

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

QUARTERLY REPORT

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

The Figures Have Not Been Audited

CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/12/2001 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2000 RM'000	CURRENT YEAR TO DATE 31/12/2001 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2000 RM'000
1 a) Turnover	5,188	5,831	19,217	25,576
b) Investment income	-	-	-	-
c) Other income including interest income	9	186	128	525
2 a) Operating profit/(loss) before interest on borrowings, depreciation and amortisation, exceptional items, income tax, minority interests and extraordinary items.	-571	-752	-2,285	963
b) Interest on borrowings	222	70	745	327
c) Depreciation and amortisation	484	547	2,101	2,134
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	-1,277	-1,369	-5,131	-1,498
f) Share in the results of associated companies	-	-	-	-
g) Profit/(loss) before taxation, minority interests and extraordinary items.	-1,277	-1,369	-5,131	-1,498
h) Taxation	23	-33	33	-153
i) i) Profit/(loss) after taxation before deducting minority interests	-1,254	-1,402	-5,098	-1,651
ii) Less minority interests	-	-	-	-
j) Profit/(loss) after taxation, attributable to members of the company	-1,254	-1,402	-5,098	-1,651
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	-1,254	-1,402	-5,098	-1,651
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)	-6.27	-7.01	-25.48	-8.26
ii) Fully diluted (based on ordinary shares - sen)	-	-	-	-
4 Net tangible assets per share (sen)	134	159	134	159
5 a) Dividend per share (sen)	-	-	-	-
b) Dividend Description	-	-	-	-

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CONSOLIDATED BALANCE SHEET

Quarterly Report On Consolidated Results for the Forth Quarter ended 31-12-2001

	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	17,968	19,270
2 Investment in Associated Companies	-	-
3 Long Term Investments	21	21
4 Intangible Assets	-	-
5 Current Assets		
<i>Stocks</i>	12,339	12,708
<i>Trade Debtors</i>	8,668	9,411
<i>Other Debtors, Deposit and Prepayments</i>	1,719	2,979
<i>Short Term Deposits</i>	140	136
<i>Cash and Bank Balances</i>	150	75
	<u>23,016</u>	<u>25,309</u>
6 Current Liabilities		
<i>Short Term Borrowings</i>	8,435	5,384
<i>Trade Creditors</i>	3,921	4,840
<i>Other Creditors</i>	696	1,268
<i>Provision for Taxation</i>	827	511
<i>Proposed Dividend</i>	-	-
	<u>13,879</u>	<u>12,003</u>
7 Net Current Assets or Current Liabilities	<u>9,137</u>	<u>13,306</u>
	<u>27,126</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>	406	5,504
9 Minority Interests	-	-
10 Long Term Borrowings	39	120
11 Other Long Term Liabilities	222	207
12 Deffered Taxation	-	307
	<u>27,126</u>	<u>32,597</u>
12 Net Tangible Assets per Share (sen)	134	160

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ANNOUNCEMENT OF UNAUDITED RESULTS FOR THE FORTH QUARTER
ENDED 31 DECEMBER 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

Taxation comprises

	31-12-2001	30-9-2001
	RM'000	RM'000
Current year	284	-
Under/(over) provision in prior year	-	-10
Transfer from Deferred Taxation	-307	-
	<u>-23</u>	<u>-10</u>

5. Pre-acquisition Profit

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

7. Quoted Securities

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

9. Status Of Corporate Proposals

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

- a) Proposed acquisition of land together with factory buildings 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 followings :-

- 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 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 and 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 appeal.

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-backs share cancellations, shares held as treasury shares and resale-of treasury shares for current financial period ended 31 December 2001.

12. Group Borrowings

Group borrowings and debt securities as at the end of the reporting period

Denominated in Malaysian Currency	<i>Short Term Borrowings</i> RM,000	<i>Long Term Borrowings</i> RM'000
Secured	5,828	-
Unsecured	2,607	39
	<u>8,435</u>	<u>39</u>

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 December 2001.

15. Segmental Reporting

Segmental reporting under International Accounting 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. Comparison With Preceding Individual Quarter's Results

The group's loss before taxation for the current quarter ending 31 December 2001 is RM1.277 million as compared to the preceding quarter of RM0.628 million. The higher loss incurred for the current period as compared to the preceding quarter is mainly due to lower margin on sales.

17. Review Of Performance

Group revenue for the quarter ended 31 December 2001 was RM5.188 million, bringing total revenue for the year ended 31 December 2001 to RM19.217 million as compared with RM25.276 million reported in the year 2000, decrease of 23.9%. The Group loss before taxation for the year ended 31 December 2001 was RM5.130 million as compared with RM1.498 million incurred in the financial year 2000, an increase of 242%. BTM's increase in loss before taxation for the financial year ended 31 December 2001 mainly due to deteriorating timber prices contributed by slowdown in global economy couple with stiff competition from neighbouring countries.

18. Prospect For The Current Financial Year

In view of slowdown in demand for timber products which may have continued 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 quarter and financial year-to-date.

20. Dividend

The Board will not be recommending any final dividends.

By Order of the Board
BTM RESOURCES BERHAD

CHONG SEOK TIAN (MIA 2502)
Company Secretary

27th February 2002
Kuala Terengganu, Terengganu Darul Iman