

**ATURMAJU RESOURCES BERHAD (448934-M)****UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2011**

	(UNAUDITED) 31.03.2011 RM'000	(AUDITED) 31.12.2010 RM'000
ASSETS		
Non-Current Asset		
Property, plant and equipment	33,616	34,698
Intangible asset	18,343	19,501
	<u>51,959</u>	<u>54,199</u>
Current Assets		
Inventories	44,788	51,299
Trade receivables	8,032	15,118
Other receivables	9,435	5,492
Deposits for suppliers	7,000	7,000
Derivative assets	-	3,701
Fixed deposits with licenced banks	3,193	3,193
Cash & bank balances	332	162
	<u>72,780</u>	<u>85,965</u>
TOTAL ASSETS	<u>124,739</u>	<u>140,164</u>
EQUITY AND LIABILITIES		
Share capital	61,100	61,100
Share premium	7,761	7,761
Retained profits	8,641	9,442
Total Equity	<u>77,502</u>	<u>78,303</u>
Non-Current Liabilities		
Hire purchase payables	393	476
Term loans	24,651	27,575
Deferred tax liabilities	5,161	5,161
	<u>30,205</u>	<u>33,212</u>
Current Liabilities		
Trade payables	814	3,308
Other payables	1,733	3,996
Derivative liabilities	-	3,781
Term loans	12,748	12,941
Amount due to directors	1,058	3,933
Hire purchase payables	375	380
Tax payable	304	310
	<u>17,032</u>	<u>28,649</u>
Total Liabilities	<u>47,237</u>	<u>61,861</u>
TOTAL EQUITY AND LIABILITIES	<u>124,739</u>	<u>140,164</u>
Net assets per share attributable to equity holders of parent (sen)	127	128

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2010 and the accompanying explanatory notes to the quarterly report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 MARCH 2011**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.03.2011 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.03.2010 RM'000	CURRENT YEAR TO DATE 31.03.2011 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.03.2010 RM'000
Revenue	16,993	19,353	16,993	19,353
Cost of sales	(13,872)	(15,420)	(13,872)	(15,420)
Gross profit	3,121	3,933	3,121	3,933
Selling expenses	(1,290)	(1,116)	(1,290)	(1,116)
Administrative expenses	(881)	(1,100)	(881)	(1,100)
Amortisation of intangible asset	(1,158)	(2,784)	(1,158)	(2,784)
Other operating income	310	373	310	373
Profit/(Loss) from operations	102	(694)	102	(694)
Finance costs	(853)	(708)	(853)	(708)
Loss before taxation	(751)	(1,402)	(751)	(1,402)
Taxation	(50)	(50)	(50)	(50)
Net loss for the financial period, representing total comprehensive income for the financial period	<u>(801)</u>	<u>(1,452)</u>	<u>(801)</u>	<u>(1,452)</u>
Net loss for the financial period attributable to:				
Equity holders of the parent	<u>(801)</u>	<u>(1,452)</u>	<u>(801)</u>	<u>(1,452)</u>
Loss per share attributable to equity holder of the parent:				
Basic EPS (sen)	<u>(1.31)</u>	<u>(2.38)</u>	<u>(1.31)</u>	<u>(2.38)</u>

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2010 and the accompanying explanatory notes to the quarterly report.



UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 MARCH 2011

	Attributable To Equity Holders Of The Parent			Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Retained Profits RM'000	
At 1 January 2010	61,100	7,761	19,569	88,430
Net loss for the financial period	-	-	(1,452)	(1,452)
At 31 March 2010	<u>61,100</u>	<u>7,761</u>	<u>18,117</u>	<u>86,978</u>
At 1 January 2011	61,100	7,761	9,442	78,303
Net loss for the financial period	-	-	(801)	(801)
At 31 March 2011	<u>61,100</u>	<u>7,761</u>	<u>8,641</u>	<u>77,502</u>

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2010 and the accompanying explanatory notes to the quarterly report.



ATURMAJU RESOURCES BERHAD (448934-M)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 MARCH 2011**

	(UNAUDITED) Current Year To Date 31.03.2011 RM'000	Preceding Year Corresponding Period 31.03.2010 RM'000
Net cash generated from/(used in) operating activities	3,381	(6,923)
Net cash used in investing activities	(7)	(233)
Net cash (used in)/generated from financing activities	(3,204)	6,084
Net increase/(decrease) in cash & cash equivalents	170	(1,072)
Cash & cash equivalents at beginning of the financial period	162	1,451
Cash & cash equivalents at end of the financial period	332	379
Cash & cash equivalents at end of the financial period comprises the following:		
Fixed deposits with licenced banks	3,193	4,557
Cash and bank balances	332	379
	3,525	4,936
Less: Fixed deposit pledged with licensed bank	(3,193)	(4,557)
	332	379

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2010 and the accompanying explanatory notes to the quarterly report.

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INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2011

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 2010. 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 2010.

A2. Changes in Accounting Policies

The financial statements of the Group have been prepared on the historical cost convention except as disclosed in the notes to the financial statements and in compliance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia.

During the financial period, the Group have adopted the following applicable new Financial Reporting Standards (“FRSs”), revised FRSs, Issues Committee (“IC”) Interpretations and amendments to FRSs, issued by the Malaysian Accounting Standards Board that are mandatory for the current financial period:-

Amendments to FRS 132	Financial Instruments: Presentation
FRS 1	First-time Adoption of Financial Reporting Standards
FRS 3	Business Combinations
FRS 127	Consolidated & Separate Financial Statements
Amendments to FRS 2	Share-based Payment
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 138	Intangible Assets
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives
Amendment to FRS 1	Limited Exemption from Comparative FRS 7 Disclosure for First-time Adopters
Amendment to FRS 7	Improving Disclosures about Financial Instruments
IC Interpretation 4	Determining whether an Arrangement contains a Lease
IC Interpretation 18	Transfers of Assets from Customers

Amendments to FRSs contained in the documents entitled “Improvements to FRSs (2010)”

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The revised FRSs are either not applicable to the Group or the adoption did not result in significant changes in accounting policies of the Group and did not have significant impact on the financial position and performance of the Group.

The Group have not adopted earlier the following new FRSs, revised FRSs, Issues Committee (“IC”) Interpretations and amendments to FRSs, which have been issued as at the date of authorisation of these financial statements and will be effective for the financial periods as stated below:-

		Effective date for financial periods beginning on or after
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Amendments to IC Interpretation 14	Prepayment of a Minimum Funding Requirement	1 July 2011
IC Interpretation 15	Agreements for Construction of Real Estate	1 January 2012
FRS 124	Related Party Disclosures	1 January 2012

The initial applications of the above applicable new FRSs, revised FRSs, IC Interpretations, and amendments to FRSs is not expected to have any material impact on the financial statements of the Group, except as discussed below:-

(i) FRS 127: Consolidated and Separate Financial Statements

This Standard supersedes the existing FRS 127 and replaces the current term ‘minority interest’ with a new term ‘non-controlling interest’ which is defined as the equity in a subsidiary that is not attributable, directly or indirectly, to a parent. Accordingly, total comprehensive income shall be attributed to the owners of the parent and to the non-controlling interest, even if this results in the non-controlling interest having a deficit balance.

Changes in the Group’s ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. If the Group loses control of a subsidiary, any gains or losses are recognised in profit or loss and any investment retained in the former subsidiary shall be measured at its fair value at the date when control is lost.

The Group re-phrased its minority interest as non-controlling interest and remeasured the non-controlling interest prospectively in accordance with the transitional provisions of the revised FRS 127.

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A3. Auditors' Report on Preceding Annual Financial Statements

There was no audit qualification in the audited report of the Company and its subsidiary companies preceding annual financial statements for the financial year ended 31 December 2010.

A4. Seasonal or Cyclical Factors

The principal business operations of the Group are not materially affected by seasonal or cyclical factors during the financial period-to-date under review.

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 2011.

A6. Changes in Estimates

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

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 period-to-date under review.

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**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2011****A9. Segmental Information**

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

	Investment Holding RM'000	Manufacturing In Wood Products RM'000	Barging Services RM'000	Sales of Logs RM'000	Adjustment and Elimination RM'000	Total RM'000
Revenue						
- External	-	16,993	-	-	-	16,993
- Inter-segmental sales	-	2,009	240	2,386	(4,635)	-
Total Revenue	-	19,002	240	2,386	(4,635)	16,993
Results						
Segment result	(109)	1,214	34	102	(1,158)	83
Interest income	-	-	-	19	-	19
Interest expenses	-	(853)	-	-	-	(853)
(Loss)/Profit from before taxation	(109)	361	34	121	(1,158)	(751)
Taxation	-	(50)	-	-	-	(50)
Net (loss)/profit for the financial period	(109)	311	34	121	(1,158)	(801)
Additional to non-current assets	-	7	-	-	-	-
Segment assets	21	95,673	32	14,451	18,343	128,520
Non-Cash Expenses						
Amortisation of intangible asset	-	-	-	-	1,158	1,158
Depreciation of property, plant and equipment	-	1,086	2	-	-	1,088

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FOR THE FIRST QUARTER ENDED 31 MARCH 2011****A9. Segmental Information (Cont'd)**

(ii) Segment analysis for the financial period-to-date ended 31 March 2011:-

	Investment Holding RM'000	Manufacturing In Wood Products RM'000	Barging Services RM'000	Sales of Logs RM'000	Adjustment and Elimination RM'000	Total RM'000
Revenue						
- External	-	16,993	-	-	-	16,993
- Inter-segmental sales	-	2,009	240	2,386	(4,635)	-
Total Revenue	-	19,002	240	2,386	(4,635)	16,993
Results						
Segment result	(109)	1,214	34	102	(1,158)	83
Interest income	-	-	-	19	-	19
Interest expenses	-	(853)	-	-	-	(853)
(Loss)/Profit from before taxation	(109)	361	34	121	(1,158)	(751)
Taxation	-	(50)	-	-	-	(50)
Net (loss)/profit for the financial period	(109)	311	34	121	(1,158)	(801)
Additional to non-current assets	-	7	-	-	-	-
Segment assets	21	95,673	32	14,451	18,343	128,520
Non-Cash Expenses						
Amortisation of intangible asset	-	-	-	-	1,158	1,158
Depreciation of property, plant and equipment	-	1,086	2	-	-	1,088

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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 under review.

A11. Significant Events

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

A12. Subsequent Events

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

A13. Changes in the Composition of the Group

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

A14. Changes in Contingent Liabilities and Assets

Except as disclosed below, there were no material contingent liabilities or assets during the current quarter under review.

	Current Quarter 31.03.2011 RM'000	Period To Date 31.03.2011 RM'000
Banker guarantees given in favour of third parties		
- Limit of guarantee	<u>73</u>	<u>73</u>
- Amount utilised	<u>10</u>	<u>10</u>

A15. Capital Commitments

There were no capital commitments during the current quarter under review.

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FOR THE FIRST QUARTER ENDED 31 MARCH 2011**

A16. Significant Related Party Transactions

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

	Current Quarter 31.03.2011 RM'000	Period To Date 31.03.2011 RM'000
Office rental paid/payable to:- Golden Bond Sdn Bhd	<u>15</u>	<u>15</u>

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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INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2011

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 2011 (RM'000)	Preceding quarter ended 31 March 2010 (RM'000)	Difference (%)
Revenue	16,993	19,353	(12.19)
Loss before tax	(751)	(1,402)	46.43

The major revenue of the Group is contributed by Aturmaju (Sabah) Holding Sdn. Bhd. which is the principal subsidiary of the Company 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 by 12.19% to RM16.99 million mainly due to lower demand in the market. The Group achieves loss before taxation result mainly due to the amortisation of intangible asset in the quarter under review.

B2. Variation of Results Compared to Preceding Quarter

Loss before taxation for the quarter under review achieving better result as compared to the immediate preceding quarter is due to lower amortisation of intangible asset in the quarter under review.

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 Group did not announce and profit forecast nor profit guarantee for the current financial period.

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B5. Taxation

Taxation comprises the following:-

	Current Quarter 31.03.2011 RM'000	Period To Date 31.03.2011 RM'000
Current taxation	(50)	(50)
Deferred taxation	-	-
	<u>(50)</u>	<u>(50)</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 under review.

B7. Quoted Securities

There was no purchase or disposal of quoted securities for the current quarter and financial period -to- date under review.

B8. Corporate Proposals

There were no corporate proposals as at the date of this announcement.

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**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2011****B9. Group Borrowings and Debts Securities****(a) Long Term Borrowing (Secured)**

	As at 31.03.2011 RM'000	As at 31.12.2010 RM'000
Term loans	24,651	27,574
Hire purchase payables	393	476
	<u>25,044</u>	<u>28,050</u>

(b) Short Term Borrowing (Secured)

	As at 31.03.2011 RM'000	As at 31.12.2010 RM'000
Term loans	12,748	12,941
Hire purchase payables	375	380
	<u>13,123</u>	<u>13,321</u>

All the above borrowings are denominated in Ringgit Malaysia.

B10. Retained Profits

	(Unaudited) As at 31.03.2011 RM'000	(Audited) As at 31.12.2010 RM'000
Total retained profits of the Group		
- Realised	45,539	45,263
- Unrealised	(5,161)	(5,241)
	<u>40,378</u>	<u>40,022</u>
Less: Consolidated adjustments	(31,737)	(30,580)
Total retained profits as per Statements of Financial Position	<u>8,641</u>	<u>9,442</u>

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B11. Off Balance Sheet Financial Instruments

The Group does not have any off balance sheet financial instruments as at the date of this report.

B12. Material Litigations

The Group does not engaged in any material litigation either as plaintiff or defendant and the Directors do not have any knowledge of any proceedings pending or threatened against the Group which might materially and adversely affect the financial position or business of the Group.

B13. Dividend

No dividend has been recommended by the Board of Directors for the current quarter under review.

B14. Earnings Per Share

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.03.2011 RM'000	Preceding year Corresponding Quarter 31.03.2010 RM'000	Current Year Quarter 31.03.2011 RM'000	Preceding year Corresponding Quarter 31.03.2010 RM'000
Net loss attributable to equity holder of the parent	<u>(801)</u>	<u>(1,452)</u>	<u>(801)</u>	<u>(1,452)</u>
Weighted average number of ordinary shares in issue	<u>61,100</u>	<u>61,100</u>	<u>61,100</u>	<u>61,100</u>
Basic earnings per share (sen)	<u>(1.31)</u>	<u>(2.38)</u>	<u>(1.31)</u>	<u>(2.38)</u>

By Order of the Board,

Datuk Yeo Wang Seng
Managing Director
31 May 2011