

**BTM RESOURCES BERHAD (303962-T)**  
(Incorporated In Malaysia)  
**Condensed Consolidated Statement of Financial Position**  
**As At 31 March 2015**

	<b>Unaudited as at 31/03/2015 RM'000</b>	<b>Audited as at 31/12/2014 RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	19.268	19.592
Prepaid lease payments	469	478
Investment in club membership	0	0
<b>Total Non-Current Assets</b>	<b>19.737</b>	<b>20.070</b>
<b>Current Assets</b>		
Inventories	4.326	4.270
Trade receivables	2.706	2.559
Other receivables, deposits and prepayments	1.873	408
Fixed deposits with licensed banks	10.520	10.440
Cash and bank balances	1.234	3.363
<b>Total Current Assets</b>	<b>20.659</b>	<b>21.040</b>
<b>TOTAL ASSETS</b>	<b>40.396</b>	<b>41.110</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable To Owners Of The Company</b>		
Share capital	24.441	24.441
Revaluation reserves	16.378	16.378
Capital reserves	532	532
Warrant reserve	4.464	4.464
Accumulated losses	-18.780	-18.007
<b>TOTAL EQUITY</b>	<b>27.035</b>	<b>27.808</b>
<b>Non-Current Liabilities</b>		
Retirement benefit obligations	1.533	1.478
Bank borrowings (secured) - Term loan	4.174	4.174
Hire purchase creditors	67	70
Deferred taxation	167	167
<b>Total Non-Current Liabilities</b>	<b>5.941</b>	<b>5.889</b>
<b>Current Liabilities</b>		
Trade payables	1.210	1.446
Other payables and accruals	2.118	1.902
Bank borrowings (secured) - Term loan	1.708	1.708
Amount due to directors	2.286	2.258
Hire purchase creditors	23	24
Taxation	75	75
<b>Total Current Liabilities</b>	<b>7.420</b>	<b>7.413</b>
<b>TOTAL LIABILITIES</b>	<b>13.361</b>	<b>13.302</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>40.396</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 31 March 2015**

	<b>Current Quarter 31/03/2015 RM'000</b>	<b>Comparative Quarter 31/03/2014 RM'000</b>	<b>Current Year To Date 31/03/2015 RM'000</b>	<b>Comparative Year To Date 31/03/2014 RM'000</b>
Revenue	2.907	1.854	2.907	1.854
Operating Expenses	-3.747	-3.537	-3.747	-3.537
Other Operating Income	<u>195</u>	<u>28</u>	<u>195</u>	<u>28</u>
Loss From Operations	-645	-1.655	-645	-1.655
Finance Costs	-128	-55	-128	-55
Investing Results	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Loss From Ordinary Activities Before Tax	-773	-1.710	-773	-1.710
Taxation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Loss From Ordinary Activities After Tax	-773	-1.710	-773	-1.710
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>-773</u></u>	<u><u>-1.710</u></u>	<u><u>-773</u></u>	<u><u>-1.710</u></u>
Total Comprehensive Loss attributable to: Owners of the Company	<u><u>-773</u></u>	<u><u>-1.710</u></u>	<u><u>-773</u></u>	<u><u>-1.710</u></u>
Loss Per Share (sen) attributable to Owners of the Company				
- Basic	-0,63	-4,20	-0,63	-4,20
- 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 3 Months Ended 31 March 2015**

	<u>Non-distributable</u>				<u>Distributable</u>		<b>Total RM'000</b>
	<b>Share Capital RM'000</b>	<b>Share Premium RM'000</b>	<b>Revaluation reserves RM'000</b>	<b>Capital reserves RM'000</b>	<b>Warrant reserve RM'000</b>	<b>Retained earnings RM'000</b>	
<b>3 months ended 31-03-2015</b>							
Balance at 01-01-2015	24.441	0	16.378	532	4.464	-18.007	27.808
Total Comprehensive Loss for the period	0	0	0	0	0	-773	-773
Balance at 31-03-2015	<u>24.441</u>	<u>0</u>	<u>16.378</u>	<u>532</u>	<u>4.464</u>	<u>-18.780</u>	<u>27.035</u>
<b>3 months ended 31-03-2014</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	-1.710	-1.710
Balance at 31-03-2014	<u>40.734</u>	<u>7.628</u>	<u>16.378</u>	<u>532</u>	<u>0</u>	<u>-48.222</u>	<u>17.050</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 3 Months Ended 31 March 2015**

	<b>3 months Cumulative 31/03/2015 RM'000</b>	<b>3 months Cumulative 31/03/2014 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Loss before taxation</b>	-773	-1.710
Adjustments for:-		
Amortisation of prepaid lease payments	9	10
Depreciation	434	425
Defined benefit obligations	55	52
Interest expense	127	55
Interest income	-81	-1
<b>Operating loss before working capital changes</b>	<u>-229</u>	<u>-1.169</u>
(Increase)/decrease in inventories	-56	254
(Increase)/decrease in trade receivables	-147	455
Increase in other receivables and deposits & prepayments	-1.465	-162
Decrease in trade payables	-236	-20
Increase/(decrease) in other payables and accruals	90	-377
Increase in amount due to directors	28	1.107
<b>Cash (used in)/generated from operations</b>	<u>-2.015</u>	<u>88</u>
Interest paid	0	-5
Interest received	81	1
<b>Net cash (used in)/generated from operating activities</b>	<u>-1.934</u>	<u>84</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	<u>-110</u>	<u>-13</u>
<b>Net cash used in investing activities</b>	-110	-13
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payment of hire purchase liabilities	<u>-4</u>	<u>-5</u>
Hire purchase interest paid	<u>-1</u>	<u>-2</u>
<b>Net cash used in financing activities</b>	-5	-7
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>-2.049</u>	<u>64</u>
<b>CASH AND CASH EQUIVALENTS AT 1ST JANUARY</b>	13.803	467
<b>CASH AND CASH EQUIVALENTS AT 31ST MARCH</b>	<u><u>11.754</u></u>	<u><u>531</u></u>
<b>CASH AND CASH EQUIVALENTS COMPRISE:-</b>		
Fixed deposits with a licensed bank	10.520	414
Cash and bank balances	1.234	226
Bank overdrafts	0	-109
	<u><u>11.754</u></u>	<u><u>531</u></u>

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

(Incorporated In Malaysia)

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

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. 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 first financial quarter under review, the Group recorded turnover of RM2.91 million, an increase of 56.8% over the corresponding period last year due to higher sales volume of its manufactured products in the current quarter. The Group recorded a pre-tax loss of RM773,000 as compared to a pre-tax loss of RM1.71 million in the corresponding period last year mainly due to higher turnover recorded in the current financial quarter.

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

For the quarter ended 31 March 2015, the Group recorded a pre-tax loss of RM773,000 as compared to a pre-tax loss of RM2.89 million in the previous quarter ended 31 December 2014, mainly due to impairment on its property, plant and equipment of RM4.10 million set off against waiver of term loan interest totalling RM2.51 million in the previous 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 31/03/2015 RM'000	Current Year To date 31/03/2015 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 29 April 2013, the Company announced that its wholly owned subsidiary, Besut Tsuda Wood Products Sdn Bhd, had on 29 April 2013 entered into an Assets Sale Agreement with Khas Promosi Sdn Bhd ("Khas Promosi") for the disposal of a unit of a woodwaste fired cogeneration system ("Boiler") for a disposal price of RM4,200,000.00 ("Proposed Disposal"). The shareholders of BTM had approved the Proposed Disposal at the Extraordinary General Meeting held on 5 July 2013.

On 2 March 2015, the Company announced that Assets Sale Agreement which has been extended to 25 February 2015 to fulfil the Conditions Precedent as set out in clauses in the Assets Sale Agreement has lapsed on the expiry date. Both parties to the agreement agreed to mutually terminate the Assets Sale Agreement with immediate effect.

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	3.610
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
	5.000	1.307
	<u>16.294</u>	<u>5.479</u>

## 20 Group Borrowings

Total Group borrowings as at 31 March 2015 are as follows :-

	RM'000
Long Term Borrowings	
Secured - Term Loan	4.174
- Hire purchase	67
	<u>4.241</u>
Short Term Borrowings	
Secured - Term Loan	1.708
- Hire purchase	23
	<u>1.731</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.

	Current Quarter 31/03/2015	Comparative Quarter 31/03/2014	Current Year To Date 31/03/2015	Comparative Year To Date 31/03/2014
Net loss for the period (RM'000)	-773	-1.710	-773	-1.710
Weighted average number of ordinary shares in issue ('000)	122.203	40.734	122.203	40.734
Basic loss per share (sen)	-0,63	-4,20	-0,63	-4,20

### 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 31/03/2015 RM'000	As at 31/12/2014 RM'000
The accumulated losses of the Group		
- realised	-57.369	-56.596
- unrealised	-1.688	-1.688
	<u>-59.057</u>	<u>-58.284</u>
Add: Consolidation adjustments	40.277	40.277
Accumulated losses as per financial statements	<u><u>-18.780</u></u>	<u><u>-18.007</u></u>

## 25 Loss Before Taxation

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

	<b>Current Quarter 31/03/2015 RM'000</b>	Comparative Quarter 31/03/2014 RM'000	<b>Current Year To Date 31/03/2015 RM'000</b>	Comparative Year To Date 31/03/2014 RM'000
Other income	195	28	195	28
Interest expense	-128	-55	-128	-55
Amortisation of prepaid lease payments	-9	-10	-9	-10
Depreciation	-434	-425	-434	-425

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:28 May 2015**