

**ATURMAJU RESOURCES BERHAD (448934-M)****UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2016**

| | (UNAUDITED) 31.03.2016 RM'000 | (AUDITED) 31.12.2015 RM'000 |
|--|-------------------------------------|-----------------------------------|
| ASSETS | | |
| Non-Current Asset | | |
| Property, plant and equipment | 10,362 | 10,776 |
| Current Assets | | |
| Inventories | 22,793 | 18,853 |
| Trade receivables | 6,671 | 9,713 |
| Other receivables and deposits | 2,954 | 3,145 |
| Derivative assets | 391 | 391 |
| Tax recoverable | 21 | 344 |
| Fixed deposits with licenced banks | 20 | 20 |
| Cash & bank balances | 306 | 529 |
| | <u>33,156</u> | <u>32,995</u> |
| TOTAL ASSETS | <u>43,518</u> | <u>43,771</u> |
| EQUITY AND LIABILITIES | | |
| Share capital | 61,100 | 61,100 |
| Share premium | 7,761 | 7,761 |
| Accumulated losses | (32,465) | (31,689) |
| Total Equity | <u>36,396</u> | <u>37,172</u> |
| Current Liabilities | | |
| Trade payables | 1,471 | 2,495 |
| Other payables | 1,418 | 1,652 |
| Term loans | - | - |
| Amount due to directors | 4,174 | 2,182 |
| Hire purchase payables | 44 | 70 |
| Tax payable | 15 | 200 |
| | <u>7,122</u> | <u>6,599</u> |
| Total Liabilities | <u>7,122</u> | <u>6,599</u> |
| TOTAL EQUITY AND LIABILITIES | <u>43,518</u> | <u>43,771</u> |
| Net assets per share attributable to equity holders of parent (sen) | <u>60</u> | <u>61</u> |

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 2015 and the accompanying explanatory notes to the quarterly report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 MARCH 2016

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|---|--|---|---|
| | CURRENT YEAR QUARTER 31.03.2016 RM'000 | PRECEDING YEAR CORRESPONDING QUARTER 31.03.2015 RM'000 | CURRENT YEAR TO DATE 31.03.2016 RM'000 | PRECEDING YEAR CORRESPONDING PERIOD 31.03.2015 RM'000 |
| Revenue | 4,355 | 13,235 | 4,355 | 13,235 |
| Cost of sales | (3,742) | (11,035) | (3,742) | (11,035) |
| Gross profit | 613 | 2,200 | 613 | 2,200 |
| Selling expenses | (486) | (672) | (486) | (672) |
| Administrative expenses | (901) | (1,062) | (901) | (1,062) |
| Other operating income | 5 | 37 | 5 | 37 |
| (Loss)/Profit from operations | (769) | 503 | (769) | 503 |
| Finance costs | (7) | (15) | (7) | (15) |
| (Loss)/Profit before taxation | (776) | 488 | (776) | 488 |
| Taxation | - | (50) | - | (50) |
| Net (loss)/profit for the financial period, representing total comprehensive income for the financial period | (776) | 438 | (776) | 438 |
| Net (loss)/profit for the financial period attributable to: | | | | |
| Equity holders of the parent | (776) | 438 | (776) | 438 |
| (Loss)/Earning per share attributable to equity holder of the parent: | | | | |
| Basic EPS (sen) | (1.27) | 0.72 | (1.27) | 0.72 |

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 2015 and the accompanying explanatory notes to the quarterly report.



UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 MARCH 2016

| | Attributable To Equity Holders Of The Parent | | | Total Equity RM'000 |
|-------------------------------------|--|----------------------------|------------------------------|---------------------------|
| | Share Capital RM'000 | Share Premium RM'000 | Accumulated Losses RM'000 | |
| At 1 January 2015 | 61,100 | 7,761 | (30,906) | 37,955 |
| Net profit for the financial period | - | - | 438 | 438 |
| At 31 March 2015 | <u>61,100</u> | <u>7,761</u> | <u>(30,468)</u> | <u>38,393</u> |
| At 1 January 2016 | 61,100 | 7,761 | (31,689) | 37,172 |
| Net loss for the financial period | - | - | (776) | (776) |
| At 31 March 2016 | <u>61,100</u> | <u>7,761</u> | <u>(32,465)</u> | <u>36,396</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 2015 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 2016**

| | (UNAUDITED) | |
|---|--------------|----------------|
| | Current Year | Preceding Year |
| | To Date | Corresponding |
| | 31.03.2016 | Period |
| | RM'000 | 31.03.2015 |
| | RM'000 | RM'000 |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| (Loss)/Profit before taxation | (776) | 488 |
| Adjustments:- | | |
| Depreciation of property, plant and equipment | 415 | 458 |
| Interest expense | 7 | 15 |
| Operating (loss)/profit before working capital changes | (354) | 961 |
| Changes in working capital: | | |
| Inventories | (3,940) | 2,906 |
| Receivables | 3,233 | (1,282) |
| Payables | (1,258) | (2,248) |
| Amount due to directors | 1,993 | 115 |
| Cash (used in)/generated from operations | (326) | 452 |
| Interest paid | (7) | (15) |
| Tax paid | (40) | (167) |
| Tax refunded | 178 | - |
| Net cash (used in)/from operating activity | (195) | 270 |
| CASH FLOW FROM INVESTING ACTIVITY | | |
| Purchase of property, plant and equipment | (2) | (3) |
| Net cash used in investing activity | (2) | (3) |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Repayments of hire purchase payables | (26) | (25) |
| Repayments of term loans | - | (182) |
| Net cash used in financing activities | (26) | (207) |
| Net (decrease)/increase in cash & cash equivalents | (223) | 60 |
| Cash & cash equivalents at beginning of the financial period | 529 | 25 |
| Cash & cash equivalents at end of the financial period | 306 | 85 |
| <u>Cash & Cash Equivalents at end of the financial period comprise the followings:</u> | | |
| Fixed deposits with licenced banks | 20 | 20 |
| Cash and bank balances | 306 | 85 |
| | 326 | 105 |
| Less: Fixed deposit pledged with licensed bank | (20) | (20) |
| | 306 | 85 |

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 2015 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 2016

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 MFRS 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 2015. 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 2015.

Since the previous annual audited financial statements as at 31 December 2015 were issued, the Group has adopted the Malaysian Financial Reporting Standards (“MFRS”) framework issued by the Malaysian Accounting Standards Board (“MASB”) with effect from 1 January 2012. This MFRS framework was introduced by the MASB in order to fully coverage Malaysia’s existing Financial Reporting Standards (“FRS”) framework with the International Financial Reporting Standards (“IFRS”) framework issued by the International Accounting Standards Board.

A2. Significant 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 year, 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 year:-

| | |
|------------------------------------|--|
| IC Interpretation 19 | Extinguishing Financial Liabilities with Equity Instruments |
| Amendments to IC Interpretation 14 | Prepayment of a Minimum Funding Requirement |
| MFRS 124 | Related Party Disclosures (revised) |
| Amendments to MFRS 1 | Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters |
| Amendments to MFRS 7 | Disclosures – Transfers of Financial Assets |
| Amendments to MFRS 112 | Deferred Tax: Recovery of Underlying Assets |

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A2. Significant accounting policies (cont'd)

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 year as stated below:-

| | | <u>Effective date for financial periods beginning on or after</u> |
|---|---|---|
| Amendments to FRS 9 (IFRS 9 as issued by IASB in November 2009), MFRS 9 (IFRS 9 as issued by IASB in October 2010) and MFRS 7 | Mandatory Effective Date of FRS 9 and Transition Disclosures | 1 March 2012 |
| Amendments to MFRS 101 | Presentation of Items of Other Comprehensive Income | 1 July 2012 |
| MFRS 10 | Consolidated Financial Statements | 1 January 2013 |
| MFRS 11 | Joint Arrangements | 1 January 2013 |
| MFRS 12 | Disclosure of Interests in Other Entities | 1 January 2013 |
| MFRS 13 | Fair Value Measurement | 1 January 2013 |
| MFRS 119 | Employee Benefits (revised) | 1 January 2013 |
| MFRS 127 | Separate Financial Statements | 1 January 2013 |
| MFRS 128 | Investments in Associates and Joint Ventures | 1 January 2013 |
| IC Interpretation 20 | Stripping Costs in the Production Phase of a Surface Mine | 1 January 2013 |
| Amendments to MFRS 7 | Disclosures - Offsetting Financial Assets and Financial Liabilities | 1 January 2013 |
| Amendments to MFRS 132 | Offsetting Financial Assets and Financial Liabilities | 1 January 2014 |
| MFRS 9 (IFRS 9 as issued by IASB in November 2009) | Financial Instruments | 1 January 2015* |
| MFRS 9 (IFRS 9 as issued by IASB in October 2010) | Financial Instruments | 1 January 2015* |

* Original effective date of 1 January 2013 deferred to 1 January 2015 via amendments issued by MASB on 1 March 2012.

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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 2015.

A4. Seasonal or Cyclical Factors

The principal business operations of the Group are not materially affected by seasonal or cyclical factors during the financial year-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 quarter ended 31 March 2016.

A6. Changes in Estimates

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

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**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2016****A9. Segmental Information**

(i) Segment analysis for the financial period-to-date ended 31 March 2016:-

| | 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 | - | 4,139 | 216 | - | - | 4,355 |
| - Inter-segmental sales | - | - | - | - | - | - |
| Total Revenue | - | 4,139 | 216 | - | - | 4,355 |
| Results | | | | | | |
| Segment result | (72) | (759) | 65 | (3) | - | (769) |
| Interest expense | - | (7) | - | - | - | (7) |
| (Loss)/Profit from before taxation | (72) | (766) | 65 | (3) | - | (776) |
| Taxation | - | - | - | - | - | - |
| Net (loss)/profit for the financial year | (72) | (766) | 65 | (3) | - | (776) |
| Additional to non-current assets | - | 2 | - | - | - | 2 |
| Segment assets | - | 41,613 | 650 | 1,255 | - | 43,518 |
| Non-Cash Expenses | | | | | | |
| Depreciation of property, plant and equipment | - | 406 | 9 | - | - | 415 |

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**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2016****A9. Segmental Information (Cont'd)**

(ii) Segment analysis for the preceding year corresponding period ended 31 March 2015:-

| | 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 | - | 13,154 | 81 | - | - | 13,235 |
| - Inter-segmental sales | - | - | 62 | 5,896 | (5,958) | - |
| Total Revenue | - | 13,154 | 143 | 5,896 | (5,958) | 13,235 |
| Results | | | | | | |
| Segment result | (93) | 465 | (134) | 265 | - | 503 |
| Interest expenses | - | (15) | - | - | - | (15) |
| (Loss)/Profit from before taxation | (93) | 450 | (134) | 265 | - | 488 |
| Taxation | - | (50) | - | - | - | (50) |
| Net (loss)/profit for the financial period | (93) | 400 | (134) | 265 | - | 438 |
| Additional to non-current assets | - | - | - | - | - | - |
| Segment assets | - | 37,427 | 389 | 6,720 | - | 44,536 |
| Non-Cash Expenses | | | | | | |
| Depreciation of property, plant and equipment | - | 449 | 9 | - | - | 458 |

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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 year -to-date under review.

A11. Significant Events

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

A12. Subsequent Events

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

A13. Changes in the Composition of the Group

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

A14. Changes in Contingent Liabilities and Assets

There were no material contingent liabilities or assets during the current quarter under review.

A15. Capital Commitments

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

A16. Significant Related Party Transactions

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

| | Current Quarter 31.03.2016 RM'000 | Period To Date 31.03.2016 RM'000 |
|---------------------------------|--|---|
| Office rental paid/payable to:- | | |
| Golden Bond Sdn Bhd | <u>30</u> | <u>30</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 2016

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 2016 (RM'000) | Preceding quarter ended 31 March 2015 (RM'000) | Difference (%) |
|-------------------------------|---|---|---------------------------|
| Revenue | 4,355 | 13,235 | (67.09) |
| (Loss)/Profit before taxation | (776) | 488 | (259.02) |

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 and sawn timber.

For the current quarter period, the Group's revenue decreased by 67.09% to RM4.36 million mainly due to lower demand in the market. The Group achieves a loss before taxation result mainly due to higher administration costs incurred in the quarter under review.

B2. Variation of Results Compared to Preceding Quarter

Profit before taxation for the quarter under review achieving adverse result as compared to the immediate preceding quarter is due to lower sales generated 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 scarcity of the timber log and the demand for tropical wood is increasingly.

B4. Profit Forecast and Profit Guarantee

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

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INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2016

B5. Taxation

Taxation comprises the following:-

| | Current Quarter 31.03.2016 RM'000 | Period To Date 31.03.2016 RM'000 |
|------------------------------|---|--|
| Current year provision | - | - |
| Over provision in prior year | - | - |
| | - | - |
| Deferred taxation | - | - |
| | - | - |

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 year -to- date under review.

B7. Quoted Securities

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

B8. Corporate Proposals

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

B9. Group Borrowings and Debts Securities

Short Term Borrowing (Secured)

| | As at 31.03.2016 RM'000 | As at 31.12.2015 RM'000 |
|------------------------|-------------------------------|-------------------------------|
| Hire purchase payables | 44 | 70 |
| | 44 | 70 |

All the above borrowings are denominated in Ringgit Malaysia.

ATURMAJU RESOURCES BERHAD

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INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2016

B10. Accumulated Losses

| | (Unaudited) As at 31.03.2016 RM'000 | (Audited) As at 31.12.2015 RM'000 |
|---|--|--|
| Total accumulated losses of the Group | | |
| - Realised | (36,904) | (36,128) |
| - Unrealised | (1,988) | (1,988) |
| | <hr/> | <hr/> |
| | (38,892) | (38,116) |
| Less: Consolidated adjustments | 6,427 | 6,427 |
| | <hr/> | <hr/> |
| Total accumulated losses as per Statements of Financial Position | (32,465) | (31,689) |

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.

ATURMAJU RESOURCES BERHAD
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**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2016**

B14. Earnings Per Share

The basic earning per share amounts are calculated by dividing the (loss)/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 financial period.

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|---|--|---|--|
| | Current Year Quarter 31.03.2016 RM'000 | Preceding year Corresponding Quarter 31.03.2015 RM'000 | Current Year Quarter 31.03.2016 RM'000 | Preceding year Corresponding Quarter 31.03.2015 RM'000 |
| Net (loss)/profit attributable to equity holder of the parent | <u>(776)</u> | <u>438</u> | <u>(776)</u> | <u>438</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 (loss)/earning per share (sen) | <u>(1.27)</u> | <u>0.72</u> | <u>(1.27)</u> | <u>0.72</u> |

B15. Notes to the Statement of Comprehensive Income

| | Current Quarter 31.03.2016 RM'000 | Period To Date 31.03.2016 RM'000 |
|---|--|---|
| Depreciation of property, plant and equipment | 415 | 415 |
| Interest expense | 7 | 7 |

By Order of the Board,

Datuk Yeo Wang Seng
Managing Director
31 MAY 2016