

BTM RESOURCES BERHAD (303962-T)
(Incorporated In Malaysia)
Condensed Consolidated Statement of Financial Position
As At 31 December 2012

	Unaudited as at 31/12/2012 RM'000	Audited as at 31/12/2011 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	15,855	17,045
Prepaid lease payments	555	594
Investments	40	40
Total Non-Current Assets	16,450	17,679
Current Assets		
Inventories	2,779	2,289
Trade receivables	3,350	4,745
Other receivables and deposits	972	275
Fixed deposits with a licensed bank	395	389
Cash and bank balances	246	137
Total Current Assets	7,742	7,835
TOTAL ASSETS	24,192	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	(45,638)	(43,584)
TOTAL EQUITY	11,388	13,442
Non-Current Liabilities		
Retirement benefits	1,074	974
Borrowings (secured)	2,380	3,020
Hire purchase creditors	121	150
Deferred taxation	2	2
Total Non-Current Liabilities	3,577	4,146
Current Liabilities		
Trade payables	575	625
Other payables and accruals	4,267	3,697
Borrowings (secured)	3,788	3,366
Hire purchase creditors	34	34
Amount due to directors	489	116
Taxation	74	88
Total Current Liabilities	9,227	7,926
TOTAL LIABILITIES	12,804	12,072
TOTAL EQUITY AND LIABILITIES	24,192	25,514
NET TANGIBLE ASSETS PER SHARE (RM)	0.28	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 31 December 2012**

	Current Quarter 31/12/2012 RM'000	Comparative Quarter 31/12/2011 RM'000	Current Year To Date 31/12/2012 RM'000	Comparative Year To Date 31/12/2011 RM'000
Revenue	1,505	2,298	4,640	12,715
Operating Expenses	(2,718)	(4,682)	(9,007)	(16,671)
Other Operating Income	<u>1,485</u>	<u>421</u>	<u>3,169</u>	<u>1,000</u>
Profit/(Loss) From Operations	272	(1,963)	(1,198)	(2,956)
Finance Costs	(524)	(450)	(856)	(841)
Investing Results	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Loss From Ordinary Activities Before Tax	(252)	(2,413)	(2,054)	(3,797)
Taxation	<u>0</u>	<u>1,862</u>	<u>0</u>	<u>1,854</u>
Loss From Ordinary Activities After Tax	(252)	(551)	(2,054)	(1,943)
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>(252)</u>	<u>(551)</u>	<u>(2,054)</u>	<u>(1,943)</u>
Total Comprehensive Loss attributable to Owners of the Company	<u>(252)</u>	<u>(551)</u>	<u>(2,054)</u>	<u>(1,943)</u>
Loss Per Share (sen) attributable to Owners of the Company				
- Basic	(0.62)	(1.35)	(5.04)	(4.77)
- 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 12 Months Ended 31 December 2012**

	<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
12 months ended 31-12-2012					
Balance at 01-01-2012	40,734	7,628	8,664	(43,584)	13,442
Total Comprehensive Loss for the year	0	0	0	(2,054)	(2,054)
Balance at 31-12-2012	<u>40,734</u>	<u>7,628</u>	<u>8,664</u>	<u>(45,638)</u>	<u>11,388</u>
12 months ended 31-12-2011					
Balance at 01-01-2011	40,734	7,628	5,280	(41,641)	12,001
Total Comprehensive Income for the year	0	0	3,384	(1,943)	1,441
Balance at 31-12-2011	<u>40,734</u>	<u>7,628</u>	<u>8,664</u>	<u>(43,584)</u>	<u>13,442</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 12 Months Ended 31 December 2012**

	12 months Cumulative 31/12/2012 RM'000	12 months Cumulative 31/12/2011 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(2,054)	(3,797)
Adjustments for:-		
Amortisation of prepaid lease payments	39	38
Depreciation	1,192	1,318
Allowance for impairment loss on receivables	0	19
Bad debts written off	0	5
Inventories written off	0	19
Defined benefit obligations	100	99
Write back of accrued liabilities no longer required	0	(457)
Write back of allowance for slow moving inventories	0	(18)
Gain on settlement of defined benefit plan	0	(335)
Gain on disposal of property, plant and equipment	(2,461)	(102)
Property, plant and equipment written off	0	3
Gain on deemed disposal of subsidiary companies	0	(1)
Interest expense	856	840
Interest income	(12)	(43)
Operating loss before working capital changes	<u>(2,340)</u>	<u>(2,412)</u>
(Increase)/decrease in inventories	(490)	1,117
Decrease in trade receivables	1,395	739
(Increase)/decrease in other receivables and deposits	(697)	308
Decrease in trade payables	(50)	(86)
(Decrease)/increase in other payables and accruals	(192)	569
Increase in amount due to directors	373	78
Cash (used in)/generated from operations	<u>(2,001)</u>	<u>313</u>
Taxation paid	(14)	(113)
Interest received	12	11
Interest paid	(84)	(101)
Retirement benefit paid	0	(15)
Net cash (used in)/generated from operating activities	<u>(2,087)</u>	<u>95</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	2,461	102
Purchase of property, plant and equipment	(2)	(248)
Net cash generated from/(used in) investing activities	2,459	(146)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of hire purchase liabilities	(29)	(22)
Hire purchase interest paid	(10)	(14)
Net cash used in financing activities	(39)	(36)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	<u>333</u>	<u>(87)</u>
CASH AND CASH EQUIVALENTS AT 1ST JANUARY	(367)	(280)
CASH AND CASH EQUIVALENTS AT 31ST DECEMBER	<u>(34)</u>	<u>(367)</u>
CASH AND CASH EQUIVALENTS COMPRISE:-		
Fixed deposits with a licensed bank	395	389
Cash and bank balances	246	137
Bank overdrafts	(675)	(893)
	<u>(34)</u>	<u>(367)</u>

BTM RESOURCES BERHAD (303962-T)

(Incorporated In Malaysia)

Interim Report for the Fourth Quarter Ended 31 December 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 fourth financial quarter under review, the Group recorded turnover of RM1.51 million, a decrease of 34.5% 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 RM252,000 as compared to a pre-tax loss of RM2.41 million in the corresponding period last year mainly due to lower operating cost and 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 31 December 2012, the Group recorded a pre-tax loss of RM252,000 as compared to a pre-tax profit of RM227,000 in the previous quarter ended 30 September 2012, mainly due to higher operating costs 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 2013 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 31/12/2012 RM'000	Current Year To date 31/12/2012 RM'000
<i>Current taxation</i>	0	0
<i>Under provision in prior year</i>	0	0
<i>Deferred taxation</i>	0	0
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	0	0

18 Status of Corporate Proposals

On 16 January 2013, Hong Leong Investment Bank Berhad ("HLIB") had announced on behalf of the Company, that the Company proposes to implement the following proposals:-

- (a) Proposed reduction of the issued and paid-up share capital of BTM pursuant to Section 64(1) of the Companies Act, 1965 ("Act") involving the cancellation of RM0.80 of the par value of each ordinary share of RM1.00 each in BTM ("Existing Share") ("Proposed Par Value Reduction");
- (b) Proposed reduction of RM2,873,163 from the share premium account of BTM pursuant to Sections 60(2) and 64(1) of the Act ("Proposed Share Premium Reduction");
- (c) Proposed amendments to the Memorandum & Articles of Association of BTM ("M&A") to facilitate the change in the par value of the ordinary shares in BTM from RM1.00 to RM0.20 arising from the Proposed Par Value Reduction ("Proposed M&A Amendments");
- (d) Proposed renounceable rights issue of up to 118,734,576 new ordinary shares of RM0.20 each in BTM ("BTM Shares")("Rights Shares") together with up to 59,367,288 free new detachable warrants ("Warrants") at an issue price of RM0.20 per Rights Share on the basis of two (2) Rights Shares for every one (1) BTM Share held after the Proposed Par Value Reduction together with one (1) Warrant for every two (2) Rights Shares subscribed, based on a minimum subscription level of 36,328,586 Rights Shares together with 18,164,293 Warrants on an entitlement date to be determined and announced later ("Proposed Rights Issue with Warrants"); and
- (e) Proposed exemption to Dato' Seri Yong Tu Sang ("DSYTS") and persons acting in concert with DSYTS ("PACs") from the obligation to undertake a take-over offer for all the remaining BTM Shares and convertible securities not already owned by them under Paragraph 16.1 of Practice Note 9 of the Malaysian Code on Take-overs and Mergers, 2010 ("Code")("Proposed Exemption").

No approvals have been obtained yet from relevant authorities on the above proposals.

19 Group Borrowings

Total Group borrowings as at 31 December 2012 are as follows :-

	RM'000
Long Term Borrowings	
Secured - Term Loans	2,380
- Hire purchase	121
	<u>2,501</u>
Short Term Borrowings	
Secured - Overdraft	675
- Term Loans	3,113
- Hire purchase	34
	<u>3,822</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 31/12/2012	Comparative Quarter 31/12/2011	Current Year To Date 31/12/2012	Comparative Year To Date 31/12/2011
Net profit/(loss) for the period (RM'000)	(252)	(551)	(2,054)	(1,943)
Weighted average number of ordinary shares in issue ('000)	40,734	40,734	40,734	40,734
Basic earnings/(loss) per share (sen)	(0.62)	(1.35)	(5.04)	(4.77)

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 31/12/2012 RM'000	As at 31/12/2011 RM'000
The accumulated losses of the Group		
- realised	(85,913)	(83,859)
- unrealised	(2)	(2)
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	(85,915)	(83,861)
Add: Consolidation adjustments	40,277	40,277
Accumulated losses as per financial statements	<hr/> <hr/>	<hr/> <hr/>
	(45,638)	(43,584)

24 Profit/(Loss) Before Taxation

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

	Current Quarter 31/12/2012	Comparative Quarter 31/12/2011	Current Year To Date 31/12/2012	Comparative Year To Date 31/12/2011
	RM'000	RM'000	RM'000	RM'000
Other income	230	0	708	512
Gain on disposal of property, plant and equipment	1,255	35	2,461	102
Interest expense	(524)	(450)	(856)	(841)
Amortisation of prepaid lease payments	(10)	(9)	(39)	(38)
Depreciation on property, plant and equipment	(297)	(325)	(1,192)	(1,318)
Allowance for impairment loss on receivables	0	(19)	0	(19)
Bad debts written off	0	(5)	0	(5)
Inventories written off	0	(19)	0	(19)
Write back of accrued liabilities no longer required	0	457	0	457
Write back of allowance for slow moving inventories	0	18	0	18
Property, plant and equipment written off	0	(3)	0	(3)
Gain on deemed disposal of subsidiary companies	0	1	0	1

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 February 2013