

BTM RESOURCES BERHAD (303962-T)

(Incorporated In Malaysia)

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

	Unaudited as at 30/09/2012 RM'000	Audited as at 31/12/2011 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	16,150	17,045
Prepaid lease payments	565	594
Investments	40	40
Total Non-Current Assets	16,755	17,679
Current Assets		
Inventories	2,237	2,289
Trade receivables	3,184	4,745
Other receivables and deposits	1,215	275
Fixed deposits with a licensed bank	394	389
Cash and bank balances	217	137
Total Current Assets	7,247	7,835
TOTAL ASSETS	24,002	25,514
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	8,664	8,664
Accumulated losses	(45,386)	(43,584)
TOTAL EQUITY	11,640	13,442
Non-Current Liabilities		
Retirement benefits	1,049	974
Borrowings (secured)	2,605	3,020
Hire purchase creditors	126	150
Deferred taxation	2	2
Total Non-Current Liabilities	3,782	4,146
Current Liabilities		
Trade payables	570	625
Other payables and accruals	3,905	3,697
Borrowings (secured)	3,595	3,366
Hire purchase creditors	34	34
Amount due to directors	402	116
Taxation	74	88
Total Current Liabilities	8,580	7,926
TOTAL LIABILITIES	12,362	12,072
TOTAL EQUITY AND LIABILITIES	24,002	25,514
NET TANGIBLE ASSETS PER SHARE (RM)	0.29	0.33

(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 September 2012**

	Current Quarter 30/09/2012 RM'000	Comparative Quarter 30/09/2011 RM'000	Current Year To Date 30/09/2012 RM'000	Comparative Year To Date 30/09/2011 RM'000
Revenue	1,086	4,247	3,450	10,417
Operating Expenses	(1,899)	(4,883)	(6,289)	(11,989)
Other Operating Income	<u>1,149</u>	<u>68</u>	<u>1,369</u>	<u>579</u>
Profit/(Loss) From Operations	336	(568)	(1,470)	(993)
Finance Costs	(109)	(132)	(332)	(391)
Investing Results	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Profit/(Loss) From Ordinary Activities Before Tax	227	(700)	(1,802)	(1,384)
Taxation	<u>0</u>	<u>(2)</u>	<u>0</u>	<u>(8)</u>
Profit/(Loss) From Ordinary Activities After Tax	227	(702)	(1,802)	(1,392)
Other Comprehensive Income, net of Tax	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Comprehensive Income/(Loss) For The Period	<u><u>227</u></u>	<u><u>(702)</u></u>	<u><u>(1,802)</u></u>	<u><u>(1,392)</u></u>
Total Comprehensive Income/(Loss) attributable to Owners of the Company	<u><u>227</u></u>	<u><u>(702)</u></u>	<u><u>(1,802)</u></u>	<u><u>(1,392)</u></u>
Earning/(Loss) Per Share (sen) attributable to Owners of the Company				
- Basic	0.56	(1.72)	(4.42)	(3.42)
- 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 9 Months Ended 30 September 2012**

	<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	
9 months ended 30-09-2012					
Balance at 01-01-2012	40,734	7,628	8,664	(43,584)	13,442
Total Comprehensive Loss for the period	0	0	0	(1,802)	(1,802)
Balance at 30-09-2012	<u>40,734</u>	<u>7,628</u>	<u>8,664</u>	<u>(45,386)</u>	<u>11,640</u>
9 months ended 30-09-2011					
Balance at 01-01-2011	40,734	7,628	5,280	(41,641)	12,001
Total Comprehensive Loss for the period	0	0	0	(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>

(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 9 Months Ended 30 September 2012**

	9 months Cumulative 30/09/2012 RM'000	9 months Cumulative 30/09/2011 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(1,802)	(1,384)
Adjustments for:-		
Amortisation of prepaid lease payments	29	29
Depreciation on property, plant and equipment	895	993
Defined benefit obligations	75	71
Gain on disposal of property, plant and equipment	(1,206)	(67)
Interest expense	332	382
Interest income	(12)	(5)
Operating (loss)/profit before working capital changes	<u>(1,689)</u>	<u>19</u>
Decrease in inventories	52	753
Decrease/(increase) in trade receivables	1,561	(528)
(Increase)/decrease in other receivables and deposits	(940)	272
(Decrease)/increase in trade payables	(55)	(218)
Increase in other payables and accruals	(50)	121
Increase in amount due to directors	286	0
Cash (used in)/generated from operations	<u>(835)</u>	<u>419</u>
Interest paid	(65)	(76)
Taxation paid	(14)	(124)
Retirement benefit paid	0	(9)
Net cash (used in)/generated from operating activities	<u>(914)</u>	<u>210</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	0	(108)
Proceeds from disposal of property, plant and equipment	1,206	67
Interest received	12	5
Net cash generated from/(used in) investing activities	<u>1,218</u>	<u>(36)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of term loan	(50)	0
Payment of hire purchase liabilities	(24)	(23)
Hire purchase interest paid	(8)	0
Net cash used in financing activities	<u>(82)</u>	<u>(23)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>222</u>	<u>151</u>
CASH AND CASH EQUIVALENTS AT 1ST JANUARY	(368)	(280)
CASH AND CASH EQUIVALENTS AT 30TH SEPTEMBER	<u><u>(146)</u></u>	<u><u>(129)</u></u>
CASH AND CASH EQUIVALENTS COMPRISE:-		
Fixed deposits with a licensed bank	394	383
Cash and bank balances	217	434
Bank overdrafts	(757)	(946)
	<u><u>(146)</u></u>	<u><u>(129)</u></u>

BTM RESOURCES BERHAD (303962-T)

(Incorporated In Malaysia)

Interim Report for the Third Quarter Ended 30 September 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 third financial quarter under review, the Group recorded turnover of RM1.09 million, a decrease of 74.4% 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 profit of RM227,000 as compared to a pre-tax loss of RM700,000 in the corresponding period last year mainly due to higher gain on disposal of fixed assets in the current financial quarter.

14 Changes in the Quarterly Results Compared to Preceding Quarter

For the quarter ended 30 September 2012, the Group recorded a pre-tax profit of RM227,000 as compared to a pre-tax loss of RM712,000 in the previous quarter ended 30 June 2012, mainly due to higher gain on disposal of fixed assets 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, 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 30/09/2012 RM'000	Current Year To date 30/09/2012 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 30 September 2012 are as follows :-

	RM'000
Long Term Borrowings	
Secured - Term Loans	2,605
- Hire purchase	126
	<u>2,731</u>
Short Term Borrowings	
Secured - Overdraft	757
- Term Loans	2,838
- Hire purchase	34
	<u>3,629</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 earnings/(loss) per share of the Group is calculated by dividing the net profit/(loss) attributable for the financial period by the weighted average number of ordinary shares in issue during the financial period.

	Current Quarter 30/09/2012	Comparative Quarter 30/09/2011	Current Year To Date 30/09/2012	Comparative Year To Date 30/09/2011
Net profit/(loss) for the period (RM'000)	227	(702)	(1,802)	(1,392)
Weighted average number of ordinary shares in issue ('000)	40,734	40,734	40,734	40,734
Basic earnings/(loss) per share (sen)	0.56	(1.72)	(4.42)	(3.42)

b) Diluted earnings/(loss) per share

The effect on the earnings/(loss) per share of the assumed exercise of the Warrants is anti-dilutive and hence, the diluted earnings/(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 30/09/2012 RM'000	As at 31/12/2011 RM'000
The accumulated losses of the Group		
- realised	(85,661)	(83,859)
- unrealised	(2)	(2)
	<u>(85,663)</u>	<u>(83,861)</u>
Add: Consolidation adjustments	40,277	40,277
Accumulated losses as per financial statements	<u>(45,386)</u>	<u>(43,584)</u>

24 Profit/(Loss) Before Taxation

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

	Current Quarter 30/09/2012 RM'000	Comparative Quarter 30/09/2011 RM'000	Current Year To Date 30/09/2012 RM'000	Comparative Year To Date 30/09/2011 RM'000
Other income	54	23	163	512
Gain on disposal of property, plant and equipment	1,095	45	1,206	67
Interest expense	(109)	(123)	(332)	(382)
Amortisation of prepaid lease payments	(9)	(10)	(29)	(29)
Depreciation on property, plant and equipment	(297)	(332)	(895)	(993)

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:28 November 2012