

ATURMAJU RESOURCES BERHAD
(Company No: 448934-M)

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FORTH QUARTER ENDED 31 DECEMBER 2008**

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.

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 December 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.

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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 December 2008:-

	Investment Holding	Manufacturing In Wood Products	Barging Services	Sales of logs	Inter-co Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue						
- External	-	11,262	-	367	-	11,629
- Inter-segmental sales	380	963	104	2,825	(4,272)	-
Total Revenue	380	12,225	104	3,192	(4,272)	11,629
Results						
Segment result	380	1,958	(6)	(116)	(380)	1,836
Unallocated corporate expenses						(1,718)
Profit from operations						118
Finance costs						(969)
Profit before taxation						(851)
Taxation						1,081
Net profit for the period						230

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

	Investment Holding	Manufacturing In Wood Products	Barging Services	Sales of logs	Inter-co Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue						
- External	-	46,235	-	2,494	-	48,729
- Inter-segmental sales	380	4,021	375	12,819	(17,595)	-
Total Revenue	380	50,256	375	15,313	(17,595)	48,729
Results						
Segment result	380	9,976	10	(126)	(380)	9,860
Unallocated corporate expenses						(9,141)
Profit from operations						(719)
Finance costs						(2,982)
Profit before taxation						(2,263)
Taxation						1,010
Net loss for the period						(1,253)

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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 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 December 2008.

A14. Capital Commitments

There were no capital commitments as at 31 December 2008.

A15. Significant Related Party Transactions

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

	Amount RM'000
Office rental paid/payable to:- 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:

	Current quarter ended 31 December 2008 (RM'000)	Immediate quarter ended 30 September 2008 (RM'000)	Difference (%)
Revenue	11,627	15,047	22.72
(Loss)/Profit before tax	(851)	102	(924.51)

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 and sawn timber.

For the current quarter period, the Group's revenue decreased from 15.05 million to 11.63 million mainly due to low demand in the market. Loss before tax result as compared to previous 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 achieving better performance as compared to the immediate preceding quarter is due to the 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.

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B5. Taxation

Taxation comprises the following:-

	Current Quarter 31.12.2008 RM'000	Current Period To Date 31.12.2008 RM'000
Current taxation	(16)	151
Over provision in prior year	(442)	(442)
	<u>(458)</u>	<u>(291)</u>
Deferred taxation	(719)	(719)
	<u>(1,177)</u>	<u>(1,010)</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 31.12.2008 RM'000	As At 31.12.2007 RM'000
Term Loan	17,141	10,807
Hire Purchases	556	348
	<u>17,697</u>	<u>11,155</u>

(b) Short Term Borrowing (Secured)

	As At 31.12.2008 RM'000	As At 31.12.2007 RM'000
Trade Finance Facilities	12,700	14,451
Term Loan	19,020	4,254
Bank Overdrafts	1003	2,397
	<u>32,723</u>	<u>21,102</u>
Hire Purchases	213	117
	<u>32,936</u>	<u>21,219</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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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.

On 30 December 2008, the Honourable Court has fixed the trial of the matter to commence from 16 to 20 November 2009.

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	Preceding year Corresponding Quarter	Current Year Quarter	Preceding year Corresponding Quarter
	31.12.2008 RM'000	31.12.2007 RM'000	31.12.2008 RM'000	31.12.2007 RM'000
Profit/(Loss) attributable to equity holder of the parent	326	(1,735)	(1,253)	928
Weighted average number of ordinary shares in issue	60,850	60,850	60,850	60,850
Basic earnings per share (sen)	0.54	(2.85)	(2.05)	1.53

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For the purpose of calculating diluted earnings per share, the net profit/(loss) 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	Preceding year Corresponding Quarter	Current Year Quarter	Preceding year Corresponding Quarter
	31.12.2008	31.12.2007	31.12.2008	31.12.2007
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) attributable to equity holder of the parent	326	(1,735)	(1,253)	928
Adjustment for after-tax effect of interest expense on ICPS	-	-	-	-
Adjusted profit / (loss) attributable to equity holders of the parent	<u>326</u>	<u>(1,735)</u>	<u>(1,253)</u>	<u>928</u>

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding year Corresponding Quarter	Current Year Quarter	Preceding year Corresponding Quarter
	31.12.2008	31.12.2007	31.12.2008	31.12.2007
	RM'000	RM'000	RM'000	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	<u>61,100</u>	<u>61,100</u>	<u>61,100</u>	<u>61,100</u>
Diluted earnings per share (sen)	0.53	(2.84)	(2.05)	1.52

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

27 February 2009