

**BTM RESOURCES BERHAD (303962-T)**  
(Incorporated In Malaysia)  
**Condensed Consolidated Statement of Financial Position**  
**As At 31 March 2010**

	Unaudited as at 31/03/2010 RM'000	Audited as at 31/12/2009 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	14,392	14,674
Prepaid lease payments	661	671
Investments	40	40
<b>Total Non-Current Assets</b>	<b>15,093</b>	<b>15,385</b>
<b>Current Assets</b>		
Inventories	2,014	1,972
Trade receivables	4,129	4,128
Other receivables and deposits	461	580
Fixed deposits with a licensed bank	174	174
Cash and bank balances	5,437	9,320
<b>Total Current Assets</b>	<b>12,215</b>	<b>16,174</b>
<b>TOTAL ASSETS</b>	<b>27,308</b>	<b>31,559</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	(39,310)	(37,899)
<b>TOTAL EQUITY</b>	<b>14,332</b>	<b>15,743</b>
<b>Non-Current Liabilities</b>		
Retirement benefits	1,157	1,136
Borrowings (secured)	4,547	4,693
Deferred taxation	933	933
<b>Total Non-Current Liabilities</b>	<b>6,637</b>	<b>6,762</b>
<b>Current Liabilities</b>		
Trade payables	801	1,084
Other payables and accruals	2,571	4,881
Borrowings (secured)	2,612	2,624
Taxation	355	465
<b>Total Current Liabilities</b>	<b>6,339</b>	<b>9,054</b>
<b>TOTAL LIABILITIES</b>	<b>12,976</b>	<b>15,816</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>27,308</b>	<b>31,559</b>
<b>NET TANGIBLE ASSETS PER SHARE (RM)</b>	<b>0.35</b>	<b>0.39</b>

*(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2009)*

**BTM RESOURCES BERHAD (303962-T)**  
**Interim Report for the Quarter ended 31 March 2010**  
**Unaudited Condensed Consolidated Statement of Comprehensive Income**

	<b>Current Quarter 31/03/2010 RM'000</b>	<b>Comparative Quarter 31/03/2009 RM'000</b>	<b>Current Year To Date 31/03/2010 RM'000</b>	<b>Comparative Year To Date 31/03/2009 RM'000</b>
Revenue	2,018	1,431	2,018	1,431
Operating Expenses	(3,283)	(2,047)	(3,283)	(2,047)
Other Operating Income	<u>3</u>	<u>588</u>	<u>3</u>	<u>588</u>
Loss From Operations	(1,262)	(28)	(1,262)	(28)
Finance Costs	(149)	(182)	(149)	(182)
Investing Results	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Loss From Ordinary Activities Before Tax	(1,411)	(210)	(1,411)	(210)
Taxation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Loss From Ordinary Activities After Tax	(1,411)	(210)	(1,411)	(210)
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>(1,411)</u></u>	<u><u>(210)</u></u>	<u><u>(1,411)</u></u>	<u><u>(210)</u></u>
Loss and Total Comprehensive Loss attributable to:				
Equity holders of the Parent	<u><u>(1,411)</u></u>	<u><u>(210)</u></u>	<u><u>(1,411)</u></u>	<u><u>(210)</u></u>
Loss Per Share (sen)				
- Basic	(3.46)	(0.67)	(3.46)	(0.67)
- 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 2009)*

**BTM RESOURCES BERHAD (303962-T)**  
**For the 3 Months Ended 31 March 2010**  
**Unaudited Condensed Consolidated Statement of Changes in Equity**

	<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>3 months</b>					
<b><u>ended 31-03-2010</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	(1,411)	(1,411)
Balance at 31-03-2010	<u>40,734</u>	<u>7,628</u>	<u>5,280</u>	<u>(39,310)</u>	<u>14,332</u>
<b>3 months</b>					
<b><u>ended 31-03-2009</u></b>					
Balance at 01-01-2009	31,418	8,133	5,283	(36,600)	8,234
Total Comprehensive Loss for the period	0	0	0	(210)	(210)
Balance at 31-03-2009	<u>31,418</u>	<u>8,133</u>	<u>5,283</u>	<u>(36,810)</u>	<u>8,024</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 2009.)*

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

(Incorporated In Malaysia)

**For the 3 Months Ended 31 March 2010****Unaudited Condensed Consolidated Statement of Cash Flows**

	<b>3 months Cumulative 31/03/2010 RM'000</b>	<b>3 months Cumulative 31/03/2009 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Loss before taxation</b>	(1,411)	(210)
Adjustments for:-		
Amortisation of prepaid lease payments	10	10
Depreciation on property, plant and equipment	328	365
Defined benefit obligations	21	24
Gain on disposal of property, plant and equipment	(1)	(581)
Interest expense	149	181
<b>Operating loss before working capital changes</b>	<u>(904)</u>	<u>(211)</u>
Increase in inventories	(42)	(24)
(Increase)/decrease in trade receivables	(1)	86
Decrease/(increase) in other receivables and deposits	119	(299)
Decrease in trade payables	(283)	(29)
Decrease in other payables and accruals	(2,423)	(110)
<b>Cash used in operations</b>	<u>(3,534)</u>	<u>(587)</u>
Tax paid	(110)	(10)
<b>Net cash used in operating activities</b>	<u>(3,644)</u>	<u>(597)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(46)	(55)
Proceeds from disposal of property, plant and equipment	1	641
<b>Net cash (used in)/generated from investing activities</b>	(45)	586
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of hire purchase creditors	(4)	0
Interest paid	(35)	(49)
<b>Net cash used in financing activities</b>	(39)	(49)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<u>(3,728)</u>	<u>(60)</u>
<b>CASH AND CASH EQUIVALENTS AT 1ST JANUARY</b>	7,568	(1,901)
<b>CASH AND CASH EQUIVALENTS AT 31ST MARCH</b>	<u>3,840</u>	<u>(1,961)</u>
<b>CASH AND CASH EQUIVALENTS COMPRISE:-</b>		
Fixed deposits with a licensed bank	174	177
Cash and bank balances	5,437	225
Bank overdrafts	(1,599)	(2,198)
	<u>4,012</u>	<u>(1,796)</u>
Less: Deposits pledged as securities	(172)	(165)
	<u>3,840</u>	<u>(1,961)</u>

# BTM RESOURCES BERHAD (303962-T)

## Interim Report for the First Quarter Ended 31 March 2010

### 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 2009.

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 2009, except for the adoption of the following new and revised Financial Reporting Standards ("FRS"), amendments to FRSs and the Issues Committee ("IC") Interpretations which have been issued by the Malaysian Accounting Standards Board ("MASB") beginning on or after 1 January 2010 as described hereunder:-

FRS 7	Financial Instruments : Disclosures
FRS 101	Presentation of Financial Statements (Revised)
FRS 123	Borrowing Costs (Revised)
FRS 139	Financial Instruments : Recognition and Measurement
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 - Group and Treasury Share Transactions
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards
Amendments to FRS 2	Share-based Payment - Vesting Conditions and Cancellations
Amendments to FRS 7	Financial Instruments : Disclosures
Amendments to FRS 127	Consolidated and Separate Financial Statements : Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 132	Financial Instruments : Presentation - Puttable Financial Instruments and Obligations Arising on Liquidation - Component Part Classification for a Compound Financial Instrument
Amendments to FRS 139	Financial Instruments : Recognition and Measurement
Improvements to FRS (2009)	

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 first financial quarter under review, the Group recorded turnover of RM2.02 million, an increase of 41% over the corresponding period last year. The Group recorded a pre-tax loss of RM1.41 million as compared to a pre-tax loss of RM210,000 in the corresponding period last year mainly due to lower operating cost and higher gain on disposal of property, plant and equipment in the previous financial quarter.

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

For the quarter ended 31 March 2010, the Group recorded a pre-tax loss of RM1.41 million as compared a pre-tax loss of RM1.38 million in the previous quarter ended 31 December 2009, mainly due to higher other income 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. The Group is of the view that the year 2010 will be another difficult year especially in view of the economic downturn.

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

This is not applicable.

**17. Taxation**

Details of taxation are as follows :

	Current Year Quarter 31/03/2010 RM'000	Current Year To date 31/03/2010 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

On 15 January 2010, the Company had entered into a Memorandum of Understanding ("MOU") with Dato' Mohamad Rizzuan Bin Hashim ("Vendor") in relation to the acquisition of at least 51% shares in Anggerik Fajar Sdn Bhd ("Acquiree Company") at the purchase price to be determined and agreed by the Company and the Vendor upon completion of a feasibility study to be conducted by the Company.

The Acquiree Company intends to undertake a project to develop a piece of rubber plantation of approximately 10,000 acres in the Lebir Forest Reserve, Mukim Relai, Daerah Chiku, Jajahan Gua Musang, Kelantan Darulnaim with cloned rubber trees.

The MOU will expire at the end of six (6) months from the date of the MOU unless mutually extended by the parties.

## 21. Utilisation of Rights Issue Proceeds

The utilisation of proceeds from the Rights Issue exercise completed on 29 December 2009, up to the end of the current quarter are as follows:-

	As Approved RM'000	Utilisation RM'000	Balance Unutilised RM'000	Intended Timeframe for Utilisation
Working capital	8,117	3,570	4,547	12 months
Repayment of bank borrowings	600	252	348	6 months
Corporate exercise expenses	600	357	243	6 months
	<u>9,317</u>	<u>4,179</u>	<u>5,138</u>	

## 22. Group Borrowings

Total Group borrowings as at 31 March 2010 are as follows :-

	RM'000
Long Term Borrowings	
Secured - Term Loans	4,495
- Hire purchase	52
	<u>4,547</u>
Short Term Borrowings	
Secured - Overdraft	1,599
- Term Loans	998
- Hire purchase	15
	<u>2,612</u>

There are no borrowings denominated in foreign currency.

## 23. Off Balance Sheet Financial Instruments

There is no financial instrument with material off balance sheet risk at the date of this report.

## 24. Material Litigation

There is no pending material litigation for the Group at the date of this report.



**25. Dividends**

No dividend has been recommended or declared for the current financial quarter.

**26. 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 31/03/2010</b>	Comparative Quarter 31/03/2009	<b>Current Year To Date 31/03/2010</b>	Comparative Year To Date 31/03/2009
Net loss for the period (RM'000)	(1,411)	(210)	(1,411)	(210)
Weighted average number of ordinary shares in issue ('000)	40,734	31,418	40,734	31,418
Basic loss per share (sen)	(3.46)	(0.67)	(3.46)	(0.67)

**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.

**BY ORDER OF THE BOARD**

**DATED : 24 May 2010**