

**ATURMAJU RESOURCES BERHAD (448934-M)****UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2018**

	(UNAUDITED) 31.03.2018 RM'000	(AUDITED) 31.12.2017 RM'000
ASSETS		
Non-Current Asset		
Property, plant and equipment	12,056	12,194
Current Assets		
Inventories	2,192	-
Trade receivables	416	1,443
Other receivables and deposits	4,157	4,973
Tax recoverable	291	271
Fixed deposits with licenced banks	20	20
Cash & bank balances	304	1,062
	<u>7,380</u>	<u>7,769</u>
TOTAL ASSETS	<u>19,436</u>	<u>19,963</u>
EQUITY AND LIABILITIES		
Share capital	68,861	68,861
Accumulated losses	(51,580)	(50,931)
Total Equity	<u>17,281</u>	<u>17,930</u>
Non - Current Liability		
Hire purchase payables	59	59
	<u>59</u>	<u>59</u>
Current Liabilities		
Trade payables	699	556
Other payables	821	774
Amount due to directors	449	497
Tax payable	63	62
Hire purchase payables	64	85
	<u>2,096</u>	<u>1,974</u>
Total Liabilities	<u>2,155</u>	<u>2,033</u>
TOTAL EQUITY AND LIABILITIES	<u>19,436</u>	<u>19,963</u>
Net assets per share attributable to equity holders of parent (sen)	<u>25</u>	<u>26</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 2017 and the accompanying explanatory notes to the quarterly report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 MARCH 2018

	INDIVIDUAL QUARTER		(AUDITED) CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.03.2018 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.03.2017 RM'000	CURRENT YEAR TO DATE 31.03.2018 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.03.2017 RM'000
Revenue	79	5,740	79	5,740
Cost of sales	(293)	(4,617)	(293)	(4,617)
Gross (loss)/profit	(214)	1,123	(214)	1,123
Selling expenses	-	(417)	-	(417)
Administrative expenses	(424)	(848)	(424)	(848)
Other operating income	-	451	-	451
(Loss)/Profit from operations	(638)	309	(638)	309
Finance costs	(11)	(9)	(11)	(9)
(Loss)/Profit before taxation	(649)	300	(649)	300
Taxation	-	-	-	-
Net (loss)/profit for the financial period, representing total comprehensive (loss)/income for the financial period	(649)	300	(649)	300
Net (loss)/profit for the financial period attributable to:				
Equity holders of the parent	(649)	300	(649)	300
(Loss)/Earnings per share attributable to equity holder of the parent:				
Basic EPS (sen)	(0.94)	0.49	(0.94)	0.49

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 2017 and the accompanying explanatory notes to the quarterly report.



ATURMAJU RESOURCES BERHAD (448934-M)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 MARCH 2018**

	Attributable To Equity Holders Of The Parent		Share Premium RM'000	Accumulated Losses RM'000	Total Equity RM'000
	Share Capital RM'000	Non-Distributable Distributable			
At 1 January 2017	61,100	7,761	(47,282)	21,579	
Net profit for the financial period	-	-	300	300	
At 31 March 2017	61,100	7,761	(46,982)	21,879	
At 1 January 2018	68,861	-	(50,931)	17,930	
Net loss for the financial period	-	-	(649)	(649)	
At 31 March 2018	68,861	-	(51,580)	17,281	

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 2017 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 2018**

	(UNAUDITED) Current Year To Date 31.03.2018 RM'000	Preceding Year Corresponding Period 31.03.2017 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss)/Profit before taxation	(649)	300
Adjustments:-		
Amortisation of leasehold land	9	9
Depreciation of property, plant and equipment	129	248
Interest expense	11	9
Unrealised profit on derivative financial instrument	-	(400)
Operating (loss) /profit before working capital changes	(500)	166
Changes in working capital:		
Inventories	(2,192)	259
Receivables	1,843	(259)
Payables	190	(1,291)
Cash used in from operations	(659)	(1,125)
Interest paid	(11)	(9)
Tax paid	(29)	(35)
Tax refund	10	10
Net cash used in operating activities	(689)	(1,159)
CASH FLOW FROM INVESTING ACTIVITY		
Purchase of property, plant and equipment	-	(49)
Net cash used in investing activity	-	(49)
CASH FLOW FROM FINANCING ACTIVITIES		
Amount due to directors	(48)	368
Repayments of hire purchase payables	(21)	(20)
Net cash (used in)/from financing activities	(69)	348
Net decrease in cash & cash equivalents	(758)	(860)
Cash & cash equivalents at beginning of the financial period	1,062	1,475
Cash & cash equivalents at end of the financial period	304	615
<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	304	615
	324	635
Less: Fixed deposit pledged with licensed bank	(20)	(20)
	304	615

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 2017 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 2018

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 2017. 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 2017.

Since the previous annual audited financial statements as at 31 December 2017 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, 2016 in Malaysia.

2.1 MFRSs, Amendments to MFRSs and Interpretations adopted

For the preparation of the financial statements, the following accounting standards, amendments and interpretations of the MFRS framework issued by the MASB are mandatory for the first time for the financial year beginning on or after 1 January 2016:

- MFRS 14 *Regulatory Deferral Accounts*
- Amendments to MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations – Changes in Method of Disposal (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 7 *Financial Instruments: Disclosures – Servicing Contracts and Applicability of the Amendments to MFRS 7 to Condensed Interim Financial Statements (Annual Improvements 2012-2014 Cycle)*

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- Amendments to MFRS 10 *Consolidated Financial Statements*, MFRS 12 *Disclosure of Interests in Other Entities* and MFRS 128 *Investment in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception*
- Amendments to MFRS 11 *Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations*
- Amendments to MFRS 101 *Presentation of Financial Statements – Disclosure Initiative*
- Amendments to MFRS 116 *Property, Plant and Equipment* and MFRS 138 *Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation*
- Amendments to MFRS 116 *Property, Plant and Equipment* and MFRS 141 *Agriculture – Agriculture: Bearer Plants*
- Amendments to MFRS 119 *Employee Benefits – Discount Rates: Regional Market Issue (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 127 *Separate Financial Statements – Equity Method in Separate Financial Statements*
- Amendments to MFRS 134 *Interim Financial Reporting – Disclosure of Information ‘Elsewhere in the Interim Financial Report’ (Annual Improvements 2012-2014 Cycle)*

The adoption of the above mentioned accounting standards, amendments and interpretations are not expected to have any significant impact on the financial statements of the Group and the Company.

2.2 New/ Revised MFRSs, Amendments to MFRSs and Interpretations not adopted

The following are accounting standards, amendments and interpretations of the MFRS framework that have been issued by the MASB but have not been adopted by the Group and the Company:

MFRSs, Amendments to MFRSs and Interpretations effective for annual periods beginning on or after 1 January 2017

- Amendments to MFRS 107 *Statement of Cash Flows – Disclosure Initiative*
- Amendments to MFRS 112 *Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses*

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MFRSs, Amendments to MFRSs and Interpretations effective for annual period beginning on or after 1 January 2018

- MFRS 9 *Financial Instruments* (2014)
- MFRS 15 *Revenue from Contracts with Customers*
- Amendments to MFRS 2 *Share-based Payment – Classification and Measurement of Share-based Payment Transactions*

MFRSs, Amendments to MFRSs and Interpretations effective for annual periods beginning on or after 1 January 2019

- MFRS 16 *Leases*

MFRSs, Amendments to MFRSs and Interpretations effective a date yet to be confirmed

- Amendments to MFRS 10 *Consolidated Financial Statements* and MFRS 128 *Investment in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The directors anticipate that the above mentioned accounting standards, interpretations and amendments will be adopted by the Group and the Company when they become effective.

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 2017.

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.

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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 2018.

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 dividends has been paid during the current quarter and financial year-to-date under review.

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A9. Segmental Information

(i) Segment analysis for the financial year-to-date ended 31 March 2018:-

	Investment Holding RM'000	Manufacturing in Wood Products RM'000	Barging Services RM'000	Others RM'000	Total RM'000
Revenue					
- External	-	-	79	-	79
- Inter-segmental sales	-	-	-	-	-
Total Revenue	-	-	79	-	79
Results					
Segment results	(89)	(425)	(120)	(4)	(638)
Interest expense	-	(11)	-	-	(11)
Loss before taxation	(89)	(436)	(120)	(4)	(649)
Taxation	-	-	-	-	-
Net loss for the financial year	(89)	(436)	(120)	(4)	(649)
Additional to non-current assets Segment assets	-	18,587	256	302	19,145
Non-cash expense					
Amortisation of leasehold land	-	9	-	-	9
Depreciation of property, plant and equipment	-	120	9	-	129

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A9. Segmental Information (Cont'd)

(ii) Segment analysis for the preceding year corresponding year ended 31 March 2017 :-

	Investment Holding RM'000	Manufacturing in Wood Products RM'000	Barging Services RM'000	Others RM'000	Total RM'000
Revenue					
- External	-	5,655	85	-	5,740
- Inter-segmental sales	-	-	-	-	-
Total Revenue	-	5,655	85	-	5,740
Results					
Segment results	(57)	483	(114)	(3)	309
Interest expense	-	(9)	-	-	(9)
(Loss)/Profit before taxation	(57)	474	(114)	(3)	300
Taxation	-	-	-	-	-
Net (loss) /profit for the financial year	(57)	474	(114)	(3)	300
Additional to non-current assets	-	49	-	-	49
Segment assets	-	23,945	560	1,207	25,532
Non-cash expense /(Income)					
Amortisation of leasehold land	-	9	-	-	9
Depreciation of property, plant and equipment	-	239	9	-	248
Unrealised profit on derivative financial instrument	-	(400)	-	-	(400)

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

A12. Subsequent Events

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

A13. Changes in the Composition of the Group

There were no changes in the composition of the Group during the period 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 year -to- date were summarised as below:-

	Current Quarter 31.03.2018 RM'000	Year To Date 31.03.2018 RM'000
Office rental paid/payable to:- Golden Bond Sdn Bhd	21	21
Hire of scow and tug boat paid/payable to:- Hope-Point Sdn Bhd	60	60

Golden Bond Sdn Bhd and Hope-Point Sdn Bhd are the 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
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ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1. Review of Performance

The comparison of the quarterly results is tabulated below:

Table 1: Financial review for current quarter and financial year to date

	Individual Period (1st quarter)		Changes (RM'000/ %)	Cumulative Period		Changes (RM'000/ %)
	Current Year Quarter	Preceding year Corresponding Quarter		Current Year to- date	Preceding Year Corresponding Period	
	31/03/2018 (RM'000)	31/03/2017 (RM'000)		31/03/2018 (RM'000)	31/03/2017 (RM'000)	
Revenue	79	5,740	(5,661)/(99)	79	5,740	(5,661)/(99)
Gross (loss)/profit	(214)	1,123	(1337)/(119)	(214)	1,123	(1337)/(119)
(Loss)/Profit Before Interest and Tax	(638)	309	(947)/(306)	(638)	309	(947)/(306)
(Loss)/Profit Before Tax	(649)	300	(949)/(316)	(649)	300	(949)/(316)
(Loss)/Profit After Tax	(649)	300	(949)/(316)	(649)	300	(949)/(316)
(Loss)/Earnings per share Attributable to Equity Holders of the Parent (Sen)	(0.94)	0.49	(1.55)/(316)	(0.94)	0.49	(1.55)/(316)

For the current quarter under review, the Group's revenue decreased by 99% compare to preceding year corresponding quarter.

Due to the shortage of raw material i.e. round logs supplied during the quarter affected by the unexpecting heavy rainfall, therefore, the operation of the Group was only resumed in the month of March 2018.

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**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2018****Table 2 : Financial review for current quarter compared with immediate preceding quarter**

	Current Quarter 31/03/2018 (RM'000)	Immediate Preceding Quarter 30/12/2017 (RM'000)	Changes (RM'000 / %)
Revenue	79	1,638	(1,559) / (95)
Gross loss	(214)	(1,470)	1,256 / 85
Loss before interest and tax	(638)	(1,951)	1,313 / 67
Loss before tax	(649)	(1,963)	1,314 / 67
Loss after tax	(649)	(1,961)	1,312 / 67
Loss per share attributable to equity holders of the parent (sen)	(0.94)	(3.21)	2.15 / 67

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.

B2. Group's Prospect

The Management is cautiously optimistic that the timber prices head for historical high in the coming months , as the global orders on the timber products are indeed increasing subsequent to the ongoing declines in global timber inventories. We await for the end of the monsoon rain season and preparing to resume our operation by maximization of timber recovery coupled with optimum operationed costs management.

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B3 Taxation

Taxation comprises the following:-

	Current Quarter 31.03.2018 RM'000	Year To Date 31.03.2018 RM'000
Current year provision	-	-
Over provision in prior year	-	-
	<hr/>	<hr/>
Deferred taxation	-	-
	<hr/>	<hr/>
	<hr/>	<hr/>

Taxation is computed after taking into consideration the available capital allowances and the adjusted business losses carried forward from previous years to set off against taxable profit. Hence, there is no provision of taxation for the current quarter.

B4. 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.

B5. Quoted Securities

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

B6. Corporate Proposals

The Board of Directors of ARB proposed to undertake a reduction of ARB's share capital, and the announcement to Bursa was made on 3 January 2018 accordingly. All documentations related to the proposed exercise was submitted by our solicitors - Bahari&Bahari and currently in the midst of high court's perusal.

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INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2018

B7. Trade Receivables

	(Unaudited) As at 31.03.2018 RM'000	(Audited) As at 31.12.2017 RM'000
Trade receivables		
- Third parties	416	1,443
- Related parties	-	-
	416	1,443

The Group's normal trade credit terms range from 30 to 120 days. Amount due from related parties are unsecured, interest free, repayable upon demand and to be settled in cash.

B8. Group Borrowings and Debts Securities

	As at 1st quarter ended 2018					
	Long Term		Short Term		Total borrowings	
	Foreign denomination	RM denomination (RM'000)	Foreign denomination	RM denomination (RM'000)	Foreign denomination	RM denomination (RM'000)
Secured						
Hire purchase payables	-	59	-	64	-	123
	As at 1st quarter ended 2017					
	Long Term		Short Term		Total borrowings	
	Foreign denomination	RM denomination (RM'000)	Foreign denomination	RM denomination (RM'000)	Foreign denomination	RM denomination (RM'000)
Secured						
Hire purchase payables	-	144	-	60	-	206

All the above borrowings are denominated in Ringgit Malaysia.

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**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2018****B9. Accumulated Losses**

	(Unaudited) As at 31.03.2018 RM'000	(Audited) As at 31.12.2017 RM'000
Total accumulated losses of the Group		
- Realized	(84,480)	(83,831)
- Unrealized	-	-
	<u>(84,480)</u>	<u>(83,831)</u>
Less: Consolidated adjustments	32,900	32,900
Total accumulated losses as per Statements of Financial Position	<u>(51,580)</u>	<u>(50,931)</u>

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 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.

B12 Dividends

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

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**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2018****B13. Earnings per Share**

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.03.2018 RM'000	Preceding year Corresponding Quarter 31.03.2017 RM'000	Current Year Quarter 31.03.2018 RM'000	Preceding year Corresponding Quarter 31.03.2017 RM'000
Net(loss)/profit attributable to equity holder of the parent	<u>(649)</u>	<u>300</u>	<u>(649)</u>	<u>300</u>
Weighted average number of ordinary shares in issue	<u>68,861</u>	<u>61,100</u>	<u>68,861</u>	<u>61,100</u>
(Loss)/Earnings per share (sen)	<u>(0.94)</u>	<u>0.49</u>	<u>(0.94)</u>	<u>0.49</u>

B14. Notes to the Statement of Comprehensive Income

	Current Quarter 31.03.2018 RM'000	Year To Date 31.03.2018 RM'000
Amortisation of leasehold land	9	9
Depreciation of property, plant and equipment	129	129
Interest expense	<u>11</u>	<u>11</u>

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

15 MAY 2018

