

BTM RESOURCES BERHAD (303962-T)

(Incorporated In Malaysia)

Interim Report for the First Quarter Ended 31 March 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 first financial quarter under review, the Group recorded turnover of RM1.36 million, a decrease of 48.8% 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 RM1.32 million as compared to a pre-tax loss of RM597,000 in the corresponding period last year mainly due to lower turnover, higher cost of raw material and lower other income derived in the current financial quarter.

14 Changes in the Quarterly Results Compared to Preceding Quarter

For the quarter ended 31 March 2012, the Group recorded a pre-tax loss of RM1.32 million as compared to a pre-tax loss of RM2.41 million in the previous quarter ended 31 December 2011, 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 31/03/2012 RM'000	Current Year To date 31/03/2012 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 31 March 2012 are as follows :-

	RM'000
Long Term Borrowings	
Secured - Term Loans	3,082
- Hire purchase	143
	<u>3,225</u>
Short Term Borrowings	
Secured - Overdraft	841
- Term Loans	2,411
- Hire purchase	34
	<u>3,286</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.

	Current Quarter 31/03/2012	Comparative Quarter 31/03/2011	Current Year To Date 31/03/2012	Comparative Year To Date 31/03/2011
Net loss for the period (RM'000)	(1,317)	(601)	(1,317)	(601)
Weighted average number of ordinary shares in issue ('000)	40,734	40,734	40,734	40,734
Basic loss per share (sen)	(3.23)	(1.48)	(3.23)	(1.48)

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 31/03/2012 RM'000	As at 31/12/2011 RM'000
The accumulated losses of the Group		
- realised	(85,176)	(83,859)
- unrealised	(2)	(2)
	<u>(85,178)</u>	<u>(83,861)</u>
Add: Consolidation adjustments	40,277	40,277
Accumulated losses as per financial statements	<u>(44,901)</u>	<u>(43,584)</u>

24 Loss Before Taxation

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

	Current Quarter 31/03/2012 RM'000	Comparative Quarter 31/03/2011 RM'000	Current Year To Date 31/03/2012 RM'000	Comparative Year To Date 31/03/2011 RM'000
Other income	32	473	32	473
Gain on disposal of property, plant and equipment	45	22	45	22
Interest expense	(111)	(128)	(111)	(128)
Amortisation of prepaid lease payments	(10)	(9)	(10)	(9)
Depreciation on property, plant and equipment	(301)	(330)	(301)	(330)

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 May 2012