

BTM RESOURCES BERHAD (303962-T)
(Incorporated In Malaysia)
Condensed Consolidated Balance Sheet
As At 31 March 2005

	Unaudited as at 31/03/2005 RM'000	Audited as at 31/12/2004 RM'000
PROPERTY, PLANT AND EQUIPMENT	17,233	17,634
INVESTMENTS	61	61
CURRENT ASSETS		
Inventories	3,657	4,293
Trade receivables	5,923	7,195
Other receivables and deposits	1,579	1,126
Deposits with a licensed bank	163	163
Cash and bank balances	258	298
	11,580	13,075
CURRENT LIABILITIES		
Trade payables	2,935	3,213
Other payables and accruals	2,017	2,217
Bank borrowings (secured)	9,830	9,781
Hire purchase payables	23	24
Amount due to directors	87	59
Taxation	648	648
	15,540	15,942
NET CURRENT LIABILITIES	(3,960)	(2,867)
	13,334	14,828
FINANCED BY:		
SHARE CAPITAL	27,155	27,155
SHARE PREMIUM	8,207	8,207
ACCUMULATED LOSSES	(23,704)	(22,277)
SHAREHOLDERS' EQUITY	11,658	13,085
NON-CURRENT LIABILITIES		
Provision for retirement benefits	489	474
Bank borrowings (secured)	1,129	1,208
Hire purchase payables	56	61
Deferred taxation	2	0
	1,676	1,743
	13,334	14,828
NET TANGIBLE ASSETS PER SHARE (RM)	0.43	0.48

(The condensed consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 December 2004)

BTM RESOURCES BERHAD (303962-T)
Interim Report for the Quarter ended 31 March 2005
Unaudited Condensed Consolidated Income Statements

	Current Quarter 31/03/2005 RM'000	Comparative Quarter 31/03/2004 RM'000	Current Year To Date 31/03/2005 RM'000	Comparative Year To Date 31/03/2004 RM'000
Revenue	4,349	6,423	4,349	6,423
Operating Expenses	(5,607)	(7,542)	(5,607)	(7,542)
Other Operating Income	<u>30</u>	<u>56</u>	<u>30</u>	<u>56</u>
Loss from Operations	(1,228)	(1,063)	(1,228)	(1,063)
Finance Costs	(197)	(189)	(197)	(189)
Investing Results	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Loss from Ordinary activities before tax	(1,425)	(1,252)	(1,425)	(1,252)
Taxation	<u>(2)</u>	<u>0</u>	<u>(2)</u>	<u>0</u>
Loss from Ordinary activities after tax	(1,427)	(1,252)	(1,427)	(1,252)
Minority Interest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Loss for the period	<u><u>(1,427)</u></u>	<u><u>(1,252)</u></u>	<u><u>(1,427)</u></u>	<u><u>(1,252)</u></u>
Earnings per share (sen)				
- Basic	(5.26)	(6.26)	(5.26)	(6.26)
- Diluted	N/A	N/A	N/A	N/A

N/A - Not Applicable

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2004)

BTM RESOURCES BERHAD (303962-T)

For the 3 Months Ended 31 March 2005

Unaudited Condensed Consolidated Statement of Changes in Equity

	<u>Non-distributable</u>		Revaluation and other reserves RM'000	<u>Distributable</u>	Total RM'000
	Share Capital RM'000	Share Premium RM'000		Retained earnings RM'000	
3 months					
<u>ended 31-03-2005</u>					
Balance at 01-01-2005	27,155	8,207	0	(22,277)	13,085
Net Loss for the year	0	0	0	(1,427)	(1,427)
Balance at 31-03-2005	<u>27,155</u>	<u>8,207</u>	<u>0</u>	<u>(23,704)</u>	<u>11,658</u>
12 months					
<u>ended 31-12-2004</u>					
Balance at 01-01-2004	19,999	6,460	0	(11,906)	14,553
Issue of shares	7,156	1,747	0	0	8,903
Net Loss for the year	0	0	0	(10,371)	(10,371)
Balance at 31-12-2004	<u>27,155</u>	<u>8,207</u>	<u>0</u>	<u>(22,277)</u>	<u>13,085</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2004

BTM RESOURCES BERHAD (303962-T)

(Incorporated In Malaysia)

For the 3 Months Ended 31 March 2005**Unaudited Condensed Consolidated Cash Flow Statements**

	3 months Cumulative 31/03/2005 RM'000	3 months Cumulative 31/03/2004 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(1,425)	(1,252)
Adjustments for:-		
Amortisation of leasehold land	2	2
Depreciation on property, plant and equipment	401	354
Provision for retirement benefits	15	21
Interest expense	193	174
Interest income	(1)	(1)
Operating loss before working capital changes	<u>(815)</u>	<u>(702)</u>
Decrease in inventories	636	683
Decrease in trade receivables	1,272	643
(Increase)/Decrease in other receivables and deposits	(453)	25
Decrease in trade payables	(278)	(127)
Decrease in other payables and accruals	(200)	(284)
Increase in amount due to directors	28	45
Cash generated from operations	<u>190</u>	<u>283</u>
Interest paid	<u>(97)</u>	<u>(149)</u>
Net cash generated from operating activities	93	134
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2)	(13)
Interest received	1	1
Net cash used in investing activities	(1)	(12)
CASH FLOWS FROM FINANCING ACTIVITIES		
Bankers' acceptances discounted	0	1,400
Increase/(Decrease) in bank overdraft	78	(339)
Repayment of bankers' acceptance	0	(1,148)
Repayment of revolving loans	(34)	0
Repayment of term loan	(74)	(88)
Repayment of hire purchase	(6)	(5)
Interest paid	(96)	(25)
Net cash used in financing activities	<u>(132)</u>	<u>(205)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(40)</u>	<u>(83)</u>
CASH AND CASH EQUIVALENTS AT 1ST JANUARY	318	(828)
CASH AND CASH EQUIVALENTS AT 31ST MARCH	<u>278</u>	<u>(911)</u>
CASH AND CASH EQUIVALENTS COMPRISE:-		
Deposits with a licensed bank	163	307
Cash and bank balances	258	374
Bank overdrafts	0	(1,325)
	<u>421</u>	<u>(644)</u>
Less: Deposits pledged as securities	<u>(143)</u>	<u>(267)</u>
	<u>278</u>	<u>(911)</u>

BTM RESOURCES BERHAD (303962-T)

Interim Report for the First Quarter Ended 31 March 2005

NOTES

1. **Basis of Preparation and Accounting Policies**

This consolidated interim financial statements are prepared in accordance with FRS 134: "Interim Financial Reporting" and paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements, and should be read in conjunction with the Group's annual audited financial statements for the year ended 31 December 2004.

The accounting policies and methods of computation adopted in this interim financial report are consistent with those adopted for the annual audited financial statements for the year ended 31 December 2004.

2. **Audit Qualification of Preceding Annual Financial Statements**

The audit report for the preceding annual financial statements was not subject to any qualification.

3. **Seasonal or Cyclical Factors**

The business operations of the Group were not materially affected by any seasonal or cyclical factors during the current financial quarter.

4. **Unusual Items**

There were no items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidence during the current financial quarter.

5. **Changes in Estimates**

There were no changes in estimates of amounts reported in prior financial years, that have a material effect in the current financial quarter.

6. **Debt and Equity Securities**

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the current financial year.

7. **Dividend Paid**

There were no dividends paid during the current financial quarter.

8. **Segmental Information**

The Group is principally engaged in the wood-based activity of logging, sawmilling, timber trading and manufacturing of moulding, finger-jointed and laminated timber i.e within a single industry segment and its operations are located wholly in Malaysia. As such, no segment information reporting is prepared in the context of the Group.

9. Revaluation of Property, Plant and Equipment

The valuations of property, plant and equipment have been brought forward, without amendment from the previous annual financial statements.

10. Material Events Subsequent to the end of the Reporting Period

There were no material events subsequent to the end of the current financial quarter that have not been reflected in the financial statements for the said period as at the date of issue of this quarterly report.

11. Changes in the Composition of the Group

There was no change in the composition of the Group during the current financial year to-date.

12. Contingent Liabilities

The Company has contingent liabilities of RM15.8 million in respect of guarantees to financial institutions for credit facilities granted to subsidiary companies.

13. Performance Review on the Results of the Group

For the first financial quarter under review, the Group recorded turnover of RM4.35 million, a decrease of 32% over the corresponding period last year. The Group's pre-tax loss increased to RM1.42 million from RM1.25 million in the corresponding period last year mainly due to lower turnover recorded for the current financial quarter.

14. Changes in the Quarterly Results Compared to Preceding Quarter

For the quarter ended 31 March 2005, the Group recorded a lower pre-tax loss of RM1.42 million as compared to RM5.91 million in the previous quarter ended 31 December 2004, mainly due to an impairment on asset of RM4.05 million and lower turnover recorded for the previous financial quarter.

15. Current Year Prospect

The Group primarily depends on the income contribution from the wood-based industries sector. The Group has and will continue to experience difficulties in view of shortage of raw materials which will affect the performance of the Group.

16. Variance of Actual Profit From Forecast Profit

This is not applicable.

17. Taxation

Details of taxation are as follows :

	Current Year Quarter 31/03/2005 RM'000	Current Year To date 31/03/2005 RM'000
<i>Current taxation</i>	-	-
<i>Deferred taxation</i>	2	2
<i>(Over)/under provision in prior year</i>	-	-
	<u>2</u>	<u>2</u>

18. Sale of Unquoted Investment and Properties

There were no sale of unquoted investment and properties, respectively for the current quarter and financial year to-date.

19. Quoted Securities

There were no purchase or disposal of quoted securities during the current quarter and financial year to-date.

20. Status of Corporate Proposals

The Company had announced on 17 June 2004, that it proposed to undertake a rights issue of up to 27,155,150 Rights Shares in BTM Resources Berhad ("BTM") at an issue price of RM1.00 each payable in two calls upon application, on a renounceable basis of one (1) Rights Share for every one (1) existing BTM Share held on a date to be determined later together with up to 27,155,150 new free detachable Warrants on the basis of one (1) Warrant for every one (1) Rights Share subscribed ("Proposed Two-Call Rights Issue").

Subsequently, on 10 August 2004, the Company announced a revision to the number of Rights Shares from the original proposal pursuant to the implementation of the Company's ESOS which was offered to the eligible directors and employees of BTM, increasing the proposed rights issue to up to 29,485,650 Rights Shares and up to 29,485,650 new free detachable Warrants.

The Securities Commission has approved the Proposed Two-Call Rights Issue on 25 March 2005.

21. Group Borrowings

Total Group borrowings as at 31 March 2005 are as follows :-

	RM'000
Long Term Borrowings	
Secured - Hire Purchase	56
- Term Loan	<u>1,129</u>
	<u>1,185</u>
Short Term Borrowings	
Secured - Hire Purchase	23
- Bankers' Acceptances	1,178
- Overdrafts	4,653
- Revolving Loans	3,694
- Term Loan	<u>305</u>
	<u>9,853</u>

22. Off Balance Sheet Financial Instruments

There is no financial instrument with material off balance sheet risk at the date of this report.

23. Material Litigation

There is no pending material litigation for the Group at the date of this report.

24. Dividends

No dividend has been recommended or declared for the current financial quarter.

25. Earnings /(Loss) per Ordinary Share

a) Basic earnings/(loss) per share

Basic loss per share of the Group is calculated by dividing the net loss attributable for the financial period by the weighted average number of ordinary shares in issue during the financial period.

	Current Quarter 31/03/2005	Comparative Quarter 31/03/2004	Current Year To Date 31/03/2005	Comparative Year To Date 31/03/2004
Net loss for the period (RM'000)	(1,427)	(1,252)	(1,427)	(1,252)
Weighted average number of ordinary shares in issue ('000)	27,155	19,999	27,155	19,999
Basic loss per share (sen)	(5.26)	(6.26)	(5.26)	(6.26)

b) Diluted earnings/(loss) per share

The effect on the loss per share of the assumed exercise of the Employees' Share Option Scheme granted on 1 June 2004 is anti-dilutive and hence, the diluted loss per share for the current quarter and year-to-date has not been presented.

BY ORDER OF THE BOARD

DATE: 30th May 2005