

BTM RESOURCES BERHAD (303962-T)
(Incorporated In Malaysia)
Condensed Consolidated Balance Sheet
As At 31 December 2006

	Unaudited as at 31/12/2006 RM'000	Audited as at 31/12/2005 RM'000
PROPERTY, PLANT AND EQUIPMENT	21,127	16,063
INVESTMENTS	61	61
CURRENT ASSETS		
Inventories	1,678	2,407
Trade receivables	3,951	4,393
Other receivables and deposits	869	1,273
Deposits with a licensed bank	174	168
Cash and bank balances	33	33
	6,705	8,274
CURRENT LIABILITIES		
Trade payables	1,429	3,977
Other payables and accruals	2,505	2,123
Bank borrowings (secured)	7,162	8,456
Hire purchase payables	11	15
Amount due to directors	190	156
Taxation	648	648
	11,945	15,375
NET CURRENT LIABILITIES	(5,240)	(7,101)
	15,948	9,023
FINANCED BY:		
SHARE CAPITAL	28,569	27,155
SHARE PREMIUM	8,207	8,207
REVALUATION RESERVE	5,500	0
ACCUMULATED LOSSES	(29,392)	(27,703)
SHAREHOLDERS' EQUITY	12,884	7,659
NON-CURRENT LIABILITIES		
Provision for retirement benefits	439	379
Bank borrowings (secured)	935	975
Hire purchase payables	0	8
Deferred taxation	1,690	2
	3,064	1,364
	15,948	9,023
NET TANGIBLE ASSETS PER SHARE (RM)	0.45	0.28

(The condensed consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 December 2005)

BTM RESOURCES BERHAD (303962-T)
Interim Report for the Quarter ended 31 December 2006
Unaudited Condensed Consolidated Income Statements

	Current Quarter 31/12/2006 RM'000	Comparative Quarter 31/12/2005 RM'000	Current Year To Date 31/12/2006 RM'000	Comparative Year To Date 31/12/2005 RM'000
Revenue	2,213	3,769	16,302	20,869
Operating Expenses	(3,798)	(5,013)	(18,703)	(25,742)
Other Operating Income	<u>418</u>	<u>51</u>	<u>1,443</u>	<u>267</u>
Loss from Operations	(1,167)	(1,193)	(958)	(4,606)
Finance Costs	(174)	(198)	(731)	(818)
Investing Results	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Loss from Ordinary activities before tax	(1,341)	(1,391)	(1,689)	(5,424)
Taxation	<u>0</u>	<u>0</u>	<u>0</u>	<u>(2)</u>
Loss from Ordinary activities after tax	(1,341)	(1,391)	(1,689)	(5,426)
Minority Interest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Loss for the period	<u><u>(1,341)</u></u>	<u><u>(1,391)</u></u>	<u><u>(1,689)</u></u>	<u><u>(5,426)</u></u>
Loss per share (sen)				
- Basic	(4.74)	(5.12)	(6.15)	(19.98)
- 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 2005)

BTM RESOURCES BERHAD (303962-T)
For the 12 Months Ended 31 December 2006
Unaudited Condensed Consolidated Statement of Changes in Equity

	<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	
<u>12 months ended 31-12-2006</u>					
Balance at 01-01-2006	27,155	8,207	0	(27,703)	7,659
Issue of shares	1,414	0	0	0	1,414
Surplus on revaluation of lands and buildings, net of deferred tax	0	0	5,500	0	5,500
Net Loss for the period	0	0	0	(1,689)	(1,689)
Balance at 31-12-2006	<u>28,569</u>	<u>8,207</u>	<u>5,500</u>	<u>(29,392)</u>	<u>12,884</u>
<u>12 months ended 31-12-2005</u>					
Balance at 01-01-2005	27,155	8,207	0	(22,277)	13,085
Net Loss for the period	0	0	0	(5,426)	(5,426)
Balance at 31-12-2005	<u>27,155</u>	<u>8,207</u>	<u>0</u>	<u>(27,703)</u>	<u>7,659</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 2005.)

BTM RESOURCES BERHAD (303962-T)

(Incorporated In Malaysia)

For the 12 Months Ended 31 December 2006**Unaudited Condensed Consolidated Cash Flow Statements**

	12 months Cumulative 31/12/2006 RM'000	12 months Cumulative 31/12/2005 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(1,689)	(5,424)
Adjustments for:-		
Amortisation of leasehold land	30	7
Depreciation on property, plant and equipment	1,912	1,791
Provision for retirement benefits	60	60
Gain on disposal of property, plant and equipment	(1,211)	(42)
Interest expense	724	806
Interest income	(6)	(7)
Operating loss before working capital changes	<u>(180)</u>	<u>(2,809)</u>
Decrease in inventories	729	1,886
Decrease in trade receivables	442	2,802
Decrease/(increase) in other receivables and deposits	404	(146)
(Decrease)/increase in trade payables	(2,548)	764
Increase/(decrease) in other payables and accruals	382	(214)
Increase in amount due to directors	34	97
Cash generated from/(used in) operations	<u>(737)</u>	<u>2,380</u>
Retirement benefits paid	0	(156)
Net cash generated from/(used in) operating activities	<u>(737)</u>	<u>2,224</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Issuance of shares	1,414	0
Purchase of property, plant and equipment	(25)	(406)
Proceeds from disposal of property, plant and equipment	1,418	220
Interest received	6	7
Net cash generated from/(used in) investing activities	<u>2,813</u>	<u>(179)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Revolving loans raised	0	2,041
Increase in short-term deposits pledged as security	(6)	(5)
Decrease in bank overdraft	(501)	(511)
Repayment of bankers' acceptance	(120)	(1,058)
Repayment of revolving loans	(713)	(1,898)
Repayment of term loan	0	(132)
Repayment of hire purchase	(12)	(22)
Interest paid	(724)	(725)
Net cash used in financing activities	<u>(2,076)</u>	<u>(2,310)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>0</u>	<u>(265)</u>
CASH AND CASH EQUIVALENTS AT 1ST JANUARY	53	318
CASH AND CASH EQUIVALENTS AT 31ST DECEMBER	<u><u>53</u></u>	<u><u>53</u></u>
CASH AND CASH EQUIVALENTS COMPRISE:-		
Deposits with a licensed bank	174	168
Cash and bank balances	33	33
	<u>207</u>	<u>201</u>
Less: Deposits pledged as securities	(154)	(148)
	<u><u>53</u></u>	<u><u>53</u></u>

BTM RESOURCES BERHAD (303962-T)

Interim Report for the Fourth Quarter Ended 31 December 2006

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 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 2005.

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 2005, except for the adoption of the new/revised FRS effective for financial period beginning 1 January 2006. The adoption of the new/revised FRS does not have significant financial impact on the Group.

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

During the current financial year, the issued and fully paid-up share capital of the Company was increased from RM27,155,150 to RM28,568,650 as a result of the issue of 1,413,500 ordinary shares of RM1.00 each under the Company's Employees' Share Option Scheme.

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 except for lands and buildings. During the current financial year, the lands and buildings were revalued upwards to RM14.47 million by an independent firm of valuers. As a result of the revaluation, the surplus arising from the revaluation (net of deferred taxation) of RM5,499,863 has been credited to revaluation reserve.

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

There were no changes in the contingent liabilities since the last annual balance sheet date.

13. Performance Review on the Results of the Group

For the fourth financial quarter under review, the Group recorded turnover of RM2.21 million, a decrease of 41.3% over the corresponding period last year, mainly due to the unavailability of raw material. The Group recorded a pre-tax loss of RM1.34 million as compared to a pre-tax loss of RM1.39 million in the corresponding period last year mainly due to higher gain from disposal of fixed assets in the current financial quarter.

14. Changes in the Quarterly Results Compared to Preceding Quarter

For the quarter ended 31 December 2006, the Group recorded a pre-tax loss of RM1.34 million as compared a pre-tax profit of RM0.11 million in the previous quarter ended 30 September 2006, mainly due to lower turnover recorded in the current 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 and Terengganu where the raw materials are now available with the improvement of the weather. The Group is confident of the future prospect of securing raw materials in view of the fact that one of the subsidiaries of the Group, Syarikat Maskayu Sawmill Sdn Bhd, has a timber concession for 1,000 acres, of which 500 acres could be utilised this year. The Group is confident of achieving better performance for the year 2007.

16. Variance of Actual Profit From Forecast Profit

This is not applicable.

17. Taxation

Details of taxation are as follows :

	Current Year Quarter 31/12/2006 RM'000	Current Year To date 31/12/2006 RM'000
<i>Current taxation</i>	113	113
<i>Deferred taxation</i>	0	0
<i>(Over)/under provision in prior year</i>	(113)	(113)
	<u>0</u>	<u>0</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 announced on 20 October 2006, that it proposed to undertake the following:-

- (i) Proposed private placement of up to 10% of the issued and paid-up share capital of the Company to investors to be identified ("Proposed Private Placement"); and
- (ii) Proposed rights issue of up to 10,480,550 new ordinary shares of RM1.00 each in the Company ("BTM Shares") at an issue price of RM1.00 each on the basis of one (1) rights share for every three (3) existing BTM Shares held on a date to be determined later together with up to 10,480,550 new free detachable warrants of RM1.00 each on the basis of one (1) warrant for every one (1) rights share subscribed ("Proposed Rights Issue").

The approval of the Securities Commission ("SC") and the SC, on behalf of the Foreign Investment Committee, for the Proposed Private Placement and the listing of and quotation for the Placement Shares was obtained vide the SC's letter dated 6 December 2006. Bursa Malaysia Securities Berhad ("Bursa Securities") has approved in-principle the listing of up to 2,814,000 new ordinary shares of RM1.00 each to be issued pursuant to the Private Placement vide Bursa Securities's letter dated 8 January 2007.

21. Group Borrowings

Total Group borrowings as at 31 December 2006 are as follows :-

	RM'000
Long Term Borrowings	
Secured - Term Loan	<u>935</u>
Short Term Borrowings	
Secured - Hire Purchase	11
- Overdrafts	3,564
- Revolving Loans	3,157
- Term Loan	441
	<u>7,173</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 31/12/2006	Comparative Quarter 31/12/2005	Current Year To Date 31/12/2006	Comparative Year To Date 31/12/2005
Net loss for the period (RM'000)	(1,341)	(1,391)	(1,689)	(5,426)
Weighted average number of ordinary shares in issue ('000)	28,264	27,155	27,448	27,155
Basic loss per share (sen)	(4.74)	(5.12)	(6.15)	(19.98)

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 are anti-dilutive and hence, the diluted loss per share have not been presented.

BY ORDER OF THE BOARD

DATED : 28 February 2007