

**BTM RESOURCES BERHAD (303962-T)**  
(Incorporated In Malaysia)  
**Condensed Consolidated Statement of Financial Position**  
**As At 30 June 2015**

	Unaudited as at 30/06/2015 RM'000	Audited as at 31/12/2014 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	19.316	19.592
Prepaid lease payments	459	478
Investment in club membership	0	0
<b>Total Non-Current Assets</b>	<b>19.775</b>	<b>20.070</b>
<b>Current Assets</b>		
Inventories	5.476	4.270
Trade receivables	1.986	2.559
Other receivables, deposits and prepayments	2.290	408
Fixed deposits with licensed banks	8.500	10.440
Cash and bank balances	2.032	3.363
<b>Total Current Assets</b>	<b>20.284</b>	<b>21.040</b>
<b>TOTAL ASSETS</b>	<b>40.059</b>	<b>41.110</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable To Owners Of The Company</b>		
Share capital	24.641	24.441
Share premium	137	0
Revaluation reserves	16.378	16.378
Capital reserves	532	532
Warrant reserve	4.327	4.464
Accumulated losses	-18.840	-18.007
<b>TOTAL EQUITY</b>	<b>27.175</b>	<b>27.808</b>
<b>Non-Current Liabilities</b>		
Retirement benefit obligations	1.588	1.478
Bank borrowings (secured) - Term loan	4.174	4.174
Hire purchase creditors	63	70
Deferred taxation	167	167
<b>Total Non-Current Liabilities</b>	<b>5.992</b>	<b>5.889</b>
<b>Current Liabilities</b>		
Trade payables	1.363	1.446
Other payables and accruals	1.939	1.902
Bank borrowings (secured) - Term loan	1.708	1.708
Amount due to directors	1.786	2.258
Hire purchase creditors	21	24
Taxation	75	75
<b>Total Current Liabilities</b>	<b>6.892</b>	<b>7.413</b>
<b>TOTAL LIABILITIES</b>	<b>12.884</b>	<b>13.302</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>40.059</b>	<b>41.110</b>
<b>NET TANGIBLE ASSETS PER SHARE (RM)</b>	<b>0,22</b>	<b>0,23</b>

*(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2014)*

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

(Incorporated In Malaysia)

**Unaudited Condensed Consolidated Statement of Comprehensive Income  
Interim Report for the Quarter ended 30 June 2015**

	<b>Current Quarter 30/06/2015 RM'000</b>	<b>Comparative Quarter 30/06/2014 RM'000</b>	<b>Current Year To Date 30/06/2015 RM'000</b>	<b>Comparative Year To Date 30/06/2014 RM'000</b>
Revenue	2.288	1.952	5.195	3.806
Operating Expenses	-2.416	-2.774	-6.289	-6.311
Other Operating Income	<u>71</u>	<u>29</u>	<u>266</u>	<u>57</u>
Loss From Operations	-57	-793	-828	-2.448
Finance Costs	-3	-54	-5	-109
Investing Results	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Loss From Ordinary Activities Before Tax	-60	-847	-833	-2.557
Taxation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Loss From Ordinary Activities After Tax	-60	-847	-833	-2.557
Other Comprehensive Income, Net of Tax	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Comprehensive Loss for the Period	<u><u>-60</u></u>	<u><u>-847</u></u>	<u><u>-833</u></u>	<u><u>-2.557</u></u>
Total Comprehensive Loss attributable to: Owners of the Company	<u><u>-60</u></u>	<u><u>-847</u></u>	<u><u>-833</u></u>	<u><u>-2.557</u></u>
Loss Per Share (sen) attributable to Owners of the Company				
- Basic	-0,05	-2,08	-0,68	-6,28
- Diluted	N/A	N/A	N/A	N/A

N/A - Not Applicable

*(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2014)*

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

(Incorporated In Malaysia)

**Unaudited Condensed Consolidated Statement of Changes in Equity****For the 6 Months Ended 30 June 2015**

	<u>Non-distributable</u>			<u>Distributable</u>			
	Share Capital RM'000	Share Premium RM'000	Revaluation reserves RM'000	Capital reserves RM'000	Warrant reserve RM'000	Retained earnings RM'000	Total RM'000
<b>6 months ended 30-06-2015</b>							
Balance at 01-01-2015	24.441	0	16.378	532	4.464	-18.007	27.808
Conversion of Warrant 2014/2024	200	137	0	0	-137	0	200
Total Comprehensive Loss for the period	0	0	0	0	0	-833	-833
Balance at 30-06-2015	<u>24.641</u>	<u>137</u>	<u>16.378</u>	<u>532</u>	<u>4.327</u>	<u>-18.840</u>	<u>27.175</u>
<b>6 months ended 30-06-2014</b>							
Balance at 01-01-2014	40.734	7.628	16.378	532	0	-46.512	18.760
Total Comprehensive Loss for the period	0	0	0	0	0	-2.557	-2.557
Balance at 30-06-2014	<u>40.734</u>	<u>7.628</u>	<u>16.378</u>	<u>532</u>	<u>0</u>	<u>-49.069</u>	<u>16.203</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 2014.)*

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

(Incorporated In Malaysia)

**Unaudited Condensed Consolidated Statement of Cash Flows****For the 6 Months Ended 30 June 2015**

	<b>6 months Cumulative 30/06/2015 RM'000</b>	<b>6 months Cumulative 30/06/2014 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Loss before taxation</b>	-833	-2.557
Adjustments for:-		
Amortisation of prepaid lease payments	19	19
Depreciation	441	851
Defined benefit obligations	110	104
Gain on disposal of property, plant and equipment	-15	-19
Interest expense	5	107
Interest income	-90	-1
<b>Operating loss before working capital changes</b>	<u>-363</u>	<u>-1.496</u>
Increase in inventories	-1.206	-88
Decrease in trade receivables	573	818
Increase in other receivables and deposits & prepayments	-1.882	-164
(Decrease)/increase in trade payables	-83	326
Increase/(decrease) in other payables and accruals	37	-513
(Decrease)/increase in amount due to directors	-472	1.333
<b>Cash (used in)/generated from operations</b>	<u>-3.396</u>	<u>216</u>
Interest paid	-2	-7
Interest received	90	1
<b>Net cash (used in)/generated from operating activities</b>	<u>-3.308</u>	<u>210</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	-165	-26
Proceeds from disposal of property, plant and equipment	15	19
<b>Net cash used in investing activities</b>	-150	-7
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares	200	0
Payment of hire purchase liabilities	-10	-11
Hire purchase interest paid	-3	-4
<b>Net cash generated from/(used in) financing activities</b>	187	-15
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>-3.271</u>	<u>188</u>
<b>CASH AND CASH EQUIVALENTS AT 1ST JANUARY</b>	13.803	467
<b>CASH AND CASH EQUIVALENTS AT 30TH JUNE</b>	<u>10.532</u>	<u>655</u>
<b>CASH AND CASH EQUIVALENTS COMPRISE:-</b>		
Fixed deposits with a licensed bank	8.500	414
Cash and bank balances	2.032	241
	<u>10.532</u>	<u>655</u>

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

(Incorporated In Malaysia)

## **Interim Report for the Second Quarter Ended 30 June 2015**

### **NOTES**

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

This condensed consolidated interim financial statements ("Condensed Report") are prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134: "Interim Financial Reporting" and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the Group's annual audited financial statements for the year ended 31 December 2014.

The significant accounting policies and methods of computation adopted in this interim financial report are consistent with those adopted for the annual audited financial statements for the year ended 31 December 2014, except for the adoption of the following amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") which are applicable to its financial statements:

Amendments to MFRS 119                      Defined Benefit Plans: Employee Contributions  
Amendments to MFRSs Classified as "Annual Improvements to MFRSs 2010 - 2012 Cycle"  
Amendments to MFRSs Classified as "Annual Improvements to MFRSs 2011 - 2013 Cycle"

The adoption of the above amendments to MFRSs does not have any significant impact on the interim financial report upon their initial application.

#### **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 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**

During the current financial quarter, the issued and fully paid up share capital of the Company was increased from RM24,440,517.60 to RM24,640,517.60 as a result of the issuance of 1,000,000 new ordinary shares of RM0.20 each at an issue price of RM0.20 per share pursuant to the conversion of 1,000,000 Warrants 2014/2024 of the Company.

There were no other 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. Accordingly, segmental information reporting is not relevant 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 the 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 Group has contingent liabilities of RM100,000 in respect of secured bank guarantee to third parties.

The Company has contingent liabilities of RM5.88 million in respect of a guarantee to a financial institution for credit facilities granted to a subsidiary company.

**13 Performance Review on the Results of the Group**

For the second financial quarter under review, the Group recorded turnover of RM2.29 million, an increase of 17.2% over the corresponding period last year due to higher sales volume of its manufactured products in the current quarter. The Group recorded a lower pre-tax loss of RM60,000 as compared to a pre-tax loss of RM847,000 in the corresponding period last year mainly due to higher turnover and lower overhead cost recorded in the current financial quarter.

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

For the quarter ended 30 June 2015, the Group recorded a pre-tax loss of RM60,000 as compared to a pre-tax loss of RM773,000 in the previous quarter ended 31 March 2015, mainly due to lower overhead incurred on its manufactured products in the current financial quarter.

**15 Current Year Prospect**

The Group primarily depends on the income and contribution from the subsidiaries which rely on the availability of raw materials. The Group is making arrangements to secure raw materials in Kelantan, Terengganu and Thailand where the raw materials are now available. However, the global economic conditions in 2015 are expected to remain challenging which will affect the demand for timber products. The Directors expect the current year to be challenging but hope that its financial performance will improve.

**16 Variance of Actual Profit From Forecast Profit**

This is not applicable.

**17 Taxation**

Details of taxation are as follows :

	Current Year Quarter 30/06/2015 RM'000	Current Year To date 30/06/2015 RM'000
<i>Current taxation</i>	0	0
<i>Under provision in prior year</i>	0	0
<i>Deferred taxation</i>	0	0
	<u>0</u>	<u>0</u>

**18 Status of Corporate Proposals**

On 11 August 2015, the Company announced that BTM Marketing & Trading Sdn Bhd ("BTM Marketing"), a wholly owned subsidiary of BTM, has entered into a preliminary discussion with Pendragon Auto Sdn Bhd ("Pendragon Auto") with the aim to eventually cumulated into a definitive Shares Sale Agreement or a Shares Subscription Agreement, resulting in BTM Marketing acquiring or holding an effective stake of no less than 51% in Pendragon Auto. The transaction is pending the signing and execution of the definitive Shares Sale Agreement or the Shares Subscription Agreement.

There were no other corporate proposals that have been announced by the Group but not completed as at the date of this announcement.

## 19 Utilisation of Rights Issue Proceeds

The utilisation of proceeds from the Rights Issue with Warrants exercise up to the end of the current quarter are as follows:-

	As Approved RM'000	Utilisation RM'000
Working capital requirements	9.224	5.182
Repayment of borrowings	1.100	0
Estimated expenses in relation to the exercise To set up factory and purchase of plant and machineries for the manufacturing of wood pellet business	970	562
	<u>5.000</u>	<u>1.915</u>
	<u><u>16.294</u></u>	<u><u>7.659</u></u>

## 20 Group Borrowings

Total Group borrowings as at 30 June 2015 are as follows :-

	RM'000
Long Term Borrowings	
Secured - Term Loan	4.174
- Hire purchase	63
	<u>4.237</u>
Short Term Borrowings	
Secured - Term Loan	1.708
- Hire purchase	21
	<u>1.729</u>

There are no borrowings denominated in foreign currency.

## 21 Material Litigation

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

## 22 Dividends

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

## 23 Earnings /(Loss) per Ordinary Share

### a) Basic loss per share

Basic loss per share of the Group is calculated by dividing the net loss attributable for the financial period by the weighted average number of ordinary shares in issue during the financial period.

	<b>Current Quarter 30/06/2015</b>	Comparative Quarter 30/06/2014	<b>Current Year To Date 30/06/2015</b>	Comparative Year To Date 30/06/2014
Net loss for the period (RM'000)	-60	-847	-833	-2.557
Weighted average number of ordinary shares in issue ('000)	122.280	40.734	122.241	40.734
Basic loss per share (sen)	-0,05	-2,08	-0,68	-6,28

**b) Diluted loss per share**

The effect on the loss per share of the assumed exercise of the Warrants is anti-dilutive and hence, the diluted loss per share for respective periods have not been presented.

**24 Realised and unrealised accumulated losses**

The breakdown of the accumulated losses of the Group as at the end of the reporting periods, into realised and unrealised accumulated losses, is as follows:-

	As at 30/06/2015 RM'000	As at 31/12/2014 RM'000
The accumulated losses of the Group		
- realised	-57.429	-56.596
- unrealised	-1.688	-1.688
	<u>-59.117</u>	<u>-58.284</u>
Add: Consolidation adjustments	40.277	40.277
Accumulated losses as per financial statements	<u><u>-18.840</u></u>	<u><u>-18.007</u></u>

**25 Loss Before Taxation**

Loss before taxation is stated after crediting/(charging):-

	<b>Current Quarter 30/06/2015 RM'000</b>	Comparative Quarter 30/06/2014 RM'000	<b>Current Year To Date 30/06/2015 RM'000</b>	Comparative Year To Date 30/06/2014 RM'000
Other income	47	9	161	37
Gain on disposal of property, plant and equipment	15	19	15	19
Interest income	9	0	90	1
Interest expense	-3	-54	-5	-109
Amortisation of prepaid lease payments	-10	-9	-19	-19
Depreciation	-7	-426	-441	-851

Other disclosure items pursuant to Appendix 9B Note 16 of the Listing Requirements of Bursa Malaysia Securities Berhad are not applicable.

**BY ORDER OF THE BOARD**

**DATED:27 August 2015**