

**BTM RESOURCES BERHAD (303962-T)**  
(Incorporated In Malaysia)  
**Condensed Consolidated Statement of Financial Position**  
**As At 31 December 2016**

	Unaudited as at 31/12/2016 RM'000	Audited as at 31/12/2015 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	26,807	21,961
Prepaid lease payments	401	440
Investment in club membership	0	0
<b>Total Non-Current Assets</b>	<b>27,208</b>	<b>22,401</b>
<b>Current Assets</b>		
Inventories	7,556	5,005
Trade receivables	1,345	1,897
Other receivables, deposits and prepayments	731	1,818
Fixed deposits with licensed banks	1,517	7,658
Cash and bank balances	1,261	615
<b>Total Current Assets</b>	<b>12,410</b>	<b>16,993</b>
<b>TOTAL ASSETS</b>	<b>39,618</b>	<b>39,394</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	25,061	25,061
Share premium	425	425
Revaluation reserves	16,378	16,378
Capital reserves	532	532
Warrant reserve	4,039	4,039
Accumulated losses	-20,027	-20,639
<b>Equity Attributable To Owners Of The Company</b>	<b>26,408</b>	<b>25,796</b>
<b>Non-Controlling Interest</b>	<b>-1</b>	<b>0</b>
<b>TOTAL EQUITY</b>	<b>26,407</b>	<b>25,796</b>
<b>Non-Current Liabilities</b>		
Retirement benefit obligations	1,736	1,698
Bank borrowings (secured) - Term loan	3,905	4,973
Hire purchase creditors	27	49
Deferred taxation	165	165
<b>Total Non-Current Liabilities</b>	<b>5,833</b>	<b>6,885</b>
<b>Current Liabilities</b>		
Trade payables	1,692	1,356
Other payables and accruals	1,494	2,855
Bank borrowings (secured) - Term loan	1,069	908
Amount due to directors	3,098	1,496
Hire purchase creditors	23	23
Taxation	2	75
<b>Total Current Liabilities</b>	<b>7,378</b>	<b>6,713</b>
<b>TOTAL LIABILITIES</b>	<b>13,211</b>	<b>13,598</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>39,618</b>	<b>39,394</b>
<b>NET TANGIBLE ASSETS PER SHARE (RM)</b>	<b>0.21</b>	<b>0.21</b>

*(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2015)*

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

(Incorporated In Malaysia)

**Unaudited Condensed Consolidated Statement of Comprehensive Income  
Interim Report for the Quarter ended 31 December 2016**

	<b>Current Quarter 31/12/2016 RM'000</b>	<b>Comparative Quarter 31/12/2015 RM'000</b>	<b>Current Year To Date 31/12/2016 RM'000</b>	<b>Comparative Year To Date 31/12/2015 RM'000</b>
Revenue	5,772	3,104	15,940	11,552
Operating Expenses	-5,630	-4,387	-16,443	-14,594
Other Operating Income	219	545	1,382	970
Profit/(Loss) From Operations	361	-738	879	-2,072
Finance Costs	-128	-555	-469	-561
Investing Results	0	0	0	0
Profit/(Loss) From Ordinary Activities Before Tax	233	-1,293	410	-2,633
Taxation	0	1	0	1
Profit/(Loss) From Ordinary Activities After Tax	233	-1,292	410	-2,632
Other Comprehensive Income, Net of Tax	201	0	201	0
<b>Total Comprehensive Income for the Period</b>	<b>434</b>	<b>-1,292</b>	<b>611</b>	<b>-2,632</b>
Profit/(Loss) attributable to:				
Owners of the Company	234	-1,292	411	-2,632
Non-Controlling Interest	-1	0	-1	0
	<b>233</b>	<b>-1,292</b>	<b>410</b>	<b>-2,632</b>
Total Comprehensive Income attributable to:				
Owners of the Company	435	-1,292	612	-2,632
Non-Controlling Interest	-1	0	-1	0
	<b>434</b>	<b>-1,292</b>	<b>611</b>	<b>-2,632</b>
Earnings/(Loss) Per Share (sen)				
- Basic	0.19	-1.03	0.33	-2.13
- Diluted	0.18	N/A	0.31	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 2015)*

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

(Incorporated In Malaysia)

**Unaudited Condensed Consolidated Statement of Changes in Equity****For the 12 Months Ended 31 December 2016**

	<u>Non-distributable</u>				<u>Distributable</u>		Attributable To Owner 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			
<b>12 months ended 31-12-2016</b>									
Balance at 01-01-2016	25,061	425	16,378	532	4,039	-20,639	25,796	0	25,796
Total Comprehensive Income for the year	0	0	0	0	0	612	612	-1	611
Balance at 31-12-2016	<u>25,061</u>	<u>425</u>	<u>16,378</u>	<u>532</u>	<u>4,039</u>	<u>-20,027</u>	<u>26,408</u>	<u>-1</u>	<u>26,407</u>
<b>12 months ended 31-12-2015</b>									
Balance at 01-01-2015	24,441	0	16,378	532	4,464	-18,007	27,808	0	27,808
Conversion of Warrant 2014/2024	620	425	0	0	-425	0	620	0	620
Total Comprehensive Loss for the year	0	0	0	0	0	-2,632	-2,632	0	-2,632
Balance at 31-12-2015	<u>25,061</u>	<u>425</u>	<u>16,378</u>	<u>532</u>	<u>4,039</u>	<u>-20,639</u>	<u>25,796</u>	<u>0</u>	<u>25,796</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 2015.)*

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

(Incorporated In Malaysia)

**Unaudited Condensed Consolidated Statement of Cash Flows****For the 12 Months Ended 31 December 2016**

	<b>12 months Cumulative 31/12/2016 RM'000</b>	<b>12 months Cumulative 31/12/2015 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit/(Loss) before taxation</b>	410	-2,633
Adjustments for:-		
Amortisation of prepaid lease payments	39	38
Allowance for impairment loss on trade receivables	0	21
Depreciation	861	878
Defined benefit obligations	239	219
Gain on disposal of property, plant and equipment	0	-35
Waiver of interest on term loans	-1,012	0
Interest expense	469	561
Interest income	-168	-272
<b>Operating profit/(loss) before working capital changes</b>	<u>838</u>	<u>-1,223</u>
Increase in inventories	-2,551	-736
Decrease in trade receivables	552	594
Decrease/(Increase) in other receivables and deposits & prepayments	1,087	-1,410
Increase/(Decrease) in trade payables	336	-90
(Decrease)/Increase in other payables and accruals	-349	447
Increase/(Decrease) in amount due to directors	1,602	-762
<b>Cash generated from/(used in) operations</b>	<u>1,515</u>	<u>-3,180</u>
Interest paid	-1	-1
Tax paid	-73	-2
Interest received	168	272
<b>Net cash generated from/(used in) operating activities</b>	<u>1,609</u>	<u>-2,911</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	-5,707	-3,247
Proceeds from disposal of property, plant and equipment	0	35
<b>Net cash used in investing activities</b>	-5,707	-3,212
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares	0	620
Repayment of term loan	-907	0
Term loan interest paid	-464	0
Payment of hire purchase liabilities	-22	-22
Hire purchase interest paid	-4	-5
<b>Net cash (used in)/generated from financing activities</b>	-1,397	593
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<u>-5,495</u>	<u>-5,530</u>
<b>CASH AND CASH EQUIVALENTS AT 1ST JANUARY</b>	8,273	13,803
<b>CASH AND CASH EQUIVALENTS AT 31ST DECEMBER</b>	<u><u>2,778</u></u>	<u><u>8,273</u></u>
<b>CASH AND CASH EQUIVALENTS COMPRISE:-</b>		
Fixed deposits with a licensed bank	1,517	7,658
Cash and bank balances	1,261	615
	<u><u>2,778</u></u>	<u><u>8,273</u></u>

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

(Incorporated In Malaysia)

## **Interim Report for the Fourth Quarter Ended 31 December 2016**

### **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 2015.

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 2015, except for the adoption of the following new MFRSs and amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") which are applicable to its financial statements:

MFRS 14, Regulatory Deferral Accounts

Amendments to MFRS 10, MFRS 12 and MFRS 128 - Investment Entities: Applying the Consolidation Exception

Amendments to MFRS 11 - Accounting for Acquisitions of Interests in Joint Operation

Amendments to MFRS 101 - Disclosure Initiative

Amendments to MFRS 116 and MFRS 138 - Clarification of Acceptable Methods of Depreciation and Amortisation

Amendments to MFRS 116 and MFRS 141 - Agriculture: Bearer Plants

Amendments to MFRS 127 - Equity Method in Separate Financial Statements

Amendments to MFRSs Classified as "Annual Improvements to MFRSs 2012 - 2014 Cycle"

The adoption of the above new MFRSs and 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**

During the previous financial quarter, the Company incorporated a 100% owned subsidiary known as BTM Gourmet Sdn Bhd ("BTMG") on 9 May 2016. BTMG has an authorised share capital of RM400,000.00 divided into 400,000 shares of RM1.00 each and issued share capital of RM2.00 comprising of 2 shares of RM1.00 each. BTMG is currently dormant.

On 22 November 2016, the Company incorporated a 51% owned subsidiary known as BTM Open Road Auto Sdn Bhd ("BTMORA"). BTMORA has an authorised share capital of RM400,000.00 divided into 400,000 shares of RM1.00 each and issued share capital of RM2.00 comprising of 2 shares of RM1.00 each. Incorporation of BTMORA is intended to venture into motor vehicle dealership business.

**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 RM4.97 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 December 2016:-

	31/12/2016 RM'000	31/12/2015 RM'000
Authorised and contracted for:-		
Purchase of plant and machinery	448	4,187

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

For the fourth financial quarter under review, the Group recorded turnover of RM5.77 million, an increase of 85.95% 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 RM234,000 as compared to a pre-tax loss of RM1.29 million 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 December 2016, the Group recorded a pre-tax profit of RM234,000 as compared to a pre-tax profit of RM182,000 in the previous quarter ended 30 September 2016, mainly due to higher 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 31/12/2016 RM'000	Current Year To date 31/12/2016 RM'000
<i>Current taxation</i>	-2	-2
<i>Over provision in prior year</i>	2	2
<i>Deferred taxation</i>	0	0
	<u>0</u>	<u>0</u>

## 19 Status of Corporate Proposals

On 23 December 2015, the Company announced that BTM Marketing & Trading Sdn Bhd ("BTMMT"), a wholly owned subsidiary of the Company, has on 17 December 2015 entered into a Memorandum of Understanding ("MOU") with Chicken Cottage (M) Sdn Bhd ("CCSB") for the purpose of appointing BTMMT as the master franchisor for the Chicken Cottage for Johore and Singapore region. On 23 May 2016, the Company announced that the MOU has been mutually extended until 31 August 2016 for both parties to agree to the draft agreement. On 4 October 2016, the Company announced that the MOU has been terminated upon its expiry date of 31 August 2016, due to both parties are unable to agree to the mutual terms in respect of royalty, advertising fee, licence fee, inception fee, security deposit and purchase of kitchen equipments.

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,

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 December 2016 are as follows :-

	RM'000
Long Term Borrowings	
Secured - Term Loan	3,905
- Hire purchase	27
	<u>3,932</u>
Short Term Borrowings	
Secured - Term Loan	1,069
- Hire purchase	23
	<u>1,092</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.

	<b>Current Quarter 31/12/2016</b>	Comparative Quarter 31/12/2015	<b>Current Year To Date 31/12/2016</b>	Comparative Year To Date 31/12/2015
Net profit/(loss) for the period (RM'000)	234	-1,292	411	-2,632
Weighted average number of ordinary shares in issue ('000)	125,303	125,168	125,303	123,517
Basic earnings/(loss) per share (sen)	0.19	-1.03	0.33	-2.13

### 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.

	<b>Current Quarter 31/12/2016</b>	<b>Current Year To Date 31/12/2016</b>
Net profit for the period (RM'000)	234	411
Weighted average number of ordinary shares in issue ('000)	125,303	125,303
Effect of Warrants 2014/2024	5,017	6,018
Adjusted weighted average number of ordinary shares in issue and issueable ('000)	<u>130,320</u>	<u>131,321</u>
Diluted earnings per share (sen)	0.18	0.31

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:-

	<b>As at 31/12/2016 RM'000</b>	<b>As at 31/12/2015 RM'000</b>
The accumulated losses of the Group		
- realised	-58,618	-59,231
- unrealised	-1,686	-1,686
	<u>-60,304</u>	<u>-60,916</u>
Add: Consolidation adjustments	40,277	40,277
Accumulated losses as per financial statements	<u>-20,027</u>	<u>-20,639</u>



**26 Profit/(Loss) Before Taxation**

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

	<b>Current Quarter 31/12/2016</b>	<b>Comparative Quarter 31/12/2015</b>	<b>Current Year To Date 31/12/2016</b>	<b>Comparative Year To Date 31/12/2015</b>
	RM'000	RM'000	RM'000	RM'000
Other income	119	464	202	663
Gain on disposal of property, plant and equipment	0	20	0	35
Interest income	100	61	168	272
Waiver of interest on term loans	0	0	1,012	0
Interest expense	-128	-555	-469	-561
Amortisation of prepaid lease payments	-10	-9	-39	-38
Allowance for impairment loss on trade receivables	0	-21	0	-21
Depreciation	-218	-222	-861	-878

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: 24 February 2017**