

BTM RESOURCES BERHAD (303962-T)
(Incorporated In Malaysia)
Condensed Consolidated Balance Sheet
As At 30-09-2002

	Unaudited as at 30/09/02 RM'000	Audited as at 31/12/01 RM'000
Property, plant and equipment	16,879	17,968
Investment in Associate	49	-
Other Investment	21	21
CURRENT ASSETS		
Inventories	9,815	12,087
Trade receivables	9,337	8,668
Other receivable, deposits and repayments	4,638	1,611
Fixed deposits with licenced banks	266	140
Cash and bank balances	429	73
	24,485	22,579
CURRENT LIABILITIES		
Trade payables	8,195	3,920
Amount due to directors	139	36
Other payables and accruals	1,987	667
Short-term borrowings	8,479	8,348
Tax provision	727	727
	19,527	13,698
Net Current Assets	4,958	8,881
	21,907	26,870
Represented by :		
Share capital	19,999	19,999
Share premium	6,460	6,460
Reserves	-4,869	154
Shareholder's fund	21,590	26,613
Long Term Liabilities		
- Borrowings	53	35
- Other Deffered Liabilities	264	222
	21,907	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 30 September 2002

Condensed Consolidated Income Statements

	Current Quarter 30/09/02 RM'000	Comparative Quarter 30/09/01 RM'000	Current Year To Date 30/09/02 RM'000	Comparative Year To Date 30/09/01 RM'000
Revenue	6,985	5,314	18,086	14,029
Operating Expenses	-8,390	-5,786	-22,710	-17,479
Other Operating Income	<u>18</u>	<u>27</u>	<u>72</u>	<u>119</u>
Loss from Operations	-1,387	-445	-4,552	-3,331
Finance Costs	164	183	491	523
Investing Results	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Loss from Ordinary activities before tax	-1,551	-628	-5,043	-3,854
Taxation	<u>0</u>	<u>10</u>	<u>0</u>	<u>10</u>
Loss from Ordinary activities after tax	-1,551	-618	-5,043	-3,844
Minority Interest	<u>17</u>	<u>0</u>	<u>20</u>	<u>0</u>
Net Loss for the period	<u><u>-1,534</u></u>	<u><u>-618</u></u>	<u><u>-5,023</u></u>	<u><u>-3,844</u></u>
Earnings per share (sen)				
- Basic	-7.76	-3.09	-25.11	-19.22
- 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)

Interim Report for the third Quarter ended 30 September 2002

Condensed Consolidated 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
9 months ended 30-09-2002					
Balance at 01-01-2002	19,999	6,490	0	154	26,613
Net Loss for the period	0	0	0	-5,023	-5,023
Dividends for the year ended 31 December 2001	0	0	0	0	0
Balances at 30-09-2002	<u>19,999</u>	<u>6,490</u>	<u>0</u>	<u>-4,869</u>	<u>21,590</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)
Condensed Consolidated Cash Flow Statements
for the Third Quarter Ended 30-09-2002

Unaudited
9/30/2002
RM'000

CASH FLOW FROM OPERATING ACTIVITIES

Loss before taxation	-5,043
Adjustments for :-	
Depreciation on property, plant & equipment	1,473
Provision for retirement benefits	72
Loss on disposal of property, plant and equipment	2
Property, plant and equipment written off	1
Interest expense	436
Interest on fixed deposit	-5
Operating loss before working capital changes	-3,064
Decrease in inventories	2,272
Increase in trade receivables	-709
(Increase)/decrease in other receivables and deposits	-2,981
Decrease in amount due from subsidiary companies	-
Increase in trade payables	4,275
Increase in other payables and accruals	1,301
Increase in amount due to directors	103
Cash Generated from Operations	1,197
Tax (paid)/refund	-
Retirement benefits paid	-
Net cash generated from operating activities	1,197

CASH FLOW FROM INVESTING ACTIVITIES

Acquisition of subsidiary company net cash acquired	-10
Purchase of property and equipment	-391
Purchase of unquoted investment	-49
Proceed from disposal of motor vehicle	15
Interest received	5
Net cash used in investing activities	-430

CASH FLOW FROM FINANCING ACTIVITIES

Proceed from hire purchase facility	63
Proceed from term loan facility	409
Repayment of export credit refinancing	-4
Repayment of bankers' acceptances	-362
Repayment of hire purchase creditors	-41
Interest paid	-432
Net cash used in financing activities	-367

NET INCREASE/(DECREASED) IN CASH AND CASH EQUIVALENTS 399

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

CASH AND CASH EQUAVALENTS AT 30 SEPTEMBER 2002 -4,299

CASH AND CASH EQUIVALENTS COMPRISE :-

Fixed deposits with licensed bank	266
Cash and bank balances	429
Bank overdrafts	-4,994
	-4,299

BTM RESOURCES BERHAD (303962-T)

Interim Report for the Third Ended 30 September 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 interim period.

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 interim period.

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 interim period.

6. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the interim period.

7. Dividend Paid

There were no dividends paid during the current 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 third quarter under review, the Group recorded a pre-tax loss of RM1.551 million and turnover of RM6.985 million. Cumulatively, for the first nine months, the Group recorded a pre-tax loss of RM5.043 million with a turnover of RM18.086 million.

14. Changes the Quarterly Results Compared to Preceding Quarter

The decrease in Group loss before tax by RM118,000 or 7% for the quarter ended 30 September 2002 compared to the preceding quarter ended 30 June 2002 was mainly due to higher turnover achieved.

15. Current Year Prospect

The Group primarily depends on the income contribution from the wood-based industries sector. The Group still faced with high operation costs and expects the Group results to be no better than last year.

16. Variance of Actual Profit From Forecast Profit

This is not applicable.

17. Taxation

Details of taxation are as follows :

	Current Year Quarter 30/09/02 RM'000	Current Year To date 30/09/02 RM'000
<i>Current taxation</i>	-	-
<i>Deferred taxation</i>	-	-
<i>(Over)/under provision in prior year</i>	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

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 30 September 2002 are as follows :-

	RM'000
Long Term Borrowings	
Secured - Hire Purchase	53
	<u>53</u>
Short Term Borrowings	
Secured - Hire Purchase	60
- Bankers Acceptance	820
- Overdrafts	4,994
	<u>5,874</u>
Unsecured - Bankers Acceptance	1,392
- Revolving Loan	153
- Term Loan	520
	<u>2,065</u>

22. Off Balance Sheet Financial Instruments

There is no instrument with off balance sheet 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 RM1.534 million by the weighted average number of ordinary shares in issue during the financial year of 19,999,000.

BY ORDER OF THE BOARD