

**BTM RESOURCES BERHAD (303962-T)**

(Incorporated In Malaysia)

**Condensed Consolidated Statement of Financial Position****As At 30 June 2012**

	Unaudited as at 30/06/2012 RM'000	Audited as at 31/12/2011 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	16,447	17,045
Prepaid lease payments	574	594
Investments	40	40
<b>Total Non-Current Assets</b>	<b>17,061</b>	<b>17,679</b>
<b>Current Assets</b>		
Inventories	2,243	2,289
Trade receivables	3,538	4,745
Other receivables and deposits	276	275
Fixed deposits with a licensed bank	389	389
Cash and bank balances	91	137
<b>Total Current Assets</b>	<b>6,537</b>	<b>7,835</b>
<b>TOTAL ASSETS</b>	<b>23,598</b>	<b>25,514</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable To Equity Holders Of The Company</b>		
Share capital	40,734	40,734
Share premium	7,628	7,628
Revaluation reserves	8,664	8,664
Accumulated losses	(45,613)	(43,584)
<b>TOTAL EQUITY</b>	<b>11,413</b>	<b>13,442</b>
<b>Non-Current Liabilities</b>		
Retirement benefits	1,025	974
Borrowings (secured)	2,868	3,020
Hire purchase creditors	135	150
Deferred taxation	2	2
<b>Total Non-Current Liabilities</b>	<b>4,030</b>	<b>4,146</b>
<b>Current Liabilities</b>		
Trade payables	443	625
Other payables and accruals	3,879	3,697
Borrowings (secured)	3,412	3,366
Hire purchase creditors	34	34
Amount due to directors	310	116
Taxation	77	88
<b>Total Current Liabilities</b>	<b>8,155</b>	<b>7,926</b>
<b>TOTAL LIABILITIES</b>	<b>12,185</b>	<b>12,072</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>23,598</b>	<b>25,514</b>
<b>NET TANGIBLE ASSETS PER SHARE (RM)</b>	<b>0.28</b>	<b>0.33</b>

*(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2011)*

**BTM RESOURCES BERHAD (303962-T)**

(Incorporated In Malaysia)

**Unaudited Condensed Consolidated Statement of Comprehensive Income  
Interim Report for the Quarter ended 30 June 2012**

	<b>Current Quarter 30/06/2012 RM'000</b>	<b>Comparative Quarter 30/06/2011 RM'000</b>	<b>Current Year To Date 30/06/2012 RM'000</b>	<b>Comparative Year To Date 30/06/2011 RM'000</b>
Revenue	1,003	3,512	2,364	6,170
Operating Expenses	(1,746)	(3,484)	(4,390)	(7,106)
Other Operating Income	<u>143</u>	<u>16</u>	<u>220</u>	<u>511</u>
(Loss)/Profit From Operations	(600)	44	(1,806)	(425)
Finance Costs	(112)	(131)	(223)	(259)
Investing Results	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Loss From Ordinary Activities Before Tax	(712)	(87)	(2,029)	(684)
Taxation	<u>0</u>	<u>(2)</u>	<u>0</u>	<u>(6)</u>
Loss From Ordinary Activities After Tax	(712)	(89)	(2,029)	(690)
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>(712)</u>	<u>(89)</u>	<u>(2,029)</u>	<u>(690)</u>
Total Comprehensive Loss attributable to: Owners of the Company	<u>(712)</u>	<u>(89)</u>	<u>(2,029)</u>	<u>(690)</u>
Loss Per Share (sen) attributable to Owners of the Company				
- Basic	(1.75)	(0.22)	(4.98)	(1.69)
- 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 2011)*

**BTM RESOURCES BERHAD (303962-T)**

(Incorporated In Malaysia)

**Unaudited Condensed Consolidated Statement of Changes in Equity**

For the 6 Months Ended 30 June 2012

	<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
<b>6 months ended 30-06-2012</b>					
Balance at 01-01-2012	40,734	7,628	8,664	(43,584)	13,442
Total Comprehensive Loss for the period	0	0	0	(2,029)	(2,029)
Balance at 30-06-2012	<u>40,734</u>	<u>7,628</u>	<u>8,664</u>	<u>(45,613)</u>	<u>11,413</u>
<b>6 months ended 30-06-2011</b>					
Balance at 01-01-2011	40,734	7,628	5,280	(41,641)	12,001
Total Comprehensive Loss for the period	0	0	0	(690)	(690)
Balance at 30-06-2011	<u>40,734</u>	<u>7,628</u>	<u>5,280</u>	<u>(42,331)</u>	<u>11,311</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 2011.)*

**BTM RESOURCES BERHAD (303962-T)**

(Incorporated In Malaysia)

**Unaudited Condensed Consolidated Statement of Cash Flows****For the 6 Months Ended 30 June 2012**

	<b>6 months Cumulative 30/06/2012 RM'000</b>	<b>6 months Cumulative 30/06/2011 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Loss before taxation</b>	(2,029)	(684)
Adjustments for:-		
Amortisation of prepaid lease payments	20	19
Depreciation on property, plant and equipment	598	661
Defined benefit obligations	51	50
Gain on disposal of property, plant and equipment	(111)	(22)
Interest expense	223	253
<b>Operating loss before working capital changes</b>	<u>(1,248)</u>	<u>277</u>
Decrease in inventories	46	70
Decrease/(increase) in trade receivables	1,207	(665)
(Increase)/decrease in other receivables and deposits	(1)	162
(Decrease)/increase in trade payables	(182)	2
Increase in other payables and accruals	9	201
Increase in amount due to directors	194	2
<b>Cash generated from operations</b>	<u>25</u>	<u>49</u>
Interest paid	(45)	(46)
Taxation paid	(11)	(93)
Retirement benefit paid	0	(6)
<b>Net cash used in operating activities</b>	<u>(31)</u>	<u>(96)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	0	(90)
Proceeds from disposal of property, plant and equipment	111	22
<b>Net cash from/(used in) investing activities</b>	111	(68)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payment of hire purchase liabilities	(14)	(15)
Hire purchase interest paid	(5)	(4)
<b>Net cash used in financing activities</b>	(19)	(19)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>61</u>	<u>(183)</u>
<b>CASH AND CASH EQUIVALENTS AT 1ST JANUARY</b>	(368)	(280)
<b>CASH AND CASH EQUIVALENTS AT 30TH JUNE</b>	<u>(307)</u>	<u>(463)</u>
<b>CASH AND CASH EQUIVALENTS COMPRISE:-</b>		
Fixed deposits with a licensed bank	389	378
Cash and bank balances	91	181
Bank overdrafts	(787)	(1,022)
	<u>(307)</u>	<u>(463)</u>

# **BTM RESOURCES BERHAD (303962-T)**

(Incorporated In Malaysia)

## **Interim Report for the Second Quarter Ended 30 June 2012**

### **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. This Condensed Report is the Group's first MFRS compliant Condensed Report and hence MFRS1:"First-Time Adoption of Malaysian Financial Reporting Standards" has been applied.

The adoption of these standards, amendments and interpretations have no material impact to these interim financial statements.

The audited financial statements of the Group for the year ended 31 December 2011 were prepared in accordance with Financial Reporting Standards ("FRS"). As the requirement under FRS and MFRS are similar, the significant accounting policies adopted in preparing this Condensed Report are consistent with those of the audited financial statements for the year ended 31 December 2011.

#### **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 2011.

**13 Performance Review on the Results of the Group**

For the second financial quarter under review, the Group recorded turnover of RM1.00 million, a decrease of 71.4% over the corresponding period last year due to lower sales volume of its plywood and timber products in the current quarter. The Group recorded a pre-tax loss of RM712,000 as compared to a pre-tax loss of RM87,000 in the corresponding period last year mainly due to lower turnover in the current financial quarter.

**14 Changes in the Quarterly Results Compared to Preceding Quarter**

For the quarter ended 30 June 2012, the Group recorded a pre-tax loss of RM712,000 as compared to a pre-tax loss of RM1.32 million in the previous quarter ended 31 March 2012, mainly due to higher cost of raw material 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 2012 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 30/06/2012 RM'000	Current Year To date 30/06/2012 RM'000
<i>Current taxation</i>	0	0
<i>Under provision in prior year</i>	0	0
<i>Deferred taxation</i>	0	0
	<hr/>	<hr/>
	0	0

## 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 30 June 2012 are as follows :-

	RM'000
Long Term Borrowings	
Secured - Term Loans	2,868
- Hire purchase	135
	<u>3,003</u>
Short Term Borrowings	
Secured - Overdraft	787
- Term Loans	2,625
- Hire purchase	34
	<u>3,446</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.

	<b>Current Quarter 30/06/2012</b>	Comparative Quarter 30/06/2011	<b>Current Year To Date 30/06/2012</b>	Comparative Year To Date 30/06/2011
Net loss for the period (RM'000)	(712)	(89)	(2,029)	(690)
Weighted average number of ordinary shares in issue ('000)	40,734	40,734	40,734	40,734
Basic loss per share (sen)	(1.75)	(0.22)	(4.98)	(1.69)

### 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 30/06/2012 RM'000	As at 31/12/2011 RM'000
The accumulated losses of the Group		
- realised	(85,888)	(83,859)
- unrealised	(2)	(2)
	<u>(85,890)</u>	<u>(83,861)</u>
Add: Consolidation adjustments	40,277	40,277
Accumulated losses as per financial statements	<u>(45,613)</u>	<u>(43,584)</u>

## 24 Loss Before Taxation

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

	<b>Current Quarter 30/06/2012 RM'000</b>	Comparative Quarter 30/06/2011 RM'000	<b>Current Year To Date 30/06/2012 RM'000</b>	Comparative Year To Date 30/06/2011 RM'000
Other income	77	16	109	489
Gain on disposal of property, plant and equipment	66	0	111	22
Interest expense	(112)	(131)	(223)	(259)
Amortisation of prepaid lease payments	(10)	(10)	(20)	(19)
Depreciation on property, plant and equipment	(297)	(331)	(598)	(661)

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 August 2012**