

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

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS  
FOR THE FIRST QUARTER ENDED 31 MARCH 2008**

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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 2007. 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 2007.

**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 2007.

**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 31 March 2008.

**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 31 March 2008:-

|                                | Investment<br>Holding | Manufacturing<br>In Wood<br>Products | Barging<br>Services | Sales of<br>logs | Inter-co<br>Elimination | Total   |
|--------------------------------|-----------------------|--------------------------------------|---------------------|------------------|-------------------------|---------|
|                                | RM'000                | RM'000                               | RM'000              | RM'000           | RM'000                  | RM'000  |
| <b>Revenue</b>                 |                       |                                      |                     |                  |                         |         |
| - External                     | -                     | 10,036                               | -                   | -                | -                       | 10,036  |
| - Inter-segmental sales        | -                     | -                                    | 101                 | 3,656            | (3,757)                 | -       |
| Total Revenue                  | -                     | 10,036                               | 101                 | 3,656            | (3,757)                 | 10,036  |
| <b>Results</b>                 |                       |                                      |                     |                  |                         |         |
| Segment result                 | -                     | 2,264                                | 64                  | 1                | -                       | 2,329   |
| Unallocated corporate expenses |                       |                                      |                     |                  |                         | (2,416) |
| Loss from operations           |                       |                                      |                     |                  |                         | (87)    |
| Finance costs                  |                       |                                      |                     |                  |                         | (526)   |
| Loss before taxation           |                       |                                      |                     |                  |                         | (613)   |
| Taxation                       |                       |                                      |                     |                  |                         | (50)    |
| Net loss for the period        |                       |                                      |                     |                  |                         | (663)   |

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(ii) Segment analysis for the financial period-to-date ended 31 March 2008:-

|                                | <b>Investment<br/>Holding</b> | <b>Manufacturing<br/>In Wood<br/>Products</b> | <b>Barging<br/>Services</b> | <b>Sales of<br/>logs</b> | <b>Inter-co<br/>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>RM'000</b> |
| <b>Revenue</b>                 |                               |   |                             |                          |                                 |               |
| - External                     | -                             | 10,036  | -                           | -                        | -                               | 10,036        |
| - Inter-segmental sales        | -                             | -   | 101                         | 3,656                    | (3,757)                         | -             |
| Total Revenue                  | -                             | 10,036  | 101                         | 3,656                    | (3,757)                         | 10,036        |
| <b>Results</b>                 |                               |   |                             |                          |                                 |               |
| Segment result                 | -                             | 2,264   | 64                          | 1                        | -                               | 2,329         |
| Unallocated corporate expenses |                               |   |                             |                          |                                 | (2,416)       |
| Loss from operations           |                               |   |                             |                          |                                 | (87)          |
| Finance costs                  |                               |   |                             |                          |                                 | (526)         |
| Loss before taxation           |                               |   |                             |                          |                                 | (613)         |
| Taxation                       |                               |   |                             |                          |                                 | (50)          |
| Net loss for the period        |                               |   |                             |                          |                                 | (663)         |

**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**

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 2008.

**A14. Capital Commitments**

There were no capital commitments as at 31 March 2008.

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**A15. Significant Related Party Transactions**

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

|  | <b>Amount<br/>RM'000</b> |
|--|--------------------------|
| Office rental paid/payable to:-<br>Golden Bond Sdn Bhd | 15                       |

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.

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**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS**

**B1. Review of Performance**

The comparison of the quarterly results is tabulated below:

|                 | <b>Current quarter ended<br/>31 March 2008<br/>(RM'000)</b> | <b>Immediate quarter ended<br/>31 December 2007<br/>(RM'000)</b> | <b>Difference<br/>(%)</b> |
|-----------------|---|--|---------------------------|
| Revenue         | 10,036  | 20,561   | (51.19)                   |
| Loss before tax | (613)   | (1,377)  | 55.48                     |

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 decreased to 10.04 million from 20.56 million mainly due to lower demand from the market. The Group continues achieve a loss before tax result as per immediate quarter period mainly due to the amortisation of goodwill.

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

Loss before tax for the quarter under review as per the immediate preceding quarter is due to amortisation of goodwill.

**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.

**B5. Taxation**

Taxation comprises the following:-

|                   | <b>Current Quarter<br/>31.03.2008<br/>RM'000</b> | <b>Current Period To Date<br/>31.03.2008<br/>RM'000</b> |
|-------------------|--|---|
| Current taxation  | 50   | 50  |
| Deferred taxation | -  | -   |
|                   | <hr/> 50   | <hr/> 50  |

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### B5. Taxation (continued)

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:-

|                                 | <b>Proposed<br/>Amount<br/>RM'000</b> | <b>Utilised<br/>Amount<br/>RM'000</b> |
|---------------------------------|---------------------------------------|---------------------------------------|
| 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)

|                | <b>As At<br/>31.03.2008<br/>RM'000</b> | <b>As At<br/>31.12.2007<br/>RM'000</b> |
|----------------|--|--|
| Term Loan      | 11,126                                 | 10,807                                 |
| Hire Purchases | 498                                    | 348                                    |
|                | <u>11,624</u>                          | <u>11,155</u>                          |

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**B9. Group Borrowings and Debts Securities (continued)**

**(b) Short Term Borrowing (Secured)**

|                          | <b>As At<br/>31.03.2008<br/>RM'000</b> | <b>As At<br/>31.12.2007<br/>RM'000</b> |
|--------------------------|--|--|
| Trade Finance Facilities | 14,182                                 | 14,451                                 |
| Term Loan                | 4,229                                  | 4,254                                  |
| Bank Overdrafts          | 1,359                                  | 2,397                                  |
|                          | <hr/>                                  | <hr/>                                  |
|                          | 19,770                                 | 21,102                                 |
| Hire Purchases           | 155                                    | 117                                    |
|                          | <hr/>                                  | <hr/>                                  |
|                          | 19,925                                 | 21,219                                 |
|                          | <hr/> <hr/>                            | <hr/> <hr/>                            |

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 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.

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**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.

|   | <b>INDIVIDUAL QUARTER</b> |  | <b>CUMULATIVE QUARTER</b> |  |
|---|---------------------------|--|---------------------------|--|
|   | Current Year<br>Quarter   | Preceding year<br>Corresponding<br>Quarter | Current Year<br>Quarter   | Preceding year<br>Corresponding<br>Quarter |
|   | 31.03.2008<br>RM'000      | 31.03.2007<br>RM'000                       | 31.03.2008<br>RM'000      | 31.03.2007<br>RM'000                       |
| (Loss)/Profit attributable to equity holder of the parent | (663)                     | 741  | (663)                     | 741  |
| Weighted average number of ordinary shares in issue       | 60,850                    | 60,850                                     | 60,850                    | 60,850                                     |
| Basic earnings per share (sen)                            | (1.09)                    | 1.22                                       | (1.09)                    | 1.22                                       |

For the purpose of calculating diluted earnings per share, the net (loss) / 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").

|   | <b>INDIVIDUAL QUARTER</b> |  | <b>CUMULATIVE QUARTER</b> |  |
|---|---------------------------|--|---------------------------|--|
|   | Current Year<br>Quarter   | Preceding year<br>Corresponding<br>Quarter | Current Year<br>Quarter   | Preceding year<br>Corresponding<br>Quarter |
|   | 31.03.2008<br>RM'000      | 31.03.2007<br>RM'000                       | 31.03.2008<br>RM'000      | 31.03.2007<br>RM'000                       |
| (Loss)/Profit attributable to equity holder of the parent             | (663)                     | 741  | (663)                     | 741  |
| Adjustment for after-tax effect of interest expense on ICPS           | -                         | -  | -                         | -  |
| Adjusted (loss) / profit attributable to equity holders of the parent | (633)                     | 741  | (633)                     | 741  |



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**B13. Earnings Per Share (continued)**

|   | <b>INDIVIDUAL QUARTER</b>                       |  | <b>CUMULATIVE QUARTER</b>                       |  |
|---|---|--|---|--|
|   | Current Year<br>Quarter<br>31.03.2008<br>RM'000 | Preceding year<br>Corresponding<br>Quarter<br>31.03.2007<br>RM'000 | Current Year<br>Quarter<br>31.03.2008<br>RM'000 | Preceding year<br>Corresponding<br>Quarter<br>31.03.2007<br>RM'000 |
| Weighted average number of ordinary shares in issue         | 60,850  | 60,850   | 60,850  | 60,850   |
| Adjustment for assumed conversion of ICPS                   | 250   | 250  | 250   | 250  |
| Diluted weighted average number of ordinary shares in issue | 61,100  | 61,100   | 61,100  | 61,100   |
| Diluted earnings per share (sen)                            | (1.09)  | 1.21   | (1.09)  | 1.21   |

**By Order of the Board,**

**Datuk Yeo Wang Seng**  
**Managing Director**

30 May 2008