

**BTM RESOURCES BERHAD (303962-T)**  
(Incorporated In Malaysia)  
**Condensed Consolidated Balance Sheet**  
**As At 31 March 2008**

	<b>Unaudited as at 31/03/2008 RM'000</b>	<b>Audited as at 31/12/2007 RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	17,725	18,164
Prepaid lease payments	738	748
Investments	40	40
<b>Total Non-Current Assets</b>	<b>18,503</b>	<b>18,952</b>
<b>Current Assets</b>		
Inventories	1,697	1,767
Trade receivables	4,080	4,102
Other receivables and deposits	706	851
Fixed deposits with a licensed bank	180	181
Cash and bank balances	396	221
<b>Total Current Assets</b>	<b>7,059</b>	<b>7,122</b>
<b>TOTAL ASSETS</b>	<b>25,562</b>	<b>26,074</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable To Equity Holders Of The Company</b>		
Share capital	31,418	31,418
Share premium	8,133	8,133
Revaluation reserves	5,283	5,283
Accumulated losses	(35,431)	(34,326)
<b>TOTAL EQUITY</b>	<b>9,403</b>	<b>10,508</b>
<b>Non-Current Liabilities</b>		
Retirement benefits	1,029	1,001
Bank borrowings (secured)	5,208	5,189
Deferred taxation	1,328	1,328
<b>Total Non-Current Liabilities</b>	<b>7,565</b>	<b>7,518</b>
<b>Current Liabilities</b>		
Trade payables	2,107	1,838
Other payables and accruals	3,116	2,716
Bank borrowings (secured)	2,719	2,810
Amount due to directors	21	21
Taxation	631	663
<b>Total Current Liabilities</b>	<b>8,594</b>	<b>8,048</b>
<b>TOTAL LIABILITIES</b>	<b>16,159</b>	<b>15,566</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>25,562</b>	<b>26,074</b>
<b>NET TANGIBLE ASSETS PER SHARE (RM)</b>	<b>0.30</b>	<b>0.33</b>

*(The condensed consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 December 2007)*

**BTM RESOURCES BERHAD (303962-T)**  
**Interim Report for the Quarter ended 31 March 2008**  
**Unaudited Condensed Consolidated Income Statements**

	<b>Current Quarter 31/03/2008 RM'000</b>	<b>Comparative Quarter 31/03/2007 RM'000</b>	<b>Current Year To Date 31/03/2008 RM'000</b>	<b>Comparative Year To Date 31/03/2007 RM'000</b>
Revenue	2,953	1,965	2,953	1,965
Operating Expenses	(3,873)	(3,210)	(3,873)	(3,210)
Other Operating Income	<u>5</u>	<u>484</u>	<u>5</u>	<u>484</u>
Loss From Operations	(915)	(761)	(915)	(761)
Finance Costs	(190)	(144)	(190)	(144)
Investing Results	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Loss From Ordinary Activities Before Tax	(1,105)	(905)	(1,105)	(905)
Taxation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Loss From Ordinary Activities After Tax	(1,105)	(905)	(1,105)	(905)
Minority Interest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Loss For The Period	<u><u>(1,105)</u></u>	<u><u>(905)</u></u>	<u><u>(1,105)</u></u>	<u><u>(905)</u></u>
Loss Per Share (sen)				
- Basic	(3.52)	(3.16)	(3.52)	(3.16)
- 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 2007)*

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

For the 3 Months Ended 31 March 2008

**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	
<b>3 months ended 31-03-2008</b>					
Balance at 01-01-2008	31,418	8,133	5,283	(34,326)	10,508
Issue of shares	0	0	0	0	0
Surplus on revaluation of lands and buildings, net of deferred tax	0	0	0	0	0
Net Loss for the period	0	0	0	(1,105)	(1,105)
Balance at 31-03-2008	<u>31,418</u>	<u>8,133</u>	<u>5,283</u>	<u>(35,431)</u>	<u>9,403</u>
<b>3 months ended 31-03-2007</b>					
Balance at 01-01-2007	28,569	8,207	5,500	(29,971)	12,305
Issue of shares	35	0	0	0	35
Surplus on revaluation of lands and buildings, net of deferred tax	0	0	0	0	0
Net Loss for the period	0	0	0	(905)	(905)
Balance at 31-03-2007	<u>28,604</u>	<u>8,207</u>	<u>5,500</u>	<u>(30,876)</u>	<u>11,435</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 2007.)*

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

(Incorporated In Malaysia)

**For the 3 Months Ended 31 March 2008****Unaudited Condensed Consolidated Cash Flow Statements**

	<b>3 months Cumulative 31/03/2008 RM'000</b>	<b>3 months Cumulative 31/03/2007 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Loss before taxation</b>	(1,105)	(905)
Adjustments for:-		
Amortisation of prepaid lease payments	10	191
Depreciation on property, plant and equipment	439	463
Defined benefit obligations	28	15
Gain on disposal of property, plant and equipment	(1)	(464)
Gain on disposal of quoted investment	0	(6)
Interest expense	189	142
<b>Operating loss before working capital changes</b>	<u>(440)</u>	<u>(564)</u>
Decrease in inventories	70	92
Decrease in trade receivables	22	260
Decrease/(increase) in other receivables and deposits	145	(57)
Increase in trade payables	269	303
Increase/(decrease) in other payables and accruals	400	(32)
Increase in amount due to directors	0	14
<b>Cash generated from operations</b>	<u>466</u>	<u>16</u>
Tax paid	<u>(32)</u>	<u>0</u>
<b>Net cash generated from operating activities</b>	434	16
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Issuance of shares (net of expenses)	0	35
Purchase of property, plant and equipment	0	(9)
Proceeds from disposal of property, plant and equipment	1	610
Proceeds from disposal of quoted investment	0	27
<b>Net cash generated from investing activities</b>	1	663
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of term loan	(30)	0
Repayment of hire purchase	0	(7)
Interest paid	(107)	(142)
<b>Net cash used in financing activities</b>	<u>(137)</u>	<u>(149)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>298</u>	<u>530</u>
<b>CASH AND CASH EQUIVALENTS AT 1ST JANUARY</b>	(2,547)	(3,511)
<b>CASH AND CASH EQUIVALENTS AT 31ST MARCH</b>	<u><u>(2,249)</u></u>	<u><u>(2,981)</u></u>
<b>CASH AND CASH EQUIVALENTS COMPRISE:-</b>		
Fixed deposits with a licensed bank	180	174
Cash and bank balances	396	78
Bank overdrafts	(2,665)	(3,079)
	<u>(2,089)</u>	<u>(2,827)</u>
Less: Deposits pledged as securities	(160)	(154)
	<u><u>(2,249)</u></u>	<u><u>(2,981)</u></u>

# BTM RESOURCES BERHAD (303962-T)

## Interim Report for the First Quarter Ended 31 March 2008

### 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 2007.

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 2007.

#### 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 RM17.67 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 first financial quarter under review, the Group recorded turnover of RM2.95 million, an increase of 50.3% over the corresponding period last year. The Group recorded a pre-tax loss of RM1.10 million as compared to a pre-tax loss of RM0.91 million in the corresponding period last year mainly due to higher gain from disposal of fixed assets in the previous financial quarter.

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

For the quarter ended 31 March 2008, the Group recorded a pre-tax loss of RM1.10 million as compared a pre-tax loss of RM2.00 million in the previous quarter ended 31 December 2007, mainly due to higher turnover recorded in the current financial quarter and higher expenses in the previous 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 at a lower cost. In addition, the Group is also making arrangement to secure additional raw materials from Papua New Guinea. Barring unforeseen circumstances, the Group expects a better performance for the year 2008.

**16. Variance of Actual Profit From Forecast Profit**

This is not applicable.

**17. Taxation**

Details of taxation are as follows :

	Current Year Quarter 31/03/2008 RM'000	Current Year To date 31/03/2008 RM'000
<i>Current taxation</i>	0	0
<i>Deferred taxation</i>	0	0
<i>(Over)/under provision in prior year</i>	0	0
	<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

As stipulated under the Listing Requirements of Bursa Securities ("Listing Requirements") , the minimum issued and paid-up capital of a company listed on the Second Board of Bursa Securities shall be RM40 million. On 15 April 2008, Bursa Securities had suspended the trading of the securities of the Company and in the event the Company fail to comply with paragraph 8.16A of the Listing Requirements, upon the expiry of six (6) months from the date of suspension, delisting procedures shall commenced against the Company.

## 21. Group Borrowings

Total Group borrowings as at 31 March 2008 are as follows :-

	RM'000
Long Term Borrowings	
Secured - Term Loans	<u>5,208</u>
Short Term Borrowings	
Secured - Overdraft	2,665
- Term Loans	<u>54</u>
	<u>2,719</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.

	<b>Current Quarter 31/03/2008</b>	Comparative Quarter 31/03/2007	<b>Current Year To Date 31/03/2008</b>	Comparative Year To Date 31/03/2007
Net loss for the period (RM'000)	(1,105)	(905)	(1,105)	(905)
Weighted average number of ordinary shares in issue ('000)	31,418	28,594	31,418	28,594
Basic loss per share (sen)	(3.52)	(3.16)	(3.52)	(3.16)

**b) Diluted earnings/(loss) per share**

The fully diluted loss per share are not presented as the Company does not have any outstanding convertible shares or convertible financial instruments which would result in a dilution in the basic loss per share.

**BY ORDER OF THE BOARD**

**DATED : 29 May 2008**