

BTM RESOURCES BERHAD (303962-T)
(Incorporated In Malaysia)
Condensed Consolidated Statement of Financial Position
As At 31 March 2017

	Unaudited as at 31/03/2017 RM'000	Audited as at 31/12/2016 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	27,261	27,111
Prepaid lease payments	392	401
Total Non-Current Assets	27,653	27,512
Current Assets		
Inventories	7,926	7,556
Trade receivables	1,537	1,345
Other receivables, deposits and prepayments	882	731
Fixed deposits with licensed banks	1,283	1,517
Cash and bank balances	208	1,261
Total Current Assets	11,836	12,410
TOTAL ASSETS	39,489	39,922
EQUITY AND LIABILITIES		
EQUITY		
Share capital	25,061	25,061
Share premium	425	425
Revaluation reserves	16,377	16,377
Capital reserves	532	532
Warrant reserve	4,039	4,039
Accumulated losses	-19,930	-20,032
Equity Attributable To Owners Of The Company	26,504	26,402
Non-Controlling Interest	-1	-1
TOTAL EQUITY	26,503	26,401
Non-Current Liabilities		
Retirement benefit obligations	1,799	1,736
Term loan (secured)	3,924	3,905
Hire purchase creditors	24	28
Deferred taxation	165	165
Total Non-Current Liabilities	5,912	5,834
Current Liabilities		
Trade payables	1,204	1,793
Other payables and accruals	1,614	1,704
Term loan (secured)	912	1,069
Amount due to directors	3,321	3,098
Hire purchase creditors	21	21
Taxation	2	2
Total Current Liabilities	7,074	7,687
TOTAL LIABILITIES	12,986	13,521
TOTAL EQUITY AND LIABILITIES	39,489	39,922
NET TANGIBLE ASSETS PER SHARE (RM)	0.21	0.21

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2016)

BTM RESOURCES BERHAD (303962-T)

(Incorporated In Malaysia)

**Unaudited Condensed Consolidated Statement of Comprehensive Income
Interim Report for the Quarter ended 31 March 2017**

	Current Quarter 31/03/2017 RM'000	Comparative Quarter 31/03/2016 RM'000	Current Year To Date 31/03/2017 RM'000	Comparative Year To Date 31/03/2016 RM'000
Revenue	3,126	2,935	3,126	2,935
Operating Expenses	-2,959	-3,931	-2,959	-3,931
Other Operating Income	<u>48</u>	<u>1,039</u>	<u>48</u>	<u>1,039</u>
Profit From Operations	215	43	215	43
Finance Costs	-113	-86	-113	-86
Investing Results	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Profit/(Loss) From Ordinary Activities Before Tax	102	-43	102	-43
Taxation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Profit/(Loss) From Ordinary Activities After Tax	102	-43	102	-43
Other Comprehensive Income, Net of Tax	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Comprehensive Income for the Period	<u><u>102</u></u>	<u><u>-43</u></u>	<u><u>102</u></u>	<u><u>-43</u></u>
Profit/(Loss) attributable to:				
Owners of the Company	102	-43	102	-43
Non-Controlling Interest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u><u>102</u></u>	<u><u>-43</u></u>	<u><u>102</u></u>	<u><u>-43</u></u>
Total Comprehensive Income attributable to:				
Owners of the Company	102	-43	102	-43
Non-Controlling Interest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u><u>102</u></u>	<u><u>-43</u></u>	<u><u>102</u></u>	<u><u>-43</u></u>
Earnings/(Loss) Per Share (sen)				
- Basic	0.08	-0.03	0.08	-0.03
- Diluted	0.08	N/A	0.08	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 2016)

BTM RESOURCES BERHAD (303962-T)

(Incorporated In Malaysia)

Unaudited Condensed Consolidated Statement of Changes in Equity**For the 3 Months Ended 31 March 2017**

	<u>Non-distributable</u>				<u>Distributable</u>		Attributable To Owners Of The Company RM'000	Non- Controlling Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Revaluation reserves RM'000	Capital reserves RM'000	Warrant reserve RM'000	Retained earnings RM'000			
3 months ended 31-03-2017									
Balance at 01-01-2017	25,061	425	16,377	532	4,039	-20,032	26,402	-1	26,401
Total Comprehensive Income for the period	0	0	0	0	0	102	102	0	102
Balance at 31-03-2017	<u>25,061</u>	<u>425</u>	<u>16,377</u>	<u>532</u>	<u>4,039</u>	<u>-19,930</u>	<u>26,504</u>	<u>-1</u>	<u>26,503</u>
3 months ended 31-03-2016									
Balance at 01-01-2016	25,061	425	16,377	532	4,039	-20,639	25,795	0	25,795
Total Comprehensive Loss for the period	0	0	0	0	0	-43	-43	0	-43
Balance at 31-03-2016	<u>25,061</u>	<u>425</u>	<u>16,377</u>	<u>532</u>	<u>4,039</u>	<u>-20,682</u>	<u>25,752</u>	<u>0</u>	<u>25,752</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 2016.)

BTM RESOURCES BERHAD (303962-T)

(Incorporated In Malaysia)

Unaudited Condensed Consolidated Statement of Cash Flows**For the 3 Months Ended 31 March 2017**

	3 months Cumulative 31/03/2017 RM'000	3 months Cumulative 31/03/2016 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	102	-43
Adjustments for:-		
Amortisation of prepaid lease payments	9	10
Depreciation	218	214
Defined benefit obligations	63	56
Waiver of interest on term loans	0	-1,012
Interest expense	113	86
Interest income	-7	-5
Operating profit/(loss) before working capital changes	<u>498</u>	<u>-694</u>
(Increase)/Decrease in inventories	-370	32
(Increase)/Decrease in trade receivables	-192	318
(Increase)/Decrease in other receivables, deposits & prepayments	-151	459
(Decrease)/Increase in trade payables	-589	48
Decrease in other payables and accruals	-90	-887
Increase/(Decrease) in amount due to directors	223	-28
Cash used in operations	<u>-671</u>	<u>-752</u>
Interest paid	0	-1
Tax paid	0	-70
Interest received	7	5
Net cash used in operating activities	<u>-664</u>	<u>-818</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	<u>-368</u>	<u>-163</u>
Net cash used in investing activities	-368	-163
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of term loan	<u>-138</u>	<u>-164</u>
Term loan interest paid	-112	-84
Payment of hire purchase liabilities	-4	-8
Hire purchase interest paid	-1	-1
Net cash used in financing activities	<u>-255</u>	<u>-257</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>-1,287</u>	<u>-1,238</u>
CASH AND CASH EQUIVALENTS AT 1ST JANUARY	2,778	8,273
CASH AND CASH EQUIVALENTS AT 31ST MARCH	<u>1,491</u>	<u>7,035</u>
CASH AND CASH EQUIVALENTS COMPRISE:-		
Fixed deposits with a licensed bank	1,283	5,598
Cash and bank balances	208	1,437
	<u>1,491</u>	<u>7,035</u>

BTM RESOURCES BERHAD (303962-T)

(Incorporated In Malaysia)

Interim Report for the First Quarter Ended 31 March 2017

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 2016.

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 2016, 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 12 - Disclosures of Interests in Other Entities Classified as "Annual Improvements to MFRSs 2014 - 2016 Cycle"

Amendments to MFRS 107 - Disclosure Initiative

Amendments to MFRS 112 - Recognition of Deferred Tax Assets for Unrealised Losses

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 RM4.84 million in respect of a guarantee to a financial institution for credit facilities granted to a subsidiary company.

13 Capital Commitments

Save as disclosed below, the Group has no other capital commitments as at 31 March 2017:-

	31/03/2017 RM'000	31/03/2016 RM'000
Authorised and contracted for:- Purchase of plant and machinery	545	3,886

14 Performance Review on the Results of the Group

For the first financial quarter under review, the Group recorded turnover of RM3.13 million, an increase of 6.51% over the corresponding period last year mainly due to higher revenue generated from its manufacturing operations during the current financial quarter. The Group recorded a pre-tax profit of RM102,000 as compared to a pre-tax loss of RM43,000 in the corresponding period last year mainly due to higher revenue generated and lower operating overhead from its manufacturing operations during the current financial quarter.

15 Changes in the Quarterly Results Compared to Preceding Quarter

For the quarter ended 31 March 2017, the Group recorded a pre-tax profit of RM102,000 as compared to a pre-tax profit of RM227,000 in the previous quarter ended 31 December 2016, mainly due to lower revenue generated from its manufacturing operations during the current financial quarter.

16 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 2017 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.

17 Variance of Actual Profit From Forecast Profit

This is not applicable.

18 Taxation

Details of taxation are as follows :

	Current Year Quarter 31/03/2017 RM'000	Current Year To date 31/03/2017 RM'000
<i>Current taxation</i>	0	0
<i>Over provision in prior year</i>	0	0
<i>Deferred taxation</i>	0	0
	<u>0</u>	<u>0</u>

19 Status of Corporate Proposals

On 22 April 2016, the Company announced that BTMMT has entered into a Shares Sale Agreement ("SSA") with Rozana Binti Hussin ("the Vendor") for the acquisition of 60 ordinary shares of RM1.00 each representing 60% of the total of the issued and paid-up capital of Zulikha Murni Sdn Bhd ("ZMSB") from the Vendor for a total cash consideration of RM800,000.00. ZMSB will be involved in "Pembinaan Menara Pintar - Projek Monopoles SWIFT (Security Wifi Integrated Federal Tower Community Hub)" on at least 300 plots of land measuring 3,000 square feet on each plot by way of Temporary Occupation Licences ("TOL") within Daerah Petaling,

On 17 April 2017, the Company announced that the Company has on 14 April 2017 entered into a Memorandum of Understanding ("MOU") with China Western Power International Pte Ltd ("China Western Power") and Sichuan No. 2 Electric Power Construction Company ("Sichuan Power") at Chengdu, The People's Republic of China, with the intention to set up a Municipal Waste to Energy Plant ("WtE Plant") with a capacity of not less than 1,000 tons/day in the State of Melaka, Malaysia ("the Power Generation Project"), subject to approval of the relevant authorities.

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

20 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	8,736
Repayment of borrowings	1,100	998
Estimated expenses in relation to the exercise	970	562
To set up factory and purchase of plant and machineries for the manufacturing of wood pellet business	5,000	4,999
	<u>16,294</u>	<u>15,295</u>

21 Group Borrowings

Total Group borrowings as at 31 March 2017 are as follows :-

	RM'000
Long Term Borrowings	
Secured - Term Loan	3,924
- Hire purchase	24
	<u>3,948</u>
Short Term Borrowings	
Secured - Term Loan	912
- Hire purchase	21
	<u>933</u>

There are no borrowings denominated in foreign currency.

22 Material Litigation

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

23 Dividends

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

24 Earnings /(Loss) per Ordinary Share

a) Basic earnings/(loss) per share

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

	Current Quarter 31/03/2017	Comparative Quarter 31/03/2016	Current Year To Date 31/03/2017	Comparative Year To Date 31/03/2016
Net profit/(loss) for the period (RM'000)	102	-43	102	-43
Weighted average number of ordinary shares in issue ('000)	125,303	125,303	125,303	125,303
Basic earnings/(loss) per share (sen)	0.08	-0.03	0.08	-0.03

b) Diluted earnings/(loss) per share

Diluted earnings per share of the Group is calculated by dividing the net profit attributable for the financial period by the adjusted weighted average number of ordinary shares in issue and issuable during the financial period.

	Current Quarter 31/03/2017	Current Year To Date 31/03/2017
Net profit for the period (RM'000)	102	102
Weighted average number of ordinary shares in issue ('000)	125,303	125,303
Effect of dilution from assumed exercise of Warrants 2014/2024	9,291	9,291
Adjusted weighted average number of ordinary shares in issue and issueable ('000)	<u>134,594</u>	<u>134,594</u>
Diluted earnings per share (sen)	0.08	0.08

The effect on the loss per share of the assumed conversion of the Warrants 2014/2024 for the comparative quarter and comparative year-to-date are anti-dilutive and hence, the diluted loss per share for the comparative financial quarter and comparative year-to-date have not been presented.

25 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 31/03/2017 RM'000	As at 31/12/2016 RM'000
The accumulated losses of the Group		
- realised	-58,521	-58,623
- unrealised	-1,686	-1,686
	<u>-60,207</u>	<u>-60,309</u>
Add: Consolidation adjustments	40,277	40,277
Accumulated losses as per financial statements	<u>-19,930</u>	<u>-20,032</u>

26 Profit/(Loss) Before Taxation

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

	Current Quarter 31/03/2017 RM'000	Comparative Quarter 31/03/2016 RM'000	Current Year To Date 31/03/2017 RM'000	Comparative Year To Date 31/03/2016 RM'000
Other income	41	22	41	22
Interest income	7	5	7	5
Waiver of interest on term loans	0	1,012	0	1,012
Interest expense	-113	-86	-113	-86
Amortisation of prepaid lease payments	-9	-10	-9	-10
Depreciation	-218	-214	-218	-214

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: 30 May 2017