

**BTM RESOURCES BERHAD (303962-T)**  
(Incorporated In Malaysia)  
**Condensed Consolidated Balance Sheet**  
**As At 31-03-2003**

	Unaudited as at 31/03/2003 RM'000	Audited as at 31/12/2002 RM'000
PROPERTY, PLANT AND EQUIPMENT	16,024	16,377
INVESTMENTS	110	110
<b>CURRENT ASSETS</b>		
Inventories	6,899	7,643
Trade receivables	5,490	9,934
Other receivables and deposits	1,739	2,280
Fixed deposits with a licensed bank	288	266
Cash and bank balances	552	551
	14,968	20,674
<b>CURRENT LIABILITIES</b>		
Trade payables	3,863	8,087
Other payables and accruals	1,601	1,231
Bank borrowings	7,489	7,725
Hire purchase payables	39	50
Amount due to directors	143	150
Taxation	710	710
	13,845	17,953
<b>NET CURRENT ASSETS</b>	1,123	2,721
	17,257	19,208
<b>FINANCED BY:</b>		
<b>SHARE CAPITAL</b>	19,999	19,999
<b>SHARE PREMIUM</b>	6,460	6,460
<b>ACCUMULATED LOSSES</b>	(9,903)	(8,040)
<b>SHAREHOLDERS' EQUITY</b>	16,556	18,419
<b>MINORITY INTEREST</b>	6	23
<b>NON-CURRENT LIABILITIES</b>		
Provision for retirement benefits	327	306
Bank borrowings	324	413
Hire purchase payables	44	47
	695	766
	17,257	19,208

*(The condensed consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 December 2002)*

**BTM RESOURCES BERHAD (303962-T)**

Interim Report for the Quarter ended 31 March 2003

**Unaudited Condensed Consolidated Income Statements**

	<b>Current Quarter 31/03/2003 RM'000</b>	<b>Comparative Quarter 31/03/2002 RM'000</b>	<b>Current Year To Date 31/03/2003 RM'000</b>	<b>Comparative Year To Date 31/03/2002 RM'000</b>
Revenue	5,537	5,340	5,537	5,340
Operating Expenses	(7,307)	(7,258)	(7,307)	(7,258)
Other Operating Income	<u>54</u>	<u>10</u>	<u>54</u>	<u>10</u>
Loss from Operations	(1,716)	(1,908)	(1,716)	(1,908)
Finance Costs	164	168	164	168
Investing Results	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Loss from Ordinary activities before tax	(1,880)	(2,076)	(1,880)	(2,076)
Taxation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Loss from Ordinary activities after tax	(1,880)	(2,076)	(1,880)	(2,076)
Minority Interest	<u>17</u>	<u>10</u>	<u>17</u>	<u>10</u>
Net Loss for the period	<u><u>(1,863)</u></u>	<u><u>(2,066)</u></u>	<u><u>(1,863)</u></u>	<u><u>(2,066)</u></u>
Earnings per share (sen)				
- Basic	(9)	(10)	(9)	(10)
- 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 2002)*

**BTM RESOURCES BERHAD (303962-T)**

For the 3 Months Ended 31 March 2003

**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
<b>3 months ended 31-03-2003</b>					
Balance at 01-01-2003	19,999	6,460	0	(8,040)	18,419
Net Loss for the period	0	0	0	(1,863)	(1,863)
Dividends for the period ended 31-03-2003	0	0	0	0	0
Balances at 31-03-2003	<u>19,999</u>	<u>6,460</u>	<u>0</u>	<u>(9,903)</u>	<u>16,556</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 2002*

**BTM RESOURCES BERHAD (303962-T)**

(Incorporated In Malaysia)

**Unaudited Condensed Consolidated Cash Flow Statements****3 months  
Cumulative  
31/03/2003  
RM'000****CASH FLOWS FROM OPERATING ACTIVITIES**

<b>Loss before taxation</b>	(1,880)
Adjustments for:-	
Amortisation of leasehold land	2
Depreciation on property, plant and equipment	369
Provision for retirement benefits	21
Interest expense	150
Interest on fixed deposits	(1)
<b>Operating loss before working capital changes</b>	(1,339)
Decrease in inventories	744
Increase in trade receivables	4,444
Increase in other receivables and deposits	541
Increase in trade payables	(4,224)
Increase in other payables and accruals	370
Increase in amount due to directors	(7)
<b>Cash generated from/(used in) operations</b>	529
Interest paid	(118)
<b>Net cash generated from/(used in) operations</b>	411

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of property, plant and equipment	(18)
Interest received	1
<b>Net cash used in investing activities</b>	(17)

**CASH FLOWS FROM FINANCING ACTIVITIES**

Bankers' acceptances discounted	477
Repayment of bankers' acceptance	(791)
Repayment of term loan	(89)
Repayment of hire purchase	(14)
Interest paid	(32)
<b>Net cash used in financing activities</b>	(449)

**NET INCREASE IN CASH AND CASH EQUIVALENTS** (55)**CASH AND CASH EQUIVALENTS AT 1ST JANUARY** (4,138)**CASH AND CASH EQUIVALENTS AT 31ST MARCH** (4,193)**CASH AND CASH EQUIVALENTS COMPRISE:-**

Fixed deposits with a licensed bank	288
Cash and bank balances	552
Bank overdrafts	(5,033)
	(4,193)

# BTM RESOURCES BERHAD (303962-T)

## Interim Report for the First Quarter Ended 31 March 2003

### NOTES

**1. Basis of Preparation and Accounting Policies**

This consolidated interim financial statements are prepared in accordance with MASB 26: "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 annual audited financial statements for the year ended 31 December 2002.

The accounting policies and methods of computation adopted in this interim financial report are consistent with those adopted for the annual financial statements for the year ended 31 December 2002.

**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 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 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 a single industry segment and its operations are located wholly in Malaysia. As such, no segment information reporting is prepared 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 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 first financial quarter under review, the Group recorded a pre-tax loss of RM1.88 million and turnover of RM5.54 million, an improvement of 9% and 4% respectively over the corresponding period last year.

**14. Changes the Quarterly Results Compared to Preceding Quarter**

For the quarter ended 31 March 2003, the Group recorded a lower pre-tax loss of RM1.88 million as compared to RM2.98 million in the previous quarter ended 31 December 2002, mainly due to lower operating cost incurred for the current financial quarter.

**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 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 31/03/2003 RM'000	Current Year To date 31/03/2003 RM'000
<i>Current taxation</i>	-	-
<i>Deferred taxation</i>	-	-
<i>(Over)/under provision in prior year</i>	-	-
	<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 were 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 for 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 shareholders of BTM Resources Berhad 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 Sdn Bhd due to, inter-alia, the assets to be acquired had ceased operations, the past losses incurred by the assets and the unsatisfactory prospects of the assets. However, the Board of BTM Resources Berhad had decided to appeal against the decision of Securities Commission on the Proposed Assets Acquisition from Gimzan Plywood Sdn Bhd and of the Restricted Offer for sales. The appeal had been submitted on 25 January 2002 to Securities Commission. 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 Plywood Sdn Bhd.

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



## 21. Group Borrowings

Total Group borrowings as at 31 March 2003 are as follows :-

	RM'000
Long Term Borrowings	
Secured - Hire Purchase	44
Unsecured - Term Loan	324
	<u>368</u>
Short Term Borrowings	
Secured - Hire Purchase	39
- Bankers Acceptance	861
- Overdrafts	5,033
	<u>5,933</u>
Unsecured - Bankers Acceptance	1,241
- Term Loan	354
	<u>1,595</u>

## 22. Off Balance Sheet Financial Instruments

There is no financial instrument with material off balance risk at the date of this report.

## 23. Material Litigation

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

## 24. Dividends

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

## 25. Earnings /(Loss) per Ordinary Share

Basic loss per share of the Group is calculated by dividing the net loss attributable to shareholders of RM1.863 million by the weighted average number of ordinary shares in issue during the current financial period of 19,999,000.

BY ORDER OF THE BOARD

DATED : 28th May 2003