

BTM RESOURCES BERHAD (303962-T)

(Incorporated In Malaysia)

Condensed Consolidated Statement of Financial Position**As At 31 March 2011**

	Unaudited as at 31/03/2011 RM'000	Audited as at 31/12/2010 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	13,343	13,616
Prepaid lease payments	623	632
Investments	40	40
Total Non-Current Assets	14,006	14,288
Current Assets		
Inventories	3,253	3,408
Trade receivables	5,541	5,461
Other receivables and deposits	516	597
Fixed deposits with a licensed bank	378	178
Cash and bank balances	127	664
Total Current Assets	9,815	10,308
TOTAL ASSETS	23,821	24,596
EQUITY AND LIABILITIES		
Equity Attributable To Equity Holders Of The Company		
Share capital	40,734	40,734
Share premium	7,628	7,628
Revaluation reserves	5,280	5,280
Accumulated losses	(42,242)	(41,641)
TOTAL EQUITY	11,400	12,001
Non-Current Liabilities		
Retirement benefits	1,253	1,236
Borrowings (secured)	3,863	4,047
Hire purchase creditors	165	174
Deferred taxation	752	752
Total Non-Current Liabilities	6,033	6,209
Current Liabilities		
Trade payables	587	1,052
Other payables and accruals	2,970	2,547
Borrowings (secured)	2,678	2,568
Hire purchase creditors	33	33
Taxation	120	186
Total Current Liabilities	6,388	6,386
TOTAL LIABILITIES	12,421	12,595
TOTAL EQUITY AND LIABILITIES	23,821	24,596
NET TANGIBLE ASSETS PER SHARE (RM)	0.28	0.29

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2010)

BTM RESOURCES BERHAD (303962-T)
Interim Report for the Quarter ended 31 March 2011
Unaudited Condensed Consolidated Statement of Comprehensive Income

	Current Quarter 31/03/2011 RM'000	Comparative Quarter 31/03/2010 RM'000	Current Year To Date 31/03/2011 RM'000	Comparative Year To Date 31/03/2010 RM'000
Revenue	2,658	2,018	2,658	2,018
Operating Expenses	(3,622)	(3,283)	(3,622)	(3,283)
Other Operating Income	<u>495</u>	<u>3</u>	<u>495</u>	<u>3</u>
Loss From Operations	(469)	(1,262)	(469)	(1,262)
Finance Costs	(128)	(149)	(128)	(149)
Investing Results	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Loss From Ordinary Activities Before Tax	(597)	(1,411)	(597)	(1,411)
Taxation	<u>(4)</u>	<u>0</u>	<u>(4)</u>	<u>0</u>
Loss From Ordinary Activities After Tax	(601)	(1,411)	(601)	(1,411)
Other Comprehensive Income, net of Tax	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Comprehensive Loss For The Period	<u><u>(601)</u></u>	<u><u>(1,411)</u></u>	<u><u>(601)</u></u>	<u><u>(1,411)</u></u>
Loss and Total Comprehensive Loss attributable to: Equity holders of the Parent	<u><u>(601)</u></u>	<u><u>(1,411)</u></u>	<u><u>(601)</u></u>	<u><u>(1,411)</u></u>
Loss Per Share (sen)				
- Basic	(1.48)	(3.46)	(1.48)	(3.46)
- Diluted	N/A	N/A	N/A	N/A

N/A - Not Applicable

*(The Condensed Consolidated Statement of Comprehensive Income should
be read in conjunction with the Annual Financial Report for the
year ended 31 December 2010)*

BTM RESOURCES BERHAD (303962-T)

For the 3 Months Ended 31 March 2011

Unaudited Condensed Consolidated Statement of Changes in Equity

	<u>Non-distributable</u>			<u>Distributable</u>	
	Share Capital RM'000	Share Premium RM'000	Revaluation and other reserves RM'000	Retained earnings RM'000	Total RM'000
3 months ended 31-03-2011					
Balance at 01-01-2011	40,734	7,628	5,280	(41,641)	12,001
Total Comprehensive Loss for the period	0	0	0	(601)	(601)
Balance at 31-03-2011	<u>40,734</u>	<u>7,628</u>	<u>5,280</u>	<u>(42,242)</u>	<u>11,400</u>
3 months ended 31-03-2010					
Balance at 01-01-2010	40,734	7,628	5,280	(37,899)	15,743
Total Comprehensive Loss for the period	0	0	0	(1,411)	(1,411)
Balance at 31-03-2010	<u>40,734</u>	<u>7,628</u>	<u>5,280</u>	<u>(39,310)</u>	<u>14,332</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 2010.)

BTM RESOURCES BERHAD (303962-T)

(Incorporated In Malaysia)

For the 6 Months Ended 30 June 2011**Unaudited Condensed Consolidated Statement of Cash Flows**

	6 months Cumulative 30/06/2011 RM'000	6 months Cumulative 30/06/2010 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(684)	(2,387)
Adjustments for:-		
Amortisation of prepaid lease payments	19	20
Depreciation on property, plant and equipment	661	664
Defined benefit obligations	50	44
Gain on disposal of property, plant and equipment	(22)	(11)
Interest expense	253	297
Operating loss before working capital changes	<u>277</u>	<u>(1,373)</u>
Decrease/(increase) in inventories	70	(590)
Increase in trade receivables	(665)	(808)
Decrease in other receivables and deposits	162	149
Increase in trade payables	2	94
Increase/(decrease) in other payables and accruals	203	(2,509)
Cash generated from/(used in) operations	<u>49</u>	<u>(5,037)</u>
Interest paid	(50)	(70)
Tax paid	(93)	(215)
Retirement benefit paid	(6)	0
Net cash used in operating activities	<u>(100)</u>	<u>(5,322)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(90)	(61)
Proceeds from disposal of property, plant and equipment	22	26
Net cash used in investing activities	(68)	(35)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term deposit pledged as security	(200)	0
Repayment of hire purchase creditors	(15)	(12)
Net cash used in financing activities	(215)	(12)

BTM RESOURCES BERHAD (303962-T)

(Incorporated In Malaysia)

For the 3 Months Ended 31 March 2011**Unaudited Condensed Consolidated Statement of Cash Flows**

	3 months Cumulative 31/03/2011 RM'000	3 months Cumulative 31/03/2010 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	0	0

Adjustments for:-

Amortisation of prepaid lease payments	9	10
Depreciation on property, plant and equipment	330	328
Defined benefit obligations	21	21
Gain on disposal of property, plant and equipment	(22)	(1)
Interest expense	128	149
Operating loss before working capital changes	<u>466</u>	<u>507</u>
Decrease/(increase) in inventories	155	(42)
Increase in trade receivables	(80)	(1)
Decrease in other receivables and deposits	81	119
Decrease in trade payables	(465)	(283)
Increase/(decrease) in other payables and accruals	320	(2,423)
Cash used in from operations	<u>477</u>	<u>(2,123)</u>
Interest paid	(25)	(35)
Tax paid	(70)	(110)
Retirement benefit paid	(4)	0
Net cash used in operating activities	<u>378</u>	<u>(2,268)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property, plant and equipment	(57)	(46)
Proceeds from disposal of property, plant and equipment	22	1
Net cash used in investing activities	<u>(35)</u>	<u>(45)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Repayment of hire purchase creditors	(9)	(4)
Net cash used in financing activities	<u>(9)</u>	<u>(4)</u>

NET DECREASE IN CASH AND CASH EQUIVALENTS

<u>334</u>	<u>(2,317)</u>
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CASH AND CASH EQUIVALENTS AT 1ST JANUARY

(456)	7,568
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CASH AND CASH EQUIVALENTS AT 31ST MARCH

<u>(122)</u>	<u>5,251</u>
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CASH AND CASH EQUIVALENTS COMPRISE:-

Fixed deposits with a licensed bank	0	174
Cash and bank balances	0	5,437
Bank overdrafts	0	(1,599)
	0	4,012
Less: Deposits pledged as securities	(176)	(172)
	<u>(176)</u>	<u>3,840</u>

BTM RESOURCES BERHAD (303962-T)

(Incorporated In Malaysia)

Interim Report for the First Quarter Ended 31 March 2011

NOTES

1. Basis of Preparation and Accounting Policies

This consolidated interim financial statements are prepared in accordance with Financial Reporting Standard ("FRS") 134: "Interim Financial Reporting" and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad, and should be read in conjunction with the Group's annual audited financial statements for the year ended 31 December 2010.

The significant 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 2010, except for the adoption of the following new and revised Financial Reporting Standards ("FRS"), amendments to FRSs and the Issues Committee ("IC") Interpretations issued by the Malaysian Accounting Standards Board ("MASB") which are applicable to its financial statements:

FRS 1	First-time Adoption of Financial Reporting Standards (Revised)
FRS 3	Business Combinations (Revised)
FRS 127	Consolidated and Separate Financial Statements (Revised)
IC Interpretation 4	Determining whether an Arrangement contains a Lease
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distribution of Non-cash Assets to Owners
IC Interpretation 18	Transfers of Assets from Customers
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards - Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters - Additional Exemptions for First-time Adopters
Amendments to FRS 2	Share-based Payment - Scope of FRS 2 and revised FRS 3 - Group Cash-settled Share-based Payment Transactions
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations - Plan to sell the controlling interest in a subsidiary
Amendments to FRS 7	Financial Instruments : Disclosures - Improving Disclosures about Financial Instruments
Amendments to FRS 132	Financial Instruments : Presentation - Classification of Rights Issues
Amendments to FRS 138	Intangible Assets - Additional consequential amendments arising from revised FRS 3
Amendments to IC	Reassessment of Embedded Derivatives - Scope of IC Interpretation 9 and revised FRS 3
Improvements to FRSs (2010)	

The adoption of the above new and revised FRSs, amendments to FRSs and IC Interpretations does not have any significant impact on the interim financial report upon their initial application.

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. Accordingly, segmental information reporting is not relevant 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 RM14.67 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 RM2.66 million, an increase of 31.7% over the corresponding period last year. The Group recorded a pre-tax loss of RM597,000 as compared to a pre-tax loss of RM1.41 million in the corresponding period last year mainly due to higher turnover and other income in the current financial quarter.

14. Changes in the Quarterly Results Compared to Preceding Quarter

For the quarter ended 31 March 2011, the Group recorded a pre-tax loss of RM597,000 as

compared a pre-tax loss of RM182,000 in the previous quarter ended 31 December 2010, mainly due to higher turnover and other income in the previous financial quarter.

15. Current Year Prospect

The Group primarily depends on the income and contribution from the subsidiaries which rely on the availability of raw materials. The Group is making arrangements to secure raw materials in Kelantan, Terengganu and Thailand where the raw materials are now available. With the execution of a log supply agreement and an outsourcing agreement by a subsidiary company, the Group expects its operations to be improved in view of the current high demand of wood based products. Barring unforeseen circumstances, the Group expects its results to be better than the financial year 2010.

16. Variance of Actual Profit From Forecast Profit

This is not applicable.

17. Taxation

Details of taxation are as follows :

Current Year Quarter 31/03/2011 RM'000	Current Year To date 31/03/2011 RM'000
0	0
4	4
0	0
<u>4</u>	<u>4</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

There were no corporate proposals that have been announced by the Group but not completed as at the date of this announcement.

21. Group Borrowings

Total Group borrowings as at 31 March 2011 are as follows :-

RM'000
3,863
<u>165</u>
<u>4,028</u>
1,048
1,630
33
<u>2,711</u>

There are no borrowings denominated in foreign currency.

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 31/03/2011	Comparative Quarter 31/03/2010	Current Year To Date 31/03/2011	Comparative Year To Date 31/03/2010
Net loss for the period	(601)	(1,411)	(601)	(1,411)
Weighted average number of ordinary shares in issue ('000)	40,734	40,734	40,734	40,734
Basic loss per share	(1.48)	(3.46)	(1.48)	(3.46)

b) Diluted earnings/(loss) per share

The effect on the loss per share of the assumed exercise of the Warrants is anti-dilutive and hence, the diluted loss per share for the current quarter and year-to-date has not been presented.

26 Realised and unrealised accumulated losses

The breakdown of the accumulated losses of the Group as at the end of the reporting periods, into realised and unrealised accumulated losses, is as follows:-

As at 31/03/2011 RM'000	As at 31/12/2010 RM'000
(81,922)	(81,321)
(752)	(752)
<u>(82,674)</u>	<u>(82,073)</u>
40,432	40,432
<u>(42,242)</u>	<u>(41,641)</u>

BY ORDER OF THE BOARD

DATED:30 MAY 2011