

BTM RESOURCES BERHAD (303962-T)

(Incorporated In Malaysia)

Condensed Consolidated Statement of Financial Position**As At 31 March 2013**

	Unaudited as at 31/03/2013 RM'000	Audited as at 31/12/2012 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	15,651	15,855
Prepaid lease payments	545	555
Investments	0	0
Total Non-Current Assets	16,196	16,410
Current Assets		
Inventories	3,425	2,779
Trade receivables	3,114	3,097
Other receivables, deposits and prepayments	254	1,226
Fixed deposits with licensed banks	401	401
Cash and bank balances	181	246
Total Current Assets	7,375	7,749
TOTAL ASSETS	23,571	24,159
EQUITY AND LIABILITIES		
Equity Attributable To Owners Of The Company		
Share capital	40,734	40,734
Share premium	7,628	7,628
Revaluation reserves	8,664	8,664
Accumulated losses	(46,199)	(45,670)
TOTAL EQUITY	10,827	11,356
Non-Current Liabilities		
Retirement benefits	1,103	1,074
Bank borrowings (secured)	1,728	2,040
Hire purchase creditors	108	118
Deferred taxation	2	2
Total Non-Current Liabilities	2,941	3,234
Current Liabilities		
Trade payables	554	572
Other payables and accruals	4,070	4,269
Bank borrowings (secured)	4,382	4,128
Amount due to directors	691	489
Hire purchase creditors	36	37
Taxation	70	74
Total Current Liabilities	9,803	9,569
TOTAL LIABILITIES	12,744	12,803
TOTAL EQUITY AND LIABILITIES	23,571	24,159
NET TANGIBLE ASSETS PER SHARE (RM)	0.27	0.28

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2012)

BTM RESOURCES BERHAD (303962-T)

(Incorporated In Malaysia)

**Unaudited Condensed Consolidated Statement of Comprehensive Income
Interim Report for the Quarter ended 31 March 2013**

	Current Quarter 31/03/2013 RM'000	Comparative Quarter 31/03/2012 RM'000	Current Year To Date 31/03/2013 RM'000	Comparative Year To Date 31/03/2012 RM'000
Revenue	2,119	1,256	2,119	1,256
Operating Expenses	(2,780)	(2,644)	(2,780)	(2,644)
Other Operating Income	<u>219</u>	<u>182</u>	<u>219</u>	<u>182</u>
Loss From Operations	(442)	(1,206)	(442)	(1,206)
Finance Costs	(87)	(111)	(87)	(111)
Investing Results	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Loss From Ordinary Activities Before Tax	(529)	(1,317)	(529)	(1,317)
Taxation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Loss From Ordinary Activities After Tax	(529)	(1,317)	(529)	(1,317)
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>(529)</u></u>	<u><u>(1,317)</u></u>	<u><u>(529)</u></u>	<u><u>(1,317)</u></u>
Total Comprehensive Loss attributable to: Owners of the Company	<u><u>(529)</u></u>	<u><u>(1,317)</u></u>	<u><u>(529)</u></u>	<u><u>(1,317)</u></u>
Loss Per Share (sen) attributable to Owners of the Company				
- Basic	(1.30)	(3.23)	(1.30)	(3.23)
- 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 2012)*

BTM RESOURCES BERHAD (303962-T)

(Incorporated In Malaysia)

Unaudited Condensed Consolidated Statement of Changes in Equity**For the 3 Months Ended 31 March 2013**

	<u>Non-distributable</u>			<u>Distributable</u>	Total RM'000
	Share Capital RM'000	Share Premium RM'000	Revaluation and other reserves RM'000	Retained earnings RM'000	
3 months ended 31-03-2013					
Balance at 01-01-2013	40,734	7,628	8,664	(45,670)	11,356
Total Comprehensive Loss for the period	0	0	0	(529)	(529)
Balance at 31-03-2013	<u>40,734</u>	<u>7,628</u>	<u>8,664</u>	<u>(46,199)</u>	<u>10,827</u>
3 months ended 31-03-2012					
Balance at 01-01-2012	40,734	7,628	8,664	(43,584)	13,442
Total Comprehensive Loss for the period	0	0	0	(1,317)	(1,317)
Balance at 31-03-2012	<u>40,734</u>	<u>7,628</u>	<u>8,664</u>	<u>(44,901)</u>	<u>12,125</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 2012.)

BTM RESOURCES BERHAD (303962-T)

(Incorporated In Malaysia)

Unaudited Condensed Consolidated Statement of Cash Flows**For the 3 Months Ended 31 March 2013**

	3 months Cumulative 31/03/2013 RM'000	3 months Cumulative 31/03/2012 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(529)	(1,317)
Adjustments for:-		
Amortisation of prepaid lease payments	10	10
Depreciation on property, plant and equipment	287	301
Defined benefit obligations	35	25
Gain on disposal of property, plant and equipment	(97)	(45)
Interest expense	87	111
Operating loss before working capital changes	<u>(207)</u>	<u>(915)</u>
(Increase)/decrease in inventories	(646)	214
(Increase)/decrease in trade receivables	(17)	829
Decrease/(increase) in other receivables and deposits & prepayments	972	(37)
Decrease in trade payables	(18)	(197)
(Decrease)/increase in other payables and accruals	(267)	42
Increase in amount due to directors	202	79
Cash generated from operations	<u>19</u>	<u>15</u>
Interest paid	(17)	(23)
Taxation paid	(4)	(7)
Retirement benefit paid	(6)	0
Net cash used in operating activities	<u>(8)</u>	<u>(15)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(83)	0
Proceeds from disposal of property, plant and equipment	97	45
Net cash from investing activities	14	45
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of hire purchase liabilities	(11)	(7)
Hire purchase interest paid	(2)	(2)
Net cash used in financing activities	(13)	(9)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(7)</u>	<u>21</u>
CASH AND CASH EQUIVALENTS AT 1ST JANUARY	(28)	(368)
CASH AND CASH EQUIVALENTS AT 31ST MARCH	<u>(35)</u>	<u>(347)</u>
CASH AND CASH EQUIVALENTS COMPRISE:-		
Fixed deposits with a licensed bank	401	389
Cash and bank balances	181	105
Bank overdrafts	(617)	(841)
	<u>(35)</u>	<u>(347)</u>

BTM RESOURCES BERHAD (303962-T)

(Incorporated In Malaysia)

Interim Report for the First Quarter Ended 31 March 2013

NOTES

1 Basis of Preparation and Accounting Policies

This condensed consolidated interim financial statements ("Condensed Report") are prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134: "Interim Financial Reporting" and paragraph 9.22 of the Main Market 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 2012.

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 2012, except for the adoption of the following new MFRSs and amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") which are applicable to its financial statements:

Amendments to MFRS 101	Presentation of Financial Statements - Presentation of Items of Other Comprehensive Income
MFRS 10	Consolidated Financial Statements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 13	Fair Value Measurement
MFRS 119 (Revised)	Employee Benefits
MFRS 127 (Revised)	Separate Financial Statements
Amendments to MFRS 7	Financial Instruments : Disclosures - Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards - (Annual Improvements 2009 - 2011 Cycle)
Amendments to MFRS 10, MFRS 11 and MFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities : Transition Guidance
Amendments to MFRS 101	Presentation of Financial Statements - (Annual Improvements 2009 - 2011 Cycle)
Amendments to MFRS 116	Property, Plant and Equipment - (Annual Improvements 2009 - 2011 Cycle)
Amendments to MFRS 132	Financial Instruments : Presentation - (Annual Improvements 2009 - 2011 Cycle)
Amendments to MFRS 1	Interim Financial Reporting - (Annual Improvements 2009 - 2011 Cycle)

The adoption of the above new MFRSs and amendments to MFRSs 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 Changes in Contingent Liabilities

There were no material changes in contingent liabilities since the last annual balance sheet as at 31 December 2012.

13 Performance Review on the Results of the Group

For the first financial quarter under review, the Group recorded turnover of RM2.12 million, an increase of 68.7% over the corresponding period last year due to higher sales volume of its sawntimber and timber products in the current quarter. The Group recorded a pre-tax loss of RM529,000 as compared to a pre-tax loss of RM1.32 million in the corresponding period last year mainly due to higher turnover and lower cost of raw material in the current financial quarter.

14 Changes in the Quarterly Results Compared to Preceding Quarter

For the quarter ended 31 March 2013, the Group recorded a pre-tax loss of RM529,000 as compared to a pre-tax loss of RM284,000 in the previous quarter ended 31 December 2012, mainly due to higher gain from disposal of fixed assets 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. However, the global economic conditions in 2013 are expected to remain challenging which will affect the demand for timber products. The Directors expect the current year to be challenging.

16 Variance of Actual Profit From Forecast Profit

This is not applicable.

17 Taxation

Details of taxation are as follows :

	Current Year Quarter 31/03/2013 RM'000	Current Year To date 31/03/2013 RM'000
<i>Current taxation</i>	0	0
<i>Under provision in prior year</i>	0	0
<i>Deferred taxation</i>	0	0
	<u>0</u>	<u>0</u>

18 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.

19 Group Borrowings

Total Group borrowings as at 31 March 2013 are as follows :-

	RM'000
Long Term Borrowings	
Secured - Term Loans	1,728
- Hire purchase	108
	<u>1,836</u>
Short Term Borrowings	
Secured - Overdraft	617
- Term Loans	3,765
- Hire purchase	36
	<u>4,418</u>

There are no borrowings denominated in foreign currency.

20 Material Litigation

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

21 Dividends

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

22 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 31/03/2013	Comparative Quarter 31/03/2012	Current Year To Date 31/03/2013	Comparative Year To Date 31/03/2012
Net loss for the period (RM'000)	(529)	(1,317)	(529)	(1,317)
Weighted average number of ordinary shares in issue ('000)	40,734	40,734	40,734	40,734
Basic loss per share (sen)	(1.30)	(3.23)	(1.30)	(3.23)

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 respective periods have not been presented.

23 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 31/03/2013 RM'000	As at 31/12/2012 RM'000
The accumulated losses of the Group		
- realised	(85,176)	(85,945)
- unrealised	(2)	(2)
	<u>(86,476)</u>	<u>(85,947)</u>
Add: Consolidation adjustments	40,277	40,277
Accumulated losses as per financial statements	<u>(46,199)</u>	<u>(45,670)</u>

24 Loss Before Taxation

Loss before taxation is stated after crediting/(charging):-

	Current Quarter 31/03/2013	Comparative Quarter 31/03/2012	Current Year To Date 31/03/2013	Comparative Year To Date 31/03/2012
	RM'000	RM'000	RM'000	RM'000
Other income	122	137	122	137
Gain on disposal of property, plant and equipment	97	45	97	45
Interest expense	(87)	(111)	(87)	(111)
Amortisation of prepaid lease payments	(10)	(10)	(10)	(10)
Depreciation on property, plant and equipment	(287)	(301)	(287)	(301)

Other disclosure items pursuant to Appendix 9B Note 16 of the Listing Requirements of Bursa Malaysia Securities Berhad are not applicable.

BY ORDER OF THE BOARD

Dated:30 May 2013