

BTM RESOURCES BERHAD (199401018283 (303962-T))
(Incorporated In Malaysia)
Condensed Consolidated Statement of Financial Position
As At 31 March 2021

	Unaudited as at 31/03/2021 RM'000	Audited as at 31/12/2020 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	29,755	30,089
Right of use asset	1,416	1,484
Total Non-Current Assets	31,171	31,573
Current Assets		
Inventories	3,910	3,880
Trade receivables	428	538
Other receivables, deposits and prepayments	757	753
Fixed deposits with licensed banks	241	241
Cash and bank balances	331	1,636
Total Current Assets	5,667	7,048
TOTAL ASSETS	36,838	38,621
EQUITY AND LIABILITIES		
EQUITY		
Share capital	31,299	31,299
Revaluation reserves	20,714	20,714
Capital reserves	119	119
Warrant reserve	3,602	3,602
Accumulated losses	(35,166)	(33,601)
Equity Attributable To Owners Of The Company	20,568	22,133
Non-Controlling Interest	(8)	(8)
TOTAL EQUITY	20,560	22,125
Non-Current Liabilities		
Retirement benefit obligations	2,327	2,272
Hire purchase creditors	54	60
Lease liabilities	1,294	1,363
Deferred taxation	780	780
Total Non-Current Liabilities	4,455	4,475
Current Liabilities		
Trade payables	1,414	1,598
Other payables and accruals	3,545	3,487
Term loan (secured)	998	1,175
Amount due to directors	5,584	5,492
Hire purchase creditors	28	25
Lease liabilities	254	244
Total Current Liabilities	11,823	12,021
TOTAL LIABILITIES	16,278	16,496
TOTAL EQUITY AND LIABILITIES	36,838	38,621
NET TANGIBLE ASSETS PER SHARE (RM)	0.13	0.14

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2020)

BTM RESOURCES BERHAD (199401018283 (303962-T))

(Incorporated In Malaysia)

**Unaudited Condensed Consolidated Statement of Comprehensive Income
Interim Report for the Quarter ended 31 March 2021**

	Current Quarter 31/03/2021 RM'000	Comparative Quarter 31/03/2020 RM'000	Current Year To Date 31/03/2021 RM'000	Comparative Year To Date 31/03/2020 RM'000
Revenue	1,836	2,436	1,836	2,436
Operating Expenses	(3,512)	(4,400)	(3,512)	(4,400)
Other Operating Income	<u>157</u>	<u>68</u>	<u>157</u>	<u>68</u>
Loss From Operations	(1,519)	(1,896)	(1,519)	(1,896)
Finance Costs	(46)	(82)	(46)	(82)
Investing Results	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Loss From Ordinary Activities Before Tax	(1,565)	(1,978)	(1,565)	(1,978)
Taxation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Loss From Ordinary Activities After Tax	(1,565)	(1,978)	(1,565)	(1,978)
Other Comprehensive Income, Net of Tax	0	0	0	0
Total Comprehensive Income for the Period	<u><u>(1,565)</u></u>	<u><u>(1,978)</u></u>	<u><u>(1,565)</u></u>	<u><u>(1,978)</u></u>
Loss attributable to:				
Owners of the Company	(1,565)	(1,978)	(1,565)	(1,978)
Non-Controlling Interest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u><u>(1,565)</u></u>	<u><u>(1,978)</u></u>	<u><u>(1,565)</u></u>	<u><u>(1,978)</u></u>
Total Comprehensive Income attributable to:				
Owners of the Company	(1,565)	(1,978)	(1,565)	(1,978)
Non-Controlling Interest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u><u>(1,565)</u></u>	<u><u>(1,978)</u></u>	<u><u>(1,565)</u></u>	<u><u>(1,978)</u></u>
Loss Per Share (sen)				
- Basic	(1.01)	(1.40)	(1.01)	(1.40)
- 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 2020)

BTM RESOURCES BERHAD (199401018283 (303962-T))

(Incorporated In Malaysia)

**Unaudited Condensed Consolidated Statement of Changes in Equity
For the 3 Months Ended 31 March 2021**

		<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			
3 months ended 31-03-2021								
Balance at 01-01-2021	31,299	20,714	119	3,602	(33,601)	22,133	(8)	22,125
Total Comprehensive Loss for the period	0	0	0	0	(1,565)	(1,565)	0	(1,565)
Balance at 31-03-2021	<u>31,299</u>	<u>20,714</u>	<u>119</u>	<u>3,602</u>	<u>(35,166)</u>	<u>20,568</u>	<u>(8)</u>	<u>20,560</u>
3 months ended 31-03-2020								
Balance at 01-01-2020	29,038	19,025	532	3,602	(29,611)	22,586	(18)	22,568
Total Comprehensive Loss for the period	0	0	0	0	(1,978)	(1,978)	0	(1,978)
Balance at 31-03-2020	<u>29,038</u>	<u>19,025</u>	<u>532</u>	<u>3,602</u>	<u>(31,589)</u>	<u>20,608</u>	<u>(18)</u>	<u>20,590</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 2020)

BTM RESOURCES BERHAD (199401018283 (303962-T))

(Incorporated In Malaysia)

Unaudited Condensed Consolidated Statement of Cash Flows**For the 3 Months Ended 31 March 2021**

	3 months Cumulative 31/03/2021 RM'000	3 months Cumulative 31/03/2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(1,565)	(1,978)
Adjustments for:-		
Amortisation of prepaid lease payments	0	5
Depreciation on property, plant and equipment	344	410
Depreciation on right of use asset	68	68
Defined benefit cost	55	60
Gain on disposal of property, plant and equipment	(1)	0
Waiver of lease liabilities	(81)	0
Interest expense	46	82
Operating loss before working capital changes	(1,134)	(1,353)
(Increase)/Decrease in inventories	(30)	1,012
Decrease/(Increase) in trade receivables	110	(63)
Increase in other receivables, deposits & prepayments	(4)	(46)
(Decrease)/Increase in trade payables	(184)	182
Increase in other payables and accruals	58	112
Increase in amount due to directors	92	314
Net cash (used in)/from operating activities	(1,092)	158
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(10)	(10)
Proceeds from disposal of property, plant and equipment	1	0
Net cash used in investing activities	(9)	(10)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of term loan	(176)	(335)
Term loan interest paid	(10)	(39)
Payment of hire purchase liabilities	(3)	(6)
Hire purchase interest paid	(1)	(2)
Payment of lease liability	(11)	(10)
Lease liability interest paid	(3)	(3)
Net cash used in financing activities	(204)	(395)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,305)	(247)
CASH AND CASH EQUIVALENTS AT 1ST JANUARY	1,636	579
CASH AND CASH EQUIVALENTS AT 31ST MARCH	331	332
CASH AND CASH EQUIVALENTS COMPRISE:-		
Fixed deposits with a licensed bank	241	234
Cash and bank balances	331	332
	572	566
Less: Fixed deposits pledged as security	(241)	(234)
	331	332

BTM RESOURCES BERHAD (199401018283 (303962-T))

(Incorporated In Malaysia)

Interim Report for the First Quarter Ended 31 March 2021

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 2020.

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 2020, 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 16 - Covid-19 Related Rent Concessions

Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 - Interest Rate Benchmark Reform (Phase 2)

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

On 1 March 2021, the Company acquired all the paid-up share capital of BTM Green Energy Sdn Bhd ("BTMGE") for a consideration sum of RM1.00. BTMGE is currently a dormant company.

12 Contingent Liabilities

The Group has contingent liabilities of RM230,000 in respect of secured bank guarantee to third parties.

The Company has contingent liabilities of RM0.998 million in respect of a guarantee to a financial institution for credit facilities granted to a subsidiary company.

13 Capital Commitments

The capital commitments contracted for by the Group as at 31 March 2021 is RM115.6 million (31 March 2020: RM Nil).

14 Performance Review on the Results of the Group

	Individual Period (4th Quarter)		Changes %	Cumulative Period		Changes %
	Current Year Quarter 31/03/2021 RM'000	Preceding Year Corresponding Quarter 31/03/2020 RM'000		Current Year To-date 31/03/2021 RM'000	Preceding Year Corresponding Period 31/03/2020 RM'000	
Revenue	1,836	2,436	-24.63%	1,836	2,436	-24.63%
Loss Before Interest and Tax	(1,519)	(1,896)	-19.88%	(1,519)	(1,896)	-19.88%
Loss Before Tax	(1,565)	(1,978)	-20.88%	(1,565)	(1,978)	20.88%
Loss After Tax	(1,565)	(1,978)	-20.88%	(1,565)	(1,978)	20.88%
Loss Attributable to Ordinary Equity Holders of the Parent	(1,565)	(1,978)	-20.88%	(1,565)	(1,978)	20.88%

For the first financial quarter under review, the Group recorded turnover of RM1.84 million, a decrease of 24.63% over the corresponding period last year. The Group recorded a pre-tax loss of RM1.56 million as compared to a pre-tax loss of RM1.98 million in the corresponding period last year mainly due to lower operating overhead from its manufacturing operations during the current financial quarter.

15 Changes in the Quarterly Results Compared to Preceding Quarter

	Current Quarter 31/03/2021	Immediate Preceding Quarter 31/12/2020	Changes %
Revenue	1,836	2,464	-25.49%
Loss Before Interest and Tax	(1,519)	(1,633)	-6.98%
Loss Before Tax	(1,565)	(1,690)	-7.40%
Loss After Tax	(1,565)	(1,116)	40.23%
Loss Attributable to Ordinary Equity Holders of the Parent	(1,565)	(1,122)	39.48%

For the quarter ended 31 March 2021, the Group recorded a pre-tax loss of RM1.56 million as compared to a pre-tax loss of RM1.69 million in the previous quarter ended 31 December 2020, mainly due to lower operating overhead 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 2021 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 31/03/2021 RM'000	Current Year To date 31/03/2021 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

- (a) 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.

On 30 September 2019, BTMBP has entered into a Memorandum of Agreement ("MOA") with KOEN, MOKPO and MC Bio for the development of the Project as a shareholder. The Project will conduct the business of manufacturing / production, shipping / delivery and sales / off-take of wood pellets as contemplated by the Parties, which will comprised of production and sales of wood pellet. BTMP desires to supply the raw materials for the wood pellet. KOEN desires to off-take the wood pellet and conduct the feasibility study for the Project. MOKPO desires to engage into the services of logistics to provide ocean transportation and other related services for the sales. MC Bio desires to develop, construct, operate and manage the production and produce, manufacture and supply the wood pellet.

The MOA shall form the basis for each Party's intentions to invest in the Project and / or enter into the joint development agreement ("JDA"), shareholders' agreement for the Project ("the SHA"), Fuel Supply Agreement, Off-Take Agreement and other related agreements (collectively "the Project Documents").

The MOA shall remain in effect until the earlier to occur of (i) the execution of JDA or SHA among the Parties with respect to the Project, (ii) two (2) years after the execution date of the MOA in case the JDA or SHA is not executed by then, or (iii) unless earlier terminated or extended pursuant to the terms thereof or otherwise mutual agreement of the Parties. Notwithstanding anything to the contrary therein, a Party may withdraw from the MOA at its sole discretion by giving the other Parties thirty (30) days prior written notice without any liability to the other Party.

- (b) On 2 July 2020, the Company announced that its wholly owned subsidiary, BTM Biomass Products Sdn Bhd ("BTMBP") has obtained approval from Sustainable Energy Development Authority Malaysia ("SEDA") to build and operate a Renewable Electrical Energy Power Plant ("REPP") with a capacity to supply 10 MW per hour of electricity to Tenaga Nasional Berhad ("TNB"). BTMBP received the Feed-in Tariff ("FIT") Approval Certificate dated 1 July 2020. The approval granted is for a period of twenty one (21) years commencing no later than 23 January 2023 at a fixed tariff rate of RM0.3486 per kWh.

On 29 July 2020 and 30 July 2020, the Company announced that BTMBP has entered into a Renewable Energy Power Purchase Agreement ("REPPA") with TNB on 27 July 2020 pursuant to Subsection 12(1) of the Renewable Energy Act 2011. The location of the REPP is at Lot 153-C, Mukim Hulu Chukai, Telok Kalong, 24007 Chukai, Terengganu Darul Iman with a net export capacity of 10 MWh. The scheduled FIT commencement date is 23 January 2023 and effective period is twenty one (21) years commencing from the FIT commencement date at a FIT rate of RM0.3486 per kWh.

On 23 November 2020, the Company announced that BTMBP has on 23 November 2020 awarded the engineering, procurement, construction and commissioning ("EPCC") works in relation to the development of its 10MWac REPP to Samaiden Sdn Bhd, a wholly owned subsidiary of Samaiden Group Berhad for a contract sum of RM115,600,000.

On 27 April 2021, the Company announced that BTMBP has on 26 April 2021 accepted the banking facilities totalling RM99.168 million from MBSB Bank Berhad ("MBSB") comprising of a Term Financing ("TF-I") of RM92.48 million to part finance 80% of the cost of civil & structure works and the EPCC cost in relation to the REPP, a Letter of Credit-I ("LC-I) Wakalah (sub-limit to TF-i) of RM66.88 million to facilitate the purchase of equipment/materials from local/foreign suppliers in relation to the REPP and a FX Forward Wa'd-I ("FX-I") of RM6.688 million to hedge against foreign currency fluctuation.

- (c) On 3 May 2021, M&A Securities Sdn Bhd ("M&A") on behalf of the Company announced that the Company proposed to undertake a private placement of up to 15,547,800 new ordinary shares in BTM ("BTM Shares") representing not more than 10% of the issued BTM shares ("Proposed Private Placement"), at an issue price to be determined and fixed at a future date.

The Proposed Private Placement will be undertaken in accordance with the general mandate pursuant to Sections 75 and 76 of the Companies Act, 2016 ("Act") obtained from the shareholders of the Company at its 26th Annual General Meeting ("AGM") convened on 9 September 2020, which authorises the Board of Directors of the Company to issue new BTM Shares not exceeding 20% of the total number of issued shares of the Company. ("20% General Mandate").

On 6 May 2021, M&A on behalf of the Company announced that the additional listing application for the new BTM Shares to be issued pursuant to the Proposed Private Placement has been submitted to Bursa Securities. On 25 May 2021, M&A on behalf of the Company announced that Bursa Securities had, vide their letter dated 25 May 2021, approved the listing of and quotation of up to 15,547,800 Placement Shares to be issued pursuant to the Proposed Private Placement.

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 :-

	31/03/2021	31/03/2020
	RM'000	RM'000
Long Term Borrowings		
Secured - Term Loan	0	0
- Hire purchase	54	69
	<u>54</u>	<u>69</u>
Short Term Borrowings		
Secured - Term Loan	998	1,398
- Hire purchase	28	24
	<u>1,026</u>	<u>1,422</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.

	Current	Comparative	Current	Comparative
	Quarter	Quarter	Year To Date	Year To Date
	31/03/2021	31/03/2020	31/03/2021	31/03/2020
Net loss for the period (RM'000)	(1,565)	(1,978)	(1,565)	(1,978)
Weighted average number of ordinary shares in issue ('000)	155,479	141,344	155,479	141,344
Basic loss per share (sen)	(1.01)	(1.40)	(1.01)	(1.40)

b) Diluted earning/(loss) per share

The effect on the earning/(loss) per share of the assumed exercise of the Warrants is anti-dilutive and hence, the diluted earning/(loss) per share has not been presented.

24 Loss Before Taxation

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

	Current	Comparative	Current	Comparative
	Quarter	Quarter	Year To Date	Year To Date
	31/03/2021	31/03/2020	31/03/2021	31/03/2020
	RM'000	RM'000	RM'000	RM'000
Other income	157	68	157	68
Interest expense	(46)	(82)	(46)	(82)
Amortisation of prepaid lease payments	0	(5)	0	(5)
Depreciation on property, plant and equipment	(344)	(410)	(344)	(410)
Depreciation on right of use assets	(68)	(68)	(68)	(68)

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: 31 MAY 2021