

**BTM RESOURCES BERHAD (303962-T)**  
(Incorporated In Malaysia)  
**Condensed Consolidated Statement of Financial Position**  
**As At 31 March 2019**

	Unaudited as at 31/03/2019 RM'000	Audited as at 31/12/2018 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	29,970	30,360
Prepaid lease payments	319	324
<b>Total Non-Current Assets</b>	<b>30,289</b>	<b>30,684</b>
<b>Current Assets</b>		
Inventories	7,576	7,696
Trade receivables	876	891
Other receivables, deposits and prepayments	1,000	786
Fixed deposits with licensed banks	226	226
Cash and bank balances	233	378
<b>Total Current Assets</b>	<b>9,911</b>	<b>9,977</b>
<b>TOTAL ASSETS</b>	<b>40,200</b>	<b>40,661</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	29,038	29,038
Revaluation reserves	19,025	19,025
Capital reserves	532	532
Warrant reserve	3,602	3,602
Accumulated losses	(25,500)	(23,672)
<b>Equity Attributable To Owners Of The Company</b>	<b>26,697</b>	<b>28,525</b>
<b>Non-Controlling Interest</b>	<b>(13)</b>	<b>(13)</b>
<b>TOTAL EQUITY</b>	<b>26,684</b>	<b>28,512</b>
<b>Non-Current Liabilities</b>		
Retirement benefit obligations	2,313	2,244
Term loan (secured)	1,416	1,695
Hire purchase creditors	92	99
Deferred taxation	446	446
<b>Total Non-Current Liabilities</b>	<b>4,267</b>	<b>4,484</b>
<b>Current Liabilities</b>		
Trade payables	1,838	1,451
Other payables and accruals	2,606	2,128
Term loan (secured)	1,269	1,299
Amount due to directors	3,507	2,756
Hire purchase creditors	29	31
<b>Total Current Liabilities</b>	<b>9,249</b>	<b>7,665</b>
<b>TOTAL LIABILITIES</b>	<b>13,516</b>	<b>12,149</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>40,200</b>	<b>40,661</b>
<b>NET TANGIBLE ASSETS PER SHARE (RM)</b>	<b>0.19</b>	<b>0.20</b>

*(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2018)*

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

(Incorporated In Malaysia)

**Unaudited Condensed Consolidated Statement of Comprehensive Income  
Interim Report for the Quarter ended 31 March 2019**

	<b>Current Quarter 31/03/2019 RM'000</b>	Comparative Quarter 31/03/2018 RM'000	<b>Current Year To Date 31/03/2019 RM'000</b>	Comparative Year To Date 31/03/2018 RM'000
Revenue	1,903	3,617	1,903	3,617
Operating Expenses	(3,775)	(3,981)	(3,775)	(3,981)
Other Operating Income	<u>111</u>	<u>29</u>	<u>111</u>	<u>29</u>
Loss From Operations	(1,761)	(335)	(1,761)	(335)
Finance Costs	(67)	(91)	(67)	(91)
Investing Results	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Loss From Ordinary Activities Before Tax	(1,828)	(426)	(1,828)	(426)
Taxation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Loss From Ordinary Activities After Tax	(1,828)	(426)	(1,828)	(426)
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>(1,828)</u></u>	<u><u>(426)</u></u>	<u><u>(1,828)</u></u>	<u><u>(426)</u></u>
Loss attributable to:				
Owners of the Company	(1,828)	(426)	(1,828)	(426)
Non-Controlling Interest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u><u>(1,828)</u></u>	<u><u>(426)</u></u>	<u><u>(1,828)</u></u>	<u><u>(426)</u></u>
Total Comprehensive Income attributable to:				
Owners of the Company	(1,828)	(426)	(1,828)	(426)
Non-Controlling Interest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u><u>(1,828)</u></u>	<u><u>(426)</u></u>	<u><u>(1,828)</u></u>	<u><u>(426)</u></u>
Loss Per Share (sen)				
- Basic	(1.29)	(0.32)	(1.29)	(0.32)
- 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 2018)*

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

(Incorporated In Malaysia)

**Unaudited Condensed Consolidated Statement of Changes in Equity****For the 3 Months Ended 31 March 2019**

	<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	Revaluation reserves RM'000	Capital reserves RM'000	Warrant reserve RM'000	Retained earnings RM'000				
<b>3 months ended 31-03-2019</b>									
Balance at 01-01-2019	29,038	19,025	532	3,602	(23,672)	28,525	(13)	28,512	
Total Comprehensive Loss for the period	0	0	0	0	(1,828)	(1,828)	0	(1,828)	
Balance at 31-03-2019	<u>29,038</u>	<u>19,025</u>	<u>532</u>	<u>3,602</u>	<u>(25,500)</u>	<u>26,697</u>	<u>(13)</u>	<u>26,684</u>	
<b>3 months ended 31-03-2018</b>									
Balance at 01-01-2018	26,561	19,025	532	3,602	(20,853)	28,867	(7)	28,860	
Issuance of new shares	1,727	0	0	0	0	1,727	0	1,727	
Total Comprehensive Loss for the period	0	0	0	0	(426)	(426)	0	(426)	
Balance at 31-03-2018	<u>28,288</u>	<u>19,025</u>	<u>532</u>	<u>3,602</u>	<u>(21,279)</u>	<u>30,168</u>	<u>(7)</u>	<u>30,161</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 2018.)*

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

(Incorporated In Malaysia)

**Unaudited Condensed Consolidated Statement of Cash Flows****For the 3 Months Ended 31 March 2019**

	<b>3 months Cumulative 31/03/2019 RM'000</b>	<b>3 months Cumulative 31/03/2018 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Loss before taxation</b>	(1,828)	(426)
Adjustments for:-		
Amortisation of prepaid lease payments	5	10
Depreciation	406	343
Defined benefit obligations	69	65
Interest expense	67	91
<b>Operating (loss)/profit before working capital changes</b>	<u>(1,281)</u>	<u>83</u>
Decrease/(increase) in inventories	120	(1,077)
Decrease/(increase) in trade receivables	15	(296)
Increase in other receivables, deposits & prepayments	(214)	(393)
Increase in trade payables	387	432
Increase/(decrease) in other payables and accruals	478	(285)
Increase in amount due to directors	751	262
<b>Net cash generated from/(used in) operating activities</b>	<u>256</u>	<u>(1,274)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(17)	(91)
<b>Proceeds from disposal of property, plant and equipment</b>	1	0
<b>Net cash used in investing activities</b>	(16)	(91)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Issuance of shares, net of expenses	0	1,727
Repayment of term loan	(309)	(284)
Term loan interest paid	(65)	(90)
Payment of hire purchase liabilities	(9)	(6)
Hire purchase interest paid	(2)	(1)
<b>Net cash (used in)/generated from financing activities</b>	<u>(385)</u>	<u>1,346</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<u>(145)</u>	<u>(19)</u>
<b>CASH AND CASH EQUIVALENTS AT 1ST JANUARY</b>	604	986
<b>CASH AND CASH EQUIVALENTS AT 31ST MARCH</b>	<u>459</u>	<u>967</u>
<b>CASH AND CASH EQUIVALENTS COMPRISE:-</b>		
Fixed deposits with a licensed bank	226	220
Cash and bank balances	233	747
	<u>459</u>	<u>967</u>

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

(Incorporated In Malaysia)

## **Interim Report for the First Quarter Ended 31 March 2019**

### **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 2018.

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 2018, except for the adoption of the following new MFRSs and amendments to MFRSs and IC Interpretations issued by the Malaysian Accounting Standards Board ("MASB") which are applicable to its financial statements:

MFRS 16 - Leases

Amendments to MFRS 128 - Long-term Interests in Associates and Joint Ventures

Amendments to MFRS 9 - Prepayment Features with Negative Compensation

Amendments to MFRS 3 and MFRS 11 - Previously Held Interest in a Joint Operation

Amendments to MFRS 112 - Income Tax Consequences of Payments on Financial Instruments classified as Equity

Amendments to MFRS 123 - Borrowing Cost Eligible for Capitalisation, Classified as "Annual Improvements to MFRSs 2015 - 2017 Cycle"

IC Interpretation 23 - Uncertainty Over Income Tax Treatments

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 activities are primarily conducted within a single industry segment comprising the logging, sawmilling, trading in sawn timbers, plywood and logs, timber moulding and manufacturing of finger-jointed timber and wood pellet 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 RM2.685 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 2019:-

	31/03/2019 RM'000	31/03/2018 RM'000
Authorised and contracted for:- Purchase of plant and machinery	0	91

#### 14 Performance Review on the Results of the Group

	Individual Period (1st Quarter)		Changes %	Cumulative Period		Changes %
	Current Year Quarter 31/03/2019 RM'000	Preceding Year Corresponding Quarter 31/03/2018 RM'000		Current Year To-date 31/03/2019 RM'000	Preceding Year Corresponding Period 31/03/2018 RM'000	
Revenue	1,903	3,617	-47.39%	1,903	3,617	-47.39%
Loss Before Interest and Tax	(1,761)	(335)	425.67%	(1,761)	(335)	425.67%
Loss Before Tax	(1,828)	(426)	329.11%	(1,828)	(426)	-329.11%
Loss After Tax	(1,828)	(426)	329.11%	(1,828)	(426)	-329.11%
Loss Attributable to Ordinary Equity Holders of the Parent	(1,828)	(426)	329.11%	(1,828)	(426)	-329.11%

For the first financial quarter under review, the Group recorded turnover of RM1.90 million, an decrease of 47.39% over the corresponding period last year. The Group recorded a pre-tax loss of RM1.82 million as compared to a pre-tax loss of RM426,000 in the corresponding period last year mainly due to lower revenue and higher operating overhead from its manufacturing operations during the current financial quarter.

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

	Current Quarter 31/03/2019	Immediate Preceding Quarter 31/12/2018	Changes %
Revenue	1,903	3,622	-47.46%
Loss Before Interest and Tax	(1,761)	(1,307)	34.74%
Loss Before Tax	(1,828)	(1,388)	31.70%
Loss After Tax	(1,828)	(1,641)	11.40%
Loss Attributable to Ordinary Equity Holders of the Parent	(1,828)	(1,639)	11.53%

For the quarter ended 31 March 2019, the Group recorded a pre-tax loss of RM1.82 million as compared to a pre-tax loss of RM1.64 million in the previous quarter ended 31 December 2018, mainly due to lower revenue 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 2019 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 31/03/2019 RM'000	Current Year To date 31/03/2019 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>

**19 Status of Corporate Proposals**

On 8 April 2019, the Company announced that its subsidiary company, BTM Biomass Products Sdn Bhd ("BTMBP") has on 1 April 2019 entered into a Memorandum of Understanding ("MOU") with Korea South-East Power Co. Ltd ("KOEN") and Mokpo City Gas Co. Ltd ("MOKPO") and MC Bio Sdn Bhd ("MC Bio") (collectively known as "the Parties") to develop a comprehensive cooperative framework for the successful execution of a wood pellet project in the State of Terengganu in Malaysia ("the Project"). KOEN and MOKPO are companies incorporated in the Republic of Korea while MC Bio is a company incorporated in Malaysia.

BTMBP's obligations are to make investment in the Project as a shareholder and to procure raw material for the Project. The obligations of KOEN and MOKPO are to invest in and develop the Project as shareholders. In addition, MOKPO is to guarantee agreed quantity and quality of product and to deliver the product to KOEN. KOEN is to off-take the product from the Project. The obligations of MC Bio are to invest and develop the Project as a shareholder and to produce the product which specification meet KOEN's requirement.

The MOU is valid for a period of 24 months from the date of execution and may be extended for successive six months by mutual written agreement of the Parties. The MOU may be terminated by mutual agreement of the Parties or by any of the Parties giving 60 days written notice to the other Parties.

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

**20 Group Borrowings**

Total Group borrowings are as follows :-

	31/03/2019 RM'000	31/03/2018 RM'000
Long Term Borrowings		
Secured - Term Loan	1,416	2,674
- Hire purchase	92	0
	<u>1,508</u>	<u>2,674</u>
Short Term Borrowings		
Secured - Term Loan	1,269	1,196
- Hire purchase	29	25
	<u>1,298</u>	<u>1,221</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 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 31/03/2019</b>	Comparative Quarter 31/03/2018	<b>Current Year To Date 31/03/2019</b>	Comparative Year To Date 31/03/2018
Net loss for the period (RM'000)	(1,828)	(426)	(1,828)	(426)
Weighted average number of ordinary shares in issue ('000)	141,344	132,594	141,344	132,594
Basic loss per share (sen)	(1.29)	(0.32)	(1.29)	(0.32)

### b) Diluted earnings 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 has 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:-

	<b>As at 31/03/2019 RM'000</b>	As at 31/12/2018 RM'000
The accumulated losses of the Group		
- realised	(64,105)	(62,277)
- unrealised	(1,686)	(1,686)
	<u>(65,791)</u>	<u>(63,963)</u>
Add: Consolidation adjustments	40,291	40,291
Accumulated losses as per financial statements	<u>(25,500)</u>	<u>(23,672)</u>

## 25 Loss Before Taxation

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

	<b>Current Quarter 31/03/2019 RM'000</b>	Comparative Quarter 31/03/2018 RM'000	<b>Current Year To Date 31/03/2019 RM'000</b>	Comparative Year To Date 31/03/2018 RM'000
Other income	111	29	111	29
Interest expense	(67)	(91)	(67)	(91)
Amortisation of prepaid lease payments	(5)	(10)	(5)	(10)
Depreciation	(406)	(343)	(406)	(343)

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 2019**