

BTM RESOURCES BERHAD (303962-T)
(Incorporated In Malaysia)
Condensed Consolidated Balance Sheet
As At 31-12-2002

	Unaudited as at 31/12/2002 RM'000	Audited as at 31/12/2001 RM'000
Property, plant and equipment	16,377	17,968
Investment in Associate	49	-
Other Investment	21	21
CURRENT ASSETS		
Inventories	7,643	12,087
Trade receivables	9,260	8,668
Other receivable, deposits and repayments	2,414	1,611
Fixed deposits with licenced banks	267	140
Cash and bank balances	518	73
	20,102	22,579
CURRENT LIABILITIES		
Trade payables	7,960	3,920
Amount due to directors	124	36
Other payables and accruals	744	667
Short-term borrowings	7,775	8,348
Tax provision	662	727
	17,265	13,698
Net Current Assets	2,837	8,881
	19,284	26,870
Represented by :		
Share capital	19,999	19,999
Share premium	6,460	6,460
Reserves	-7,911	154
Shareholder's fund	18,548	26,613
Long Term Liabilities		
- Borrowings	460	35
- Other Deffered Liabilities	276	222
	19,284	26,870
	19,284	26,870

(The condensed consolidated Balance Sheet should be read in conjunction with the Annual Finance Report for the year ended 31-12-2001)

BTM RESOURCES BERHAD (303962-T)

Interim Report for the Quarter ended 31 December 2002

Unaudited Condensed Consolidated Income Statements

	Current Quarter 31/12/2002 RM'000	Comparative Quarter 31/12/2001 RM'000	Current Year To Date 31/12/2002 RM'000	Comparative Year To Date 31/12/2001 RM'000
Revenue	9,155	5,188	27,241	19,078
Operating Expenses	-11,957	-6,252	-34,731	-23,808
Other Operating Income	<u>17</u>	<u>9</u>	<u>90</u>	<u>128</u>
Loss from Operations	-2,785	-1,055	-7,400	-4,602
Finance Costs	194	222	685	781
Investing Results	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Loss from Ordinary activities before tax	-2,979	-1,277	-8,085	-5,383
Taxation	<u>0</u>	<u>23</u>	<u>0</u>	<u>33</u>
Loss from Ordinary activities after tax	-2,979	-1,254	-8,085	-5,350
Minority Interest	<u>-52</u>	<u>0</u>	<u>20</u>	<u>0</u>
Net Loss for the period	<u><u>-3,031</u></u>	<u><u>-1,254</u></u>	<u><u>-8,065</u></u>	<u><u>-5,350</u></u>
Earnings per share (sen)				
- Basic	-15.15	-6.27	-40.32	-26.75
- Diluted	N.A	N.A	N.A	N.A

N.A - Not Applicable

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2001

BTM RESOURCES BERHAD (303962-T)

For the 12 Months Ended 31 December 2002

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 reservers RM'000	Retained earnings RM'000	Total RM'000
<u>12 months ended 31-12-2002</u>					
Balance at 01-01-2002	19,999	6,490	0	154	26,613
Net Loss for the period	0	0	0	-8,065	-8,065
Dividends for the year ended 31 December 2001	0	0	0	0	0
Balances at 31-12-2002	<u>19,999</u>	<u>6,490</u>	<u>0</u>	<u>-7,911</u>	<u>18,548</u>

Note : There are no comparative figures as this is first interim financial report
in accordance with MASB 26 *Interim Financial Reporting*

*The Condensed Consolidated Statement of Changes in Equity should be read in
conjunction with the Annual Financial Report for the year ended 31 December 2001*

BTM RESOURCES BERHAD (303962-T)

(Incorporated In Malaysia)

Unaudited Condensed Consolidated Cash Flow Statements**12 months
Cumulative
31/12/2002
RM'000****CASH FLOW FROM OPERATING ACTIVITIES**

Loss before taxation	-8,084
Adjustments for :-	
Depreciation on property, plant & equipment	1,950
Provision for retirement benefits	84
Loss on disposal of property, plant and equipment	2
Property, plant and equipment written off	3
Interest expense	622
Interest on fixed deposit	-5
Operating loss before working capital changes	-5,428
Decrease in inventories	4,445
Increase in trade receivables	2,585
(Increase)/decrease in other receivables and deposits	-3,957
Decrease in amount due from subsidiary companies	-
Increase in trade payables	2,751
Increase in other payables and accruals	1,346
Increase in amount due to directors	88
Cash Generated from Operations	1,830
Tax (paid)/refund	-60
Retirement benefits paid	-
Net cash generated from operating activities	1,770

CASH FLOW FROM INVESTING ACTIVITIES

Acquisition of subsidiary company net cash acquired	-10
Purchase of property and equipment	-393
Purchase of unquoted investment	-49
Proceed from disposal of motor vehicle	15
Interest received	5
Net cash used in investing activities	-432

CASH FLOW FROM FINANCING ACTIVITIES

Proceed from hire purchase facility	63
Proceed from term loan facility	656
Repayment of export credit refinancing	-157
Repayment of bankers' acceptances	-698
Repayment of hire purchase creditors	-56
Interest paid	-619
Net cash used in financing activities	-811

NET INCREASE/(DECREASED) IN CASH AND CASH EQUIVALENTS 527

CASH AND CASH EQUIVALENT AT 1ST JANUARY, 2002 -4,698

CASH AND CASH EQUAVALENTS AT 30 SEPTEMBER 2002 -4,171

CASH AND CASH EQUIVALENTS COMPRISE :-

Fixed deposits with licensed bank	267
Cash and bank balances	517
Bank overdrafts	-4,955
	-4,171

BTM RESOURCES BERHAD (303962-T)

Interim Report for the Forth Quarter Ended 31 December 2002

NOTES

1. Basis of Preparation and Accounting Policies

This consolidated interim financial statements are prepared in accordance with MASB26: "Interim Financial Reporting" and paragraph 9.22 of the Kuala Lumpur Stock Exchange Listing Requirements, and should be read in conjunction with the Group's financial statements for the year ended 31 December 2001.

2. Audit Qualification of Preceding Annual Financial Statements

The audit report for 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 in 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 report in prior interim periods of the current financial year or 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 quarter.

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 one industry and one geographical area, as such no segmental analysis is prepared.

9. Revaluation of Property, Plant and Equipment

There was no revaluation of property, plant and equipment during the quarter.

10. Material Events Subsequent to the end of the Reporting Period

There were no material events subsequent to the end of the current quarter that have not been reflected in the financial statements for the said period as at 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 RM16.20 million in respect of Guarantee to financial institutions for credit facilities granted to subsidiary companies.

13. Performance Review on the Results of the Group

For the fourth quarter under review, the Group recorded a pre-tax loss of RM2,979 million and turnover of RM9,155 million. Cumulatively, for the twelve months, the Group recorded a pre-tax loss of RM8,085 million with a turnover of RM27.241 million.

14. Changes in the Quarterly Results Compared to Preceding Quarter

The increase in Group loss before tax by RM1,428,000 for the quarter ended 31 December 2002 compared to the preceding quarter ended 30 September 2002 was mainly due to higher operating costs incurred for the quarter.

15. Current Year Prospect

The Group primarily depends on the income contribution from the wood-based industries sector. The Group still faces high operation costs and expects the timber industry to remain challenging and is expected to continue posting losses.

16. Variance of Actual Profit From Forecast Profit

This is not applicable.

17. Taxation

Details of taxation are as follows :

	Current Year Quarter 31/12/2002 RM'000	Current Year To date 31/12/2002 RM'000
<i>Current taxation</i>	-	-
<i>Deferred taxation</i>	-	-
<i>(Over)/under provision in prior year</i>	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</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 is no purchase or disposal of quoted securities during the current quarter and financial year to-date.

20. Status of Corporate Proposals

The Company has announced on 20 March 2001 the following corporate proposals :-

- a) Proposed acquisition of land together with factory building erected thereon and plant and machineries from Gimzan Plywood Sdn Bhd for a total purchase consideration of RM27,000,000 to be satisfied via the issue of 16,875,000 new ordinary shares of RM1.00 each in BTM Resources at an issue price of RM1.60 per share.
- b) Proposed acquisition of land and plant machineries for a total purchase consideration of RM3,000,000 to be satisfied via the issuance of 1,875,000 new ordinary shares of RM1.00 each in BTM Resources Berhad at an issue of RM1.00 per share.
- c) Proposed acquisition of 5 1/2 storey office building known as "Wisma Kam Choon" for a purchase consideration of RM5,000,000 to be satisfied via issuance of 3,125,000 new ordinary shares of RM1.00 each in BTM Resources at an issue price of RM1.60 per share.
- d) Proposed private placement of up to 4,000,000 new ordinary shares of RM1.00 each
- e) Proposed restricted offer for sale of rights to allotments of 7,786,000 ordinary shares of RM1.00 each to the existing shareholders of BTM Resources Berhad.
- f) Proposed establishment of Employee Share Option Scheme ("ESOS")

The proposals has been approved by the Ministry of International Trade and Industry ("MITI") on 10 August 2001 and Foreign Investment Committee ("FIC") on 21 September 2001

Securities Commission had in its letter dated 26 December, 2001 approved the following :-

- a) the Proposed Assets Acquisition from BTM Timber was approved as proposed :
- b) the Proposed Wisma Kam Choon Acquisition or a consideration of RM5,000,000 to be satisfied by an issuance of 3,215,000 new BTM Resources shares at an issue price of RM1.60 each was revised to a consideration of RM4,500,000 to be satisfied by an issuance of 2,812,500 new BTM Resources shares at an issue price of RM1.60 each ;
- c) the Proposed Restricted Offer for Sale of 7,876,000 new BTM Resources shares to the existing of BTM other than Dato' Seri Yong Tu Sang ("Dato' Seri Yong"), To' Puan Ng Ah Heng ("To' Puan Ng"), Yong Emmy, Dato' Seri Yusof bin Dato' Biji Sura @ Mohamad ("Dato Seri Yusof"), Dato' Mohd Zamry bin Yusof ("Dato' Mohd Zamry") and Fatimah Zalina binti Yusof ("Fatimah Zalina") was revised to up to a maximum of 4,687,500 new BTM Resources shares:
- d) the Proposed Private Placement was approved as proposed: and
- e) the Proposed ESOS was approved as proposed.

The Securities Commission had, however, rejected the proposed Assets Acquisition from Gimzan Plywood due to, inter-alia, the assets to be acquired had ceased operations, the pass losses incurred by the asets and the unsatisfactory prospects of the assets. However the Board of BTM Resources Berhad had decided to appeal against the decision Securities Commission on the Proposed Assets Acquisition from Gimzan Plywood and of the Restricted Offer for sales. The appeal had been submitted on 25 January 2002 to Securities Commission and the Company is currently waiting for the decision on the decision on the appeal. However, the Securities Commission had on 4 June 2002 rejected the appeal by BTM Resources Berhad in respect of the Securities Commission's decision on the proposed Assets Acquisition from Gimzan.

The Company is currently proceeding with the implementation of the proposals.

21. Group Borrowings

Total Group borrowings as at 31 December 2002 are as follows :-

	RM'000
Long Term Borrowings	
Secured - Hire Purchase	47
Unsecured - Term Loan	413
	<u>460</u>
Short Term Borrowings	
Secured - Hire Purchase	50
- Bankers Acceptance	1,125
- Overdrafts	4,955
	<u>6,130</u>
Unsecured - Bankers Acceptance	1,291
- Term Loan	354
	<u>1,645</u>

22. Off Balance Sheet Financial Instruments

There is no instrument with off balance risk at at the date of issue of the quarterly report.

23. Material Litigation

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

24. Dividends

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

25. Earnings /(Loss) per Ordinary Share

Basis (loss)/earning per share of the Group is calculated by dividing the net loss attributable to shareholders of RM3,031 million by the weighted average number of ordinary shares in issue during the financial year of 19,999,000.

BY ORDER OF THE BOARD

DATED : 27th February 2003