

**BTM RESOURCES BERHAD (303962-T)**  
(Incorporated In Malaysia)  
**Condensed Consolidated Statement of Financial Position**  
**As At 30 September 2011**

	Unaudited as at 30/09/2011 RM'000	Audited as at 31/12/2010 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	12,731	13,616
Prepaid lease payments	603	632
Investments	40	40
<b>Total Non-Current Assets</b>	<b>13,374</b>	<b>14,288</b>
<b>Current Assets</b>		
Inventories	2,655	3,408
Trade receivables	5,989	5,461
Other receivables and deposits	325	597
Fixed deposits with a licensed bank	383	178
Cash and bank balances	434	664
<b>Total Current Assets</b>	<b>9,786</b>	<b>10,308</b>
<b>TOTAL ASSETS</b>	<b>23,160</b>	<b>24,596</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	5,280	5,280
Accumulated losses	(43,033)	(41,641)
<b>TOTAL EQUITY</b>	<b>10,609</b>	<b>12,001</b>
<b>Non-Current Liabilities</b>		
Retirement benefits	1,298	1,236
Borrowings (secured)	3,498	4,047
Hire purchase creditors	151	174
Deferred taxation	752	752
<b>Total Non-Current Liabilities</b>	<b>5,699</b>	<b>6,209</b>
<b>Current Liabilities</b>		
Trade payables	834	1,052
Other payables and accruals	2,974	2,547
Borrowings (secured)	2,941	2,568
Hire purchase creditors	33	33
Taxation	70	186
<b>Total Current Liabilities</b>	<b>6,852</b>	<b>6,386</b>
<b>TOTAL LIABILITIES</b>	<b>12,551</b>	<b>12,595</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>23,160</b>	<b>24,596</b>
<b>NET TANGIBLE ASSETS PER SHARE (RM)</b>	<b>0.26</b>	<b>0.29</b>

*(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 30 September 2011**  
**Unaudited Condensed Consolidated Statement of Comprehensive Income**

	<b>Current Quarter 30/09/2011 RM'000</b>	<b>Comparative Quarter 30/09/2010 RM'000</b>	<b>Current Year To Date 30/09/2011 RM'000</b>	<b>Comparative Year To Date 30/09/2010 RM'000</b>
Revenue	4,247	3,862	10,417	9,448
Operating Expenses	(4,883)	(4,681)	(11,989)	(12,377)
Other Operating Income	<u>68</u>	<u>20</u>	<u>579</u>	<u>41</u>
Loss From Operations	(568)	(799)	(993)	(2,888)
Finance Costs	(132)	(150)	(391)	(448)
Investing Results	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Loss From Ordinary Activities Before Tax	(700)	(949)	(1,384)	(3,336)
Taxation	<u>(2)</u>	<u>0</u>	<u>(8)</u>	<u>0</u>
Loss From Ordinary Activities After Tax	(702)	(949)	(1,392)	(3,336)
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>(702)</u></u>	<u><u>(949)</u></u>	<u><u>(1,392)</u></u>	<u><u>(3,336)</u></u>
Loss and Total Comprehensive Loss attributable to: Equity holders of the Parent	<u><u>(702)</u></u>	<u><u>(949)</u></u>	<u><u>(1,392)</u></u>	<u><u>(3,336)</u></u>
Loss Per Share (sen)				
- Basic	(1.72)	(2.33)	(3.42)	(8.19)
- 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 9 Months Ended 30 September 2011**  
**Unaudited Condensed Consolidated Statement of Changes in Equity**

	<u>Non-distributable</u>			<u>Distributable</u>	<b>Total RM'000</b>
	<b>Share Capital RM'000</b>	<b>Share Premium RM'000</b>	<b>Revaluation and other reserves RM'000</b>	<b>Retained earnings RM'000</b>	
<b><u>9 months ended 30-09-2011</u></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	(1,392)	(1,392)
Balance at 30-09-2011	<u>40,734</u>	<u>7,628</u>	<u>5,280</u>	<u>(43,033)</u>	<u>10,609</u>
<b><u>9 months ended 30-09-2010</u></b>					
Balance at 01-01-2010	40,734	7,628	5,280	(37,899)	15,743
Total Comprehensive Loss for the period	0	0	0	(3,336)	(3,336)
Balance at 30-09-2010	<u>40,734</u>	<u>7,628</u>	<u>5,280</u>	<u>(41,235)</u>	<u>12,407</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 9 Months Ended 30 September 2011

**Unaudited Condensed Consolidated Statement of Cash Flows**

	9 months Cumulative 30/09/2011 RM'000	9 months Cumulative 30/09/2010 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Loss before taxation</b>	(1,384)	(3,336)
Adjustments for:-		
Amortisation of prepaid lease payments	29	30
Depreciation on property, plant and equipment	993	1,003
Defined benefit obligations	71	69
Gain on disposal of property, plant and equipment	(67)	(11)
Interest expense	382	445
Interest on fixed deposits	(5)	(4)
<b>Operating profit/(loss) before working capital changes</b>	19	(1,804)
Decrease/(increase) in inventories	753	(607)
Increase in trade receivables	(528)	(1,184)
Decrease in other receivables and deposits	272	54
Decrease in trade payables	(218)	(401)
Increase/(decrease) in other payables and accruals	121	(2,509)
<b>Cash generated from/(used in) operations</b>	419	(6,451)
Interest paid	(76)	(98)
Tax paid	(124)	(368)
Retirement benefit paid	(9)	0
<b>Net cash generated from/(used in) operating activities</b>	210	(6,917)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(108)	(114)
Proceeds from disposal of property, plant and equipment	67	25
Interest received	5	4
<b>Net cash used in investing activities</b>	(36)	(85)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in short-term deposit pledged as security	(205)	(4)
Repayment of hire purchase creditors	(23)	(20)
<b>Net cash used in financing activities</b>	(228)	(24)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(54)	(7,026)
<b>CASH AND CASH EQUIVALENTS AT 1ST JANUARY</b>	(458)	7,568
<b>CASH AND CASH EQUIVALENTS AT 30TH SEPTEMBER</b>	(512)	542
<b>CASH AND CASH EQUIVALENTS COMPRISE:-</b>		
Fixed deposits with a licensed bank	383	178
Cash and bank balances	434	1,824
Bank overdrafts	(946)	(1,284)
	(129)	718
Less: Deposits pledged as securities	(383)	(176)
	(512)	542

# BTM RESOURCES BERHAD (303962-T)

(Incorporated In Malaysia)

## Interim Report for the Third Quarter Ended 30 September 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 Interpretation 9	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 third financial quarter under review, the Group recorded turnover of RM4.25 million, an increase of 10.0% over the corresponding period last year. The Group recorded a pre-tax loss of RM700,000 as compared to a pre-tax loss of RM949,000 in the corresponding period last year mainly due to higher turnover in the current financial quarter.

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

For the quarter ended 30 September 2011, the Group recorded a pre-tax loss of RM700,000 as compared to a pre-tax loss of RM87,000 in the previous quarter ended 30 June 2011, mainly due to lower cost 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 30/09/2011 RM'000	Current Year To date 30/09/2011 RM'000
<i>Current taxation</i>	0	0
<i>Under provision in prior year</i>	2	8
<i>Deferred taxation</i>	0	0
	<u>2</u>	<u>8</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 30 September 2011 are as follows :-

	RM'000
Long Term Borrowings	
Secured - Term Loans	3,498
- Hire purchase	151
	<u>3,649</u>
Short Term Borrowings	
Secured - Overdraft	946
- Term Loans	1,995
- Hire purchase	33
	<u>2,974</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 30/09/2011	Comparative Quarter 30/09/2010	Current Year To Date 30/09/2011	Comparative Year To Date 30/09/2010
Net loss for the period (RM'000)	(702)	(949)	(1,392)	(3,336)
Weighted average number of ordinary shares in issue ('000)	40,734	40,734	40,734	40,734
Basic loss per share (sen)	(1.72)	(2.33)	(3.42)	(8.19)

### 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 30/09/2011 RM'000	As at 31/12/2010 RM'000
The accumulated losses of the Group		
- realised	(82,713)	(81,321)
- unrealised	(752)	(752)
	<u>(83,465)</u>	<u>(82,073)</u>
Add: Consolidation adjustments	40,432	40,432
Accumulated losses as per financial statements	<u>(43,033)</u>	<u>(41,641)</u>

**BY ORDER OF THE BOARD**

**DATED:30 November 2011**