

BTM RESOURCES BERHAD (303962-T)
(Incorporated In Malaysia)
Condensed Consolidated Statement of Financial Position
As At 31 December 2011

| | Unaudited as at 31/12/2011 RM'000 | Audited as at 31/12/2010 RM'000 |
|---|--|--|
| ASSETS | | |
| Non-Current Assets | | |
| Property, plant and equipment | 17,045 | 13,616 |
| Prepaid lease payments | 594 | 632 |
| Investments | 40 | 40 |
| Total Non-Current Assets | 17,679 | 14,288 |
| Current Assets | | |
| Inventories | 2,289 | 3,408 |
| Trade receivables | 4,708 | 5,461 |
| Other receivables and deposits | 275 | 597 |
| Fixed deposits with a licensed bank | 383 | 178 |
| Cash and bank balances | 162 | 664 |
| Total Current Assets | 7,817 | 10,308 |
| TOTAL ASSETS | 25,496 | 24,596 |
| 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 | 8,662 | 5,280 |
| Accumulated losses | (43,593) | (41,641) |
| TOTAL EQUITY | 13,431 | 12,001 |
| Non-Current Liabilities | | |
| Retirement benefits | 973 | 1,236 |
| Borrowings (secured) | 3,296 | 4,047 |
| Hire purchase creditors | 151 | 174 |
| Deferred taxation | 2 | 752 |
| Total Non-Current Liabilities | 4,422 | 6,209 |
| Current Liabilities | | |
| Trade payables | 730 | 1,052 |
| Other payables and accruals | 3,552 | 2,509 |
| Borrowings (secured) | 3,116 | 2,568 |
| Hire purchase creditors | 33 | 33 |
| Amount due to directors | 116 | 38 |
| Taxation | 96 | 186 |
| Total Current Liabilities | 7,643 | 6,386 |
| TOTAL LIABILITIES | 12,065 | 12,595 |
| TOTAL EQUITY AND LIABILITIES | 25,496 | 24,596 |
| NET TANGIBLE ASSETS PER SHARE (RM) | 0.33 | 0.29 |

(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 31 December 2011
Unaudited Condensed Consolidated Statement of Comprehensive Income

| | Current Quarter 31/12/2011 RM'000 | Comparative Quarter 31/12/2010 RM'000 | Current Year To Date 31/12/2011 RM'000 | Comparative Year To Date 31/12/2010 RM'000 |
|---|--|--|---|---|
| Revenue | 2,298 | 3,049 | 12,715 | 12,497 |
| Operating Expenses | (4,362) | (3,998) | (16,351) | (16,375) |
| Other Operating Income | <u>92</u> | <u>1,041</u> | <u>671</u> | <u>1,082</u> |
| (Loss)/Profit From Operations | (1,972) | 92 | (2,965) | (2,796) |
| Finance Costs | (443) | (273) | (834) | (721) |
| Investing Results | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Loss From Ordinary Activities Before Tax | (2,415) | (181) | (3,799) | (3,517) |
| Taxation | <u>1,855</u> | <u>123</u> | <u>1,847</u> | <u>123</u> |
| Loss From Ordinary Activities After Tax | (560) | (58) | (1,952) | (3,394) |
| 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>(560)</u> | <u>(58)</u> | <u>(1,952)</u> | <u>(3,394)</u> |
| Loss and Total Comprehensive Loss attributable to: Equity holders of the Parent | <u>(560)</u> | <u>(58)</u> | <u>(1,952)</u> | <u>(3,394)</u> |
| Loss Per Share (sen) | | | | |
| - Basic | (1.37) | (0.14) | (4.79) | (8.33) |
| - 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 12 Months Ended 31 December 2011
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 | |
| 12 months ended 31-12-2011 | | | | | |
| Balance at 01-01-2011 | 40,734 | 7,628 | 5,280 | (41,641) | 12,001 |
| Surplus on revaluation of lands and buildings, net of deferred taxation | 0 | 0 | 3,382 | 0 | 3,382 |
| Total Comprehensive Loss for the year | 0 | 0 | 0 | (1,952) | (1,952) |
| Balance at 31-12-2011 | <u>40,734</u> | <u>7,628</u> | <u>8,662</u> | <u>(43,593)</u> | <u>13,431</u> |
| 12 months ended 31-12-2010 | | | | | |
| Balance at 01-01-2010 | | | | | |
| - as previously stated | 40,734 | 7,628 | 5,280 | (37,899) | 15,743 |
| - effect of adopting FRS 139 | 0 | 0 | 0 | (348) | (348) |
| | <u>40,734</u> | <u>7,628</u> | <u>5,280</u> | <u>(38,247)</u> | <u>15,395</u> |
| Total Comprehensive Loss for the year | 0 | 0 | 0 | (3,394) | (3,394) |
| Balance at 31-12-2010 | <u>40,734</u> | <u>7,628</u> | <u>5,280</u> | <u>(41,641)</u> | <u>12,001</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 12 Months Ended 31 December 2011**Unaudited Condensed Consolidated Statement of Cash Flows**

| | 12 months Cumulative 31/12/2011 RM'000 | 12 months Cumulative 31/12/2010 RM'000 |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Loss before taxation | (3,799) | (3,517) |
| Adjustments for:- | | |
| Amortisation of prepaid lease payments | 38 | 38 |
| Depreciation on property, plant and equipment | 1,322 | 1,340 |
| Allowance for impairment loss | 0 | 174 |
| Defined benefit obligations | (251) | 127 |
| Gain on disposal of property, plant and equipment | (83) | (297) |
| Interest expense | 823 | 718 |
| Interest income | (5) | (195) |
| Operating loss before working capital changes | (1,955) | (1,612) |
| Decrease/(increase) in inventories | 1,119 | (1,436) |
| Decrease/(increase) in trade receivables | 753 | (1,490) |
| Decrease/(increase) in other receivables and deposits | 322 | (192) |
| Decrease in trade payables | (322) | (32) |
| Increase/(decrease) in other payables and accruals | 317 | (1,779) |
| Increase/(decrease) in amount due to directors | 78 | (1,141) |
| Cash generated from/(used in) operations | 312 | (7,682) |
| Interest paid | (98) | (132) |
| Tax paid | (112) | (336) |
| Retirement benefit paid | (12) | (26) |
| Net cash generated from/(used in) operating activities | 90 | (8,176) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (249) | (132) |
| Proceeds from disposal of property, plant and equipment | 83 | 312 |
| Interest received | 5 | 4 |
| Net cash (used in)/generated from investing activities | (161) | 184 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Increase in short-term deposit pledged as security | (205) | (6) |
| Repayment of hire purchase creditors | (23) | (28) |
| Net cash used in financing activities | (228) | (34) |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (299) | (8,026) |
| CASH AND CASH EQUIVALENTS AT 1ST JANUARY | (458) | 7,568 |
| CASH AND CASH EQUIVALENTS AT 31ST DECEMBER | (757) | (458) |
| CASH AND CASH EQUIVALENTS COMPRISE:- | | |
| Fixed deposits with a licensed bank | 383 | 178 |
| Cash and bank balances | 162 | 664 |
| Bank overdrafts | (919) | (1,122) |
| | (374) | (280) |
| Less: Deposits pledged as securities | (383) | (178) |
| | (757) | (458) |

BTM RESOURCES BERHAD (303962-T)

(Incorporated In Malaysia)

Interim Report for the Fourth Quarter Ended 31 December 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 except for lands and buildings. During the current financial year, the lands and buildings were revalued upwards to RM12.20 million by an independent firm of valuers. As a result of the revaluation, the surplus arising from the revaluation (net of deferred taxation) of RM3.38 million has been credited to revaluation reserve.

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

On 15 December 2011, Suruhanjaya Syarikat Malaysia ("SSM") has issued notices that BTM Development Sdn Bhd, BTM Construction Sdn Bhd and BTM Properties Sdn Bhd, all wholly owned subsidiaries of the Company, had been struck off the register under Section 308 (2) of the Companies Act, 1965.

Other than the above, 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 2010.

13 Performance Review on the Results of the Group

For the fourth financial quarter under review, the Group recorded turnover of RM2.30 million, a decrease of 24.6% 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 RM2.41 million as compared to a pre-tax loss of RM181,000 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.

For the current year to-date ended 31 December 2011, the Group recorded turnover of RM12.72 million, an increase of 1.7% over the corresponding last year. The Group recorded a pre-tax losses of RM3.80 million as compared to a pre-tax loss of RM3.52 million in the corresponding year mainly due to higher interest expense and lower other income derived in the current financial year.

14 Changes in the Quarterly Results Compared to Preceding Quarter

For the quarter ended 31 December 2011, the Group recorded a pre-tax loss of RM2.41 million as compared to a pre-tax loss of RM700,000 in the previous quarter ended 30 September 2011, mainly due to lower sales which decreases by 45.9% coupled with higher cost of raw material 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 31/12/2011 RM'000 | Current Year To date 31/12/2011 RM'000 |
|--------------------------------------|---|---|
| <i>Current taxation</i> | 8 | 8 |
| <i>Under provision in prior year</i> | 6 | 14 |
| <i>Deferred taxation</i> | (1,869) | (1,869) |
| | <u>(1,855)</u> | <u>(1,847)</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 December 2011 are as follows :-

| | RM'000 |
|-----------------------|--------------|
| Long Term Borrowings | |
| Secured - Term Loans | 3,296 |
| - Hire purchase | 151 |
| | <u>3,447</u> |
| Short Term Borrowings | |
| Secured - Overdraft | 919 |
| - Term Loans | 2,197 |
| - Hire purchase | 33 |
| | <u>3,149</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 31/12/2011 | Comparative Quarter 31/12/2010 | Current Year To Date 31/12/2011 | Comparative Year To Date 31/12/2010 |
|---|---|--------------------------------------|--|---|
| Net loss for the period (RM'000) | (560) | (58) | (1,952) | (3,394) |
| Weighted average number of ordinary shares in issue ('000) | 40,734 | 40,734 | 40,734 | 40,734 |
| Basic loss per share (sen) | (1.37) | (0.14) | (4.79) | (8.33) |

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.

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 31/12/2011 RM'000 | As at 31/12/2010 RM'000 |
|--|-------------------------------|-------------------------------|
| The accumulated losses of the Group | | |
| - realised | (83,868) | (81,321) |
| - unrealised | (2) | (752) |
| | <u>(83,870)</u> | <u>(82,073)</u> |
| Add: Consolidation adjustments | 40,277 | 40,432 |
| Accumulated losses as per financial statements | <u>(43,593)</u> | <u>(41,641)</u> |

24 Loss Before Taxation

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

| | Current Quarter 31/12/2011 RM'000 | Comparative Quarter 31/12/2010 RM'000 | Current Year To Date 31/12/2011 RM'000 | Comparative Year To Date 31/12/2010 RM'000 |
|--|--|--|---|---|
| Interest income | 0 | 191 | 5 | 195 |
| Other income | 68 | 564 | 575 | 590 |
| Gain on disposal of property, plant and equipment | 16 | 286 | 83 | 297 |
| Gain on striking of subsidiary companies | 8 | 0 | 8 | 0 |
| Interest expense | (441) | (273) | (823) | (721) |
| Amortisation of prepaid lease payments | (9) | (8) | (38) | (38) |
| Depreciation on property, plant and equipment | (329) | (337) | (1,322) | (1,340) |
| Allowance for impairment loss on receivables | 0 | (174) | 0 | (174) |

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:29 February 2012