

BTM RESOURCES BERHAD (303962-T)
(Incorporated in Malaysia)

QUARTERLY REPORT

Quarterly Report On Consolidated Results For The Financial Quarter Ended 31 March 2001.

The Figures Have Not Been Audited

CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/03/2001 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/03/2000 RM'000	CURRENT YEAR TO DATE 31/03/2001 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/03/2000 RM'000
1 a) Turnover	4,511	6,714	4,511	6,714
b) Investment income	-	-	-	-
c) Other income including interest income	59	-203	59	-203
2 a) Operating profit/(loss) before interest on borrowings, depreciation and amortisation, exceptional, items, income tax, minority interests and extraordinary items.	-1,375	-141	-1,375	-141
b) Interest on borrowings	154	115	154	115
c) Depreciation and amortisation	566	531	566	531
d) Exceptional items	-	-	-	-
e) Operating profit/(loss) after interest on borrowings, depreciation and amortisation and exceptional items but before income tax, minority interests and extraordinary items	-2,095	-787	-2,095	-787
f) Share in the results of associated companies	-	-	-	-
g) Profit/(loss) before taxation, minority interests and extraordinary items.	-2,095	-787	-2,095	-787
h) Taxation	-	-	-	-
i) i) Profit/(loss) after taxation before deducting minority interests	-2,095	-787	-2,095	-787
ii) Less minority interests	-	-	-	-
j) Profit/(loss) after taxation, attributable to members of the company	-2,095	-787	-2,095	-787
k) i) Extraordinary items	-	-	-	-
ii) Less minority interests	-	-	-	-
iii) Extraordinary items attributable to members of the company	-	-	-	-
l) Profit/(loss) after taxation and extraordinary items attributable to members of the company	-2,095	-787	-2,095	-787
3 a) Earning /(Loss) per share based on 2(j) above after deducting any provision for preference dividend, if any :-				
i) Basic (based on ordinary shares - sen)	-10.47	-3.93	-10.47	-3.93
ii) Fully diluted (based on ordinary shares - sen)	-	-	-	-
4 Net tangible assets per share (sen)	149	163	149	163
5 a) Dividend per share (sen)	-	-	-	-
b) Dividend Description	-	-	-	-

BTM RESOURCES BERHAD (303962-T)

CONSOLIDATED BALANCE SHEET

Quarterly Report on Consolidated Results for the First Quarter ended 31-3-2001

	Unaudited	Audited
	AS AT END OF CURRENT QUARTER 31-12-2001 RM'000	AS AT PRECEDING FINANCIAL YEAR END 31-12-2000 RM'000
1 Fixed Assets	18,693	19,270
2 Investment in Associated Companies	-	-
3 Long Term Investments	21	21
4 Intangible Assets	-	-
5 Current Assets		
<i>Stocks</i>	12,536	12,708
<i>Trade Debtors</i>	8,692	9,411
<i>Other Debtors, Deposit and Prepayments</i>	2,609	2,979
<i>Short Term Deposits</i>	137	136
<i>Cash and Bank Balances</i>	285	75
	<u>24,259</u>	<u>25,309</u>
6 Current Liabilities		
<i>Short Term Borrowings</i>	7,558	5,384
<i>Trade Creditors</i>	4,010	4,840
<i>Other Creditors</i>	524	1,268
<i>Provision for Taxation</i>	511	511
<i>Proposed Dividend</i>	-	-
	<u>12,603</u>	<u>12,003</u>
7 Net Current Assets or Current Liabilities	<u>11,656</u>	<u>13,306</u>
	<u>30,370</u>	<u>32,597</u>
8 Shareholders' Funds		
Share Capital	19,999	19,999
Reserves	-	-
<i>Share Premium</i>	6,460	6,460
<i>Retained Profit</i>	3,409	5,504
9 Minority Interests	-	-
10 Long Term Borrowings	-	120
11 Other Long Term Liabilities	195	207
12 Deffered Taxation	307	307
	<u>30,370</u>	<u>32,597</u>
13 Net Tangible Assets per Share (sen)	149	160

BTM RESOURCES BERHAD (303962-T)

ANNOUNCEMENT OF UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2001

NOTES

1. **Accounting Policies**

The accounts of the Group are prepared using the same accounting policies, method of computation and basis of consolidations as those used in the preparation of the most recent annual financial statements.

2. **Exceptional Item**

There were no exceptional item in for the quarterly financial statement.

3. **Extraordinary Item**

There were no extraordinary item for the quarterly financial statement.

4. **Taxation**

The tax figures do not contain any deferred tax and / or adjustment for under or overprovisions in respect of prior years.

No provision is made for tax on operating loss for the financial period under review in view losses incurred for the quarter.

5. **Pre-acquisition Profit**

There were no pre-acquisition profits for the current financial period ended 31 March 2001

6. **Profit On Disposal Of Investments And / Or Properties**

There were no profits on sale of investments and / or properties for the current financial period ended 31 March 2001.

7. **Quoted Securities**

There were no purchase or disposal of quoted shares for the financial period ended 31 March 2001.

8. **Changes In The Composition Of The Group**

There were no changes in the composition of the Company during the financial period ended 31 March 2001.

9. Status Of Corporate Proposals

On 19-03-2001, the company announced the following corporate proposals :-

- a) Proposed Acquisition of Land, factory buildings, plant and machinery and office building for a total consideration of RM35,000,000 to be satisfied by issuance of 21,875,000 ordinary shares at an issue price of RM1.60 per share.
- b) Proposed Private placement of up to 4,000,000 new ordinary shares of RM1.00 each.
- c) Proposed Restricted offer for sale of Right
- d) Proposed Employee Share Option Scheme (ESOS)

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

10. Seasonal or Cyclical Factors

Our business operations are generally affected by the rainy seasons in the east coast of West Malaysia which predominantly occurred during the months of October to January.

11. Corporate Development

There were no issuances or repayments of debts and equity securities, share-buy-back share cancellations, shares held as treasury shares and resale-of treasury shares for current financial period ended 31 March 2001.

12. Group Borrowings And Debt Securities

	31-03-2001 RM'000
Term Loan	1,111
LC / TR / BA / Overdrafts	<u>6,447</u>
	<u>7,558</u>
Short Term Loans (Amount falling due within one year)	1,111
Long Term Loans (Amount falling due after more than one year)	<u>-</u>
	<u>1,111</u>

The bank borrowings are secured by a Corporate Guarantee and a letter of negative pledge bearing an interest of 2.50% above the Base Lending Rate of the lending bank.

13. Contingent Liabilities

Corporate Guarantees amounting to RM16,200,000 have been issued to banks for credit facilities granted to subsidiary companies.

14. Off Balance Sheet Financial Instruments

There were no material financial instruments with off balance sheet risk during the current financial period ended 31 March 2001.

15. Segmental Reporting

Segmental reporting under International Standards Statement No. 14 is not necessary as the Group is principally involved in wood-based activity of logging sawmilling, timber trading and manufacturing of moulding, finger jointed and laminated timber.

16. Material Changes in the Quarterly Results Compared to the Results of the Preceding Quarter

The Group recorded a pre-tax loss of RM2.095 million in the quarter under review, compared to pre-tax loss of RM1.369 registered in the preceding quarter ended 31 March 2000, representing an increase of 53%.

The decline in Group results was attributed to lower turnover mainly due to the demand for timber products has slowed down considerably during the quarter under review and stiff competition faced by the timber industry.

17. Review Of Performance Of The Company And Its Principal Subsidiaries

The Group recorded a turnover of RM4.511 million and loss before taxation of RM2.095 million for three months period ended 31 March 2001. Compared to the preceding year corresponding period ended 31 March 2000, the revenue has decreased by 33% where as pre-tax loss has increased by 166%.

The increase in pre-tax loss was attributed to the timber industry adversely affected by deteriorating timber prices which further eroded its margin. The slowdown in global economy coupled with stiff competition from neighbouring countries were the other factors contributing to the decline performance.

In the opinion of the Directors, the results for the current financial period-to-date have not been affected by any transaction or event of a material or unusual nature which has arisen between 31 March 2001 and the date of this announcement.

18. Prospect For The Current Financial Year

In view of falling timber price and slowdown in global economy which may have adverse impact on Group Performance, the Group will endeavour to explore new markets and opportunities in order to improve sales and margins.

19. Variance Of Actual Profit From Forecast Profit

The company did not issue any profit forecast for the current year.

20. Dividend

The Board of Directors do not recommended any dividend for the quarter under review.

By Order of the Board

CHONG SEOK TIAN
Company Secretary

Kuala Terengganu, Terengganu

30 May 2001