 form an integral part of and should be read in conjunction with this interim financial report.

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED 30 JUNE 2007

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30.06.2007 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.06.2006 RM'000	CURRENT YEAR TO DATE 30.06.2007 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30.06.2006 RM'000
Revenue	13,412	14,224	22,653	26,398
Cost of Sales	(10,042)	(11,196)	(17,022)	(20,817)
Gross Profit	3,370	3,028	5,631	5,581
Selling expenses	(783)	(1,220)	(1,056)	(2,299)
Administrative expenses	(819)	(669)	(2,240)	(1,339)
Other Operating income	31	149	876	242
Profit from Operations	1,799	1,288	3,211	2,185
Finance costs	(758)	(592)	(1,379)	(1,244)
Profit before tax	1,041	696	1,832	941
Taxation	(50)	(68)	(100)	(118)
Profit for the period	991	628	1,732	823
Attributable to:				
Equity holders of the parent	991	628	1,732	823
Minority Interest	-	-	-	-
Profit for the period	991	628	1,732	823
Basic EPS (sen)	1.63	1.03	2.85	1.36
Fully diluted EPS (sen)	1.62	1.03	2.83	1.35

The notes set out on pages 5 to 13 form an integral part of and should be read in conjunction with this interim financial report.



ATURMAJU RESOURCES BERHAD (448934-M)

**UNAUDITED CONSOLIDATED CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2007**

	Attributable To Equity Holders Of The Parent					MINORITY INTEREST RM'000	TOTAL EQUITY RM'000	
	Non-Distributable			Distributable				
	Share Capital RM'000	Preference Shares RM'000	Share Premium RM'000	Other Reserve RM'000	Retained Profits RM'000			Total RM'000
At 1 January 2006	60,791	133	7,699	14,104	10,304	93,031	-	93,031
Conversion of ICPS	-	-	-	-	-	-	-	-
ICPS - equity Component	59	-	12	-	-	71	-	71
Effect on adopting FRS 3	-	-	-	(14,104)	14,104	-	-	-
Net profit for the period	-	-	-	-	823	823	-	823
At 30 June 2006	<u>60,850</u>	<u>133</u>	<u>7,711</u>	<u>-</u>	<u>25,231</u>	93,925	-	93,925
At 1 January 2007	60,850	300	7,711	-	27,029	95,890	-	95,890
Conversion of ICPS	-	-	-	-	-	-	-	-
Net profit for the period	-	-	-	-	1,732	1,732	-	1,732
At 30 June 2007	<u>60,850</u>	<u>300</u>	<u>7,711</u>	<u>-</u>	<u>28,761</u>	97,622	-	97,622

The notes set out on pages 5 to 13 form an integral part of and should be read in conjunction with this interim financial report.



UNAUDITED CONSOLIDATED CONDENSED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 30 JUNE 2007

	(UNAUDITED) Current Year To Date 30.06.2007 RM'000	(AUDITED) Preceding Year Corresponding Period 30.06.2006 RM'000
Net cash generated/(used in) from operating activities	7,128	(1,755)
Net cash used in investing activities	(5,098)	(160)
Net cash (used in) / generated from financing activities	(1,042)	1,898
Net increase/(decrease) in Cash & Cash Equivalents	988	(17)
Cash & Cash Equivalents at beginning of the financial period	766	1,684
Cash & Cash Equivalents at end of the financial period	1,754	1,667
Cash & Cash Equivalents at end of the financial period comprises the following:		
Fixed Deposits with licenced banks	593	1,600
Cash and Bank Balances	3,110	3,119
Bank overdrafts	(1,356)	(1,452)
	2,347	3,267
Less: Deposit pledged with licensed bank	(593)	(1,600)
	1,754	1,667

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**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2007**

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 2006. 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 2006.

A2. Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2006 except for the adoption of the new/revised Financial Reporting Standards (“FRS”):-

FRS 117	Leases
FRS 124	Related Party Disclosures
FRS 6	Exploration for and Evaluation of Mineral Resources

Amendment

To FRS 119₂₀₀₄ Employee Benefits–Actuarial Gains and Losses, Group Plans and Disclosure

Amendment

To FRS 121 The Effects of Changes in Foreign Exchange Rate – Net Investment in a Foreign Operation

FRS 6 is not applicable to the Group as the Group is not involved in the exploration of mineral resources. The adoption Amendment to FRS 119₂₀₀₄ and Amendment to FRS 121 does not have significant financial impact on the Group for the current quarter under review. The principle effects of the changes in accounting policies’ resulting from the adoption of the other new/revised FRSs is as follow:-

FRS 124: Related Party Disclosures

This FRS does not have any material impact to the Group other than additional disclosure on the key management personnel remuneration and disclosure by the Company on related party transactions.

A3. Auditors’ Report on Preceding Annual Financial Statements

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

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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 30 June 2007.

A6. Changes in Estimates

There were no material changes in estimates of the amounts reported during the current quarter and financial period-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 debts and equity securities.

A8. Dividends Paid

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

A9. Segmental Information

(i) Segment analysis for the current quarter ended 30 June 2007:-

	Investment Holding	Manufacturing In Wood Products	Barging Services	Inter-co Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
- External	-	13,398	14	-	13,412
- Inter-segmental sales	-	-	167	(167)	-
Total Revenue	-	13,398	181	(167)	13,412
Results					
Segment result	-	3,282	88	-	3,370
Unallocated corporate expenses					(1,571)
Profit from operations					1,799
Finance costs					(758)
Profit before taxation					1,041
Taxation					(50)
Net profit for the period					991

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(ii) Segment analysis for the financial period -to-date ended 30 June 2007:-

	Investment Holding	Manufacturing In Wood Products	Barging Services	Inter-co Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
- External	-	22,637	16	-	22,653
- Inter-segmental sales	-	-	292	(292)	-
Total Revenue	-	22,637	308	(292)	22,653
Results					
Segment result	-	5,501	130	-	5,631
Unallocated corporate expenses					(2,420)
Profit from operations					3,211
Finance costs					(1,379)
Profit before taxation					1,832
Taxation					(100)
Net profit for the period					1,732

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.

A11. Subsequent Events

- i) The Board of Directors of Aturmaju is pleased to announce that pertaining to the share sale agreement dated 29 January 2007 for the acquisition of 2 ordinary shares of RM1.00 each in Alamjad ("Sale Shares") representing the entire issued and paid-up share capital of Alamjad by Aturmaju (Sabah) Holding Sdn Bhd ("Aturmaju (Sabah)"), a wholly-owned subsidiary of the Company, the said Sale Shares were duly transferred to Aturmaju (Sabah) on 14 July 2007.

Alamjad had on 13 August 2007, increased its issued and paid-up capital to RM100,000.00. As such, the condition that the issued and paid-up capital of Alamjad be increased to a minimum of RM100,000.00 within six (6) months from the date of FIC's approval letter has been complied with.

As a result, Alamjad becomes a wholly-owned subsidiary of Aturmaju (Sabah), which is in turn, a wholly-owned subsidiary of Aturmaju.

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- ii) Aturmaju (Sabah) Holding Sdn Bhd ("Aturmaju (Sabah)"), a wholly-owned subsidiary of ARB, has been granted pioneer status by Ministry of International Trade and Industry Malaysia ("MITI") via a Certificate of Pioneer Status dated 14 May 2007 for carrying out activities in the production of "Multiple Plywood Board and Wooden Flooring Board". Under this pioneer status incentive, Aturmaju (Sabah)'s statutory income derived from the aforementioned activities shall be exempted from income tax for a period of 5 years starting from 1 February 2007 to 31 January 2012.

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 30 June 2007.

A14. Capital Commitments

There were no capital commitments as at 30 June 2007.

A15. Significant Related Party Transactions

The significant related party transactions as at period -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	13
Office rental paid/payable to:- Golden Bond Sdn Bhd	30
Rental of premises received/receivable from:- Bayan Cekap Sdn Bhd	14
Purchase of logs from:- Golden Bond Sdn Bhd	535

Bayan Cekap Sdn Bhd and Golden Bond 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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INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2007

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1. Review of Performance

The comparison of the quarterly results is tabulated below:

	Current quarter ended 30 June 2007 (RM'000)	Immediate quarter ended 31 March 2007 (RM'000)	Difference (%)
Revenue	13,412	9,241	45.14
Profit before tax	1,041	791	31.61

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.

For the current quarter period, the Group's revenue was increased to 13.41 million from 9.24 million due to festive and extended monsoon period in the immediate quarter. The Group's profit before tax as compared with immediate quarter period was increased this mainly due to the effects of increase in revenue.

B2. Variation of Results Compared to Preceding Quarter

The higher profit before tax for the quarter under review as compared to the immediate preceding quarter is due to increase in revenue.

B3. Prospect for Current Financial Year

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:-

	Current Quarter 30.06.2007 RM'000	Current Period To Date 30.06.2007 RM'000
Current taxation	50	100
Over provision for the previous years	-	-
Deferred taxation	-	-
	<u>50</u>	<u>100</u>

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 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 period -to- date.

B7. Quoted Securities

There was no purchase or disposal of quoted securities for the current quarter and financial period -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	<u>10,200</u>	<u>10,200</u>

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B9. Group Borrowings and Debts Securities

(a) Long Term Borrowing (Secured)

	As At 30.06.2007 RM'000	As At 31.03.2007 RM'000
Term Loan	12,654	13,175
Hire Purchases	149	150
	<u>12,803</u>	<u>13,325</u>

(b) Short Term Borrowing (Secured)

	As At 30.06.2007 RM'000	As At 31.03.2007 RM'000
Trade Finance Facilities	13,466	15,124
Term Loan	3,873	3,832
Bank Overdrafts	1,356	707
	<u>18,695</u>	<u>19,663</u>
Hire Purchases	59	59
	<u>18,754</u>	<u>19,722</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.

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INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2007

B11. Material Litigations

The wholly-owned subsidiary, Aturmaju (Sabah) Holding Sdn Bhd ("AHSB"), has on 9 October 2006 filed a Writ of Summons and Statement of Claim at the High Court of Sabah and Sarawak at Kota Kinabalu, Sabah against Sugumar Balakrishnan (NRIC No: 540127-05-5533), practising under the name and style of Sugumar & Co., for the sum of RM3,000,000.00 being the outstanding amount due to be refunded by the Defendant to AHSB and general damages for loss of opportunity with discretionary interest at the rate of 8% per annum on the sum of RM3,000,000.00. The Writ of Summons was served on the Defendant on 19 October 2006.

Defendant has on 13 November 2006 filed a Defence and Counterclaim at the High Court of Sabah and Sarawak at Kota Kinabalu, Sabah against AHSB. The Statement of Defence and Counterclaim was received by AHSB on 20 November 2006.

On 22 November 2006, the Company AHSB has filed a reply to the Defendant's defence and counterclaim denying the Defendant's allegations. AHSB is disputing the defence and challenging the purported counterclaim as the same is baseless and unfounded.

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 30.06.2007 RM'000	Preceding year Corresponding Quarter 30.06.2006 RM'000	Current Year Quarter 30.06.2007 RM'000	Preceding year Corresponding Quarter 30.06.2006 RM'000
Profit attributable to equity holder of the parent	991	628	1,732	823
Weighted average number of ordinary shares in issue	60,850	60,800	60,850	60,796
Basic earnings per share (sen)	1.63	1.03	2.85	1.36

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").

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**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2007**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.06.2007 RM'000	Preceding year Corresponding Quarter 30.06.2006 RM'000	Current Year Quarter 30.06.2007 RM'000	Preceding year Corresponding Quarter 30.06.2006 RM'000
Profit attributable to equity holder of the parent	991	628	1,732	823
Adjustment for after-tax effect of interest expense on ICPS	-	-	-	-
Adjusted profit attributable to equity holders of the parent	<u>741</u>	<u>628</u>	<u>741</u>	<u>823</u>
Weighted average number of ordinary shares in issue	60,850	60,800	60,850	60,796
Adjustment for assumed conversion of ICPS	250	250	250	250
Diluted weighted average number of ordinary shares in issue	<u>61,100</u>	<u>61,050</u>	<u>61,100</u>	<u>61,046</u>
Diluted earnings per share (sen)	1.62	1.03	2.83	1.35

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

29 August 2007