BTM RESOURCES BERHAD
(199401018283 (303962-T))



ANNUAL REPORT

2026

NURTURING SUSTAINABILITY
ENRICHING TOMORROW

NURTURING SUSTAINABILITY,
ENRICHING TOMORROW

Like the rings of a tree that expand with time, meaningful progress is shaped gradually, with each layer carrying forward the value of what came before. At BTM Resources Berhad, we see sustainability as a journey that grows through responsible choices, thoughtful use of resources and a commitment to creating value beyond today. Drawing from our roots in timber and wood-based operations, we continue to explore more sustainable ways of moving forward while embracing opportunities for the future. With each step, we seek to nurture a journey where business and responsibility grow together, enriching tomorrow for generations to come.



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Seri Yong Tu Sang
Managing Director

Mr. Tan Boon Pock
Executive Director

Datuk Yap Wai Hong
Executive Director

Datuk Dr. Hon Tian Kok @ William
Executive Director

Mr. Lee Yoon Seong
Independent Non-Executive Director

Ms. Goh Siow Cheng
Independent Non-Executive Director

Mr. Lau Fook Meng
Independent Non-Executive Director

Ms. Wong See Mei
Independent Non-Executive Director

AUDIT COMMITTEE

Chairman
Mr. Lee Yoon Seong

Members
Ms. Goh Siow Cheng
Ms. Wong See Mei

NOMINATION AND REMUNERATION COMMITTEE

Members
Mr. Lee Yoon Seong
Ms. Goh Siow Cheng
Ms. Wong See Mei

RISK MANAGEMENT AND SUSTAINABILITY COMMITTEE

Chairperson
Ms. Goh Siow Cheng

Members
Mr. Tan Boon Pock
Mr. Lee Yoon Seong

REGISTERED OFFICE

B-21-1, Level 21, Tower B
Northpoint Mid Valley City
No. 1, Medan Syed Putra Utara
59200 Kuala Lumpur
Telephone No.: 603-9770 2200
Facsimile No. : 603-2201 7774

COMPANY SECRETARIES

Mr. Tan Tong Lang
(MAICSA 7045482/ SSM PC No. 202208000250)

Ms. Thien Lee Mee
(LS0010621/ SSM PC No. 201908002254)



SHARE REGISTRAR

Sectrars Management Sdn. Bhd.
Lot 9-7, Menara Sentral Vista
No. 150, Jalan Sultan Abdul Samad
Brickfields
50470 Kuala Lumpur
Wilayah Persekutuan Kuala Lumpur
Telephone No.: 603-2276 6138
Facsimile No. : 603-2276 6131
E-mail: sectrarsmg@gmail.com

HEAD OFFICE

No. 35-4, Jalan PJU 1/41
Dataran Prima
47301 Petaling Jaya
Selangor Darul Ehsan
Telephone No.: 603-7880 9523
Facsimile No. : 603-7880 9528
Email: enquiry@btmresources.com.my

AUDITORS

FOLKS DFK & CO PLT
202606000002 (LLP0045209-LCA)
& AF 0502
Chartered Accountants
12th Floor, Wisma Tun Sambanthan
No. 2, Jalan Sultan Sulaiman
50000 Kuala Lumpur
Wilayah Persekutuan Kuala Lumpur
Telephone No.: 603-2273 2688
Facsimile No. : 603-2274 2688

STOCK EXCHANGE

Bursa Malaysia Securities Berhad
Main Market
Stock Name : BTM
Stock Code : 7188
Warrant Code: 7188WC
Sector: Industrial Products & Services
Sub-Sector: Wood & Wood Products

WEBSITE

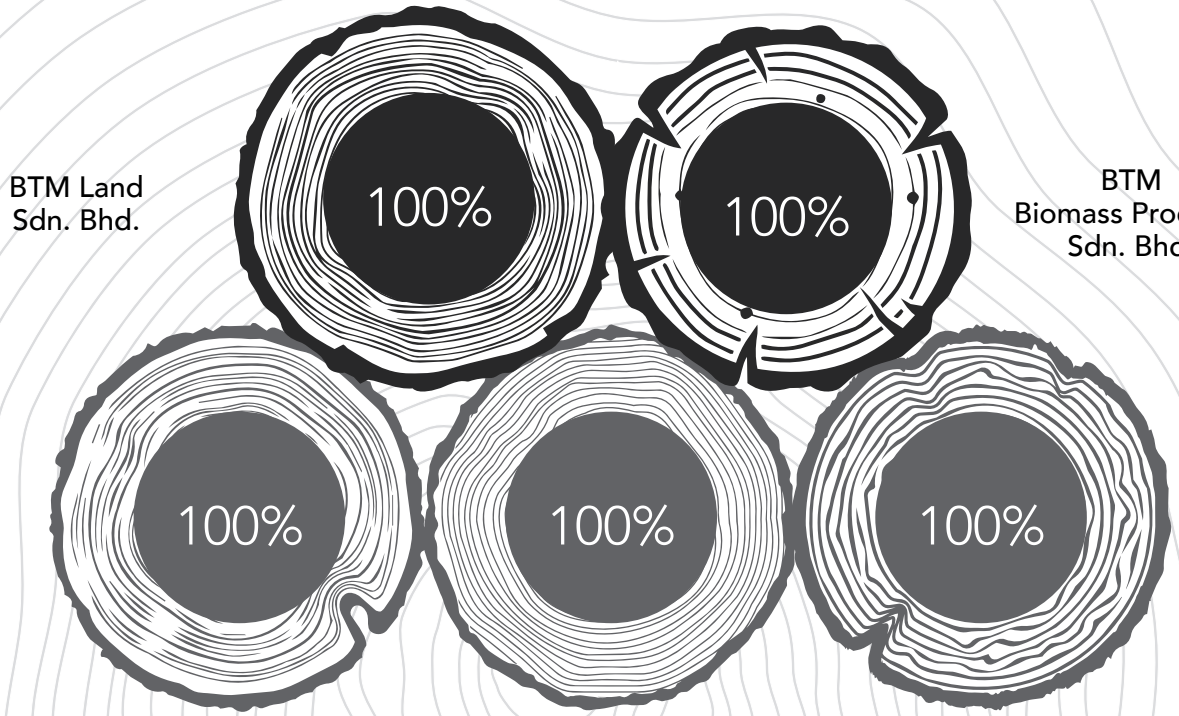
http://www.btmresources.com.my/

PRINCIPAL BANKERS

Alliance Bank Malaysia Berhad
Public Bank Berhad
MBSB Bank Berhad

CORPORATE STRUCTURE

BTM RESOURCES BERHAD
[Registration No. 199401018283 (303962-T)]



BTM Land Sdn. Bhd.

BTM Biomass Products Sdn. Bhd.

BTM Green Energy Sdn. Bhd.

Besut Tsuda Industries Sendirian Berhad

BTM Marketing & Trading Sdn. Bhd.

100%

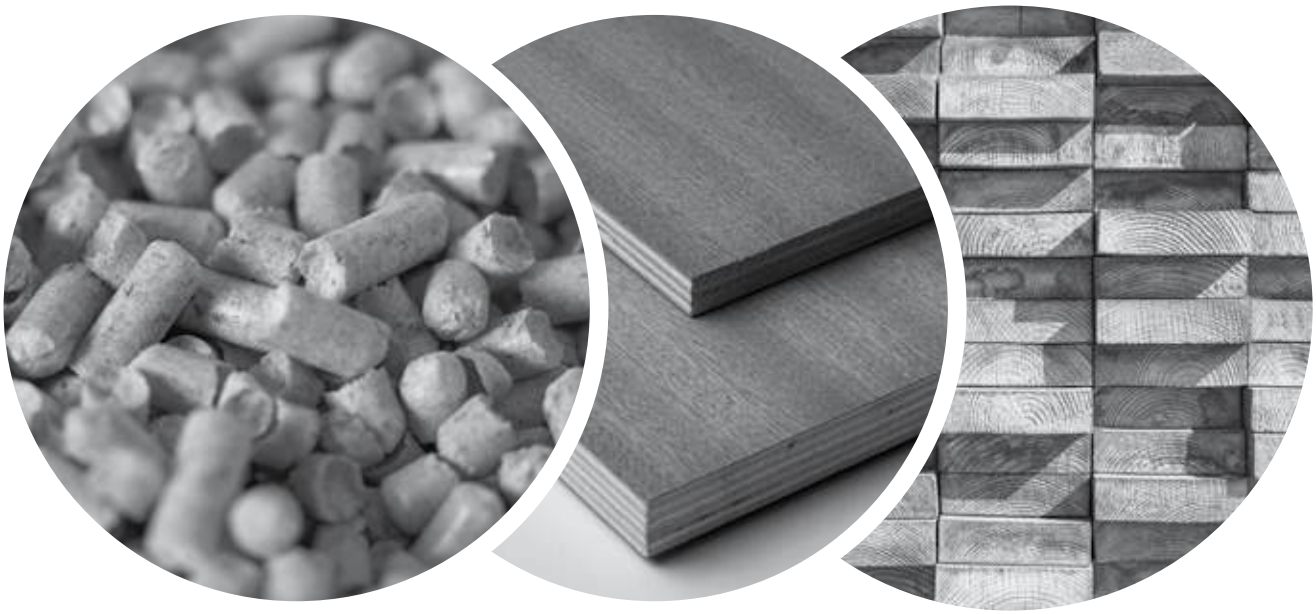
Besut Tsuda Wood Products Sdn. Bhd.



GROUP FINANCIAL HIGHLIGHTS

	5 Financial Years' Highlights				
		(Note A)	For Financial Year Ended on 31 December		
	2026 RM '000	**2025 RM '000**	**2023 RM '000**	**2022 RM '000**	**2021 RM '000**
FINANCIAL RESULTS					
Revenue	**6,525**	9,105	7,184	8,251	8,005
Loss Before Tax	**(5,313)**	(16,899)	(19,966)	(7,727)	(6,376)
Loss Attributable to Equity Holders of the Company	**(5,313)**	(17,233)	(19,949)	(7,726)	(6,053)
FINANCIAL POSITION					
Total Assets	**54,344**	67,017	98,162	45,520	38,935
Total Liabilities	**4,528**	11,888	24,547	34,516	20,203
Net Assets Attributable to Equity Owners of the Company	**49,816**	55,128	73,615	11,016	18,742
Share Capital	**17,895**	97,895	97,895	34,129	34,129
SHARE INFORMATION (SEN)					
Basic Loss per share (sen)	**(0.42)**	(1.37)	(1.66)	(4.52)	(3.68)
Net Assets per share Attributable to Equity Owners of the Company (sen)	**3.9**	4.4	5.9	6.4	11.0

(Note A)
The Group changed its accounting financial year-end from ending on 31 December to 30 June. Consequently, the financial results for the financial period 2025 were prepared for the period of 18 months from 1 January 2024 to 30 June 2025.



BOARD OF DIRECTORS' PROFILES

DATO' SERI YONG TU SANG

Managing Director / Executive Director

Age 80

Gender Male **Nationality** Malaysian

Dato' Seri Yong Tu Sang ("Dato' Seri Yong") was appointed to the Board of BTM Resources Berhad as the Managing Director on 27 December 1995. He is also a member of the Long-Term Incentive Plan ("LTIP") Committee.

Dato' Seri Yong has more than 50 years of experience in the timber industry. His journey as a timber merchant and businessman commenced in 1973 with the establishment of BTM Timber Industries Sdn. Bhd., a company primarily engaged in logging and sawmilling operations. Since then, he has been actively involved in setting up and managing companies of varying business activities ranging from timber, oil palm plantation, civil and building construction, property development, and sea transportation.

Dato' Seri Yong currently sits on the Boards of several private limited companies in addition to companies within the Group.

TAN BOON POCK

Executive Director

Age 61

Gender Male **Nationality** Malaysian

Mr. Tan Boon Pock ("Mr. Tan") was appointed to the Board of BTM Resources Berhad as an Executive Director on 18 July 2023. He is a member of the Risk Management and Sustainability Committee and the LTIP Committee respectively.

Mr. Tan graduated from Malaysia Insurance Institute ("MII") as a qualified Registered Financial Planner ("RFP"). He is the founder of Great Vision Advisory Group, an integrated financial services provider specialising in the provision of professional and comprehensive financial planning and advisory services. For more than 25 years, Mr. Tan gained experience in areas of financial planning, investments, advisory in personal & family wealth planning as well as business financial advisory services, working at Aetna International Inc. and ING Financial Group, both of whom he has received many awards.

Mr. Tan is the founder of National Entrepreneur Convention since 2003, where he is actively involved in organising talks and seminars to educate small and medium enterprises ("SMEs") on financial planning for business growth.

Currently, he sits as the Managing Director of Family Office Management Sdn. Bhd., which is involved in setting up family offices for High-Net-Worth ("HNW") individuals and SMEs; focusing on personal, family, and business advisory matters.

He is also a Director of Biotek Dinamik Sdn. Bhd. which is involved in the Food & Energy Security sector.



BOARD OF DIRECTORS' PROFILES

DATUK YAP WAI HONG

Executive Director

Age 51

Gender Male **Nationality** Malaysian

Datuk Yap Wai Hong ("Datuk Yap") was appointed to the Board of BTM Resources Berhad as an Executive Director on 1 July 2024.

Datuk Yap graduated with a Bachelor Degree in commerce (Accounting & Finance) from Edith Cowan University (Perth, Australia).

Datuk Eddy is a serial entrepreneur with over 25 years of experience in investment, business advisory and the renewable energy sector. His extensive experience has enabled him to facilitate over billion of ringgits in business financing and investments. Specialising in investments and mergers and acquisitions (M&A), he has played a pivotal role in guiding businesses toward strategic growth, sustainability and enhancing corporate value. With vast experience in the ICT, biotech and renewable energy sectors he has founded several companies providing innovative and sustainable solutions to the industries.

He serves as the Executive Chairman of AQV Cap Sdn. Bhd., where he leads the company's transition into emerging sectors focused on Food and Energy Security. Under his leadership, AQV Cap is committed to harnessing opportunities in the Food & Energy Security sector and sustainable practices to meet the challenges of a rapidly changing global landscape.

Datuk Eddy's mission is to lead the industry toward a future where technology and nature coexist harmoniously, ensuring food security while preserving our fragile ecosystems. His vision and dedication to fostering sustainable development continue to drive innovation and progress within the industry, making a significant impact on both the business community and the environment.



DATUK DR. HON TIAN KOK @ WILLIAM

Executive Director

Age 50

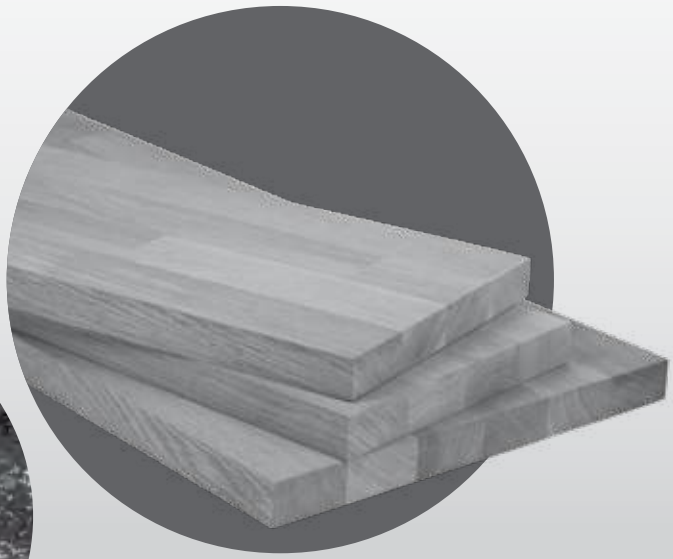
Gender Male **Nationality** Malaysian

Datuk Dr. Hon Tian Kok @ William ("Datuk Dr. Hon") was appointed to the Board of BTM Resources Berhad as an Executive Director on 30 January 2026.

Datuk Dr. Hon is a member of the Association of Chartered Certified Accountants ("ACCA") and the Malaysian Institute of Accountants ("MIA"). He also holds a Doctor of Philosophy (PhD) in Business Administration from Asia e University.

He has a broad background in finance, audit, strategic planning, marketing, international business relations and the biotechnology industry. He began his career as an auditor with an accounting firm and later served as Vice President of Business Development of a public listed company, where he identified opportunities in property investment and development as well as new ventures, including biotechnology.

In 2005, he joined Bioalpha International Sdn. Bhd., which was subsequently listed on the ACE Market of Bursa Malaysia Securities Berhad in 2015 as an integrated nutraceutical company.



BOARD OF DIRECTORS' PROFILES

GOH SIOW CHENG

Independent Non-Executive Director

Age 44

Gender Female **Nationality** Malaysian

Ms. Goh Siow Cheng ("Ms. Goh") was appointed to the Board of BTM Resources Berhad as an Independent Non-Executive Director on 8 August 2023. She is the Chairperson of the Risk Management and Sustainability Committee, member of the Audit Committee, Nomination and Remuneration Committee, and LTIP Committee.

Ms. Goh graduated with a Bachelor of Business (Accounting & Finance) from University of Technology Sydney, Australia. She is a member of Certified Practising Accountant, Australia.

She currently sits on the Board of Ecomate Holdings Berhad and DC Healthcare Holdings Berhad.

LEE YOON SEONG

Independent Non-Executive Director

Age 56

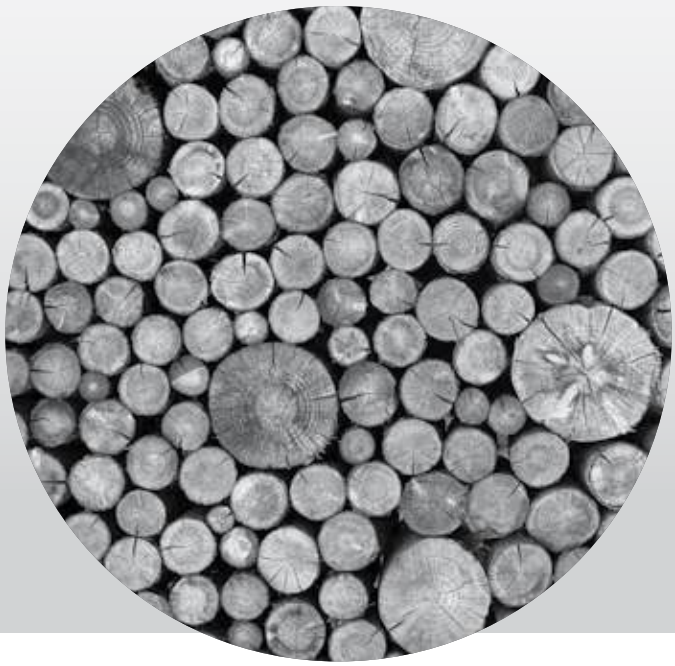
Gender Male **Nationality** Malaysian

Mr. Lee Yoon Seong ("Mr. Lee") was appointed to the Board of BTM Resources Berhad as an Independent Non-Executive Director on 15 July 2024. He is the Chairman of Audit Committee, and member of the Risk Management and Sustainability Committee, Nomination and Remuneration Committee, and LTIP Committee.

Mr. Lee graduated with a Bachelor of Accountancy (Hons) from Universiti Utara Malaysia (UUM) in Year 1994 and is a Chartered Accountant of the Malaysian Institute of Accountants (MIA) since Year 1998.

He has over 25 years of experience in the areas of accounting, auditing, taxation, secretarial and corporate finance. His past roles include serving as Audit Senior in an audit firm, C.S. Teh & Co, Group Accountant in Prestico Group and Business Planning & Control Manager in SONY Precision Engineering Malaysia Sdn. Bhd. (formerly known as KONICA MINOLTA Precision Engineering (M) Sdn. Bhd.). Prior to joining the Company, he was the Finance General Manager of Y&G Corporation Bhd, a public company listed on the MAIN Market of Bursa Malaysia Securities Berhad.





BOARD OF DIRECTORS' PROFILES

LAU FOOK MENG

Independent Non-Executive Director

Age 74

Gender Male **Nationality** Malaysian

Mr. Lau Fook Meng ("Mr. Lau") was appointed to the Board of BTM Resources Berhad as an Independent Non-Executive Director on 30 January 2026.

Mr. Lau is a Chartered Accountant and a Fellow Member of the Institute of Chartered Accountants in England and Wales ("ICAEW").

Mr. Lau began his career in 1981 with Asiatic Development Berhad, where he served as an Accountant until 1983. In 1984, he joined Unico Holdings Berhad as Group Accountant, a position he held until 1992. From 1993 to 2002, he served as General Manager of Nichmurni Sdn. Bhd.

In September 2002, he was appointed as an Executive Director of KPS Consortium Berhad, a public company listed on the Main Market of Bursa Malaysia Securities Berhad, a position he holds to date.

He currently sits on the Board of KPS Consortium Berhad.

WONG SEE MEI

Independent Non-Executive Director

Age 37

Gender Female **Nationality** Malaysian

Ms. Wong See Mei ("Ms. Wong") was appointed to the Board of BTM Resources Berhad as an Independent Non-Executive Director on 30 January 2026.

Ms. Wong holds a Diploma in Graphic Design & Advertising from The One Academy of Communication Design.

She has over 10 years of professional experience across graphic design, advertising and the furniture industry. She began her career in 2010 as Head & Senior Graphic Designer with an events company, and joined Keyframe Design House as a Graphic Designer in 2011. From October 2011 to February 2020, she served as a Graphic Designer with Banway Marketing Sdn. Bhd.

In 2020, she joined Value Plus Industries Sdn. Bhd. as R&D Manager, focusing on furniture hardware, timber materials and furniture drawings. Since September 2022, she has been the Business Development Manager of Gold Breeze Corporation Sdn. Bhd., focusing on furniture development and business growth.

She is also an Independent Non-Executive Director of KPS Consortium Berhad, a public company listed on the Main Market of Bursa Malaysia Securities Berhad.

She currently sits on the Board of KPS Consortium Berhad.

Notes to Directors' profile:

1. ***Family Relationships***
   None of the Directors have any family relationship with any Director and/or major shareholders of the Company.
2. ***Conflict of Interest***
   Save as disclosed above, none of the Directors have any conflict of interest or potential conflict of interest, including interest in any competing business or any business arrangement involving the Company and the Group.
3. ***Conviction of Offences***
   None of the Directors have any conviction for offences other than compound from the Companies Commission of Malaysia and traffic offences within the past 5 years. There is no sanction or penalty imposed on the Directors by relevant regulatory bodies during the financial year end.
4. ***Attendances at Board Meetings***
   The details of the Directors' attendance at Board Meetings are set out on page 52 of this Annual Report.
5. ***Shareholdings***
   The details of the Directors' interest in the securities of the Company are set out on page 157 of this Annual Report.
6. ***Directorship in other public companies***
   Save as disclosed above, none of the Directors hold any directorship in public companies or subsidiaries of public companies.

MANAGEMENT DISCUSSION AND ANALYSIS



The following Management Discussion and Analysis ("MD&A") provides an analysis of the financial performance and review of the business operation for BTM Resources Berhad ("BTM" or "the Company") and its subsidiaries ("the Group") for the financial year ended 30 June 2026 ("FYE2026"). This MD&A should be read in conjunction with the Company's audited financial statements for the FYE2026.

BUSINESS OVERVIEW

BTM Resources Berhad is an investment holding company while its subsidiaries are principally involved in sawmilling and trading of sawn timbers and logs, and manufacturing and sale of timber products.

A COMMITMENT TO NAVIGATING CHALLENGES AND EMBRACING NEW OPPORTUNITIES

The Board is pleased to provide you with an update on the corporate developments and our ongoing efforts to navigate challenges and secure new opportunities for the Group.

On 12 September 2025, the Group announced the Proposed Variation whereby the Group proposed a variation to the utilization of balance proceeds of RM19.59 million previously raised from the Rights Issue. The variation involves reallocating RM12.00 million to fund potential new business, with the remaining RM7.59 million being reallocated for working capital requirements. This corporate exercise was completed after obtaining shareholders' approval at the EGM held on 6 February 2026. Following the completion of this exercise, the Group has been trying to identify and evaluate potential business opportunities to diversify its revenue stream and enhance profitability.

On 11 November 2025, the Company announced to undertake Share Capital Reduction ("SCR") exercise which entails the reduction of the Company's issued share capital by RM80.00 million pursuant to Section 117 of the Companies Act 2016. The corresponding credit of RM80.00 million arising from the SCR would be used to set-off the accumulated losses of the Company, while the remaining balance would be credited to the retained earnings. This exercise was intended to enhance the credibility of the Company's balance sheet. The Company had on 20 April 2026 received a notice from the Registrar of Companies confirming the reduction of its share capital.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

The current FYE2026 is for 12-months period whereas the previous year's financial period was for a period of 18 months from 1 January 2024 to 30 June 2025 ("FPE2025") following a change in financial year end. Accordingly, the reported financial results for these two financial periods are not directly comparable.

The Group records a lower revenue of RM6.52 million and a lower loss before tax ("LBT") of RM5.31 million for the current FYE2026 as compared to a revenue of RM9.10 million and LBT of RM16.90 million for the previous FPE2025. The lower reported revenue was mainly attributable to the shorter reporting period as the monthly average revenue increased marginally from approximately RM0.51 million in FPE2025 to RM0.54 million in FYE2026. Among the causes for current FYE2026's losses include operational interruption occurred against an unfavourable market conditions resulted in missing production and delivery run-rate, corporate exercise costs of RM0.12 million as well as inventory write-down and provision for expected credit loss amounted to RM0.53 million and RM0.28 million respectively. The significantly higher LBT in previous FPE2025 was mainly associated with the cancellation of biomass power plant projects and impairment losses of several property, plant and equipment which had adversely affected the Group's financial results.

Cash and bank balances, together with fixed deposits of the Group, decreased significantly by RM7.46 million from RM22.02 million in FPE2025 to RM14.56 million in FYE2026 mainly due to the operating losses, settlement of other payables and delayed collection from trade receivables. The Group will continue to monitor its cashflow and working capital requirements to support its ongoing operations.

The non-current assets held for sale of RM4.20 million pertaining to the disposal of its wholly-owned subsidiary's single-storey wood pellet factory building together with plants, machineries and equipment therein on 12 September 2025, has been duly-completed in February 2026 via a contra settlement against other payables. The aforesaid contra settlement has primarily contributed to the significant reduction in other payables and accruals by RM5.46 million to RM2.77 million.

Trade receivables increased from RM0.76 million to RM2.55 million mainly due to the delay in payments by certain customers. The Group will continue to monitor outstanding balances and strengthen its credit control and collection efforts to manage its exposure to credit risk.

Following the completion of the SCR exercise in April 2026, the Company's share capital had been reduced from RM97.89 million to RM17.89 million and the corresponding credits had been reflected in the Group's Statement of Changes In Equity included in the current year's audited financial statements.

DIVIDEND

In view of the Group's financial performance and the loss recorded for the current FYE2026, the Board does not recommend any dividend for the financial year ended 30 June 2026.

MEASURES TO REDUCE COSTS

In response to the challenging operating environment, the Group continued to implement downsizing and cost-reduction measures during FYE2026. These measures included optimising workforce requirements and managing inventory holdings with the aim of controlling operating expenses and reducing unnecessary provision and impairment losses.

RISKS AND UNCERTAINTIES

Increasing costs of doing business

The Minimum Wages Order 2022 ("2022 Order") has undergone a revision effective 1 February 2025. Consequently, the national minimum monthly wage is now RM1,700 for all workers, including foreign employees. From the recent announcement of Budget 2027, the national minimum monthly wage would be further increased to RM2,000. Labour costs remain one of the main components in operating costs which the Group has been continuously managing these costs.

Credit Risk

The Group's main exposure to credit risk is in respect of its trade receivables. Credit risk arises when sales are made on credit terms. The Group seeks to control credit risk by setting credit limits and ensuring that sales of products are made to customers with an appropriate credit history.

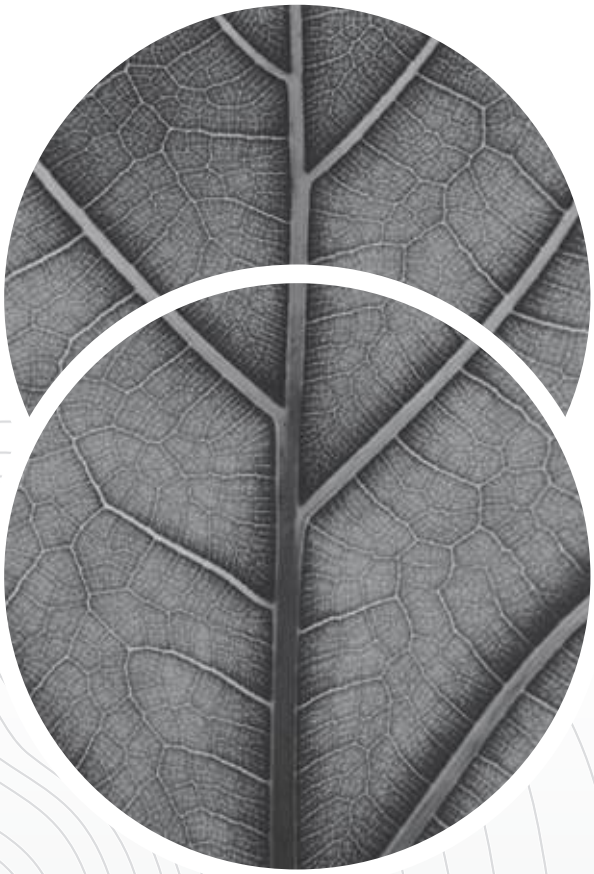
OUTLOOK

The Group will continue to focus on improving operational efficiency and managing costs within its existing timber business, particularly its sawmilling activities and the trading of sawn timber and logs. Management will also continue to monitor cash flow, working capital requirements and customer collections to support the Group's ongoing operations.

In parallel, the Group will continue to identify and evaluate potential new business opportunities in line with its strategic objectives, with the aim of diversifying its revenue streams and enhancing its long-term business prospects. Any new business initiatives will be assessed with due consideration given to their commercial viability, funding requirements and potential contribution to the Group.

SUSTAINABILITY STATEMENT

ABOUT THIS STATEMENT



BTM Resources Berhad ("BTM Resources" or "the Company") and its subsidiaries ("BTM Group" or "the Group") present this Sustainability Statement ("Statement") for the financial year ended 30 June 2026 ("FY2026"). It explains how we manage our material Economic, Environmental, Social and Governance ("EESG") matters, reports our progress against the targets set in our FY2025 Statement and sets out our plans for the coming year. It should be read together with the Management Discussion and Analysis, the Corporate Governance Overview Statement and the audited financial statements in this Annual Report.

REPORTING PERIOD, SCOPE AND BOUNDARY

This Statement covers the period from **1 July 2025 to 30 June 2026**. FY2026 is the Group's first full twelve-month financial year following the change of financial year end from 31 December to 30 June. The comparative period, FY2025, covered **eighteen months** (1 January 2024 to 30 June 2025). To allow a fair comparison, selected FY2025 environmental indicators are also shown on an annualised basis (FY2025 value × 12/18) and are marked with an asterisk (*).

The reporting boundary comprises BTM Resources Berhad and its wholly-owned subsidiaries in Malaysia over which the Group has direct management and operational control. Environmental data covers our two active sites, namely the head office in Dataran Prima, Petaling Jaya, Selangor and the Besut Tsuda Wood Products Sdn. Bhd. ("BTWP") factory in Hulu Terengganu, as well as our company-owned vehicles. Joint ventures, associates and other investments are excluded.

Entity	Principal Activity	Interest	Status in FY2026
BTM Resources Berhad (BTMR)	Investment holding and provision of management services	Holding company	Active (Head Office)
Besut Tsuda Industries Sendirian Berhad (BTI)	Investment holding and sawmilling of timber	100%	Active
Besut Tsuda Wood Products Sdn. Bhd. (BTWP)	Trading of sawn timber and logs	100%	Active (factory site; in-house manufacturing ceased)
BTM Marketing & Trading Sdn. Bhd.	Trading of sawn timber, plywood and logs	100%	Active
BTM Biomass Products Sdn. Bhd. (BTMBP)	Manufacturing and sale of wood pellets	100%	Ceased operation
BTM Land Sdn. Bhd.	No business activity	100%	Dormant
BTM Green Energy Sdn. Bhd.	No business activity	100%	Dormant

Table 1: Entities within the reporting boundary.

SUSTAINABILITY STATEMENT

REPORTING FRAMEWORKS AND REFERENCES

• Bursa Malaysia Securities Berhad Main Market Listing Requirements ("MMLR"), including Paragraph 29 of Part A of Appendix 9C and Practice Note 9	• National Sustainability Reporting Framework ("NSRF") and IFRS S2 Climate-related Disclosures (readiness)
• Bursa Malaysia Sustainability Reporting Guide (3rd Edition) and the common sustainability matters and indicators	• Greenhouse Gas Protocol Corporate Accounting and Reporting Standard
• Recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD")	• Malaysian Code on Corporate Governance 2021 ("MCCG")

DATA QUALITY, REVIEW AND ASSURANCE

Performance data was compiled by the Sustainability Working Group ("SWG") from utility bills, vehicle mileage logs, human resource records, procurement records and incident registers, and reviewed by the Risk Management and Sustainability Committee ("RMSC") before approval by the Board of Directors. This Statement has not been subject to external assurance. We are improving our data collection in preparation for the NSRF requirements, and plan to have selected indicators internally reviewed and, in time, independently assured. The references for the emission factors are given in the Emissions Management section, and other data notes are in the Basis of Preparation at the end of this Statement.

FEEDBACK

We welcome feedback from our stakeholders. Comments and enquiries on this Statement may be directed to **enquiry@btmresources.com.my**.



SUSTAINABILITY STATEMENT

FY2026 AT A GLANCE

The highlights below summarise the Group's key EESG performance for FY2026, the first full twelve-month reporting year under the Group's new financial year end.

ENVIRONMENT

72.9 MWh
Total energy consumption
Grid electricity 48.7 MWh

42.2 tCO_2e
Scope 1 + Scope 2 GHG emissions
Scope 2 −9.5% vs FY2025*

12.08 ML
Total water used
−4.7% vs FY2025*

125 tonnes
Total waste generated
−28.4% vs FY2025*

SOCIAL

0
Work-related fatalities

0.00
Lost time incident rate (LTIR)
Improved from 4.86 in FY2025

29%
Women in the workforce

RM7,600
Invested in the community

GOVERNANCE & ECONOMIC

0
Confirmed incidents of corruption

70%
Operations assessed for corruption-related risks
Up from 0% in FY2025

0
Substantiated complaints on data privacy

100%
Procurement spent on local suppliers
RM5.26 million

** FY2025 covered an 18-month period; comparisons are made against annualised FY2025 values (× 12/18).*

SUSTAINABILITY STATEMENT

THE YEAR IN REVIEW

In FY2026, we concentrated on our core business of trading sawn timber and logs. Since we stopped in-house manufacturing and gave up the biomass power plant projects, our sawmilling work has been carried out by outside contractors. During the year, we also took steps to dispose of assets we no longer use and began preparing for a new business.

July 2025	Relinquished the Feed-in Tariff approval certificates issued by the Sustainable Energy Development Authority ("SEDA") for the Group's renewable energy (biomass) power generation projects.
September 2025	BTMBP entered into a Sale and Purchase Agreement for the disposal of its wood pellet factory building, plant, machinery and equipment for RM4.50 million, and the Group announced the Proposed Variation to the utilisation of rights issue proceeds to fund a potential new business and working capital.
October 2025	Board strengthened with the appointment of Mr. Chan Fook Mun as an Independent Non-Executive Director and member of the Audit Committee.
November 2025	Announced the Proposed Reduction of RM80.0 million of the Company's issued share capital pursuant to Section 117 of the Companies Act 2016.
January 2026	Issued the Circular to Shareholders on the Proposed Disposals, Proposed Variation and Proposed Share Capital Reduction. On 30 January 2026, Datuk Dr Hon Tian Kok @ William, Mr. Lau Fook Meng and Ms. Wong See Mei were appointed to the Board.
February 2026	Extraordinary General Meeting held on 6 February 2026 to consider the Proposed Disposals, Proposed Variation and Proposed Share Capital Reduction.
April 2026	Announcement on the Share Capital Reduction exercise.

Table 2: Key corporate developments during FY2026.

PROGRESS AGAINST OUR FY2025 COMMITMENTS

In our FY2025 Statement, we set short-term targets for FY2025–FY2026. Our progress against each is summarised below.

Matter	FY2025–FY2026 Target	FY2026 Outcome	Status
Emissions Management	Establish the Group's Scope 1 and Scope 2 GHG baseline using standardised calculation methods	Scope 2 calculated for all metered sites; Scope 1 extended to cover all company vehicles. Baseline of 42.2 tCO_2e established (not yet externally verified)	Partially achieved
Water Management	Establish a verified water baseline and maintain stable consumption	12.08 ML used, 4.7% below annualised FY2025	Achieved
Occupational Health and Safety	Zero fatalities and minimise lost time injuries	Zero fatalities; zero lost time injuries (LTIR 0.00 vs 4.86)	Achieved
Labour Practices	Full compliance with labour laws; zero non-compliance	No labour non-compliance or human rights complaints recorded	Achieved
Diversity and Equal Opportunity	Gender-balanced representation; zero discrimination complaints	Zero complaints; women represent 29% of the workforce and 22% of the Board	In progress
Data Privacy and Security	Zero substantiated data breach complaints	Zero complaints or incidents	Achieved
Anti-corruption	Annual anti-corruption training; 100% acknowledgement of ABC Policy	Training coverage increased to 62% (Management) and 47% (Executive); 70% of operations risk-assessed	In progress

SUSTAINABILITY STATEMENT

OUR APPROACH TO SUSTAINABILITY



SUSTAINABILITY GOVERNANCE

Sustainability is managed at three levels: the Board, the RMSC and the SWG. The Board is ultimately responsible for the Group's sustainability strategy, including climate-related risks and opportunities. The RMSC oversees the work on the Board's behalf, and the SWG carries it out day to day.

01 Board of Directors

Ultimate oversight and accountability

- Approves the sustainability strategy, material matters, targets and this Statement
- Oversees climate-related risks and opportunities as part of the Group's risk framework
- Leads by example on integrity and ethical conduct

02 Risk Management and Sustainability Committee (RMSC)

Chaired by Ms. Goh Siow Cheng, Independent Non-Executive Director

- Integrates EESG and climate considerations into enterprise risk management
- Monitors performance against targets and reviews sustainability data
- Reports to and makes recommendations to the Board

03 Sustainability Working Group (SWG)

Cross-functional management team led by the Executive Directors

- Implements sustainability initiatives across head office and site operations
- Collects, validates and reports EESG data
- Engages employees, suppliers and other stakeholders

Figure 1: BTM Group sustainability governance structure.

Sustainability-related matters are guided by the Group's Board Charter (revised on 28 August 2025), the Terms of Reference of the RMSC, the Code of Conduct and Ethics, the Anti-Bribery and Corruption ("ABC") Policy and the Whistleblowing Policy, which are available on the Company's website at www.btmresources.com.my.

SUSTAINABILITY STATEMENT

STAKEHOLDER ENGAGEMENT

We keep in regular contact with the people and organisations who are affected by our business or who can influence it. What we hear from them helps us decide which matters to focus on.

Stakeholder	Key Areas of Interests	Engagement Method	Frequency	How We Respond
Investors and Shareholders	• Business continuity and outlook • Corporate exercises and new business • Governance and EESG performance	• General meetings • Bursa announcements • Annual report and website	Quarterly / as required	Timely disclosure of results, circulars and corporate developments
Customers	• Product quality and legality • Timely delivery • Pricing	• Meetings and site visits • Customer feedback	Ongoing	Reliable supply of legally sourced timber
Employees	• Fair remuneration and welfare • Health and safety • Training and career growth	• Briefings and toolbox talks • Training programmes • Internal communications	Ongoing	Competitive terms, safe workplaces and training
Suppliers and Contractors	• Fair and ethical procurement • Payment terms • Long-term partnership	• Meetings and evaluations • Contract negotiations	Ongoing	Transparent procurement and ABC commitments
Local Communities	• Local employment • Environmental impacts • Community support	• Community programmes • Dialogues	Annually / as required	Community contributions and local hiring
Regulators and Government Agencies	• Regulatory compliance • Environmental and safety standards	• Inspections and audits • Submissions and consultations	As required	Full compliance with laws and permits

Table 3: Stakeholder engagement in FY2026.



SUSTAINABILITY STATEMENT

MATERIALITY ASSESSMENT

Last year, we said we would develop a materiality matrix. In FY2026, we updated our materiality assessment and prepared the matrix below, using four steps:

1
Identify
Long-list compiled from Bursa Malaysia's common sustainability matters, sector peers and emerging regulation (NSRF, IFRS S2).

2
Prioritise
Matters scored by the SWG on their significance to the business and their importance to stakeholders, drawing on routine engagement feedback.

3
Validate
Results reviewed by the RMSC and approved by the Board.

4
Review
Material matters reviewed annually to reflect changes in the business, including the planned new business.

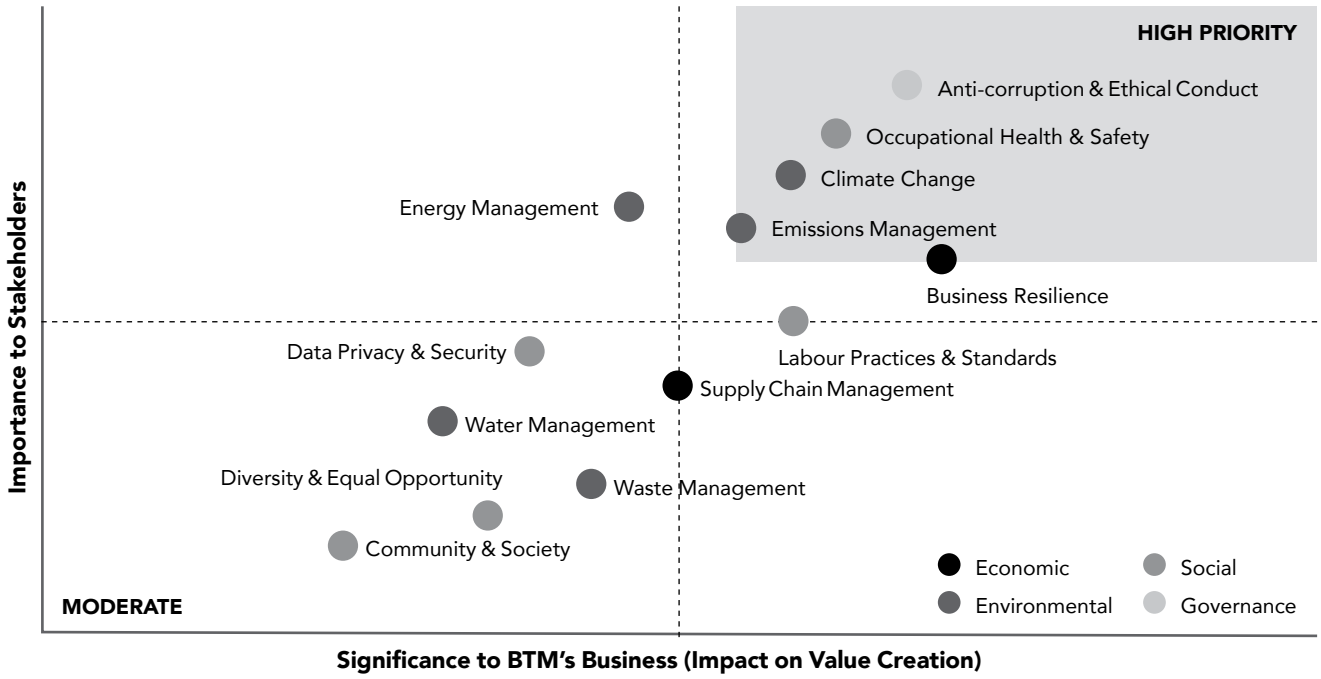


Figure 2: BTM Group materiality matrix FY2026.

Pillar	Material Matter
Economic	Business Resilience and Responsible Transition; Supply Chain Management
Environment	Climate Change; Energy Management; Emissions Management
Environment	Water Management; Waste Management
Social	Occupational Health and Safety
Social	Labour Practices and Standards; Diversity and Equal Opportunity
Social	Community and Society; Data Privacy and Security
Governance	Anti-Corruption and Ethical Conduct

Table 4: Material matters by pillar.

SUSTAINABILITY STATEMENT

ECONOMIC





BUSINESS RESILIENCE AND RESPONSIBLE TRANSITION



WHY IT MATTERS

To stay in business over the long term, we must adapt to changes in the timber market, rising costs and the move towards a lower-carbon economy. A financially sound business is also what allows us to deliver on our other sustainability commitments.

During FY2026, we continued our sawmilling and timber trading activities, with the sawmilling outsourced to contractors. This has lowered our fixed costs and the environmental impact of our own operations. We moved ahead with the sale of the unused wood pellet factory building and equipment. We also sought shareholders' approval to use part of the rights issue proceeds for a new business and for working capital, and to reduce the Company's share capital. Management kept a close watch on costs and cash. The new business will be assessed on EESG as well as financial grounds before it goes ahead.

The Group also holds leasehold land in Kemaman, Terengganu, part of which is secondary forest. Before any of this land is used, we will carry out the required environmental assessments, obtain the necessary approvals and take care to protect the forest and wildlife on it.

SUSTAINABILITY STATEMENT

SUPPLY CHAIN MANAGEMENT



WHY IT MATTERS

We trade in timber, so our customers need to know that what we sell is legal and can be traced to its source. A reliable supply also keeps us in line with Malaysian forestry and trade rules. Buying locally supports Malaysian businesses and cuts down on transport emissions.

TARGETS

- Maintain at least 90% of procurement spend with local suppliers
- FY2027: introduce a supplier declaration covering timber legality, labour standards and anti-corruption

FY2026 PERFORMANCE

100% of the Group's procurement spend of **RM5,257,000** was with local (Malaysian) suppliers, maintaining the 100% achieved in FY2025. No foreign suppliers were engaged.

OUR APPROACH

- Source logs and sawn timber from licensed Malaysian suppliers operating under state forestry regulations
- Comply with Malaysian Timber Industry Board ("MTIB") requirements
- Communicate the Group's ABC Policy and ethical expectations to suppliers and contractors

NEXT STEPS

- Develop supplier screening criteria aligned with the planned new business
- Explore certified (MTCS/PEFC) sources where commercially viable

SUSTAINABILITY STATEMENT

ENVIRONMENT

CLIMATE CHANGE

WHY IT MATTERS

Climate change affects us in two ways. There are physical risks, such as monsoon floods in Terengganu, and there are changes in policy and the market, such as higher electricity tariffs, carbon pricing and new expectations from customers and regulators. Malaysia aims to reach net-zero greenhouse gas emissions as early as 2050, and listed companies will soon report under IFRS S2. This section follows the TCFD recommendations.



TCFD Pillar	How BTM Group Addresses It
Governance	The Board oversees climate-related risks and opportunities, supported by the RMSC, which reviews climate risks within the Group's risk register and monitors energy and emissions performance. The SWG implements climate initiatives and data collection.
Strategy	The Group has identified the principal climate-related risks and opportunities set out in Table 6 over the short (1–3 years), medium (3–5 years) and long term (beyond 5 years). Since FY2025, our sawmilling has been outsourced, so we no longer run energy-intensive processing ourselves.
Risk Management	Climate-related risks are identified and assessed using the same likelihood-and-impact methodology as other enterprise risks, and are reviewed by the RMSC. The Group intends to deepen this assessment, including scenario analysis, in preparation for IFRS S2.
Metrics and Targets	The Group tracks total energy consumption, Scope 1 and Scope 2 GHG emissions and emissions intensity (see Energy and Emissions Management). Scope 3 reporting for business travel and employee commuting will commence in FY2027.

Table 5: TCFD-aligned climate disclosures.

SUSTAINABILITY STATEMENT

Type	Risk / Opportunity	Potential Impact	Horizon	Our Response
Physical (Acute)	Monsoon flooding and extreme rainfall affecting the Terengganu site and timber logistics	Site disruption, damage to stock and delays in supply	Short–long	Flood preparedness, stock positioning and insurance review
Physical (Chronic)	Rising temperatures and heat stress	Reduced worker productivity and wellbeing; higher cooling demand	Medium–long	Heat-stress awareness, hydration and work-rest practices
Transition (Policy)	Carbon pricing and tighter climate regulation in Malaysia	Higher compliance and input costs across the value chain	Medium	GHG inventory and NSRF readiness programme
Transition (Market)	Electricity tariff revisions and customer demand for legal, low-carbon and certified timber	Higher operating costs; loss of market access if not addressed	Short–medium	Energy efficiency; supplier legality declarations
Opportunity	On-site solar and energy efficiency	Lower electricity costs and Scope 2 emissions	Medium	Rooftop solar feasibility study at BTWP
Opportunity	Circular use of wood residues and low-carbon business lines	New revenue streams; reduced waste to disposal	Medium–long	Waste diversion pilots; EESG screening of new business

Table 6: Principal climate-related risks and opportunities.

ENERGY MANAGEMENT



WHY IT MATTERS

Most of our energy use and greenhouse gas emissions come from electricity and vehicle fuel. Using less energy saves money, especially after electricity tariffs were revised on 1 July 2025, and supports Malaysia's National Energy Transition Roadmap.

OUR APPROACH

- Monthly monitoring of electricity consumption by site and meter
- Tracking of company vehicle mileage to estimate fuel use
- Good housekeeping: switching off idle lighting, air-conditioning and equipment

FY2026 INITIATIVES

- Extended energy data collection to all company-owned vehicles
- Energy-saving reminders at head office and the factory
- Preventive maintenance of electrical equipment at the BTWP site

SUSTAINABILITY STATEMENT

In FY2026, the Group consumed 72.9 MWh of energy, comprising 48.7 MWh of grid electricity (67%) and an estimated 24.2 MWh of petrol for company vehicles (33%). Grid electricity consumption was 5.4% lower than the annualised FY2025 level of 51.5 MWh. Total energy appears higher than last year because vehicle fuel is now included; it was not counted in FY2025.

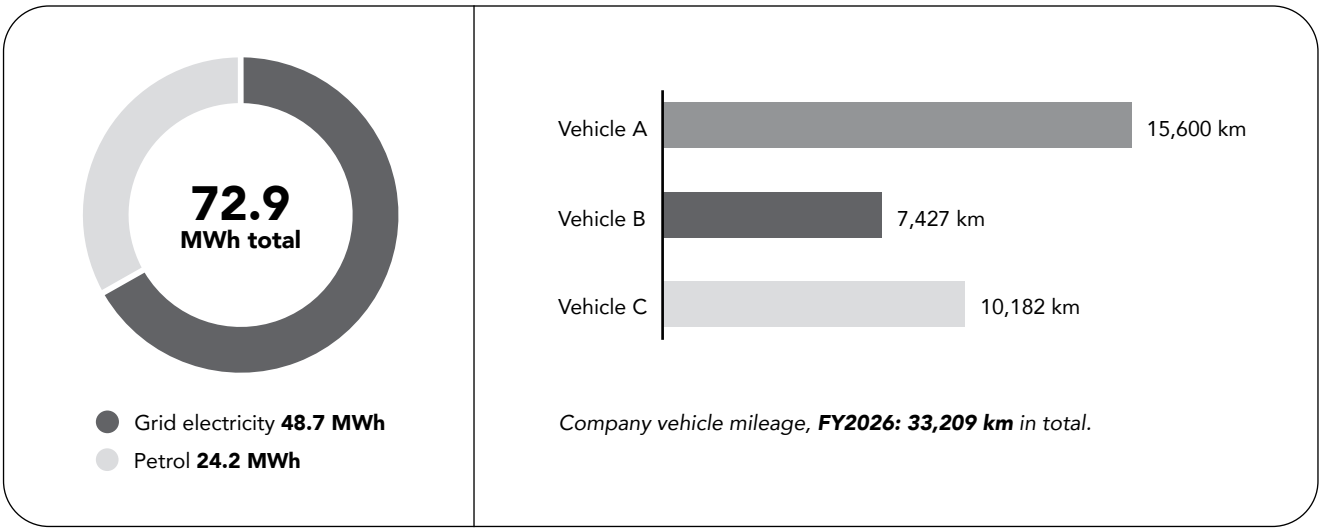


Figure 3: Energy consumption by source, FY2026.

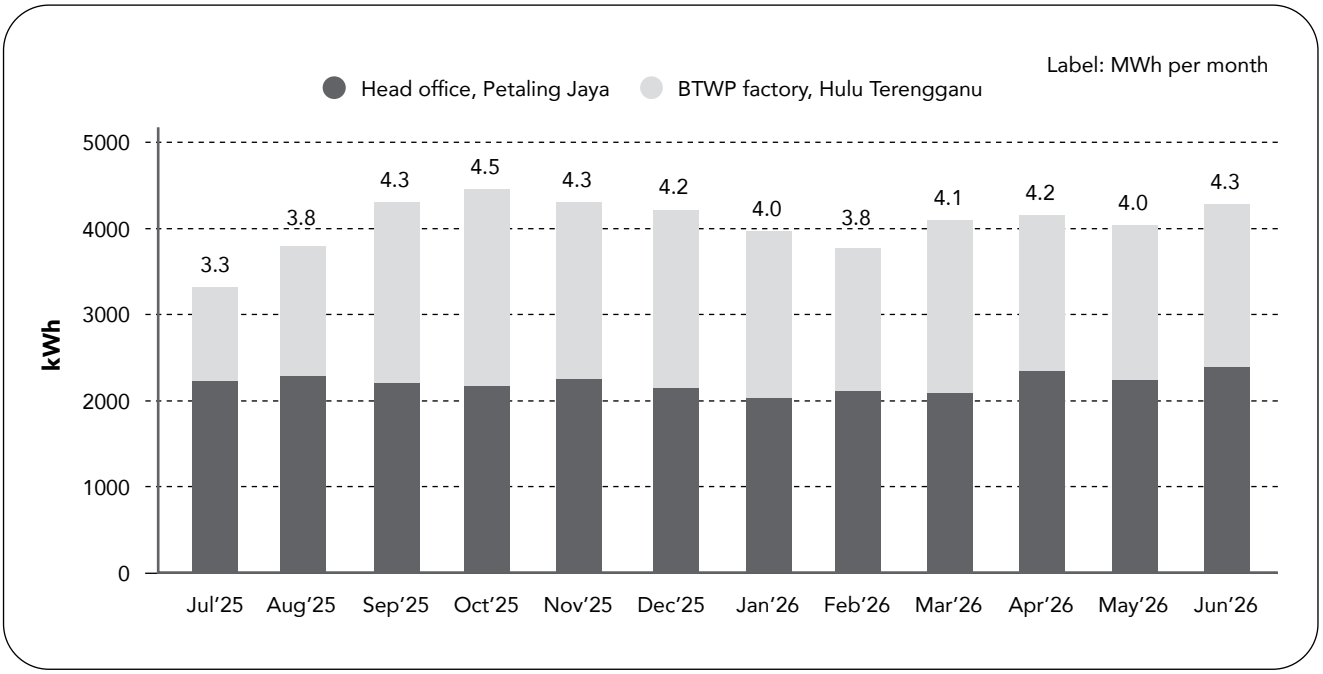


Figure 4: Monthly grid electricity consumption by site, FY2026 (total 48,713 kWh). The BTWP factory accounted for 54% and the head office for 46%.

SUSTAINABILITY STATEMENT

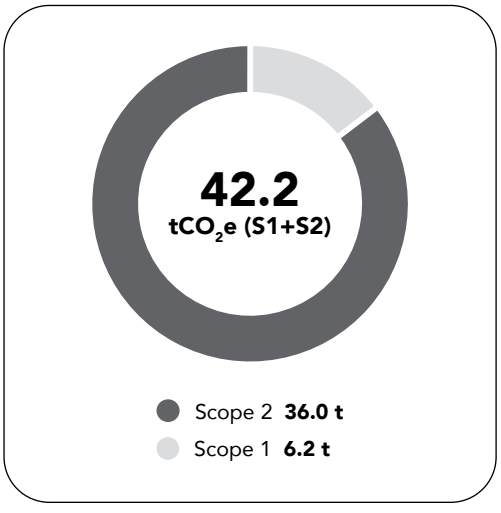
EMISSIONS MANAGEMENT



WHY IT MATTERS

We need to know how much greenhouse gas we emit before we can reduce it. Investors, customers and regulators also expect these figures, and they will be required under the NSRF.

The Group's GHG inventory is prepared in accordance with the GHG Protocol using the operational control approach. In FY2026, total Scope 1 and Scope 2 emissions amounted to **42.2 tCO_2e**. Scope 2 emissions from purchased electricity were **36.0 tCO_2e**, **9.5% lower** than the annualised FY2025 figure, due to lower electricity use and an updated grid emission factor. Scope 1 emissions of **6.19 tCO_2e** came from petrol used in company vehicles, which we have included in full for the first time.



Indicator	Unit	FY2025	FY2026
Scope 1 emissions	tCO_2e	0.92	**6.19**
Scope 2 emissions	tCO_2e	59.78	**36.05**
Scope 3 emissions	tCO_2e	Not reported	**Not reported**
Total Scope 1+2	tCO_2e	60.70	**42.24**
Intensity per employee	tCO_2e	N/A	**3.02**

Figure 5: GHG emissions by scope, FY2026. FY2025 figures cover an 18-month period.

Notes of reference:

1. IPCC 2006 Guidelines, Vol. 2, Ch. 3 Mobile Combustion, Table 3.2.1 (p. 3.16) and Table 3.2.2 (p. 3.21) at https://www.ipcc-nggip.iges.or.jp/public/2006gl/pdf/2_Volume2/V2_3_Ch3_Mobile_Combustion.pdf
2. IPCC 2006 Guidelines, Vol. 2, Ch. 1, Table 1.2 (p. 1.18) at https://www.ipcc-nggip.iges.or.jp/public/2006gl/pdf/2_Volume2/V2_1_Ch1_Introduction.pdf
3. UNEP Stockholm Convention Toolkit, Annex 29, at https://toolkit.pops.int/Publish/Annexes/A_29_Annex29.html
4. GHG Protocol, IPCC Global Warming Potential Values (AR5), August 2024, at https://ghgprotocol.org/sites/default/files/2024-08/Global-Warming-Potential-Values%20(August%202024).pdf
5. Energy Commission of Malaysia (Suruhanjaya Tenaga), Grid Emission Factor (GEF) in Malaysia 2022–2024 (Provisional) at https://myenergystats.st.gov.my/documents/d/guest/grid-emission-factor-gef-in-malaysia-2022-2024-provisional-

SUSTAINABILITY STATEMENT

TARGETS

- FY2027: report Scope 3 Category 6 (business travel) and Category 7 (employee commuting)
- FY2027: move from distance-based to fuel-receipt-based Scope 1 data
- Hold Scope 1 + 2 emissions at or below the FY2026 baseline of 42.2 tCO_2e

NEXT STEPS

- Complete a rooftop solar feasibility study at the BTWP site
- Consider fuel-efficient or electrified vehicles at the next fleet renewal
- Prepare climate scenario analysis ahead of IFRS S2 reporting

WATER MANAGEMENT



WHY IT MATTERS

Our operations do not use much water, but water is a shared resource. Using it carefully saves money and eases pressure on the public supply.

Total water used in FY2026 was **12.08 megalitres**, drawn entirely from municipal supply. The BTWP factory accounted for 11.99 ML (99%) and the head office for 0.09 ML. Consumption was **4.7% lower** than the annualised FY2025 level of 12.68 ML.

FY2026 INITIATIVES

- Monthly monitoring of water meters to detect leaks and anomalies
- Inspection and maintenance of water fittings
- Awareness signage on responsible water use

TARGETS

- FY2027: complete a water-use review at the BTWP site, which accounts for 99% of withdrawal

SUSTAINABILITY STATEMENT

WASTE MANAGEMENT



WHY IT MATTERS

Handling waste properly prevents pollution and keeps us in line with the Environmental Quality Act 1974. Timber offcuts and residues can also be reused instead of thrown away.

The Group generated **125 tonnes** of waste in FY2026, **28.4% lower** than the annualised FY2025 figure of 174.7 tonnes, mainly reflecting the cessation of in-house manufacturing. All waste was directed to disposal through licensed contractors; no waste was diverted from disposal during the year.

OUR APPROACH

- Disposal through licensed contractors in line with DOE requirements
- Segregation of scheduled waste, where generated, for handling by licensed parties

TARGETS

- FY2027: introduce waste segregation and recording by waste type

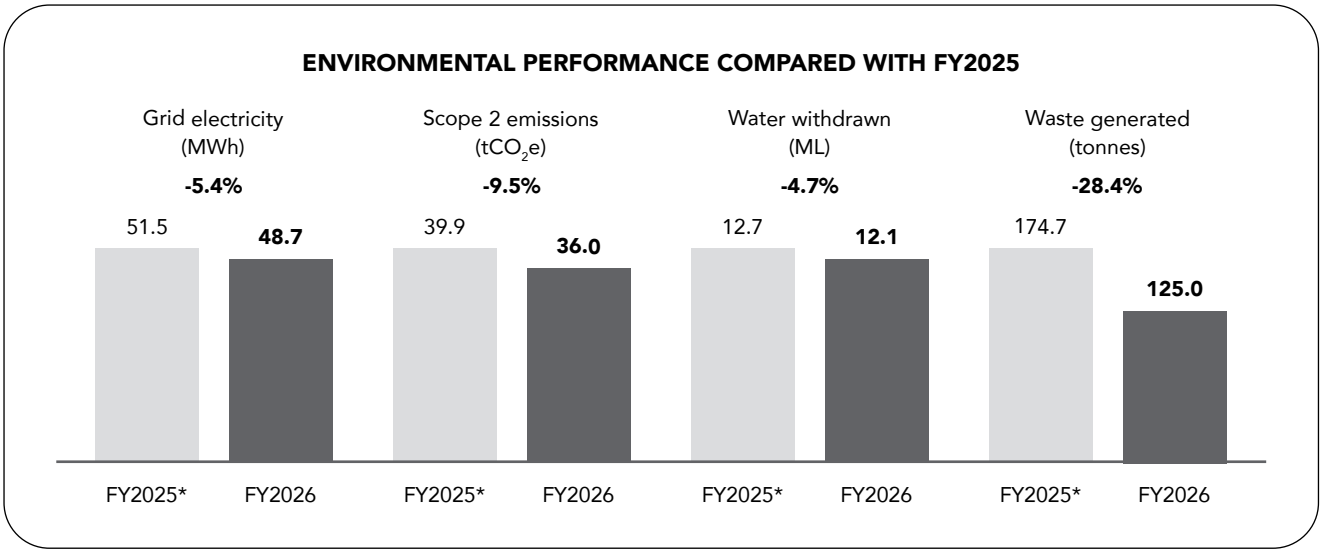


Figure 6: Key environmental indicators, FY2025 (annualised) vs FY2026.*

SUSTAINABILITY STATEMENT

SOCIAL



OCCUPATIONAL HEALTH AND SAFETY



WHY IT MATTERS

Handling timber, running kilns and moving goods all carry safety risks. Keeping our employees, contractors and visitors safe is one of our most basic responsibilities.

OUR APPROACH

The Group manages safety in accordance with the Occupational Safety and Health Act 1994 (as amended in 2022) and the Factories and Machinery Act 1967. Hazards are identified through regular inspections and risk assessments, and all incidents and near misses are recorded and investigated.

FY2026 INITIATIVES

- Safety briefings and toolbox talks at the BTWP site
- Enforcement of personal protective equipment (PPE) use
- Machine safety checks and preventive maintenance
- Fire safety and emergency preparedness checks

SUSTAINABILITY STATEMENT

0
Work-related fatalities

0.00
Lost time incident rate
FY2025: 4.86

30,096L
Total hours worked

1
Employee trained on H&S standards

The Group recorded **zero work-related fatalities and zero lost time injuries** across 30,096 hours worked in FY2026, an improvement on the LTIR of 4.86 reported in FY2025.

TARGETS

- Target 0 work-related fatalities
- Target 0 lost time injuries (LTIR of 0)

NEXT STEPS

- Formalise a hazard identification, risk assessment and risk control (HIRARC) register for the BTWP site
- Introduce heat-stress guidance for outdoor and factory work

LABOUR PRACTICES AND STANDARDS



WHY IT MATTERS

Fair treatment, competitive pay and the chance to learn new skills help us keep good people, which matters even more as we prepare for a new business.

The Group complies with the Employment Act 1955, the Industrial Relations Act 1967 and the Minimum Wages Order, under which the national minimum monthly wage has been RM1,700 since 1 February 2025. All employees receive statutory benefits including EPF, SOCSO and EIS contributions. The Group does not tolerate forced or child labour, and grievances can be raised through line management or the whistleblowing channel.

SUSTAINABILITY STATEMENT

Indicator	Management	Executive	Non-executive / Technical	General workers
Total training hours	7	7	0	0
Anti-corruption training coverage	62%	47%	0%	0%
Employee turnover (number)	0	0	1	0

Table 7: Training and turnover by employee category, FY2026.

In FY2026, contractors and temporary staff made up **8%** of the workforce. Employee turnover fell sharply to one employee, compared with 61 in FY2025 when the Group restructured its operations. There were **zero substantiated complaints** concerning human rights violations.

TARGETS

- Target 0 cases of non-compliance with labour laws
- Target 0 substantiated complaints concerning human rights violations
- Introduce an annual performance and development review for all employees

NEXT STEPS

- Develop a training plan covering safety, ethics, ESG awareness and skills for the new business
- Track training hours per employee through HR records

DIVERSITY AND EQUAL OPPORTUNITY



WHY IT MATTERS

People from different backgrounds bring different views, which leads to better decisions. We hire and promote on merit and do not discriminate on the basis of gender, age, ethnicity, religion or disability.

As at 30 June 2026, the Group had **14 employees** (including the Executive Directors, reported under Management). Women made up **29%** of the workforce and **75%** of the Executive category. All employees were aged 30 and above. The Group did not employ general workers in FY2026, following the move to outsourced manufacturing.

SUSTAINABILITY STATEMENT

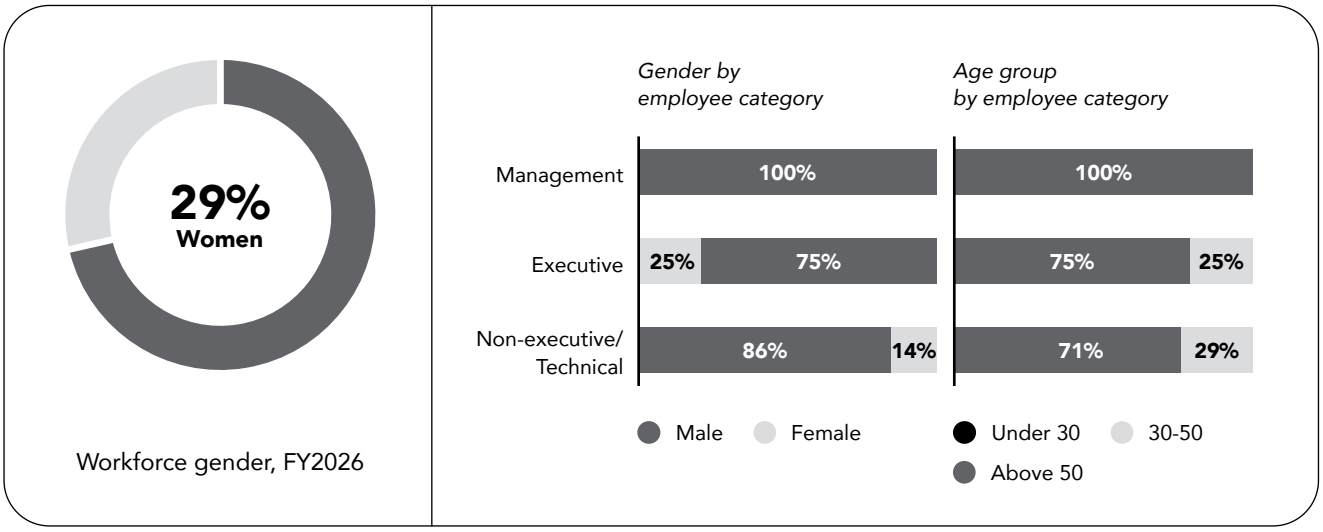


Figure 7: Employees by gender and age group, for each employee category.



BOARD DIVERSITY

Four new Directors joined the Board during the year, bringing the total to **9 Directors** as at 30 June 2026. Women comprise **22%** of the Board and one-third of Directors are aged between 30 and 50. The Board recognises that female representation is below the 30% recommended under the MCCG and will consider gender diversity in future Board appointments. Our target is 0 incidents of discrimination.

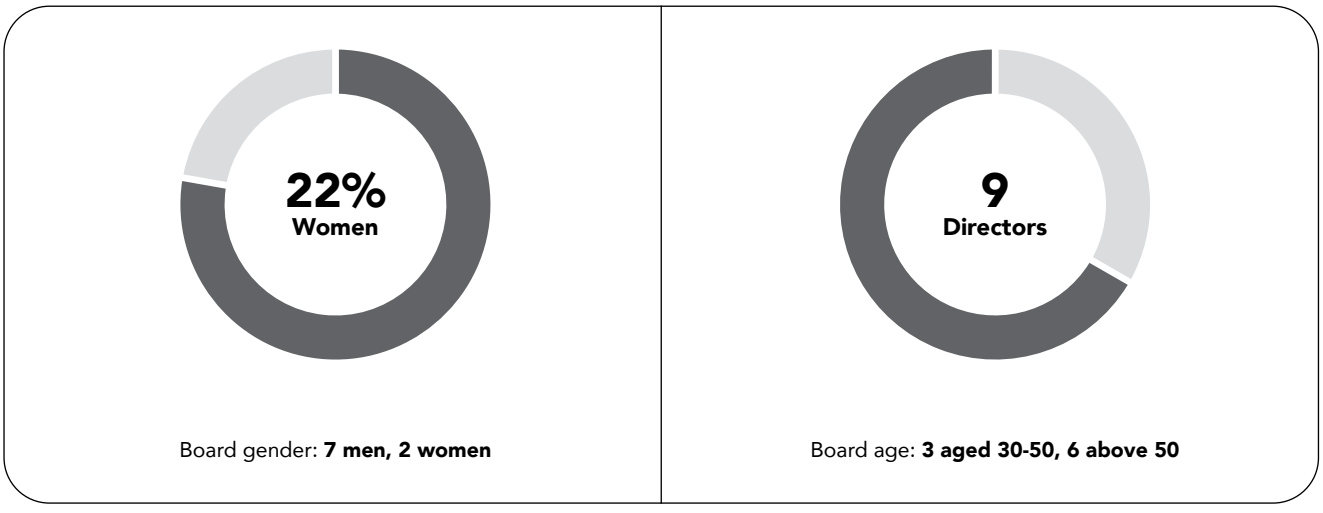


Figure 8: Directors by gender and age group.

SUSTAINABILITY STATEMENT

COMMUNITY AND SOCIETY



WHY IT MATTERS

Supporting the communities around our operations builds good relationships with our neighbours and helps those who need it.

In FY2026, the Group contributed **RM7,600** to community investment benefiting **one** beneficiary organisation, compared with RM9,200 over the 18-month FY2025 period. We will continue to support communities near our operations, mainly in education and welfare.

DATA PRIVACY AND SECURITY



WHY IT MATTERS

Our customers, suppliers and employees share personal and business information with us. Keeping it safe protects their trust and is required by the Personal Data Protection Act 2010 ("PDPA"), as amended in 2024.

OUR APPROACH

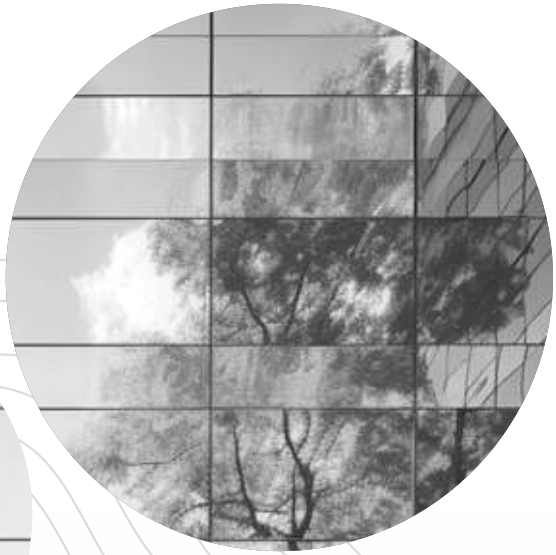
- Personal data collected and processed only for legitimate business purposes
- Password-protected systems, antivirus protection and restricted access rights
- Secure storage and disposal of physical and digital records

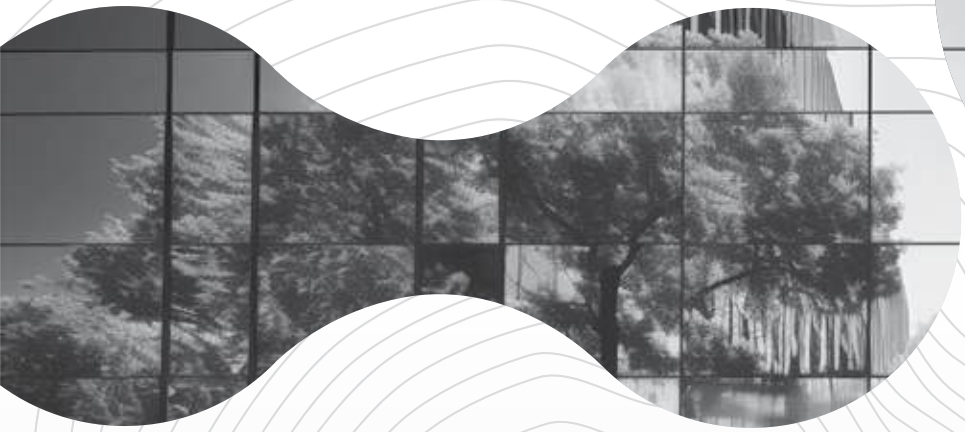
PERFORMANCE AND TARGETS

There were **zero substantiated complaints** concerning breaches of customer privacy or losses of customer data in FY2026. The Group targets 0 substantiated complaints and 0 data breaches and, in FY2027, will review its data protection practices against the PDPA amendments, including data breach notification and the appointment of a data protection officer.

SUSTAINABILITY STATEMENT

GOVERNANCE





ANTI-CORRUPTION AND ETHICAL CONDUCT



WHY IT MATTERS

Our shareholders, customers, suppliers and regulators need to be able to trust us. Under Section 17A of the Malaysian Anti-Corruption Commission Act 2009, a company may be held liable for corrupt acts committed by persons associated with it unless it has adequate procedures in place.

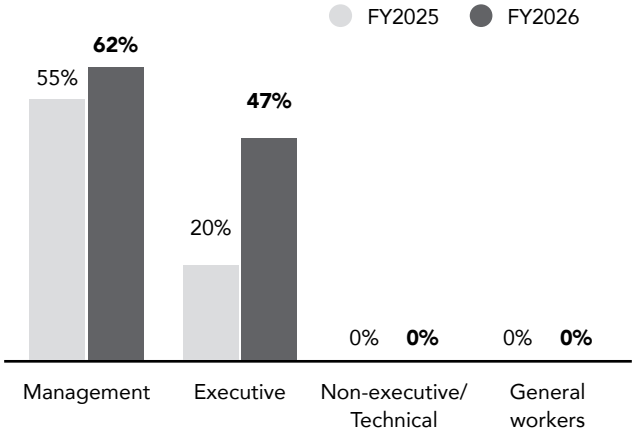
OUR APPROACH

- Zero-tolerance ABC Policy prohibiting bribery, kickbacks and facilitation payments
- Code of Conduct and Ethics and conflict-of-interest declarations
- Whistleblowing Policy with confidential channels and protection against retaliation
- Oversight by the Board, the Audit Committee and the RMSC

FY2026 INITIATIVES

- Anti-corruption training extended to more Management and Executive staff
- Corruption risk assessment covering 70% of the Group's operations
- ABC Policy and Code of Conduct shared with newly appointed Directors and employees
- Whistleblowing Policy promoted internally

SUSTAINABILITY STATEMENT



0
Confirmed incidents of corruption

70%
Operations assessed for corruption-related risks

Figure 9: Employees trained on anti-corruption by category.

There were **no confirmed incidents of corruption** in FY2026.

TARGETS

- Target 0 confirmed incidents of corruption
- FY2027: anti-corruption training for 100% of employees in all categories
- FY2027: corruption risk assessment covering 100% of operations

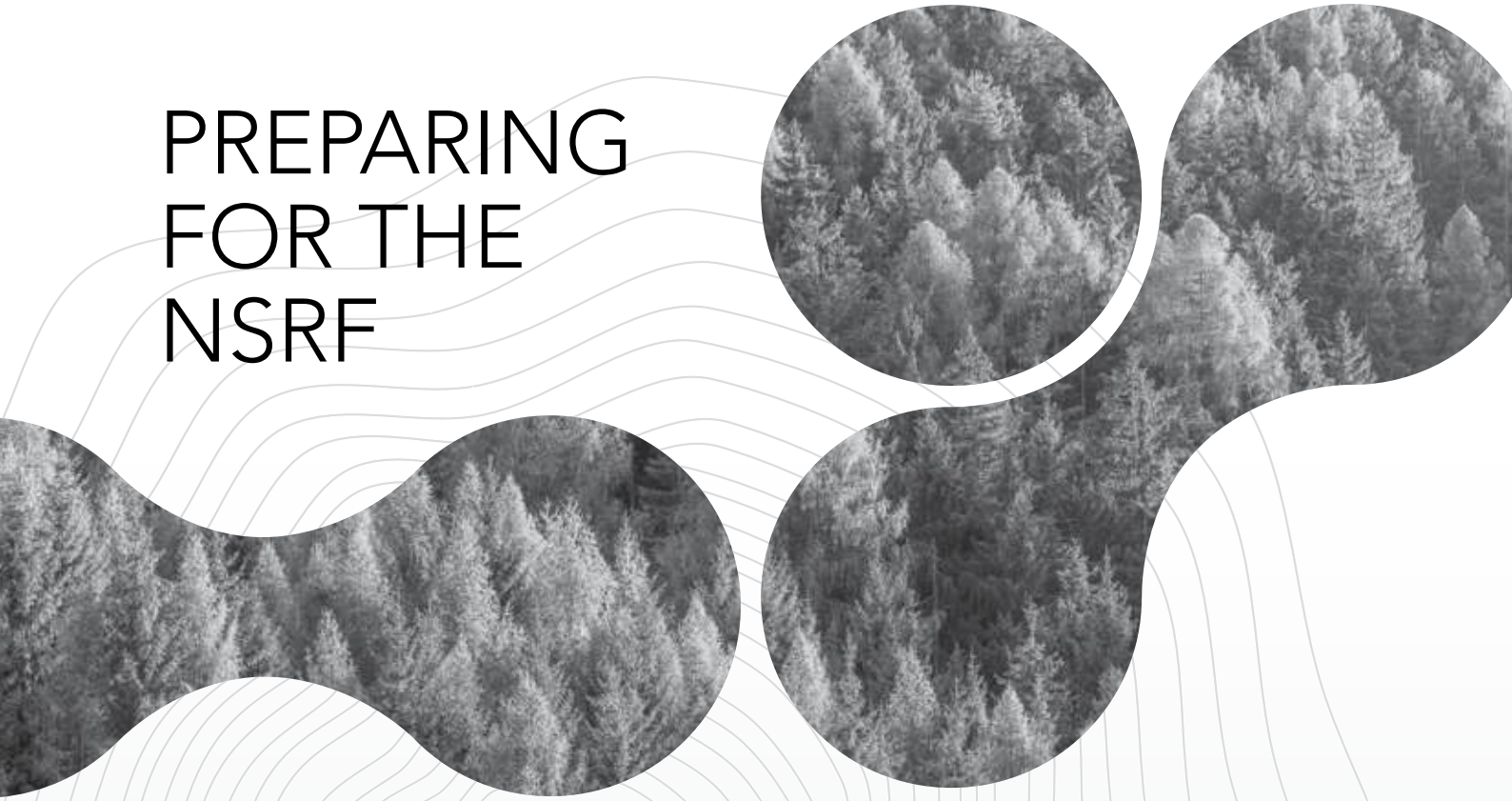
NEXT STEPS

- Extend integrity due diligence to key suppliers and business partners of the new business
- Periodic review of the ABC Policy against MACC guidelines on adequate procedures



SUSTAINABILITY STATEMENT

PREPARING FOR THE NSRF



Under the National Sustainability Reporting Framework, Main Market listed issuers with a market capitalisation below RM2 billion are required to apply the IFRS Sustainability Disclosure Standards for annual reporting periods beginning on or after 1 January 2026, In the first years, companies may report on climate-related matters (IFRS S2) only. For BTM Group, with a financial year ending 30 June, the first reporting period in scope is **FY2027 (1 July 2026 to 30 June 2027)**.

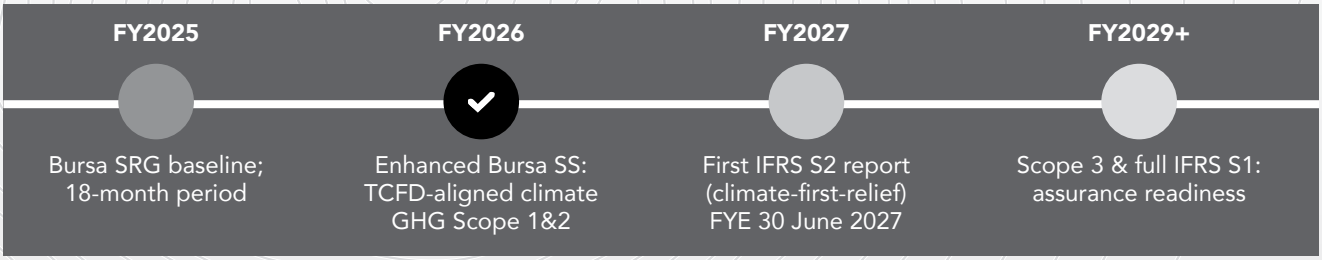


Figure 10: BTM Group sustainability reporting roadmap.

IFRS S2 Area	Where We Are (FY2026)	Next Steps (FY2027)
Governance	Board and RMSC oversight of sustainability and climate risk in place	Formalise climate responsibilities in the RMSC Terms of Reference; Board climate training
Strategy	Principal climate risks and opportunities identified (Table 6)	Qualitative scenario analysis; assess financial effects and resilience
Risk management	Climate risks considered within the enterprise risk framework	Integrate climate risk ratings into the risk register
Metrics and targets	Scope 1 and 2 inventories established for all sites and vehicles	Fuel-based Scope 1 data; Scope 3 screening; set emissions targets
Data and controls	Manual data compilation reviewed by the SWG and RMSC	Data ownership, documented procedures and internal review of key indicators

Table 8: IFRS S2 readiness assessment.

SUSTAINABILITY STATEMENT

PERFORMANCE DATA TABLE

The table below presents the Group's performance against Bursa Malaysia's common sustainability indicators. FY2025 covered the 18-month period from 1 January 2024 to 30 June 2025; FY2026 covers 1 July 2025 to 30 June 2026.

Indicator	Unit	FY2025	FY2026
Anti-corruption			
Percentage of employees who have received training on anti-corruption by employee category			
Management	Percentage	55.00	**62.00**
Executive	Percentage	20.00	**47.00**
Non-executive / Technical staff	Percentage	0.00	**0.00**
General workers	Percentage	0.00	**0.00**
Percentage of operations assessed for corruption-related risks	Percentage	0.00	**70.00**
Confirmed incidents of corruption and action taken	Number	0	**0**
Community / Society			
Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	9,200.00	**7,600.00**
Total number of beneficiaries of the investment in communities	Number	1	**1**
Diversity			
Percentage of employees by gender and age group, for each employee category			
Age group by employee category			
Management (Under 30)	Percentage	0.00	**0.00**
Management (Between 30–50)	Percentage	0.00	**0.00**
Management (Above 50)	Percentage	0.00	**100.00**
Executive (Under 30)	Percentage	0.00	**0.00**
Executive (Between 30–50)	Percentage	50.00	**75.00**
Executive (Above 50)	Percentage	50.00	**25.00**
Non-executive / Technical staff (Under 30)	Percentage	0.00	**0.00**
Non-executive / Technical staff (Between 30–50)	Percentage	100.00	**71.43**
Non-executive / Technical staff (Above 50)	Percentage	0.00	**28.57**
General workers (Under 30)	Percentage	0.00	**0.00**
General workers (Between 30–50)	Percentage	100.00	**0.00**
General workers (Above 50)	Percentage	0.00	**0.00**

SUSTAINABILITY STATEMENT

Indicator	Unit	FY2025	FY2026
Diversity (Cont'd)			
Percentage of employees by gender and age group, for each employee category (Cont'd)			
Gender group by employee category			
Management (Male)	Percentage	0.00	**100.00**
Management (Female)	Percentage	0.00	**0.00**
Executive (Male)	Percentage	50.00	**25.00**
Executive (Female)	Percentage	50.00	**75.00**
Non-executive / Technical staff (Male)	Percentage	100.00	**85.71**
Non-executive / Technical staff (Female)	Percentage	0.00	**14.29**
General workers (Male)	Percentage	100.00	**0.00**
General workers (Female)	Percentage	0.00	**0.00**
Percentage of directors by gender and age group			
Male	Percentage	67.00	**77.78**
Female	Percentage	33.00	**22.22**
Under 30	Percentage	0.00	**0.00**
Between 30–50	Percentage	17.00	**33.33**
Above 50	Percentage	83.00	**66.67**
Energy management			
Total energy consumption	Megawatt hours	77.26	**72.91**
Grid electricity	Megawatt hours	N/A	**48.71**
Petrol (company vehicles)	Megawatt hours	N/A	**24.19**
Health and safety			
Number of work-related fatalities	Number	0	**0**
Lost time incident rate ("LTIR")	Rate	4.86	**0.00**
Total hours worked	Hours	N/A	**30,096**
Number of employees trained on health and safety standards	Number	1	**1**
Labour practices and standards			
Total hours of training by employee category			
Management	Hours	6	**7**
Executive	Hours	6	**7**
Non-executive / Technical staff	Hours	0	**0**
General workers	Hours	0	**0**

SUSTAINABILITY STATEMENT

Indicator	Unit	FY2025	FY2026
Labour practices and standards (Cont'd)			
Percentage of employees that are contractors or temporary staff	Percentage	0.00	**8.00**
Total number of employee turnover by employee category			
Management	Number	2	**0**
Executive	Number	10	**0**
Non-executive / Technical staff	Number	7	**1**
General workers	Number	42	**0**
Number of substantiated complaints concerning human rights violations	Number	0	**0**
Supply chain management			
Proportion of spending on local suppliers	Percentage	100.00	**100.00**
Total spending on local suppliers	MYR	N/A	**5,257,000.00**
Total spending on foreign suppliers	MYR	N/A	**0.00**
Data privacy and security			
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	**0**
Water			
Total volume of water used	Megalitres	19.016	**12.083**
BTWP factory, Hulu Terengganu	Megalitres	N/A	**11.993**
Head office, Petaling Jaya	Megalitres	N/A	**0.090**
Waste management			
Total waste generated	Metric tonnes	262.00	**125.00**
Total waste diverted from disposal	Metric tonnes	0.00	**0.00**
Total waste directed to disposal	Metric tonnes	262.00	**125.00**
Emissions management			
Scope 1 emissions in tonnes of CO_2e	Metric tonnes	0.92	**6.19**
Scope 2 emissions in tonnes of CO_2e	Metric tonnes	59.78	**36.05**
Scope 3 emissions in tonnes of CO_2e (at least for the categories of business travel and employee commuting)	Metric tonnes	Not reported	**Not reported**

Internal assurance: none. External assurance: none. No restatements of FY2025 data have been made.

PRESCRIBED TABLE

BTM RESOURCES BERHAD

BMLR Transition Period

Date & Time: 2026-10-22_14:11:57

Main Market | Group 2 | FYE 30/06/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Anti-corruption	Percentage of employees who have received training on anti-corruption: Management	Percentage	55.00	62.00	100.00	No assurance
Anti-corruption	Percentage of employees who have received training on anti-corruption: Executive	Percentage	20.00	47.00	100.00	No assurance
Anti-corruption	Percentage of employees who have received training on anti-corruption: Non-executive / Technical staff	Percentage	0.00	0.00	100.00	No assurance
Anti-corruption	Percentage of employees who have received training on anti-corruption: General workers	Percentage	0.00	0.00	100.00	No assurance
Anti-corruption	Percentage of operations assessed for corruption--related risks	Percentage	0.00	70.00	100.00	No assurance
Anti-corruption	Confirmed incidents of corruption and action taken	Number	0.00	0.00	0.00	No assurance
Community / Society	Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	9,200.00	7,600.00	-	No assurance
Community / Society	Total number of beneficiaries of the investment in communities	Number	1	1	-	No assurance
Diversity	Percentage of employees by age group: Management, Under 30	Percentage	0.00	0.00	-	No assurance
Diversity	Percentage of employees by age group: Management, Between 30 and 50	Percentage	0.00	0.00	-	No assurance

PRESCRIBED TABLE (CONT'D)

BTM RESOURCES BERHAD

BMLR Transition Period

Date & Time: 2026-10-22_14:11:57

Main Market | Group 2 | FYE 30/06/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Diversity	Percentage of employees by age group: Management, Above 50	Percentage	0.00	100.00	-	No assurance
Diversity	Percentage of employees by age group: Executive, Under 30	Percentage	0.00	0.00	-	No assurance
Diversity	Percentage of employees by age group: Executive, Between 30 and 50	Percentage	50.00	75.00	-	No assurance
Diversity	Percentage of employees by age group: Executive, Above 50	Percentage	50.00	25.00	-	No assurance
Diversity	Percentage of employees by age group: Non-executive / Technical staff, Under 30	Percentage	0.00	0.00	-	No assurance
Diversity	Percentage of employees by age group: Non-executive / Technical staff, Between 30 and 50	Percentage	100.00	71.43	-	No assurance
Diversity	Percentage of employees by age group: Non-executive / Technical staff, Above 50	Percentage	0.00	28.57	-	No assurance
Diversity	Percentage of employees by age group: General workers, Under 30	Percentage	0.00	0.00	-	No assurance
Diversity	Percentage of employees by age group: General workers, Between 30 and 50	Percentage	100.00	0.00	-	No assurance
Diversity	Percentage of employees by age group: General workers, Above 50	Percentage	0.00	0.00	-	No assurance
Diversity	Percentage of employees by gender: Management, Male	Percentage	0.00	100.00	-	No assurance

PRESCRIBED TABLE (CONT'D)

BTM RESOURCES BERHAD

BMLR Transition Period

Date & Time: 2026-10-22_14:11:57

Main Market | Group 2 | FYE 30/06/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Diversity	Percentage of employees by gender: Management, Female	Percentage	0.00	0.00	-	No assurance
Diversity	Percentage of employees by gender: Executive, Male	Percentage	50.00	25.00	-	No assurance
Diversity	Percentage of employees by gender: Executive, Female	Percentage	50.00	75.00	-	No assurance
Diversity	Percentage of employees by gender: Non-executive / Technical staff, Male	Percentage	100.00	85.71	-	No assurance
Diversity	Percentage of employees by gender: Non-executive / Technical staff, Female	Percentage	0.00	14.29	-	No assurance
Diversity	Percentage of employees by gender: General workers, Male	Percentage	100.00	0.00	-	No assurance
Diversity	Percentage of employees by gender: General workers, Female	Percentage	0.00	0.00	-	No assurance
Diversity	Percentage of directors by gender: Male	Percentage	67.00	77.78	-	No assurance
Diversity	Percentage of directors by gender: Female	Percentage	33.00	22.22	-	No assurance
Diversity	Percentage of directors by age group: Under 30	Percentage	0.00	0.00	-	No assurance
Diversity	Percentage of directors by age group: Between 30 and 50	Percentage	17.00	33.33	-	No assurance
Diversity	Percentage of directors by age group: Above 50	Percentage	83.00	66.67	-	No assurance
Energy management	Total energy consumption	Megawatt hours	77.26	72.91	-	No assurance
Energy management	Grid electricity	Megawatt hours	N/A	48.71	-	No assurance

PRESCRIBED TABLE (CONT'D)

BTM RESOURCES BERHAD

BMLR Transition Period

Date & Time: 2026-10-22_14:11:57

Main Market | Group 2 | FYE 30/06/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Energy management	Petrol (company vehicles)	Megawatt hours	N/A	24.19	-	No assurance
Health and safety	Number of work-related fatalities	Number	0	0	0	No assurance
Health and safety	Lost time incident rate (LTIR)	Rate	4.86	0.00	0	No assurance
Health and safety	Number of employees trained on health and safety standards	Number	1	1	-	No assurance
Labour practices and standards	Total hours of training: Management	Hours	6	7	-	No assurance
Labour practices and standards	Total hours of training: Executive	Hours	6	7	-	No assurance
Labour practices and standards	Total hours of training: Non-executive / Technical staff	Hours	0	0	-	No assurance
Labour practices and standards	Total hours of training: General workers	Hours	0	0	-	No assurance
Labour practices and standards	Percentage of employees that are contractors or temporary staff	Percentage	0.00	8.00	-	No assurance
Labour practices and standards	Employee turnover: Management	Number	2	0	-	No assurance
Labour practices and standards	Employee turnover: Executive	Number	10	0	-	No assurance
Labour practices and standards	Employee turnover: Non-executive / Technical staff	Number	7	1	-	No assurance
Labour practices and standards	Employee turnover: General workers	Number	42	0	-	No assurance

PRESCRIBED TABLE (CONT'D)

BTM RESOURCES BERHAD

BMLR Transition Period

Date & Time: 2026-10-22_14:11:57

Main Market | Group 2 | FYE 30/06/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Labour practices and standards	Number of substantiated complaints concerning human rights violations	Number	0	0	0	No assurance
Supply chain management	Proportion of spending on local suppliers	Percentage	100.00	100.00	90.00	No assurance
Data privacy and security	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0	No assurance
Water	Total volume of water used	Megalitres	19.016	12.083	-	No assurance
Waste management	Total waste generated	Metric tonnes	262.00	125.00	-	No assurance
Waste management	Total waste diverted from disposal	Metric tonnes	0.00	0.00	-	No assurance
Waste management	Total waste directed to disposal	Metric tonnes	262.00	125.00	-	No assurance
Emissions management	Scope 1 emissions	Metric tonnes CO_2e	0.92	6.19	-	No assurance
Emissions management	Scope 2 emissions	Metric tonnes CO_2e	59.78	36.05	-	No assurance

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") of BTM Resources Berhad ("BTM" or "the Company") remains committed in maintaining the highest standards of corporate governance ("CG") within the Company and adhering to the principles and best practices of CG, through observing and practising the core values of Malaysian Code on Corporate Governance ("MCCG") 2021 and the Corporate Governance Guide issued by the Bursa Malaysia Securities Berhad ("Bursa Securities"). The commitment from the top paves the way for Management and all employees to ensure the Company's businesses and affairs are effectively managed in the best interest of all stakeholders.

The Board is pleased to present an overview on the application of the principles as set out in the MCCG and the extent to which the Company and the subsidiaries ("Group") have complied with the key principles of the MCCG during the financial year ended 30 June 2026 ("FY2026").

This statement should be read together with the 2026 CG Report of the Company which is available on the Company's website at www.btmresources.com.my. The CG Report provides the explanations on how the Group applied each Practice set out in the MCCG during FY2026.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

PART I – BOARD RESPONSIBILITIES

1. Board's Leadership on Objectives and Goals

1.1 Strategic Aims, Values and Standards

The Board is responsible for the stewardship of the Company's business and affairs with a view to enhance long term shareholders value as well as investor interest while taking into account the interests of other stakeholders and maintaining high standards of transparency, accountability and integrity.

The Board is also responsible for the overall performance of the Group and focuses mainly on the strategic management, performance monitoring and measurement, risk management and internal controls, standards of conduct, shareholders' communication, governance of sustainability and critical business decisions. The matters reserved for the collective decision of the Board are listed in the Board Charter last reviewed and adopted by the Board on 28 August 2025, a copy of which is available on the corporate website at www.btmresources.com.my. The Board also sets the Group's values and standards and ensures that its obligations to the shareholders and other stakeholders are understood and fulfilled.

To enhance accountability, the Board has established clear functions reserved for the Board and those delegated to Management. There is a formal schedule of matters reserved to the Board for its deliberation and decision to ensure the direction and control of the Company are in its hands. The role of Management is to support the Executive Directors and implement the running of the general operations and business of the Company, in accordance with the delegated authority of the Board.

The Sustainability Statement sets out the actions taken by the Group in protecting the environment while striving to achieve a better performance towards the goal of sustainable development.

In order to facilitate the effective discharge of its duties, the Board delegates and confers some of the Board's authorities and discretion on the Executive Directors as well as on properly constituted Committees comprising Executive and/or Non-Executive Directors which operate within clearly defined terms of reference.

The Board Committees consist of Audit Committee ("AC"), Nomination and Remuneration Committee ("NRC"), Risk Management and Sustainability Committee ("RMSC") and Long-Term Incentive Plan Committee ("LTIP"). Save for LTIP, the power delegated to the respective Board Committees are set out in the Terms of Reference of AC and RMSC which were adopted on 20 November 2023 and the Terms of Reference of NRC which was adopted on 28 August 2025, a copy each of which are available on the Company's website at www.btmresources.com.my.

Overall, it is the governance responsibilities of the Board to lead and control the Group. The Board plans the strategic direction, development and control of the Group and has embraced the responsibilities listed in the MCCG to discharge its stewardship and fiduciary responsibilities. The Executive Directors are responsible for making and implementing operational and corporate decisions while the Non-Executive Directors balance the board accountability by providing their independent views, expertise, advice and judgment in safeguarding the interests of the shareholders.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART I – BOARD RESPONSIBILITIES (CONT'D)

1. Board's Leadership on Objectives and Goals (Cont'd)

1.2 Chairman

The Chairman of the Company leads the Board with a keen focus on governance and compliance and acts as a facilitator at Board meetings to ensure that contributions by Directors are forthcoming on matters being deliberated and that no Board member dominates discussion. Together with the other Independent Non-Executive Directors, the Chairman leads the discussion on the strategies and policies recommended by Management. The Chairman chairs the meetings of the Board and the shareholders, and thus ensuring effective communication with the shareholders as well as the relevant stakeholders.

Nonetheless, the chairman position of the Company remains vacant subsequent to the resignation of Mr Loo Eng Hua as the Independent Non-Executive Chairman of the Company on 12 June 2024.

1.3 Separation of the Positions of the Chairman and Managing Director ("MD")

The Board takes cognisance that the position of the Chairman and the MD should be held by different individuals, with a clear division of responsibilities between the Chairman and the MD to ensure that there is a continued balance of power and authority. In addition, the separation of these positions promotes accountability and facilitates division of responsibilities.

The MD of the Company is Dato' Seri Yong Tu Sang whilst the chairman position of the Company remains vacant subsequent to the resignation of Mr Loo Eng Hua as the Independent Non-Executive Chairman of the Company on 12 June 2024.

Hence, the MD, together with the Executive Directors, have the overall responsibilities over the Group's operating units, organisational effectiveness and implementation of the Board policies and decisions.

All decisions of the Board are made unanimously or by consensus. The Board is satisfied and assured that no individual or group of Directors has unfettered powers of decision that could create a potential conflict of interest.

1.4 Separation of Chairman of the Board and member of the AC, NRC, RMSC and LTIP

The chairman position of the Company remains vacant subsequent to the resignation of Mr Loo Eng Hua as the Chairman and INED of the Company on 12 June 2024.

Having said so, the Board acknowledges the importance of the separation of the duties and functions of the Chairman of the Board from other board committees' members to assure that no individual or group of Directors has unfettered powers of decision that could create a potential conflict of interest. To this, the Board would strive to ensure that the future chairman, if appointed, would not be further appointed as a member of the Board Committees.

1.5 Qualified and Competent Secretaries

The Company Secretaries of the Company are members of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") and are qualified to act as Company Secretary under Section 235(2) of the Companies Act 2016 ("Act"). The Company Secretaries act as CG counsel and facilitate overall compliance with the relevant requirements, codes or guidance and legislations within the Board, Board Committees and Management.

During FY2026 and up to the date of this Statement, Ms Ng Sally and Ms Goh Xin Yee ceased as Company Secretaries on 6 February 2026, and Ms Tan Bee Hwa and Ms Angelina Cheah Gaik Suan, who were appointed on 6 February 2026, ceased on 17 September 2026. Mr Tan Tong Lang and Ms Thien Lee Mee were appointed as the Company Secretaries on 17 September 2026.

The Board has direct access to the professional advice and services of the Company Secretaries when performing their duties and discharging their responsibilities. The Company Secretaries attend all meetings of the Board and Board Committees whenever necessary and guide the Directors on the requirements encapsulated in the Company's Constitution and legislative promulgations such as the Act, Main Market Listing Requirements ("MMLR") and MCCG, and ensure the deliberations at the meetings are recorded and the minutes circulated in a timely manner.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART I – BOARD RESPONSIBILITIES (CONT'D)

1. Board's Leadership on Objectives and Goals (Cont'd)

1.6 Access to Information and Advice

All Directors have access to the advice and services of the Company Secretaries as well as to all information within the Group in ensuring the effective functioning of the Board. In addition, the Board may seek independent professional advice on specific issues at the Company's expense to enable it to discharge its duties in relation to the matters being deliberated, where necessary.

The Directors may seek advice from Management on issues under their respective purview and interact directly with Management or request further explanation, information or updates on any aspect of the Company's operations or business concern from them.

Schedule of Board and Committee meetings are determined in advance. This enables Management to plan ahead the yearly business and corporate affairs and ensure timely preparation of information for dissemination to the Board. The Board has a defined schedule of matters reserved for Board's decision and the Board papers for meetings will be circulated to the Board at least seven (7) days prior to the meeting. This is to ensure all Directors have sufficient time to obtain further explanation, where necessary, in order to be fully informed of the matters to be discussed during the meeting.

The Company Secretaries are entrusted to record the Board's deliberations, in terms of issues discussed, and ensure that the deliberations at Board and Board Committee meetings are well documented, and subsequently communicated to Management for appropriate actions. The minutes of the previous Board and Board Committee meetings are distributed to the Directors/Committee members prior to the meeting for their perusal before confirmation of the minutes at the commencement of the following meeting. The Directors may comment or request clarification before the minutes are tabled for confirmation as a correct record of the proceedings of the meeting. Management provides Directors with complete and timely information prior to meetings and on an on-going basis to enable them to make informed decisions.

2. Demarcation of Responsibilities

2.1 Board Charter

The Board Charter is reviewed to ensure that it complies with the best practices and regulations and the last review of the Board Charter was conducted on 28 August 2025.

In discharging its duties, the Board is constantly mindful of the need to safeguard the interests of the Group's stakeholders. In order to facilitate the effective discharge of its duties, the Board is guided by the Board Charter, which is available on the Company's website.

The Board Charter serves to ensure that all Board members acting on behalf of the Group are aware of their expanding roles and responsibilities. It sets out the strategic intents and specific responsibilities to be discharged by the Board members collectively and individually. It also regulates how the Board conducts business in accordance with CG principles.

The Board Charter would be reviewed and updated in accordance with the needs of the Company and any new regulations that may have impact on the discharge of the Board's responsibilities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART I – BOARD RESPONSIBILITIES (CONT'D)

3. Promoting Good Business Conduct and Corporate Culture

3.1 Code of Conduct and Ethics

The Board established Code of Ethics for Directors and Code of Conduct for Officers and Employees which ensures that ethical conduct is permeated throughout the Company.

The Code of Ethics for Directors requires all Directors to establish a standard of ethical behaviour for Directors based on acceptable beliefs and values and to uphold the spirit of professionalism, objectivity, transparency, and accountability in line with the legislation, regulations and environmental and social responsibility guidelines governing a company.

The Code of Conduct for the Directors and Employees clearly expresses detailed guidance to Directors and employees to ensure compliance with all applicable laws, rules and regulations to which they are bound to observe in the performance of their duties and to promote the following:-

i) To emphasise the Company's commitment to ethics and compliance with the applicable laws and regulations;
ii) To set forth basic standards of ethical and legal behaviour within the Company;
iii) To include noble characteristics in performing duties so as to improve work quality and productivity;
iv) To improve self-discipline in order to provide the Company with good and quality service; and
v) To enhance skills in the implementation of duties and to be able to adapt to work environment.

A summary of the Code of Ethics for Directors and Code of Conduct for Officers and Employees has been published on the corporate website. The last review of the Code of Ethics for Directors and Code of Conduct for Officers and Employees was conducted on 27 November 2023.

3.2 Whistleblowing Policy

The Board recognises the importance of whistleblowing and is committed to maintaining the highest standards of ethical conduct within the Group. In line with this commitment, the Board has formalised a Whistleblowing Policy for the Group.

As prescribed in the said policy, the whistleblowing policy outlines the avenues for all employees, Directors, Shareholders, Consultants, Vendors, Outsider Agencies or any parties with a business relationship with the Group to raise genuine concerns about suspected misconduct, malpractice, or disclose in good faith any improper conduct within the Group and to enable prompt corrective actions and measures to resolve them effectively.

Any employee who has reasonable belief in good faith that Improper Conduct exists in the workplace should raise this concern with their immediate superior. However, if for any reason, it is believed that this is not possible or inappropriate, then the employee may report the concerns to either the Managing Director or the Executive Directors. For serious malpractice related matters, they may direct such complaint and report to the Chairman of the Board (when appointed) or the Chairman of the Audit Committee, through a confidential reporting channel.

Management will ensure that the Whistleblower who raises a genuine complaint in good faith shall be protected from reprisal as a direct consequence of making a disclosure and to safeguard his/her confidentiality.

The Whistleblowing Policy has been adopted by the Board of Directors on 27 November 2023.

3.3 Anti-Bribery and Anti-Corruption Policy ("ABAC Policy")

The Board had on 27 November 2023 adopted the ABAC Policy to incorporate the policies and procedures on anti-corruption as guided by the "Guidelines on Adequate Procedures" issued by the Prime Minister's Department to promote better governance culture and ethical behaviour within the Group and to prevent the occurrence of corrupt practices in accordance with Section 17A of the Malaysian Anti-Corruption Commission Act 2009 on corporate liability for corruption which came into force on 1 June 2020 and to include the corruption risks in the annual risk assessment of the Group.

A copy of the ABAC Policy is made available on the Company's website via www.btmresources.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART I – BOARD RESPONSIBILITIES (CONT'D)

3. Promoting Good Business Conduct and Corporate Culture (Cont'd)

3.4 Directors' Fit and Proper Policy

In line with the amendment to the MMLR, the Board had on 27 November 2023 adopted the Directors' Fit and Proper Policy, which outlines the fit and proper criteria for the appointment and re-appointment of Directors on the Board of the Company.

The said policy also ensures that each of the Directors has the character, skills, knowledge, experience, honesty and integrity, competence and capability, financial soundness, and time to effectively discharge his/her role as a Director of the Company and its subsidiaries, and in tandem with good corporate governance practices.

In addition, the policy also serves as a guide to the NRC and the Board in their review and assessment of candidates that are to be appointed onto the Board as well as Directors who are seeking election or re-election at the forthcoming annual general meeting of the Company.

A copy of the Directors' Fit and Proper Policy is made available on the Company's website via www.btmresources.com.my.

4. Sustainability Measure to Support Long-Term Strategy

4.1 Strategic Management of Material Sustainability Matters

The Board provides the oversight on the Group's sustainability and is assisted by the Management who oversees the implementation of the Group's sustainability measures.

The Board recognises its responsibility to set the "tone from the top" and ensure good governance within the Group. In this regard, the Board continues to play an active role in providing oversight on all Economic, Environmental, Social and Governance ("EESG") topics and KPIs disclosed in the sustainability report. Aside from strategic guidance for management of its identified sustainability material matters and climate-related risk, the Board is also committed in advancing the EESG agenda across the organisation.

Supporting the Board is the RMSC, which oversees the Group's sustainability blueprint, including material topics, strategies and targets. The RMSC is chaired by an INED, together with an INED and an Executive Director, who are collectively tasked with overseeing the Group's risk management and sustainability governance process.

The RMSC is in turn supported by the Executive Directors and Senior Management, to drive and implement sustainability strategies.

The Group has also grouped its efforts under the four (4) main sustainability pillars, namely Economic, Environmental, Social and Governance.

4.2 Delivery of the Sustainability Consideration to Stakeholders

The Board is aware that stakeholder engagement is vital in ensuring continued business sustainability as it enables the Company to pursue various approaches and value stakeholders' feedback and inputs in shaping the Company's business strategy, as the Company believes effective communication maintains mutually beneficial relationships with the stakeholders.

The Board had engaged with the stakeholders proactively such as Customers, Shareholders and Investors, Employees, Government and Regulatory Bodies, Vendors/Suppliers, Media, Community/Public and NGOs and Opinion Leaders accordingly, to ensure that the Board meets the stakeholders' expectation and satisfaction for the Company's sustainability growth.

The Company has also disclosed the sustainability measures and forms of engagement with the stakeholders in the Sustainability Statement which also forms part of the Annual Report 2026, which provides further insight of the Group's efforts and commitment towards the sustainability issues surrounding the business operation.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART I – BOARD RESPONSIBILITIES (CONT'D)

4. Sustainability Measure to Support Long-Term Strategy (Cont'd)

4.3 Sustainability Issues and Opportunity

The Board, through the RMSC, acknowledges its fiduciary responsibility to ensure the profitability of the Group and assumes the responsibility for the effective management of the Group's financial and EESG risks. This includes risks and opportunities associated with climate change that may impact the financial value creation ability of the Group.

The Board had identified and highlighted several of the risk factors associated with the business such as the rules and regulations, financial and EESG risks management, and climate change which may affect the Company's core value and competitive advantage in the market. At the same time, the Company remains vigilant in monitoring and mitigating the business, operational, financial, climate-related and other risks that may affect the Group.

4.4 Board and Senior Management Sustainability Evaluation

As addressing material sustainability risks and opportunities is the responsibility of the Board and Senior Management, the Board is looking into incorporating the evaluations to include the EESG considerations and sustainability yardstick for the Senior Management and their efforts in addressing the Company's material sustainability risks and opportunities.

Nevertheless, the Board reviews and evaluates its own performance and the performance of its committees on an annual basis to ensure accountability in the performance of the Directors and Senior Management against the sustainability targets set upon them.

The annual assessment of the Board takes into consideration its ability in addressing the Company's material sustainability risks and opportunities.

PART II – BOARD COMPOSITION

5. Strengthen Board's Objectivity

5.1 Board Composition Evaluation

As of the date of this Statement, the Board currently consists of eight (8) members, comprising one (1) Managing Director, three (3) Executive Directors and four (4) Independent Non-Executive Directors. The Directors' profiles are disclosed in the Annual Report 2026.

The present composition of the Board is in compliance with Paragraph 15.02 of the MMLR as at least two (2) Directors or one-third of the Board, whichever is higher, are Independent Directors and with Practice 5.2 of the MCCG where at least half of the Board comprises Independent Directors.

The Group is led by an experienced and diversified Board, which comprises professionals from various fields to bring together a balance of skills, mix of experience and expertise in areas relevant to enhance the growth of the Group's business. The Board collectively brings wide and varied technical, legal, financial, and corporate experience to enable the Board to lead and control the Group effectively.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II – BOARD COMPOSITION (CONT'D)

5. Strengthen Board's Objectivity (Cont'd)

5.2 Tenure of Independent Directors

The independence of Directors is measured based on the criteria prescribed under the MMLR of Bursa Securities, of which a Director should be independent and free from any business or other relationship that could interfere with the exercise of independent judgement or the ability to act in the best interests of the Company. In addition, to comply with the criteria set out under the MMLR of Bursa Securities, the Independent Non-Executive Directors are required to declare that they will continue to bring independent and objective judgement to the Board during the review of Directors' independence as part of the annual assessment carried out by the NRC.

The INEDs do not participate in the day-to-day management of the Company and do not involve themselves in business transactions or relationships with the Company, to ensure their objectivity would not be compromised. In staying clear of any potential conflict of interest, the INEDs would remain at the position of providing check and balance to the Board when discharging their duties and fulfilling their responsibilities.

The Board had established the NRC to assist the Board in ensuring its members remain relevant to the Company and the remuneration policy remains competitive to attract new talents and retain suitably qualified directors.

5.3 Policy on Limitation of Independent Director's Tenure

The Board has adopted the recommendation of the MCCG that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve the Board subject to the Director's re-designation as a Non-Independent Non-Executive Director. Otherwise, the Board must justify and seek shareholders' approval in the event that a Director, who has served in that capacity for more than nine (9) years, is retained as an Independent Director. None of Independent Director's tenure exceeds a cumulative term of nine (9) years.

5.4 Diverse Board and Senior Management Team

The NRC shall apply the "Fit and Proper" standards as per the Directors' Fit and Proper Policy adopted by the Company before recommending the candidates to the Board for approval.

The NRC is delegated by the Board in identifying, selecting and recommending suitable candidates for the appointment of Board and senior management, by taking into consideration the aspects of the candidates such as candidates' skills, knowledge, expertise and experience, time commitment, character, competence, professionalism, integrity, age, cultural background and gender as well as the existing board positions held by the directors to ensure the Board can devote the required time to serve the board effectively.

The Company adopts a policy of non-discrimination on the basis of race, age, religion and gender. The Board has also adopted a Board Diversity Policy on 27 November 2023 with a view to strengthen women's representation in the composition of the Board as well as encourage a dynamic and diverse composition by nurturing suitable and potential candidates equipped with competency, skills, experience, character, time commitment, integrity and other qualities in meeting the future needs of the Company.

5.5 Re-Election of Directors

The Constitution states that an election of Directors shall take place each year at the annual general meeting of the Company where one-third (1/3) of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3) shall retire from office and be eligible for re-election. Provided always that all Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he/she retires. The Directors to retire each year are the Directors who have been longest in office since their last appointment or re-election.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II – BOARD COMPOSITION (CONT'D)

5. Strengthen Board's Objectivity (Cont'd)

5.5 Re-Election of Directors (Cont'd)

The Constitution also states that the Board shall have power at any time and from time to time to appoint any person to be a Director, other than a Public Interest Director, either to fill a casual vacancy or as an addition to the existing Board but the total number of Directors shall not at any time exceed the number fixed in accordance with the Constitution. Any Director so appointed shall hold office only until the next following annual general meeting and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.

This provides an opportunity for shareholders to renew their mandates. The election of each Director is voted on separately.

Mr Tan Boon Pock and Ms Goh Siow Cheng are subject to retire by rotation in accordance with Article 18.4 of the Constitution of the Company while Datuk Dr Hon Tian Kok @ William, Mr Lau Fook Meng and Ms Wong See Mei are subject to retire in accordance with Article 18.11 of the Constitution of the Company, and have offered themselves for re-election as Directors of the Company at the forthcoming Thirty-Second (32nd) Annual General Meeting ("AGM").

To assist shareholders in their decision, sufficient information such as personal profile, meetings attendance and the shareholdings of each Director standing for election are available in the Annual Report 2026.

In identifying candidates for appointment as Directors, the Board does not solely rely on recommendations from the existing Board members, management or major shareholders. The Board is aware and may also utilise independent sources to identify suitably qualified candidates, which complies with Practice 5.6 of the MCCG.

5.6 Identification of New Candidates for Appointment of Directors

The Board has entrusted the NRC with the responsibility to recommend suitable candidates for appointment as new Directors or to fill any vacancy arising from resignation, retirement or any other reasons.

The NRC would source for potential candidates through various channels such as the recommendation by the existing Directors, management, major shareholders, independent advisors, professional bodies, independent search firms, and/or other independent sources.

In evaluating the suitability of candidates for appointment to the Board, the NRC considers, inter-alia, the competency, experience, commitment, contribution, and integrity of the candidates, and in the case of candidates proposed for appointment as Independent Non-Executive Directors, the candidates' independence, as well as the "Fit and Proper" standards.

During FY2026, the NRC had reviewed and recommended the appointment of Mr Chan Fook Mun, Mr Lau Fook Meng and Ms Wong See Mei as INEDs and Datuk Dr Hon Tian Kok @ William as an Executive Director of the Company, for the Board's approval.

The Board has adopted the Nomination and Appointment of Directors Process and Procedure on 27 November 2023 to serve as a guide for the NRC and Board in sourcing new candidates for the Directors in ensuring the continuity of an effective Board.

The Board is aware of the guidance to utilise independent sources for future appointment of Independent Directors, and to disclose how a Board member is sourced in the Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II – BOARD COMPOSITION (CONT'D)

5. Strengthen Board's Objectivity (Cont'd)

5.7 NRC

The NRC is primarily empowered by its terms of reference in carrying out the following functions, amongst others:-

a) To propose new nominees for the Board of the Company, as to who shall be nominated/appointed shall be the responsibility of the full Board after considering the recommendations of the NRC;
b) To recommend to the Board, the remuneration package of Executive Directors, Non-Executive Directors, the Managing Director, Chief Executive and senior management of the Group. The individual Directors should play no part in decisions and/or approval of their own remuneration;
c) Remuneration of the Non-Executive Directors should be a matter for the Board as a whole to determine and the individuals concerned should abstain from discussion of and voting on their own remuneration;
d) To ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the NRC and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board; and
e) To administer the Long-Term Incentive Plan ("LTIP") in such manner as it shall in its absolute discretion deem fit, subject always to the provisions of the By-Laws of LTIP and generally exercise such powers and perform such acts deemed necessary or expedient in the implementation of the LTIP.

For any requisition of nomination by the shareholders, the NRC would also perform the same review process. However, if the requisition is by way of Sections 311 to 313 of the Act, the NRC would still carry out its duties if permitted by the requisitionist.

During FY2026, the Board appointed Mr Chan Fook Mun (on 27 October 2025), Mr Lau Fook Meng and Ms Wong See Mei (both on 30 January 2026) as Independent Non-Executive Directors and Datuk Dr Hon Tian Kok @ William (on 30 January 2026) as an Executive Director.

The NRC had considered and is of the view that given the needs and size of the Company and the relevant higher cost to be incurred, the utilisation of independent sources to identify suitably qualified candidates was not required at the moment.

The NRC comprises exclusively of Independent Non-Executive Directors, as follows:-

i. Ms Goh Siow Cheng – Member
ii. Mr Lee Yoon Seong – Member
iii Ms Wong See Mei – Member

The Terms of Reference of the NRC is available on the Company's website.

A summary of key activities undertaken by the NRC in discharging its duties during the financial year under review is set out below:

- Reviewed and assessed the annual assessment of the performance and effectiveness of the Board as a whole, the committees of the Board and the contribution of each individual Director;
- Reviewed and assessed the size, composition and the required mix of skills of the Board and Board Committees;
- Reviewed and assessed the independence of the Independent Non-Executive Directors;
- Reviewed and recommended to the Board, the re-election of the Directors who will be retiring at the forthcoming 32nd AGM of the Company;
- Reviewed and assessed the term of office and performance of the AC;
- Reviewed and assessed the level of financial literacy of the AC members;
- Reviewed and recommended the appointment of Mr Chan Fook Mun, Mr Lau Fook Meng and Ms Wong See Mei as INEDs and Datuk Dr Hon Tian Kok @ William as an Executive Director of the Company; and
- Reviewed and recommended the Directors' fees and benefits payable to the Directors for shareholders' approval at the 32nd AGM.

The NRC had undertaken a review and assessment of the level of independence of the Independent Directors during FY2026 based on the independence criteria as defined in the MMLR and is satisfied that they are able to discharge their responsibilities in an independent manner.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II – BOARD COMPOSITION (CONT'D)

5. Strengthen Board's Objectivity (Cont'd)

5.7 NRC (Cont'd)

The NRC was satisfied that the Board has the right size and the Board composition is well balanced having considered the appropriate mix of skills, experience, strength and independence and the diversity required to meet the current and future needs of the Company.

The Group recognises that effective succession planning is integral to the delivery of its strategic plans. It is essential to ensure a continuous level of quality in key management, in avoiding instability by helping mitigate the risks which may be associated with any unforeseen events, such as the departure of a key individual, and in promoting diversity.

5.8 Gender Diversity

The Board acknowledges the importance of boardroom diversity and takes cognisance of the recommendation of the MCCG to have at least 30% women directors.

As at the date of this Annual Report, the Board has two (2) women Directors, namely Ms Goh Siow Cheng and Ms Wong See Mei, representing approximately 25% of the Board. The Company has therefore not yet achieved the recommendation of the MCCG to have at least 30% women directors, and the NRC will continue to consider suitable women candidates for future appointments to the Board.

5.9 Gender Diversity Policy

The Board had adopted a Board Diversity Policy on 27 November 2023, to strengthen women's representation in the composition of the Board of Directors of the Company as well as at all levels of employees including senior management. Having recognised the significance of gender diversity, the Board constantly emphasises the significance of diversity in terms of skills, experience, age, ethnicity, nationality and cultural background, in attaining effective strategic objectives, enhancing sustainable growth and promoting better corporate governance within the Group.

A copy of the Board Diversity Policy is available on the Company's website at www.btmresources.com.my.

6. Overall Board Effectiveness

6.1 Annual Evaluation

The Board via the NRC undertakes annual evaluation to determine the effectiveness of the Board. The Board evaluation comprises Board Assessment, Board Committees Assessment, Individual Assessment and Assessment of Independence of Independent Directors.

The assessment of the Board is based on specific criteria, covering areas such as the Board structure, Board operations, roles and responsibilities of the Board, the Board Committees and the Chairman's role and responsibilities. Criteria used in these assessments are guided by the Corporate Governance Guide issued by Bursa Securities. This assessment is conducted annually on a peer and self-evaluation basis through questionnaires circulated to the Directors.

All Board members completed the assessment questionnaires on a confidential basis and the results of the evaluations are collated and a summary of the findings is submitted to the NRC for deliberation and subsequently escalated to the Board for consideration on the key issues arising thereon, if any.

Based on the annual assessment conducted, the NRC was satisfied with the existing Board composition and concluded that each Director has the requisite competence to serve on the Board and has sufficiently demonstrated their commitment to the Company in terms of time and participation during the year under review, and recommended to the Board the re-election of retiring Directors at the Company's forthcoming AGM. All assessments and evaluations carried out by the NRC in discharge of its functions were properly documented.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II – BOARD COMPOSITION (CONT'D)

6. Overall Board Effectiveness (Cont'd)

6.1 Annual Evaluation (Cont'd)

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company. This is evidenced by the attendance record of the Directors at Board of Directors and Board Committee meetings during the financial year under review, as set out in the table below:-

Abbreviation

AC : Audit Committee

NRC : Nomination and Remuneration Committee

RMSC : Risk Management and Sustainability Committee

Meeting Attendance	Board	AC	NRC	RMSC
Dato' Seri Yong Tu Sang	5/5	-	-	-
Tan Boon Pock	5/5	-	-	1/1
Goh Siow Cheng	5/5	5/5	2/2	1/1
Datuk Yap Wai Hong	5/5	-	-	-
Lee Yoon Seong	5/5	5/5	2/2	1/1
Chan Fook Mun *(Appointed on 27 October 2025)* *(Resigned on 5 October 2026)*	3/3	3/3	-	-
Datuk Dr Hon Tian Kok @ William *(Appointed on 30 January 2026)*	2/2	-	-	-
Lau Fook Meng *(Appointed on 30 January 2026)*	2/2	-	-	-
Wong See Mei *(Appointed on 30 January 2026)*	2/2	-	-	-

To ensure that the Directors have the time to focus and fulfil their roles and responsibilities effectively, the Directors must not hold more than five (5) directorships in public listed companies and shall notify the Chairman before accepting any new directorships.

None of the Directors hold more than five (5) directorships in public listed companies.

6.2 Directors' Training

The Board fully supports the need for its members to continuously enhance their skills and knowledge to keep abreast with the developments in the economy, industry, technology and updates on regulations, amongst others, to effectively carry out their duties and responsibilities as directors and to comply with continuous training as required by the MMLR.

There were also briefings by the External Auditors, the Internal Auditors and the Company Secretaries on the relevant updates on statutory and regulatory requirements from time to time during the Board meetings.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II – BOARD COMPOSITION (CONT'D)

6. Overall Board Effectiveness (Cont'd)

6.2 Directors' Training (Cont'd)

During FY2026, all the Directors have attended trainings, seminars, conferences and exhibitions which they considered vital in keeping abreast with the changes in laws and regulation, business environment, and corporate governance development, as detailed hereunder:-

Name of Director	Course Attended
Dato' Seri Yong Tu Sang	Tax seminar
Tan Boon Pock	Risk management workshop
Goh Siow Cheng	Mergers and Acquisitions of Companies: Liabilities of Directors
Datuk Yap Wai Hong	Risk management workshop
Lee Yoon Seong	Mandatory Accreditation Programme Part II; Leading For Impact
Datuk Dr Hon Tian Kok @ William (Appointed on 30 January 2026)	Not applicable (newly appointed director)
Lau Fook Meng (Appointed on 30 January 2026)	Seminar on Anti-bribery and Anti-corruption
Wong See Mei (Appointed on 30 January 2026)	Seminar on Anti-bribery and Anti-corruption

The Company will continue to identify suitable training for the Directors to equip and update themselves with the necessary knowledge in discharging their duties and responsibilities as Directors.

The Directors are encouraged to attend briefings, conferences, forums, trade fairs (locally and internationally), seminars and training to keep abreast with the latest developments in the industry and to enhance their skills and knowledge.

PART III – REMUNERATION

7. Level and Composition of Remuneration

7.1 Remuneration Policy

The Board has adopted a Remuneration Policy on 27 November 2023 to support the Directors and key senior management in carrying out their responsibilities and fiduciary duties in steering the Group to achieve its long-term goals and enhance shareholders' value. The Board's objective in this respect is to offer a competitive remuneration package in order to attract and retain experienced, well-qualified, and high-calibre directors and Key Senior Management to drive and be aligned with the long term interest, business strategies, corporate objectives, sustainable growth and development of the Company, pursuant to Practice 7.1 of the MCCG.

The details of the Remuneration Policy are available on the Company's website at www.btmresources.com.my.

The NRC reviews the Directors' Remuneration (including Non-Executive Directors) for recommendation and approval by the Board. The Directors' remuneration payable to the Non-Executive Directors will be tabled at the AGM for approval by shareholders.

The determination of the remuneration of the Non-Executive Directors is a matter for the Board as a whole. The remuneration payable to Non-Executive Directors is proposed by the Board and is subject to shareholders' approval at the AGM. Each individual Director will not participate in decisions regarding their remuneration package and shall abstain from voting at general meetings to approve their fees. Executive Directors are remunerated based on the Group's performance and their respective contributions for the year whilst the remuneration of the Non-Executive Directors is determined in accordance with their experience and level of responsibilities assumed in the committees and the board.

The NRC comprises exclusively of Independent Non-Executive Directors. The NRC is guided by its terms of reference, which is available on the Company's website at www.btmresources.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART III – REMUNERATION (CONT'D)

7. Level and Composition of Remuneration (Cont'd)

7.2 Remuneration of Directors and Senior Management

7.2.1 Detailed Disclosure of Directors' Remuneration

The Company noted the need for transparency on the detailed disclosure on named basis for the remuneration of individual Directors. The remuneration breakdown of individual Directors includes fees, salary, bonus, benefits in-kind and other emoluments.

The NRC reviews annually the Directors' Fees and the Directors' Remuneration (including Non-Executive Directors) to commensurate with the level of responsibility of its directors and senior management. There should be appropriate incentives to attract talent as well as nurture and retain high calibre directors and senior management, whilst taking into account the interests of other stakeholders, including shareholders and employees. In addition, the remuneration policy and procedures should also be aligned with the business strategy and long-term objectives of the Company.

The NRC would recommend the Directors' Remuneration (including Non-Executive Directors) for Board's approval while the Directors' remuneration payable to the Non-Executive Directors would be tabled at the AGM for the approval of shareholders in line with the provisions of the Constitution and the Act.

As for the Non-Executive Directors, the remuneration should take into account the fee levels and trends for similar positions in the market and the time commitment required from the director. Such packages should take into consideration any additional responsibilities undertaken such as a director acting as chairman of the board, chairman of a board committee or as the senior independent director.

The Directors play no part in determining their own remuneration and shall abstain from discussion on their own remuneration.

The remuneration package of the Executive Directors consists of monthly salary, bonus and benefits-in-kind such as company car and the benefit of Directors and Officers Liability Insurance in respect of any liabilities arising from acts committed in their capacity as Directors and Officers of the Company.

Details of the Directors' Remuneration (including benefits-in-kind) of each Director during FY2026 are as follows:-

i. Breakdown of Directors' Remuneration (Company)

	Director Fees (RM'000)	Salary and Bonus (RM'000)	EPF Contribution (RM'000)	Benefit-In-Kind* (RM'000)	Other Emoluments^ (RM'000)	Total (RM'000)
Executive Directors						
Dato' Seri Yong Tu Sang	-	240	-	-	55	295
Tan Boon Pock	-	240	29	-	54	323
Datuk Yap Wai Hong	-	240	29	-	54	323
Datuk Dr Hon Tian Kok @ William *(Appointed on 30 January 2026)*	25	-	-	-	-	25
TOTAL	**25**	**720**	**58**	**-**	**163**	**966**

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART III – REMUNERATION (CONT'D)

7. Level and Composition of Remuneration (Cont'd)

7.2 Remuneration of Directors and Senior Management (Cont'd)

7.2.1 Detailed Disclosure of Directors' Remuneration (Cont'd)

Details of the Directors' Remuneration (including benefits-in-kind) of each Director during FY2026 are as follows:- (Cont'd)

i. Breakdown of Directors' Remuneration (Company) (Cont'd)

	Director Fees (RM'000)	Salary and Bonus (RM'000)	EPF Contribution (RM'000)	Benefit-In-Kind* (RM'000)	Other Emoluments^ (RM'000)	Total (RM'000)
Non-Executive Directors						
Goh Siow Cheng	48	-	-	-	15	63
Lee Yoon Seong	48	-	-	-	16	64
Chan Fook Mun *(Appointed on 27 October 2025 and Resigned on 5 October 2026)*	33	-	-	-	2	35
Lau Fook Meng *(Appointed on 30 January 2026)*	10	-	-	-	2	12
Wong See Mei *(Appointed on 30 January 2026)*	10	-	-	-	2	12
TOTAL	**149**	**-**	**-**	**-**	**37**	**186**

* Company's Car and Petrol Benefits
^ Allowances paid by the Company

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART III – REMUNERATION (CONT'D)

7. Level and Composition of Remuneration (Cont'd)

7.2 Remuneration of Directors and Senior Management (Cont'd)

7.2.1 Detailed Disclosure of Directors' Remuneration (Cont'd)

Details of the Directors' Remuneration (including benefits-in-kind) of each Director during FY2026 are as follows:- (Cont'd)

ii. Breakdown of Directors' Remuneration (Group)

	Director Fees (RM'000)	Salary and Bonus (RM'000)	EPF Contribution (RM'000)	Benefit-In-Kind* (RM'000)	Other Emoluments^ (RM'000)	Total (RM'000)
Executive Directors						
Dato' Seri Yong Tu Sang	-	240	-	24	55	319
Tan Boon Pock	-	240	29	24	54	347
Datuk Yap Wai Hong	-	240	29	-	54	323
Datuk Dr Hon Tian Kok @ William *(Appointed on 30 January 2026)*	25	-	-	-	-	25
TOTAL	**25**	**720**	**58**	**48**	**163**	**1014**

Director of the subsidiary company

Non-Executive Directors						
Goh Siow Cheng	48	-	-	-	15	63
Lee Yoon Seong	48	-	-	-	16	64
Chan Fook Mun *(Appointed on 27 October 2025 and resigned on 5 October 2026)*	33	-	-	-	2	35
Lau Fook Meng *(Appointed on 30 January 2026)*	10	-	-	-	2	12
Wong See Mei *(Appointed on 30 January 2026)*	10	-	-	-	2	12
TOTAL	**149**	**-**	**-**	**-**	**37**	**186**

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART III – REMUNERATION (CONT'D)

7. Level and Composition of Remuneration (Cont'd)

7.2 Remuneration of Directors and Senior Management (Cont'd)

7.2.1 Detailed Disclosure of Directors' Remuneration (Cont'd)

Details of the Directors' Remuneration (including benefits-in-kind) of each Director during FY2026 are as follows:- (Cont'd)

iii. Aggregate Directors' Remuneration

Categories of Remuneration	Group		Company	
	Executive Directors (RM'000)	Non-Executive Directors (RM'000)	Executive Directors (RM'000)	Non-Executive Directors (RM'000)
Director Fees	25	149	25	149
Salary and Bonus	720	-	720	-
EPF Contribution	58	-	58	-
Benefit-In-Kind*	48	-	-	-
Other Emoluments^	163	37	163	37

* Company's Car and Petrol Benefits

iv. Analysis of Directors' Remuneration

Total remuneration of Directors in respect of FY2026, in bands of RM50,000, is tabulated below:-

Range of Remuneration (RM)	Group		Company	
	Executive Directors	Non-Executive Directors	Executive Directors	Non-Executive Directors
Below RM50,000	1	3	1	3
50,001 – 100,000	-	2	-	2
100,001 – 150,000	-	-	-	-
150,001 – 200,000	-	-	-	-
200,001 – 250,000	-	-	-	-
250,001 – 300,000	-	-	-	-
300,001 – 350,000	3	-	3	-

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART III – REMUNERATION (CONT'D)

7. Level and Composition of Remuneration (Cont'd)

7.2 Remuneration of Directors and Senior Management (Cont'd)

7.2.2 Remuneration of Top Senior Management

The Company notes the need for transparency in the disclosure of its key senior management remuneration. However, the Company is of the opinion that the disclosure of remuneration details may be detrimental to the Company's management of its human resources due to the competitive environment for resources within the industries the Company and its subsidiaries operate in.

While the Company has set policies and procedures in setting the remuneration of key personnel, such disclosure may also be misconstrued so as to hinder its recruitment and retention of personnel.

The Company is of the view that the interest of the shareholders would not be prejudiced as a result of such non-disclosure of the Company's top senior management personnel who are not Directors on named basis.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

PART I – AUDIT COMMITTEE

8. Audit Committee

The AC is relied upon by the Board to, amongst others, provide advice in the areas of financial reporting, external audit, internal control environment and internal audit process, review of related party transactions as well as conflict of interest situations. The AC also undertakes to provide oversight on the risk management framework of the Group.

In line with Practice 9.1 of the MCCG, the AC is chaired by an INED and all members of the AC are financially literate.

The composition of the AC, including its roles and responsibilities as well as a summary of its activities carried out in FY2026, are set out in the AC Report of this Annual Report.

8.1 Financial Reporting

The Board aims to present a balanced and meaningful assessment of the Group's position and prospects, primarily through the annual financial statements and the quarterly announcement of results.

Before the financial statements are drawn up, the Directors take the necessary steps to ensure that the Group has used all the applicable accounting policies supported by reasonable and prudent judgements and estimates. All accounting standards which the Board considers to be applicable have been followed, subject to any explanations and material departures disclosed in the notes to the financial statements.

The composition of the AC is as below:-
- Mr Lee Yoon Seong – *Chairman*
- Ms Goh Siow Cheng – Member
- Mr Chan Fook Mun – Member *(Appointed on 27 October 2025) (Resigned on 5 October 2026)*
- Ms Wong See Mei – Member *(Appointed on 27 October 2026)*

The AC has at least one (1) member who fulfils the qualifications prescribed by the MMLR. There is a strong element of independence to fulfil their role objectively and provide a critical and sounding view in ensuring the integrity of financial controls and integrated reporting, and identifying and managing key risks.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

PART I – AUDIT COMMITTEE (CONT'D)

8. Audit Committee (Cont'd)

8.2 Transparency and Professional Relationship with the External Auditors

None of the AC members are former key audit partners of the Group. Nevertheless, the AC has adopted a policy that requires a former key audit partner to observe a cooling-off period of at least three (3) years before being appointed as a member of the AC, which applies the requirement of Practice 9.2 of the MCCG.

The Terms of Reference of the AC, which was reviewed and revised on 27 November 2023, is available on the Company's website at www.btmresources.com.my.

The AC is empowered by the Board to review any matters concerning the appointment and re-appointment, resignations or dismissals of External Auditors and review and evaluate factors relating to the independence of the External Auditors. The terms of engagement for services provided by the External Auditors are reviewed by the AC prior to submission to the Board for approval. Feedback based on the assessment areas is obtained from the AC, the Executive Directors, the Internal Auditors and senior management, where applicable.

In line with Practice 9.3 of the MCCG, the AC undertakes annual assessment of the suitability and independence of the External Auditors as well as the performance of the External Auditors, including the review of calibre of the audit firm, quality of processes, audit team, independence and objectivity, audit scope and planning, audit fees and audit communications. Further, the Company has also adopted an External Auditors' Selection Policy.

The AC has also sought written assurance from the External Auditors, confirming that they are, and have been, independent throughout the conduct of the audit engagement with the Company in accordance with the independence criteria set out by the Malaysian Institute of Accountants ("MIA"). The External Auditors provided such declaration in their annual audit plan presented to the AC prior to the commencement of audit for a particular financial year.

In this regard, the AC had on 27 October 2026 assessed the independence of Messrs Folks DFK & Co PLT as the External Auditors of the Company as well as reviewed the level of non-audit services rendered by Messrs Folks DFK & Co PLT to the Company for FY2026.

The AC was satisfied with Messrs Folks DFK & Co PLT's technical competency and audit independence and took note that the quantum of non-audit fees charged thereto was not material as compared to the total audit fees paid to Messrs Folks DFK & Co PLT Details of statutory audit, audit-related and non-audit fees paid/payable in FY2026 to the External Auditors are set out in the Additional Compliance Information of this Annual Report.

The AC, having satisfied itself with the performance and fulfilment of criteria as set out in the Non-Audit Services Policy as well as received the assurance from Messrs Folks DFK & Co PLT as stated above, recommended the re-appointment of Messrs Folks DFK & Co PLT as the External Auditors to the Board, upon which the shareholders' approval will be sought at the forthcoming 32nd AGM.

8.3 Financial Literacy of the AC

The AC complies with the recommendation of the MCCG requiring all members to be independent and at least one (1) member fulfils the qualifications prescribed by the MMLR. There is a strong element of independence to fulfil their role objectively and provide a critical and sounding view in ensuring the integrity of financial controls and integrated reporting, and identifying and managing key risks. All members of the AC are financially literate.

Meanwhile, all members of the AC would undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules, whenever possible.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PART II – RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

9. Risk Management and Internal Control Framework

The Board oversees, reviews and monitors the operation, and assesses the adequacy and effectiveness of the risk management and internal control systems. In line with Practices 10.1 and 10.2 of the MCCG, the AC oversees the risk management framework of the Group, identifies the principal risks, reviews and assesses the effectiveness of the risk management framework and internal control systems based on the reports and recommendations from the internal auditors and reports to the Board on its findings.

Further, the Board has established the RMSC to review the risk management and sustainability aspects of the Group, which aims to enhance the overall internal controls of the Group.

The Board has been integrating the risk issues into its decision-making process whilst maintaining the flexibility to lead the business of the Group through the ever-changing internal and external environments.

The Company continues to maintain and review its internal control procedures to ensure the protection of its assets and its shareholders' investment.

Details of the main features of the Company's risk management and internal control framework are further elaborated in the AC Report and the Statement on Risk Management and Internal Control of this Annual Report.

10. Governance, Risk Management and Internal Control Framework

Pursuant to Practices 11.1 and 11.2 of the MCCG, the Board has outsourced the Internal Audit ("IA") function for FY2026 to an independent service provider, namely Messrs Baker Tilly Monteiro Heng Governance Sdn. Bhd. to provide an independent appraisal over the system of internal control of the Group to the AC.

The responsibilities of the Internal Auditors include providing independent and objective reports on the state of internal controls and the significant operating units in the Group to the AC, with recommendations for improvement to the control procedures, so that remedial actions can be taken in relation to weaknesses noted in the systems.

The engagement partner, Mr Kuan Yew Choong, a qualified Chartered Accountant, and his team are free from any relationships or conflict of interests with the Company, to ensure the Internal Auditors' objectivity and independence are not impaired and the internal audit function is carried out in accordance with a recognised framework.

The resources deployed to conduct the internal audit function are 3 staffs, all of whom possess the necessary qualifications to conduct internal audit.

During the financial year under review, the Internal Auditors have conducted reviews on the Group in accordance with the Internal Audit Plan, which has been approved by the AC and Board.

The Statement on Risk Management and Internal Control as included in the Annual Report 2026 provides the overview of the internal control framework adopted by the Company during FY2026.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

PART I – COMMUNICATION WITH STAKEHOLDERS

11. Continuous Communication Between Company and Stakeholders

The Group recognises the importance of prompt and timely dissemination of information to the shareholders and the investors, in order for these stakeholders to be able to make informed investment decisions.

In line with Practice 12.1 of the MCCG, the Board is committed to ensuring that the shareholders and other stakeholders are well informed of the major developments of the Company and the information is communicated to them through the publication of the Annual Report, various timely announcements, disclosures made during the financial year and the release of financial results on a quarterly basis to Bursa Securities. The Company will ensure that all quarterly financial results are announced to Bursa Securities no later than two (2) months after the end of each quarter of a financial year and that the Annual Report together with the Audited Financial Statements are released within four (4) months after the end of each financial year.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

PART I – COMMUNICATION WITH STAKEHOLDERS (CONT'D)

11. Continuous Communication Between Company and Stakeholders (Cont'd)

Towards this, the Company's website incorporates a corporate section which provides all relevant information on the Company and is accessible by the public. This corporate section enhances the investor relations function by including all announcements made, annual reports as well as documents such as the Board Charter, Terms of Reference of respective Board Committees, Whistleblowing Policy, Board Diversity Policy, Corporate Disclosure Policy, Directors' Code of Conduct, Anti-Bribery & Anti-Corruption Policy, Directors' Fit and Proper Policy and External Auditors' Selection Policy.

To encourage greater shareholders' participation at the AGM, the Board strives to serve at least twenty-eight (28) days' notice (longer than the 21 days' minimum required notice period) for the AGM, whenever possible. The Chairman shall ensure the Board is accessible to shareholders and an open channel of communication is cultivated.

From the Company's perspective, the AGM also serves as a forum for Directors and management to engage with the shareholders personally to understand their needs and seek their feedback. The Board welcomes questions and feedback from the shareholders during and/or at the end of the AGM and ensures the queries raised by the shareholders are responded to in a proper and systematic manner.

PART II – CONDUCT OF GENERAL MEETINGS

12. Shareholder Participation at General Meetings

The AGM of the Company provides the principal forum of dialogue and interaction between the Board and the shareholders. The shareholders are given the opportunity to raise questions or to seek clarifications of pertinent and relevant information of the Company. During the meeting, the Board members and the External Auditors are available to respond to the shareholders' queries.

The Company does not have meetings in remote locations nor does it have a large number of shareholders for it to leverage on technology to facilitate shareholders voting in absentia or having remote shareholders' participation in general meetings.

The Company's general meetings have always been held at a venue which is easily accessible.

Shareholders are entitled to appoint representatives or proxy/proxies/the Chairman of the meeting to vote on their behalf in their absence.

Having said that, the Company would look into the proposal and explore leveraging on technology to facilitate virtual general meetings and remote shareholders' participation.

For good corporate governance practice, the notice of the AGM and the Annual Report are sent out to shareholders at least twenty-eight (28) days prior to the meeting so that shareholders are given sufficient time to consider the resolutions that will be discussed at the AGM. The shareholders are thus provided with ample time to review the annual report, to appoint proxies and to collate questions to be asked at the AGM.

All the Directors in office at the time (including the chairmen of the Board Committees) except for two independent non-executive directors, and the External Auditors were present in person at the 31st AGM held on 18 December 2025 to engage directly with and be accountable to the shareholders for their stewardship of the Company, pursuant to Practice 13.1 of the MCCG.

All the Directors shall endeavour to be present in person to engage directly with and be accountable to the shareholders for their stewardship of the Company at the AGM. The Directors and the External Auditors will be in attendance at the AGM to respond to the shareholders' queries as required by the shareholders, in line with Practices 13.2 and 13.4 of the MCCG.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

PART II – CONDUCT OF GENERAL MEETINGS (CONT'D)

12. Shareholder Participation at General Meetings (Cont'd)

In line with the MMLR of Bursa Securities, the Company had implemented poll voting for all the proposed resolutions set out in the notice of the 31st AGM held on 18 December 2025 and the Extraordinary General Meeting held on 6 February 2026. Each item of special business included in the notice of AGM was accompanied by an explanation of the said proposed resolution. All shareholders or proxies were briefed on the voting procedures prior to the poll voting by the Share Registrar. The Company appointed independent scrutineers to validate the votes cast at the general meetings.

The outcome of resolutions tabled and passed at the general meetings is released to Bursa Securities on the same meeting day.

This CG Overview Statement was approved by the Board on 27 October 2026.

AUDIT COMMITTEE REPORT

The Board of Directors ("the Board") of BTM Resources Berhad ("the Company") is pleased to present the Audit Committee ("AC") Report for the financial year ended 30 June 2026 ("FY2026").

COMPOSITION OF AC

As of the date of this Report, the composition of the AC is as follows:

Chairman
Lee Yoon Seong — Independent Non-Executive Director

Members
Goh Siow Cheng — Independent Non-Executive Director
Wong See Mei — Independent Non-Executive Director

AUDIT COMMITTEE MEETINGS

The AC met five (5) times during FY2026. The details of their attendance at meetings are as follows:-

Name of Members	No. of Meetings Attended
Lee Yoon Seong	5/5
Goh Siow Cheng	5/5
Chan Fook Mun *(Appointed on 27 October 2025 and resigned on 5 October 2026)*	3/3
Wong See Mei *(Appointed on 27 October 2026)*	N/A

The composition of the AC complied with Paragraph 15.09(1)(a), (b) and (c) of Bursa Malaysia Securities Berhad's ("Bursa Securities") Main Market Listing Requirements ("Listing Requirements") in which the AC is composed of three (3) members and all the committee members are Independent Non-Executive Directors. The Chairman of the AC, Mr Lee Yoon Seong, an Independent Non-Executive Director of the Company, is a Chartered Accountant of the Malaysian Institute of Accountants. Further, no alternate director is appointed as a member of the AC.

The Board assesses the performance of the AC through an annual Board Committee evaluation and is satisfied that they are able to discharge their function, duties and responsibilities in accordance with the Terms of Reference of the AC, which is published on the Company's website.

Taking into consideration the Malaysian Code on Corporate Governance ("MCCG") 2021 and the amendments to the Listing Requirements, the latest Terms of Reference of the AC was revised and adopted on 27 November 2023 to ensure appropriate corporate governance and compliance with the guidelines and requirements and amongst others, the rights of the AC, which shall include:-

(a) Evaluate the quality of the audits performed by the internal and external auditors;
(b) Determine the quality, adequacy and effectiveness of the Group's control environments and quality of the audits;
(c) Oversee compliance with laws and regulations and observance of a proper code of conduct; and
(d) Provide assurance that the financial information presented by management is relevant, reliable and timely.

The Group's external auditors, internal auditors and certain designated members of senior management also attended the meetings at the invitation of the Chairman of the AC to facilitate direct communication and to provide clarifications on the audit issues, operation matters as well as the risk management and internal controls of the Group.

The AC shall meet with the external auditors in separate sessions without the presence of Executive Directors and Management, whenever deemed necessary. The attendance of the external auditors and internal auditors at the AC meetings would facilitate the AC to raise their concerns, if any, on the audit reports, audit findings and the internal control systems of the Group in order for the AC to discharge their duties and responsibilities.

After each AC meeting, the AC Chairman submitted a report on matters deliberated to the Board for their attention and deliberation and conveyed to the Board the significant or major audit issues and concerns raised by the external auditors, internal auditors and the AC.

Matters reserved for the Board's approval were tabled at the Board meetings. The Company Secretaries then documented the decisions made and actions required and forwarded them to Management for their action.

The AC is guided by the Terms of Reference of the AC, a copy of which has been published on the Company's website at https://www.btmresources.com.my.

AUDIT COMMITTEE REPORT

SUMMARY OF ACTIVITIES OF THE AC

In line with the Terms of Reference of the AC, the following activities have been undertaken by the AC during FY2026, which are summarised as follows:-

a) Ensuring Financial Statements Comply with Applicable Malaysian Financial Reporting Standards

- Reviewed the quarterly financial results, audited financial statements and annual report of the Group and the Company and ensured, amongst others, that they comply with applicable Malaysian Financial Reporting Standards prior to submission to the Board for consideration and approval.
- Reviewed any changes in the implementation of major accounting policies and practices, major judgmental and risk areas, significant adjustments resulting from the audit, the going concern assumption, compliance with accounting standards, compliance with Listing Requirements of Bursa Securities and other legal requirements.
- Monitored the integrity of the financial statements of the Company and assessed whether the financial report represents a true and fair view of the Company's performance and ensured compliance with the regulatory requirements.
- Proposed best practices on disclosure in the financial statements and the annual reports of the Company, to be in line with the recommendations set out in the MCCG and other applicable rules and regulations.

b) Reviewing the Audit Findings of the External Auditors and Assessing the Performance, Suitability and Independence of External Auditors

- Reviewed the external auditors' audit plan, its scope of work and nature for the year and for the Group.
- Reviewed the external auditors' findings arising from audits and in particular, responses and appropriate action taken by Management.
- Reviewed the results of the evaluation of the accounting policies and systems of internal controls within the Group and the assistance given by the officers of the Company to them, including any difficulties or disputes with Management encountered during the audit.
- Reviewed the fees and expenses paid to the external auditors, including fees paid for non-audit services during the year and assessed the independence of the external auditors for the re-appointment as external auditors. The AC is of the opinion that the independence of the external auditors has not been compromised based on the independent confirmation provided by the external auditors.
- Conducted private meetings with the External Auditors without the presence of Executive Directors or employees of the Group.
- Reviewed the co-operation and assistance given by Management to the External Auditors.

c) Reviewing the Audit Findings of the Internal Auditors and Assisting the Board in Reviewing the Effectiveness and Adequacy of Systems of Internal Control in the Key Operation Processes

- Reviewed the internal audit plan and the adequacy of the scope, competency and resources of the internal audit function and that it has the necessary authority to carry out its work.
- Reviewed and discussed with the internal auditors, their audit findings, recommendations made, management's response to the audit findings and proposed action plans, including those issues arising during the course of audit (in the absence of Management where necessary).
- Reviewed the effectiveness and efficiency of the internal control system in place and the risk factors affecting the Company as well as the action plans taken by Management to resolve the issues to ensure adequacy of the internal control system.
- Assisted the Board in identifying the principal risks, reviewing and assessing the effectiveness of the risk management framework and internal control systems based on the reports and recommendations from the internal auditors and reporting to the Board on its findings.
- Reviewed the Statement on Risk Management and Internal Control and the Sustainability Statement of the Annual Report.

d) Whistleblowing and Fraud

- Reviewed the Company's arrangements for its employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters and ensured that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action; and reviewed the Company's procedures for detecting fraud.
- Cultivated the awareness of the employees and ensured the whistleblower could report directly to the AC on any possible wrongdoings or fraud detected.

AUDIT COMMITTEE REPORT

SUMMARY OF ACTIVITIES OF THE AC (CONT'D)

In line with the Terms of Reference of the AC, the following activities have been undertaken by the AC during FY2026, which are summarised as follows:- (Cont'd)

e) Related Party Transactions and/or Conflict of Interest

- Reviewed related party transactions entered into by the Group and any conflict of interest or potential conflict of interest situation that may arise within the Group and ensured that all transactions are at arm's length basis.
- Reviewed the proposed disposals by BTM Biomass Products Sdn. Bhd., a wholly-owned subsidiary, to Gimzan Plywood Sdn. Bhd. of the wood pellet manufacturing factory building and the plant, machinery and equipment at Lot PT 6323, Kawasan Perindustrian Wakaf Tapai, Hulu Terengganu ("Proposed Disposals"), being related party transactions, before recommending them to the Board. The AC was of the view that the Proposed Disposals were in the best interest of the Group, fair, reasonable and on normal commercial terms, and not detrimental to the interest of the minority shareholders. The Proposed Disposals were approved by the shareholders at the Extraordinary General Meeting held on 6 February 2026.
- Save as disclosed above, there were no material related party transactions noted during the financial year.

f) Overseeing the Governance Practices in the Group

- Reviewed and issued the AC Report for inclusion in the Annual Report.
- Reviewed the Statement on Risk Management and Internal Control and the Corporate Governance Overview Statement to ensure adherence to legal and regulatory reporting requirements and appropriate resolution of all accounting matters requiring significant judgement and recommended the same to the Board for approval.
- Reviewed the minutes of meetings of the AC.

SUMMARY OF ACTIVITIES OF THE INTERNAL AUDIT FUNCTION

The Group's internal audit function, which reports directly to the AC, is outsourced to a professional firm, Messrs Baker Tilly Monteiro Heng Governance Sdn. Bhd. The outsourced internal auditors assist the Board via the AC in providing independent assessment of the adequacy, efficiency and effectiveness of the Group's risk management and internal control systems.

The role of the internal audit function is independent and not related to the Group's external auditors. The scope of review of the outsourced internal audit function is determined and approved by the AC with feedback from Management. During the financial year under review, the outsourced internal audit function carried out reviews in accordance with the audit plan approved by the AC, which focused on areas with high risk and ascertained that the risks were effectively mitigated by controls.

Summary of works undertaken by the internal auditors comprised the following:-

- Reviewed compliance with policies, procedures and standards, relevant external rules and regulations;
- Assessed the adequacy and effectiveness of the Group's system of internal control and recommended appropriate actions to be taken where necessary to mitigate risks identified;
- Conducted internal audits and highlighted to the AC the audit findings which required follow-up actions by Management, any outstanding audit issues which required corrective actions to be taken to ensure an adequate and effective internal control system within the Group, as well as any weaknesses in the Group's internal control system; and
- Ensured that those weaknesses were appropriately addressed and that recommendations from the internal audit reports and corrective actions on reported weaknesses were addressed appropriately within the required timeframe by Management.

During FY2026, the outsourced internal audit function conducted regular reviews of business processes in accordance with the internal audit plan approved by the AC as follows:-

i) Group Finance Management & General Accounting Controls for the Company and its subsidiaries
ii) Follow-up audit on the previous cycle's findings

Based on the internal audits conducted, the AC and internal auditors did not detect any significant weakness which would result in material losses, contingencies or uncertainties that would require disclosure in the Annual Report 2026.

The details of the internal audit function are set out in the Statement on Risk Management and Internal Control of this Annual Report.

The Group had incurred a total amount of RM20,000 for the internal audit function for FY2026.

This report was approved by the Board on 27 October 2026.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors of BTM Resources Berhad ("the Board") is pleased to present the Statement on Risk Management and Internal Control ("SORMIC") of the Group, pursuant to Paragraph 15.26(b) of Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa") and guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Public Listed Issuers ("Guidelines") issued by Bursa, which outlines the processes to be adopted by the Board of Directors in reviewing adequacy and effectiveness of risk management and internal control system of the Group.

This SORMIC outlines the processes that have been implemented to ensure adequacy and integrity of the system of risk management and internal control of the Group during the financial year ended 30 June 2026 and it has been prepared in compliance with Main Market Listing Requirements of Bursa.

The Audit Committee ("AC") being the delegated committee of the Board, is responsible for the preparation of the SORMIC in accordance with the Guidelines. Set out below is the SORMIC which has been prepared in accordance with the Guidelines.

BOARD'S RESPONSIBILITY

The Board recognises the importance of sound framework for risk management and internal control as a platform to good corporate governance. The Board affirms that it is responsible for the Group's system of internal controls covering not only financial controls but also operational and compliance controls as well as risk management. The Board also affirms that it is responsible for ensuring the adequacy and integrity of those systems.

The Board has received assurance from the Managing Director and the Executive Director that the Group's risk management and internal control systems adopted by the Group are operating adequately and effectively, in all materials aspects, based on their observations of routine business operations of the Group for the financial year ended 30 June 2026.

In view of the limitations inherent in any system of risk management and internal control, such systems put into effect by Management can only manage and reduce, rather than eliminate the risks that may impede the achievement of the Group's business objectives. Therefore, the risk management and internal control systems can only provide reasonable and not absolute assurance against errors, material misstatement, operational failure, fraud or loss.

For the Board's reponsibilities in relation to preparation of audited financial statements, it is included in the section, Statement of Directors' Responsibilities in this Annual Report.

RISK MANAGEMENT

The Board regards risk management as part of business operations. The Group has established a structured and on-going risk management process for identifying, evaluating, managing and reviewing any changes in the significant risks that may hinder the Group in achieving its business objectives. Management of respective business and functional units of the Group is involved in the risk management process in identifying and managing significant risks impacting the achievement of business objectives of the Group.

Management implements the Board's policies and procedures on risk management by identifying and addressing the risks faced by the Group as part of their routine functions and through review of such risks at regular management meetings chaired by managing/executive directors. Unresolved matters at management level will be brought to the attention of the Board for discussion. The key elements of the risk management process are as follows:

- Identify key risks associated with the Group;
- Identify the existing controls that manage the identified risks;
- Rate the identified risks in terms of likelihood of occurrence and the resulting consequence; and
- Decide on treatment of the risk and develop response to manage residual risk (if any).

Based on the on-going managing of risk management process, the review on adequacy and integrity of risk management is found satisfactory.

ORGANISATIONAL STRUCTURE

The Board provides business direction and oversight to the Group and management. The Board is supported by a number of Board Committees namely Risk Management and Sustainability Committee ("RMSC"), AC, Nomination and Remuneration Committee. Each committee has formal defined terms of reference and responsibilities and report on activities of each committee is presented to the Board on a regular basis.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

ORGANISATIONAL STRUCTURE (CONT'D)

The RMSC meets at least two (2) times yearly to discuss the risks faced by the Group and ensure that existing mitigation actions are adequate. The RMSC was established to oversee and perform regular reviews on the Group's risk management processes.

There is a clearly defined organisational structure aligned to the operational requirements of the business of the Group, which provides levels of authority limits, accountability and responsibility of respective job functions of management.

INTERNAL AUDIT FUNCTION

The responsibility for reviewing the adequacy and integrity of the internal control has been delegated by the Board to the AC. In turn, the AC assesses the adequacy and integrity of the internal control system and its compliance with the Group's policies and procedures through independent reviews performed by the Internal Auditors which include review on key business processes, check compliance with policies/procedures set by the Board, and evaluate effectiveness of internal control and governance processes. The Internal Auditors carry out the work with reference to the internal audit plan approved by AC. In this respect, the Board through the AC receives and reviews reports on internal control from its outsourced internal audit function.

The Board has outsourced the internal audit function to an independent service provider, namely Messrs Baker Tilly Monteiro Heng Governance Sdn. Bhd. to provide an independent appraisal over the system of internal control of the Group to the Audit Committee.

The responsibilities of the Internal Auditors include periodical testing of the internal control systems, based on Internal Audit Plan approved by the AC, to ensure that the system is robust and providing independent and objective reports on the state of internal controls of the significant operating units in the Group to the AC, with recommendations for improvement to the control procedures, so that remedial actions can be taken in relation to weaknesses noted in the systems.

During the financial year ended 30 June 2026, internal audit was undertaken and the results on the audits were presented to the AC. The scope of work of the outsourced Internal Auditors' function was determined by the AC after careful consideration and discussion with the Board.

The cost incurred in outsourcing the internal audit function for the financial period ended 30 June 2026 was at RM20,000.

CONCLUSION

The Board is of the view that the Group's risk management and internal control systems are satisfactory and the Group has no significant internal control failures nor any weaknesses that has resulted in material losses or contingencies and is adequate and effective during the financial year under review. However, the Board is also cognizant of the fact that the Group's system of internal control and risk management practices must continuously evolve to meet the changing and challenging business environment. Therefore, the Group will continue to take measures to strengthen the risk management and internal control system with a view to further enhance their effectiveness and to ensure new and additional risk arising from changes in the business and operating environment are managed within tolerable limits and timely dealt with.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

Pursuant to Paragraph 15.23 of Bursa Malaysia Securities Berhad's Main Market Listing Requirements, the external auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in this Annual Report for the financial year ended 30 June 2026. Their review was performed in accordance with the Audit and Assurance Practice Guide ("AAPG") 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants.

AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control system of the Group. Based on the procedures performed, nothing had come to their attention that caused them to believe that the Statement on Risk Management and Internal Control set out above was not prepared, in all material respect, in accordance with the disclosure required by paragraphs 41 and 42 of the Guidelines, nor was it factually inaccurate.

This Statement was approved by the Board on 27 October 2026.

ADDITIONAL COMPLIANCE INFORMATION

MATERIAL CONTRACTS INVOLVING DIRECTORS AND MAJOR SHAREHOLDERS' INTEREST

On 12 September 2025, BTM Biomass Products Sdn. Bhd. ("BTMBP"), a wholly-owned subsidiary of BTM Resources Berhad, entered into a Sale and Purchase Agreement with Gimzan Plywood Sdn. Bhd. ("Gimzan") for the disposal of the single-storey wood pellet factory building together with plants, machineries and equipments for a total consideration of RM4,500,000.00 ("Proposed Disposals").

The Proposed Disposals were approved by the shareholders of the Company at the Extraordinary General Meeting held on 6 February 2026 and were completed on 11 February 2026.

Save as disclosed above, there were no material contracts entered into by BTM Resources Berhad ("BTM") and its subsidiaries, involving Directors' and major shareholders' interests, either still subsisting at the end of the financial year ended 30 June 2026 ("FY2026"), or which were entered into since the end of the previous financial period.

CORPORATE PROPOSALS AND UTILISATION OF PROCEEDS

Rights Issue

The Company had undertaken a renounceable rights issue to issue up to 1,183,929,204 Rights Shares together with up to 394,643,068 Warrants-C at the issue price of RM0.08 per Rights Share on the basis of 6 Rights Shares for every 1 existing BTM Share held on the Entitlement Date together with 1 Warrant-C for every 3 Rights Shares subscribed, which was approved by the shareholders via the Extraordinary General Meeting held on 23 August 2022 and completed on 16 January 2023 following the listing and quotation for 921,571,130 Rights Shares, 307,190,331 Warrants-C and 8,642,716 additional Warrants-B on the Main Market of Bursa Malaysia Securities Berhad.

On 12 September 2025, the Company announced the proposed variation of the unutilised rights issue proceeds ("Proposed Variation"), which was approved by the shareholders at the Extraordinary General Meeting held on 6 February 2026. The status of the utilisation of the rights issue proceeds as at 30 June 2026 is as follows:-

Proposed Utilisation of Proceeds	Proceeds raised (RM'000)	Variations up to 30 June 2025 (RM'000)	Variation approved on 6 Feb 2026 (RM'000)	Revised (RM'000)	Utilised (RM'000)	Balance Unutilised (RM'000)	Timeframe for Utilisation (Revised)
Payment of Sublease Consideration	24,700	-	-	24,700	(24,700)	-	Not applicable
Planting cost at the Plantation Lands	4,800	(4,800)	-	-	-	-	Not applicable
Construction cost – Biomass Power Plant	23,120	-	(19,593)	3,527	(3,527)	-	Not applicable
Repayment to Director	8,000	(290)	-	7,710	(7,710)	-	Not applicable
Working capital requirements	10,606	5,517	7,593	23,716	(21,508)	2,208	Within 24 months
Potential strategic acquisition of new business or assets or investments	-	-	12,000	12,000	-	12,000	Within 24 months
Estimated expenses for the Proposals	2,500	(427)	-	2,073	(2,073)	-	Not applicable
Total	**73,726**	**-**	**-**	**73,726**	**59,518**	**14,208**	

Notes:
(a) The balance unutilised proceeds for repayment to Director and expenses for the Proposals amounting to RM0.72 million had been channelled for Working Capital Requirement purposes.
(b) The Board of Directors had on 9 September 2024 resolved to vary the utilisation of the RM4.8 million allocated for Planting Costs, which remained unutilised, by re-purposing it for Working Capital Requirement due to the absence of an immediate capital requirement for the plantation program and to ensure efficient use of capital and enhancement of working capital.
(c) The balance unutilised proceeds of RM19.593 million allocated for the construction cost of the Biomass Power Plant as at 30 June 2025 was varied pursuant to the Proposed Variation approved by the shareholders on 6 February 2026, as set out in the circular to shareholders dated 12 January 2026.

ADDITIONAL COMPLIANCE INFORMATION

RECURRENT RELATED PARTY TRANSACTIONS ("RRPT")

During FY2026, the Company did not enter into any recurrent related party transactions.

LONG-TERM INCENTIVE PLAN

The Long-Term Incentive Plan ("LTIP") was approved by the shareholders at the Extraordinary General Meeting held on 23 August 2022.

The LTIP was implemented with effect from 17 January 2023 and entails the establishment of a scheme which comprises the Executive Share Grant Scheme ("ESGS") and Employee Share Option Scheme ("ESOS"), all to be in force for a period of five (5) years and may be extended for such further period, at the sole and absolute discretion of the Board, of up to five (5) years, provided always that the initial period and such extension of the scheme made pursuant to the By-Laws shall not in aggregate exceed a duration of ten (10) years from the effective date or such other longer period as may be permitted by Bursa Malaysia Securities Berhad or any other relevant authorities.

There was no issuance of new ordinary shares pursuant to the ESGS during FY2026.

Information on aggregate basis for the ESGS (from beginning period till to-date) is shown below:

Description	Number of Ordinary Shares
Total ESGS granted	163,889,200
Total shares vested	163,889,200
Total shares outstanding	-

Shares granted to Directors and Senior Management as follows:-

	During the financial year ended 30 June 2026	Since commencement of the LTIP on 17 January 2023
Aggregate maximum allocation in percentage	Nil	80.00%
Actual percentage granted	Nil	76.63%

AUDIT AND NON-AUDIT FEES

The audit and non-audit fees paid or payable to Messrs Folks DFK & Co PLT, the external auditors, by the Company and its subsidiaries for FY2026 are as follows:-

Details of fees	Group (RM)	Company (RM)
Statutory Audit Fees	88,000	40,000
Non-Audit Fees	4,000	4,000
Total	**92,000**	**44,000**

ADDITIONAL COMPLIANCE INFORMATION

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Paragraph 9.25A of MAIN Market Listing Requirements, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of Securities Commission of Malaysia. These include financial data on Shariah non- permissible income arising from the Group's business activities and interest-based financial position.

(A) Group Total Income and Total Assets

Total Income	Remarks	Group	
		2026 (RM)	2025 (RM)
Revenue		**6,524,540**	9,104,671
Other income		**945,338**	2,329,414
Interest income		**486,791**	1,010,380
Please Select		**-**	-
Total		**7,956,669**	**12,444,465**
Total Assets		**54,343,677**	**67,016,718**

(B) Business Activities

Shariah Non-Compliant Activities	Remarks	Group	
		2026 (RM)	2025 (RM)
Please Select	NIL	**-**	-
Total		**0**	**0**

(C) Component of Financial Position

(i) Cash Component

	Remarks	Group	
		2026 (RM)	2025 (RM)
Islamic Account/Instruments			
Cash at bank (exclude cash in hand)		**13,724,385**	17,265,753
Total		**13,724,385**	17,265,753
Conventional Account/Instruments			
Cash at bank (exclude cash in hand)		**557,094**	4,492,856
Deposits with licensed bank		**273,675**	265,853
Total		**830,769**	4,758,709

ADDITIONAL COMPLIANCE INFORMATION

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING (CONT'D)

(C) Component of Financial Position (Cont'd)

(ii) Debt Component

Islamic Financing	Remarks	Group	
		2026 (RM)	2025 (RM)
Current			
Islamic Hire purchase payables		**17,563**	16,718
Non-Current			
Islamic Hire purchase payables		**19,939**	37,502
Total		**37,502**	**54,220**

Conventional Borrowing	Remarks	Group	
		2026 (RM)	2025 (RM)
Current			
Please Select: Conventional Components	NIL	**-**	-
Non-Current			
Please Select: Conventional Components	NIL	**-**	-
Total		**0**	**0**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors of BTM Resources Berhad ("the Company") are required to prepare financial statements for each financial year which have been drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards, and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at the end of the financial year and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

In preparing the financial statements of the Group and of the Company for the financial year ended 30 June 2026, the Directors of the Company have:-

- adopted suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- ensured applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared the financial statements on a going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future.

The Directors are responsible to ensure that the Group and the Company maintain proper accounting records that disclose with reasonable accuracy the financial position of the Group and of the Company, which enable them to ensure that the financial statements comply with the Companies Act 2016.

The Directors are also responsible for taking such steps which are reasonably open to them to safeguard the assets of the Group and of the Company and to prevent and detect fraud and other irregularities.

DIRECTORS' REPORT

The directors submit herewith their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2026.

PRINCIPAL ACTIVITIES

The principal activities of the Company consist of investment holding and the provision of management services. The principal activities of the subsidiary companies and other details of the subsidiary companies are set out in Note 6(a) to the financial statements.

There have been no significant changes in these activities during the financial year.

FINANCIAL RESULTS

	Group RM	Company RM
Loss for the financial year	(5,312,844)	(14,106,940)

DIVIDEND

No dividend has been paid or declared by the Company since the end of the previous financial period.

RESERVES AND PROVISIONS

There were no material transfers made to or from reserves or provisions accounts during the financial year other than those disclosed in the financial statements.

SHARE CAPITAL

Pursuant to the approval of the shareholders at an Extraordinary General Meeting of the Company held on 6 February 2026, the Company has reduced its share capital from RM97,895,077 to RM17,895,077 via the cancellation of the issued share capital by RM80,000,000 and the credit arising used to set-off against the accumulated losses of the Company. The share capital reduction was confirmed as completed on 17 April 2026 by the Registrar of Companies. The movements in the Company's share capital account are disclosed in Note 14 to the financial statements.

WARRANTS-C 2023/2028

The Warrants-C 2023/2028 carry the entitlement, at any time from the issue date of 10 January 2023 up to the close of business at 5.00 p.m. on the maturity date of 9 January 2028, to subscribe for one new ordinary share in the Company at the exercise price of RM0.10 for cash in accordance with the Deed Poll dated 25 November 2022 constituting the Warrants-C 2023/2028.

As at end of the financial year, a total 307,190,331 Warrants-C 2023/2028 remained unexercised.

DIRECTORS' REPORT

LONG TERM INCENTIVE PLAN

The Company's Long Term Incentive Plan ("LTIP") approved by the shareholders of the Company at the Extraordinary General Meeting held on 23 August 2022 was implemented with effect from 17 January 2023 for a period of 5 years and may be extended for a further period of up to 5 years at the absolute discretion of the directors. The LTIP entails a scheme which comprises the Executive Share Grant Scheme ("ESGS") and Employee Share Option Scheme ("ESOS") to attract, retain, motivate and reward the employees and directors of the Group (excluding dormant subsidiaries) ("Eligible Persons") who fulfil the eligibility criteria for participation in the scheme as stipulated in the By-Laws for the LTIP. The LTIP is administered by a committee ("LTIP Committee") appointed and authorised by the directors and governed by the By-Laws.

The ESGS is intended for the Company to reward the Eligible Persons through the grant of ordinary shares in the Company at no consideration ("ESGS Grants") while the ESOS is for the Company to reward the Eligible Persons through the grant of options ("ESOS Options) to subscribe for ordinary shares in the Company at the option price fixed at the time of award of the grant, during the duration of the LTIP in the manner and subject to the terms and conditions provided in the By-Laws. Both ESGS Grants and ESOS Options will be vested with the Eligible Persons upon their acceptance of the grants subject to the Eligible Persons fulfilling the vesting conditions as may be determined by the LTIP Committee in accordance with the By-Laws.

Other salient features and terms of the LTIP are as follows :-

(a) The maximum number of ordinary shares made available under the LTIP shall not exceed in aggregate 15% of the total number of issued ordinary shares (excluding treasury shares, if any) in the Company at any point in time over the duration of the LTIP.

(b) The number of ordinary shares allocated to any Eligible Person who, either singly or collectively through persons connected with the Eligible Person, holds 20% or more of the total number of ordinary shares (excluding treasury shares) in the Company, does not exceed 10% of the total number of ordinary shares to be allocated to the LTIP. In addition, the number of ordinary shares that could be allocated, in aggregate, to to the executive directors, non-executive directors and key senior management of the Group shall be up to a maximum of 80% of the total number of ordinary shares made available under the LTIP.

(c) At the date of which the offer of ESGS Grants and ESOS Options are awarded, the Eligible Persons must (i) attain the age of at least 18 years and is not an undischarged bankrupt nor subject to any bankruptcy proceedings; (ii) be in employment within the Group and have been confirmed in service and have served at least 6 months with the employment contract be at least for a duration of 1 year and shall have not expired within 3 months from the offer date; (iii) have not served a notice to resign or receive a notice of termination in respect of the employment; and/or (iv) be a director or employee under such categories and criteria that the LTIP Committee may from time to time decide at its absolute discretion.

(d) The option price for the exercise of ESOS Options shall be the 5-day volume weighted average market price of the ordinary shares of the Company immediately preceding the date of the award of the ESOS Options with a discount of not more than 10% or such other percentage of discount may be permitted by Bursa Securities or any other relevant authorities from time to time during the duration of the LTIP.

(e) ESGS Grants and ESOS Options granted shall vest with the Eligible Persons on the vesting date when any stipulated vesting conditions have been fully and duly satisfied. The ESOS Options are exercisable either in whole or in part at their exercise price at any time from the vesting date during the duration of the LTIP ("Option Period") whilst the Eligible Persons are in employment of the Group or during their tenure as directors by following the procedures determined by the LTIP Committee from time to time. Any ESOS Option which remained unexercised at the expiry of the Option Period shall be automatically terminated and lapsed without any claim against the Company. Similarly, any unvested ESGS Grants shall be automatically terminated and ceased to be valid at the end of the duration of the LTIP.

DIRECTORS' REPORT

LONG TERM INCENTIVE PLAN (CONT'D)

Other salient features and terms of the LTIP are as follows :- (Cont'd)

(f) Grantees of ESGS Grants and ESOS Options shall not be entitled to any dividends, rights or other entitlements on their unvested ESGS Grants and/or unvested or unexercised ESOS Options.

(g) The new ordinary shares of the Company to be allotted and issued under the LTIP shall rank equally in all respects with the existing ordinary shares, save and except that they shall not be entitled to any dividends, rights, allotments and/or other distributions declared, the entitlement date which precedes the date of allotment and issuance of the new ordinary shares. In the event that existing ordinary shares are to be transferred to grantees of ESGS Grants upon their vesting, the grantees shall not be entitled to any dividends, rights, allotment and/or distributions unless the ordinary shares are credited to their shares depository accounts on or prior to the entitlement date for those dividends, rights, allotment and/or distributions.

(h) The new ordinary shares to be allotted and issued or existing ordinary shares to be transferred to the Eligible Persons pursuant to the LTIP will not be subjected to any retention period unless otherwise stipulated by the LTIP Committee at the time of granting the awards. Notwithstanding, an Eligible Person who is a non-executive director must not sell, transfer or assign his shares obtained through the vesting of ESGS Grants or the exercise of ESOS Options within one year from the date of award in accordance with listing requirements of Bursa Securities.

The Company has not granted any ESOS Options since the implementation of the LTIP. No ESGS Grants were granted during the financial year.

DIRECTORS

The names of the directors of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are as follows :-

Dato' Seri Yong Tu Sang * (Managing Director)	
Tan Boon Pock *	
Goh Siow Cheng	
Datuk Yap Wai Hong	
Lee Yoon Seong	
Chan Fook Mun	(Appointed on 27 October 2025; Resigned on 5 October 2026)
Datuk Dr. Hon Tian Kok @ William	(Appointed on 30 January 2026)
Lau Fook Meng	(Appointed on 30 January 2026)
Wong See Mei	(Appointed on 30 January 2026)

* These directors also serve as directors of subsidiary companies.

DIRECTORS' REPORT

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings, the interests of the directors of the Company in office at the end of the financial year in shares and warrants of the Company during the financial year are as follows :-

	Number of ordinary shares			
	As at 1.7.2025 / date appointed	During the financial year		As at 30.06.2026
		Acquired	Disposed	
Dato' Seri Yong Tu Sang				
- direct	85,244,181	-	-	85,244,181
- indirect #	113,909,408	-	-	113,909,408
Tan Boon Pock				
- direct	7,340,000	-	-	7,340,000
- indirect ##	1,000,000	-	-	1,000,000
Datuk Dr. Hon Tian Kok @ William				
- direct	92,659,797	-	-	92,659,797

	Number of Warrants-C 2023/2028			
	As at 1.7.2025	During the financial year		As at 30.06.2026
		Acquired	Disposed	
Dato' Seri Yong Tu Sang				
- direct	36,452,832	-	-	36,452,832
- indirect #	46,258,956	-	-	46,258,956
Tan Boon Pock				
- direct	2,710,000	-	-	2,710,000

\# Deemed interest by virtue of shares and warrants held by his spouse and children.
Deemed interest by virtue of shares held by his spouse.

Other than as disclosed, no other directors of the Company in office at the end of the financial year held any interest in shares and warrants of the Company and its related corporations.

DIRECTORS' BENEFITS

As at the end of the financial year and during the year, there did not subsist any arrangement to which the Company was a party, whereby the directors or their nominees might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate other than any benefit that may accrue to the directors arising from the Warrants-C 2023/2028.

Since the end of the previous financial period, no director has received or become entitled to receive any benefits (other than a benefit included in the aggregate amount of remuneration received or due and receivable by the directors as disclosed in the Directors' Remuneration section below) by reason of a contract made by the Company or a related corporation with the director or his nominees or with a firm of which he is a member or with a company in which he has a substantial financial interest other than by virtue of transactions entered into in the ordinary course of business as disclosed in Note 29 to the financial statements.

No indemnity was given to nor was there any insurance effected for the directors and officers of the Group and of the Company during the financial year.

DIRECTORS' REPORT

DIRECTORS' REMUNERATION

The remuneration received or receivable by the directors of the Company from the Company and its subsidiary companies during the financial year are as follows: -

	Received or receivable from		
	Company RM	Subsidiary companies RM	Total RM
Fees	173,645	-	173,645
Salaries and other emoluments	976,300	-	976,300
Estimated monetary value of benefits-in-kind	-	47,900	47,900
	1,149,945	47,900	1,197,845

AUDITORS' REMUNERATION

The remuneration paid or payable to the auditors of the Group and of the Company for the financial year are RM92,000 and RM44,000 respectively.

No indemnity was given to nor was there any insurance effected for the auditors of the Group and of the Company during the financial year.

OTHER STATUTORY INFORMATION

(a) Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps :-

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that adequate provision had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business have been written down to an amount which they might be expected so to realise.

(b) As at the date of this report, the directors are not aware of any circumstances :-

(i) which would render it necessary to write off any bad debts or the amount of the provision for doubtful debts in respect of the financial statements of the Group and of the Company inadequate to any substantial extent;

(ii) which would render the values of current assets in the financial statements of the Group and of the Company misleading;

(iii) which have arisen which would render adherence to the existing method of valuation of assets and liabilities of the Group and of the Company misleading or inappropriate; and

(iv) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

DIRECTORS' REPORT

(c) As at the date of this report, there does not exist :-

(i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; and

(ii) any contingent liability in respect of the Group and of the Company which has arisen since the end of the financial year.

(d) In the opinion of the directors :-

(i) no contingent or other liabilities have become enforceable or are likely to become enforceable, within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations when they fall due;

(ii) the results of the Group's and of the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(iii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company for the financial year in which this report is made.

AUDITORS

The auditors, Messrs. Folks DFK & Co PLT (converted from a conventional partnership, Folks DFK & Co, on 2 January 2026), have expressed their willingness to continue in office.

Signed in accordance with a resolution of the Board of Directors,

DATO' SERI YONG TU SANG
Director

TAN BOON POCK
Director

Date : 27 October 2026

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

We, DATO' SERI YONG TU SANG and TAN BOON POCK, being two of the directors of BTM RESOURCES BERHAD, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 81 to 149 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2026 and of their financial performance and cash flows for the year ended on that date.

Signed in accordance with a resolution of the Board of Directors dated 27 October 2026.

DATO' SERI YONG TU SANG
Director

TAN BOON POCK
Director

STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, DATO' SERI YONG TU SANG being the person primarily responsible for the financial management of BTM RESOURCES BERHAD, do solemnly and sincerely declare that the accompanying financial statements set out on pages 81 to 149, are to the best of my knowledge and belief, correct.

And I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed DATO' SERI YONG TU SANG at Kuala Lumpur in the Federal Territory this 27 October 2026.)

DATO' SERI YONG TU SANG

Before me,

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Note	2026 RM	2025 RM
ASSETS			
Non-Current Assets			
Property, plant and equipment	4	9,580,224	10,106,588
Right-of-use assets	5	27,352,112	28,096,186
		36,932,336	38,202,774
Current Assets			
Inventories	8	28,741	1,189,102
Trade receivables	9	2,552,511	759,857
Other receivables, deposits and prepayments	10	274,018	640,515
Fixed deposits with a licensed bank	12	273,675	265,853
Cash and bank balances		14,282,396	21,758,617
		17,411,341	24,613,944
Non-current assets held for sale	13	-	4,200,000
		17,411,341	28,813,944
Total Assets		54,343,677	67,016,718
EQUITY AND LIABILITIES			
Equity Attributable to Owners of the Company			
Share capital	14	17,895,077	97,895,077
Revaluation reserves	15	15,504,140	15,504,140
Warrant reserves	16	20,612,471	20,612,471
Accumulated losses		(4,196,059)	(78,883,215)
Total Equity		49,815,629	55,128,473

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Note	2026 RM	2025 RM
Liabilities			
Non-Current Liabilities			
Retirement benefit obligations	17	115,887	229,210
Lease liabilities	18	403,984	492,089
Hire purchase creditor	19	19,939	37,502
Deferred taxation	20	270,000	270,000
		809,810	1,028,801
Current Liabilities			
Trade payables	21	282,984	1,854,240
Other payables and accruals	22	2,773,255	8,231,687
Lease liabilities	18	88,105	114,212
Amount due to directors	23	556,331	642,587
Hire purchase creditor	19	17,563	16,718
		3,718,238	10,859,444
Total Liabilities		4,528,048	11,888,245
Total Equity and Liabilities		54,343,677	67,016,718

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For The Financial Year Ended 30 June 2026

	Note	1.7.2025 to 30.6.2026 RM	1.1.2024 to 30.6.2025 RM
Revenue	24	6,524,540	9,104,671
Cost of sales		(7,472,523)	(12,796,266)
Gross loss		(947,983)	(3,691,595)
Other income		945,338	2,329,414
Distribution expenses		(25,010)	(24,000)
Administrative expenses		(5,148,176)	(8,054,408)
Other operating expenses		(86,158)	(7,123,558)
Finance costs		(50,855)	(335,010)
Loss before taxation	25	(5,312,844)	(16,899,157)
Taxation	26	-	(333,550)
Loss for the financial year/period		(5,312,844)	(17,232,707)
Other comprehensive loss :-			
Items that will not be reclassified subsequently to profit or loss			
- Impairment losses on revalued buildings		-	(1,763,389)
Attributable deferred tax		-	423,214
		-	(1,340,175)
- Actuarial gain on defined benefit obligations		-	86,159
Total other comprehensive loss for the financial year/period, net of tax		-	(1,254,016)
Total comprehensive loss for the financial year/period		(5,312,844)	(18,486,723)
Loss per share attributable to owners of the Company			
Basic	27(a)	(0.42 sen)	(1.37 sen)
Diluted	27(b)	(0.42 sen)	(1.37 sen)

The notes on pages 92 to 149 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Financial Year Ended 30 June 2026

	← Non-distributable →				
	Share capital (Note 14) RM	**Revaluation reserves (Note 15) RM**	**Warrant reserves (Note 16) RM**	**Accumulated losses RM**	**Total RM**
Balance as at 1 July 2025	97,895,077	15,504,140	20,612,471	(78,883,215)	55,128,473
Loss for the financial year representing total comprehensive loss for the financial year	-	-	-	(5,312,844)	(5,312,844)
Share capital reduction	(80,000,000)	-	-	80,000,000	-
Balance as at 30 June 2026	17,895,077	15,504,140	20,612,471	(4,196,059)	49,815,629
Balance as at 1 January 2024	97,895,077	19,897,270	24,214,906	(68,392,057)	73,615,196
Loss for the financial period	-	-	-	(17,232,707)	(17,232,707)
Other comprehensive loss :-					
- Impairment losses on revalued buildings, net of tax	-	(1,340,175)	-	-	(1,340,175)
- Actuarial gain on defined benefit obligations	-	-	-	86,159	86,159
Total other comprehensive loss for the financial period	-	(1,340,175)	-	86,159	(1,254,016)
Total comprehensive loss for the financial period	-	(1,340,175)	-	(17,146,548)	(18,486,723)
Transfer upon disposal of freehold land and building	-	(3,052,955)	-	3,052,955	-
Transfer upon expiry of Warrants-B 2014/2024	-	-	(3,602,435)	3,602,435	-
Balance as at 30 June 2025	97,895,077	15,504,140	20,612,471	(78,883,215)	55,128,473

The notes on pages 92 to 149 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For The Financial Year Ended 30 June 2026

	1.7.2025 to 30.6.2026 RM	1.1.2024 to 30.6.2025 RM
Cash Flows From Operating Activities		
Loss before taxation	(5,312,844)	(16,899,157)
Adjustments for :-		
Allowance for impairment losses on :-		
- property, plant and equipment	9,869	2,028,492
- prepayments	-	594,888
- trade receivables	280,000	338,192
Write-down in value of inventories	530,665	627,161
Depreciation of property, plant and equipment	451,009	2,121,429
Depreciation of right-of-use assets	744,074	1,292,571
Defined benefit cost	43,044	120,741
Property, plant and equipment written off	69,464	-
Gain on derecognition of right-of-use assets	-	(150,788)
Gain on derecognition of a subsidary company struck off	-	(3,904)
Gain on disposal of a subsidiary company	-	(1,079,048)
Interest expenses	50,855	299,967
Interest income	(486,791)	(1,010,380)
(Gain)/Loss on disposal of property, plant and equipment	(599)	713,440
Prepaid expenses relating to biomass renewable energy power plant project written off	-	4,500,178
Operating loss before working capital changes	(3,621,254)	(6,506,218)
Decrease in inventories	629,696	250,027
Increase in trade receivables	(2,072,654)	(574,583)
Decrease in other receivables, deposits and prepayments	366,497	3,734,102
(Decrease)/Increase in trade payables	(1,571,256)	1,517,901
Decrease in other payables and accruals	(1,258,432)	(5,921,955)
Decrease in amount due to directors	(86,256)	(2,065,242)
Cash used in operations	(7,613,659)	(9,565,968)
Retirement benefit paid	(156,367)	(1,830,093)
Tax paid	-	(1,762)
Interest received	486,791	1,010,380
Interest paid	-	(73)
Net cash used in operating activities	(7,283,235)	(10,387,516)

The notes on pages 92 to 149 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For The Financial Year Ended 30 June 2026

	1.7.2025 to 30.6.2026 RM	1.1.2024 to 30.6.2025 RM
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(3,980)	(22,125)
Proceeds from disposal of property, plant and equipment	601	5,200,001
Refund of stamp duty on leasehold industrial land	-	142,670
Net cash inflow from disposal of a subsidiary company [Note 6(b)]	-	999,978
Placement of fixed deposits with maturity periods exceeding three months	(7,822)	-
Net cash from investing activities	(11,201)	6,320,524
Cash Flows From Financing Activities		
Repayment of term loan	-	(3,081,035)
Term loan interest paid	-	(175,617)
Payment of hire purchase liabilities	(16,718)	(46,052)
Hire purchase interest paid	(2,218)	(5,337)
Payment of lease liabilities	(114,212)	(336,792)
Withdrawal of fixed deposits pledged	-	10,177,711
Lease interest paid	(48,637)	(118,940)
Net cash (used in)/from financing activities	(181,785)	6,413,938
Net (Decrease)/Increase In Cash And Cash Equivalents	(7,476,221)	2,346,946
Cash and cash equivalents at beginning of financial year/period	21,758,617	19,411,671
Cash And Cash Equivalents At End Of Financial Year/Period [Note 28(b)]	14,282,396	21,758,617

The notes on pages 92 to 149 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Note	2026 RM	2025 RM
ASSETS			
Non-Current Assets			
Property, plant and equipment	4	73,531	101,736
Subsidiary companies	6	6,754,536	15,554,536
Amount due from subsidiary companies	11	17,903,345	17,236,607
		24,731,412	32,892,879
Current Assets			
Other receivables, deposits and prepayments	10	181,294	276,294
Cash and bank balances		14,231,598	20,989,010
		14,412,892	21,265,304
Total Assets		39,144,304	54,158,183
EQUITY AND LIABILITIES			
Equity Attributable to Owners of the Company			
Share capital	14	17,895,077	97,895,077
Warrant reserves	16	20,612,471	20,612,471
Accumulated losses		(2,464,301)	(68,357,361)
Total Equity		36,043,247	50,150,187
Liabilities			
Non-Current Liabilities			
Retirement benefit obligations	17	39,286	170,198
Hire purchase creditor	19	19,939	37,502
		59,225	207,700
Current Liabilities			
Other payables and accruals	22	2,083,387	2,857,928
Amount due to a subsidiary company	11	395,875	309,127
Amount due to directors	23	545,007	616,523
Hire purchase creditor	19	17,563	16,718
		3,041,832	3,800,296
Total Liabilities		3,101,057	4,007,996
Total Equity And Liabilities		39,144,304	54,158,183

The notes on pages 92 to 149 form an integral part of these financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For The Financial Year Ended 30 June 2026

	Note	1.7.2025 to 30.6.2026 RM	1.1.2024 to 30.6.2025 RM
Revenue	24	240,000	538,750
Other income		497,778	877,970
Administrative expenses		(14,842,500)	(30,975,519)
Finance costs		(2,218)	(183,020)
Loss before taxation	25	(14,106,940)	(29,741,819)
Taxation	26	-	91,426
Loss for the financial year/period		(14,106,940)	(29,650,393)
Other comprehensive income :-			
Item that will not be reclassified subsequently to profit or loss			
- Actuarial gain on defined benefit obligations		-	39,425
Total comprehensive loss for the financial year/period		(14,106,940)	(29,610,968)

The notes on pages 92 to 149 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For The Financial Year Ended 30 June 2026

	Non-distributable			
	Share capital (Note 14) RM	Warrant reserves (Note 16) RM	Accumulated losses RM	Total RM
Balance as at 1 July 2025	97,895,077	20,612,471	(68,357,361)	50,150,187
Loss for the financial year representing total comprehensive loss for the financial year	-	-	(14,106,940)	(14,106,940)
Share capital reduction	(80,000,000)	-	80,000,000	-
Balance as at 30 June 2026	17,895,077	20,612,471	(2,464,301)	36,043,247

	← Non-distributable →				
	Share capital (Note 14) RM	Revaluation reserves (Note 15) RM	Warrant reserves (Note 16) RM	Accumulated losses RM	Total RM
Balance as at 1 January 2024	97,895,077	3,052,955	24,214,906	(45,401,783)	79,761,155
Loss for the financial period	-	-	-	(29,650,393)	(29,650,393)
Other comprehensive income :- - Actuarial gain on defined benefit obligations	-	-	-	39,425	39,425
Total comprehensive loss for the financial period	-	-	-	(29,610,968)	(29,610,968)
Transfer upon disposal of freehold land and building	-	(3,052,955)	-	3,052,955	-
Transfer upon expiry of Warrants-B 2014/2024	-	-	(3,602,435)	3,602,435	-
Balance as at 30 June 2025	97,895,077	-	20,612,471	(68,357,361)	50,150,187

The notes on pages 92 to 149 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

For The Financial Year Ended 30 June 2026

	1.7.2025 to 30.6.2026 RM	1.1.2024 to 30.6.2025 RM
Cash Flows From Operating Activities		
Loss before taxation	(14,106,940)	(29,741,819)
Adjustments for :-		
Allowance for impairment losses on :-		
- amount due from subsidiary companies	3,397,111	24,908,504
- investments in subsidiary companies	8,800,000	1,965,282
Depreciation of property, plant and equipment	32,184	137,058
Depreciation of right-of-use assets	-	43,432
Defined benefit cost	25,455	59,253
Interest expenses	2,218	183,020
Interest income	(478,842)	(854,163)
Investments in a subsidiary company written off upon striking-off	-	292
Loss on disposal of property, plant and equipment	-	713,440
Gain on derecognition of right-of-use assets	-	(1,640)
Operating loss before working capital changes	(2,328,814)	(2,587,341)
Decrease/(Increase) in other receivables, deposits and prepayments	95,000	(255,121)
(Increase)/Decrease in amount due from subsidiary companies	(4,063,849)	7,887,136
Decrease in other payables and accruals	(774,541)	(3,339,772)
Decrease in amount due to directors	(71,516)	(2,083,348)
Increase/(Decrease) in amount due to a subsidiary company	86,748	(162,625)
Cash used in operations	(7,056,972)	(541,071)
Retirement benefit paid	(156,367)	(505,508)
Interest received	478,842	854,163
Net cash used in operating activities	(6,734,497)	(192,416)
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(3,980)	(22,125)
Proceeds from disposal of property, plant and equipment	1	5,200,000
Proceeds from disposal of a subsidiary company	-	1,000,000
Net cash (used in)/from investing activities	(3,979)	6,177,875

The notes on pages 92 to 149 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

For The Financial Year Ended 30 June 2026

	1.7.2025 to 30.6.2026 RM	1.1.2024 to 30.6.2025 RM
Cash Flows From Financing Activities		
Repayment of term loan	-	(3,081,035)
Term loan interest paid	-	(175,617)
Payment of lease liabilities	-	(46,469)
Lease interest paid	-	(2,491)
Payment of hire purchase liabilities	(16,718)	(23,492)
Hire purchase interest paid	(2,218)	(4,912)
Net cash used in financing activities	(18,936)	(3,334,016)
Net (Decrease)/Increase In Cash And Cash Equivalents	(6,757,412)	2,651,443
Cash and cash equivalents at beginning of financial year/period	20,989,010	18,337,567
Cash And Cash Equivalents At End Of Financial Year/Period [Note 28(b)]	14,231,598	20,989,010

The notes on pages 92 to 149 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2026

1. GENERAL INFORMATION

BTM Resources Berhad is a public limited liability company incorporated and domiciled in Malaysia. The Company is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur.

The principal place of business of the Company is located at No. 35-4, Jalan PJU 1/41, Dataran Prima, 47301 Petaling Jaya, Selangor Darul Ehsan.

The principal activities of the Company consist of investment holding and the provision of management services. The principal activities of the subsidiary companies are set out in Note 6(a) to the financial statements.

The financial statements are presented in Ringgit Malaysia ("RM").

The financial statements were approved and authorised for issue by the Board of Directors in accordance with a resolution of the directors on 27 October 2026.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Going Concern Assumption

The Group and the Company have incurred loss of RM5,312,844 (2025 : RM17,232,707) and RM14,106,940 (2025 : RM29,650,393) respectively for the financial year ended 30 June 2026 and as at that date, accumulated losses of the Group and of the Company amounted to RM4,196,059 (2025 : RM78,883,215) and RM2,464,301 (2025 : RM68,357,361) respectively. In addition, the Group has generated negative operating cash flows of RM7,283,235 (2025 : RM10,387,516) for the current financial year.

The Group has discontinued its own manufacturing activities and, as an alternative, continues its sawmilling activities through outsourced manufacturing. The Group had also relinquished all its Feed-in Approvals which were previously awarded by the Sustainable Energy Development Authority Malaysia (“SEDA”) for the development and operation of two biomass renewable energy power plants. As a result thereof, the Group is evaluating various alternative uses for its leasehold plantation land and leasehold industrial land that were acquired for the purpose of the biomass renewable energy power plant project.

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2026

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.1 Going Concern Assumption (Cont'd)

The financial conditions and circumstances as aforesaid indicate the existence of uncertainties which may cast doubt on the ability of the Group and the Company to continue as a going concern. Notwithstanding, the directors are of the opinion that the Group and the Company are able to continue as a going concern and accordingly, the financial statements of the Group and the Company continue to be prepared on a going concern basis that is principally premised on the following assumptions, both individually and collectively: -

(a) As at the end of the financial year, the cash and bank balance of the Group amounted to RM14,556,071 (2025 : RM22,024,470) and out of this balance, an amount of RM12,000,000 has been approved by shareholders of the Company for use in potential strategic acquisition of new business(es) or assets or investment(s) to be identified as part of the Group's efforts to expand and diversify its revenue stream and to improve its profitability. The process of identifying and assessing viable business or acquisitions is currently ongoing;

(b) The Group will be able to generate sufficient funds from its operations and collections from receivables to meet its obligations as and when they fall due; and

(c) The Group is undertaking cost rationalisation measures to align its spending with current operating activities and priorities which will result in reducing operating expenses.

Should the Group be unable to do so, the going concern basis on which the financial statements of the Group and of the Company have been prepared may not be appropriate and adjustments relating to the recoverability and classification of recorded asset amounts or to amounts and classification of liabilities that may be necessary would have to be made to the financial statements.

2.2 Basis of Preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the provisions of the Companies Act 2016 in Malaysia.

The financial statements of the Group and of the Company are prepared under the historical cost convention unless otherwise indicated in the summary of material accounting policies.

The accounting policies applied by the Group are consistent with those applied in the previous financial year other than the application of the amendments to MFRSs adopted as disclosed in Note 2.3 below, where applicable.

2.3 Adoption of Amendments to MFRSs

During the financial year, the Group has adopted the following amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") which are effective for accounting period beginning on or after 1 July 2025 :-

Amendments to MFRS 121 - Lack of Exchangeability

The adoption of the abovementioned amendments to MFRSs have no significant effect on the financial statements of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2026

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.4 New MFRSs and Amendments to MFRSs That Are In Issue But Not Yet Effective

The Group has not early adopted the following new MFRSs and amendments to MFRSs that have been issued by the MASB but are not yet effective :-

Effective for annual periods beginning on or after 1 January 2026
Amendments to MFRS 9 and MFRS 7 - Amendments to the Classification and Measurement of Financial Instruments
Amendments to MFRS 1, MFRS 7, MFRS 9, MFRS 10 and MFRS 107 contained in the document entitled "Annual Improvements - Volume 11"
Amendments to MFRS 7 and MFRS 9 - Contracts Referencing Nature-dependent Electricity

Effective for annual periods beginning on or after 1 January 2027
MFRS 18, Presentation and Disclosure in Financial Statements
MFRS 19, Subsidiaries without Public Accountability: Disclosures
Amendments to MFRS 121 - Translation to a Hyperinflationary Presentation Currency
Amendments to MFRS 128 - Fair Value Option for Investments in Associates and Joint Ventures

Effective for annual periods beginning on or after 1 January 2029
MFRS 20, Regulatory Assets and Regulatory Liabilities

Effective for annual periods beginning on or after a date to be determined by MASB
Amendments to MFRS 10 and MFRS 128 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group will adopt the above new MFRSs and amendments to MFRSs that are applicable when they become effective.

The new MFRS 18 will replace MFRS 101, *Presentation of Financial Statements* while retaining many of the requirements in MFRS 101 with limited changes. MFRS 18 introduces new specified categories and defined subtotals in the statement of profit or loss, disclosures on management-defined performance measures that are reported outside an entity's financial statements in the notes to the financial statements, and enhanced principles on aggregation and disaggregation of information in the financial statements. The new standard will redefine financial performance reporting by an entity through a new structure of the statement of profit or loss and additional disclosures for performance measures. It will not impact the recognition and measurement of items in the financial statements of an entity.

Except as disclosed above with regard to the new MFRS 18, the initial application of the new MFRSs and amendments to MFRSs is not expected to have any significant impact on the financial statements of the Group and of the Company.

2.5 Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries. The financial statements of the subsidiaries are prepared for the same reporting date as the Company. The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group :-

- has power over the entity;
- is exposed, or has rights, to variable returns from its involvement with the entity; and
- has the ability to affect those returns through its power over the entity.

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2026

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.5 Basis of Consolidation (Cont'd)

The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of controls listed above.

Consolidation of a subsidiary begins from the date the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

In preparing consolidated financial statements, intra-group balances and transactions and the resulting unrealised profits are eliminated on consolidation. Unrealised losses are eliminated on consolidation and the relevant assets are assessed for impairment. The consolidated financial statements reflect external transactions and balances only. When necessary, adjustments are made to the financial statements of subsidiaries to ensure conformity with the Group's accounting policies. The total comprehensive income of a subsidiary is attributed to the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received by the Group is recognised directly in equity and attributed to owners of the Company. If the Group loses control of a subsidiary, the assets (including any goodwill) and liabilities of the subsidiary and non-controlling interests will be derecognised at their carrying amounts at the date when control is lost. Any investment retained in the former subsidiary is recognised at its fair value at the date when control is lost. The resulting difference between the amounts derecognised and the aggregate of the fair value of consideration received and investment retained is recognised as gain or loss in profit or loss attributable to the Group.

2.6 Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred for the acquisition of an acquiree is measured at fair value which is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred, equity interests issued and contingent consideration given. Acquisition-related costs are recognised as an expense in the periods in which the costs are incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their acquisition-date fair values, except for non-current assets (or disposal group) that are classified as held for sale which shall be measured at fair value less costs to sell.

Goodwill is measured as the excess of the aggregate of the consideration transferred, the amount of any non-controlling interests and the acquisition-date fair value of any previously held equity interest over the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed. The excess of the Group's interest in the net amounts of the identifiable assets, liabilities and contingent liabilities over the aggregate of the consideration transferred, the amount of any non-controlling interests and the acquisition-date fair value of any previously held equity interest is recognised immediately in profit or loss.

Non-controlling interests represent that portion of profit or loss and net assets of a subsidiary not attributable, directly or indirectly, to the Group. For each business combination, non-controlling interests are measured either at their fair value at the acquisition date or at the non-controlling interests' proportionate share of the subsidiary's identifiable net assets. Non-controlling interests in the net assets of consolidated subsidiaries comprised the amount of non-controlling interests at the date of original combination and their share of changes in equity since the date of combination.

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2026

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.6 Business Combinations (Cont'd)

In a business combination achieved in stages, any previously held equity interest is remeasured at its acquisition-date fair value and the resulting gain or loss is recognised in profit or loss.

2.7 Investment in Subsidiary Companies

In the Company's separate financial statements, investments in subsidiary companies are stated at cost less accumulated impairment losses. The investments are reviewed for impairment in accordance with the Group's accounting policy for impairment of non-financial assets.

2.8 Investment in Club Membership

Investment in club membership is stated at cost less accumulated impairment losses.

The investment in club membership is reviewed for impairment in accordance with the Group's accounting policy for impairment of non-financial assets.

2.9 Property, Plant and Equipment

Items of property, plant and equipment are initially stated at cost. Cost initially recognised includes expenditure that is directly attributable to the acquisition of the asset. Land and buildings are subsequently carried at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluation is made with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised in profit or loss during the financial period in which they are incurred.

If the carrying amount of land and buildings is increased as a result of a revaluation, the increase is recognised in other comprehensive income and accumulated in equity under revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on a revaluation is recognised to profit or loss to the extent that it exceeds the credit balance held in the revaluation reserve relating to a previous revaluation of that asset.

Freehold land and capital work-in-progress or unused plant are not depreciated. All other property, plant and equipment are depreciated on the straight-line basis so as to write off the cost or valuation of the assets to their residual values over their estimated useful lives. Depreciation on capital work-in-progress or unused plant commences when the assets are ready for their intended use.

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2026

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.9 Property, Plant and Equipment (Cont'd)

The annual depreciation rates used are as follows :-

Buildings	3% to 5%
Plant and machinery	10% to 15%
Office equipment, furniture and fittings	20% to 33 1/3%
Factory renovation	5%
Motor vehicles	20%

The residual values and useful lives of assets are reviewed at each financial year end and adjusted prospectively, if appropriate, where expectations differ from previous estimates. Property, plant and equipment are reviewed for impairment in accordance with the Group's accounting policy for impairment of non-financial assets as disclosed in Note 2.11.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in profit or loss and the unutilised portion of the revaluation surplus on that item is taken directly to retained profits.

2.10 Non-current Assets Classified as Held for Sale

Non-current assets are classified as assets held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary.

On initial classification as held for sale, non-current assets are measured at the lower of their carrying amount and fair value less costs to sell. Any differences are included in profit or loss.

2.11 Impairment of Non-Financial Assets

The carrying amounts of non-financial assets (other than inventories) are reviewed for impairment at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

An impairment loss is recognised if the carrying amount of an asset or a cash generating unit (CGU) exceeds its recoverable amount. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

The recoverable amount of an asset or CGU is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is charged to the profit or loss in the period in which it arises, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is recognised in other comprehensive income for that asset to the extent that the impairment loss does not exceed the amount held in the revaluation surplus account.

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2026

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.11 Impairment of Non-Financial Assets (Cont'd)

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised to the profit or loss unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

2.12 Financial Assets

The Group recognises all financial assets in its statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the instruments.

Classification

The Group classifies its financial assets into the following measurement categories depending on the business models used for managing the financial assets and the contractual cash flow characteristics of the financial assets :-

(a) at amortised cost;

(b) fair value through other comprehensive income; and

(c) fair value through profit or loss.

Financial assets are reclassified when and only when the Group changes its business model for managing the financial assets and the reclassification of all affected financial assets is applied prospectively from the reclassification date i.e. on the first day of the first reporting period following the change in business model.

Measurement

At initial recognition, trade receivables without a significant financing component are measured at their transaction price when they are originated.

Other financial assets are initially measured at fair value plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs. Transaction costs of financial assets at fair value through profit or loss are expensed to profit or loss when incurred.

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2026

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.12 Financial Assets (Cont'd)

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business models for managing the financial assets and the contractual cash flow characteristics of the financial assets which determine their classification into the following measurement categories :-

(a) Amortised cost

A financial asset is measured at amortised cost if both of the following conditions are met and it is not designated as at fair value through profit or loss at initial recognition :-

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

These financial assets are measured at amortised cost using the effective interest method less any impairment losses. Interest income, gains or losses on derecognition, foreign exchange gains or losses and impairment gains or losses are recognised in profit or loss.

The Group's financial assets measured at amortised cost comprise all receivables, fixed deposits, cash and bank balances.

(b) Fair value through other comprehensive income ("FVOCI")

A financial asset is measured at FVOCI if both of the following conditions are met and it is not designated as at FVTPL at initial recognition :-

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

Changes in fair value of these financial assets are recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gains or losses previously recognised in other comprehensive income is reclassified from equity to profit or loss. Interest income calculated using the effective interest method, foreign exchange gains or losses and impairment gains or losses are recognised in profit or loss.

The Group does not have financial assets measured at FVOCI as at the reporting date.

(c) Fair value through profit or loss ("FVTPL")

A financial asset is measured at FVTPL if it does not meet the criteria for amortised cost or FVOCI. This includes all derivative financial assets.

The Group may, at initial recognition, irrevocably designates a financial asset as measured at FVTPL that otherwise meets the criteria for amortised cost or FVOCI if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2026

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.12 Financial Assets (Cont'd)

Debt instruments (Cont'd)

(c) Fair value through profit or loss ("FVTPL") (Cont'd)

Changes in fair value of financial assets at FVTPL and interest or dividend income are recognised in profit or loss.

The Group does not have financial assets measured at FVTPL as at the reporting date.

Derecognition of financial assets

The Group derecognises a financial asset when, and only when, the contractual rights to the cash flows from the financial asset expires or it transfers the financial asset without retaining control or transfers substantially all the risks and rewards of ownership of the financial asset to another party.

On derecognition of a financial asset in its entirety, the difference between the carrying amount measured at the date of derecognition and the sum of the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

2.13 Impairment of Financial Assets

The Group recognises loss allowance for expected credit losses ("ECLs") on the following items, where applicable :-

- financial assets measured at amortised cost
- debt instruments measured at fair value through other comprehensive income ("FVOCI")

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months i.e. a 12-month ECL. For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default i.e. a lifetime ECL. In making the assessment of whether there has been a significant increase in credit risk, a comparison is made between the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition of the asset, taking into consideration of reasonable and supportable information including forward-looking information that are available without undue cost and effort.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Under this approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience and past due information on debtors, adjusted for forward-looking factors specific to the debtors and the economic environment.

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2026

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.13 Impairment of Financial Assets (Cont'd)

The Group considers a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows in its entirety or a portion thereof.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of a loss allowance account.

An impairment loss in respect of debt instruments measured at FVOCI is recognised in profit or loss and the loss allowance account is recognised in other comprehensive income.

2.14 Inventories

Inventories are valued at the lower of cost and net realisable value with cost determined on the weighted average cost basis. Cost include the actual cost of logs and other raw materials, direct labour and appropriate manufacturing overheads. Net realisable value represents the estimated selling price in the ordinary course of business less distribution expenses and all other estimated costs to completion.

2.15 Cash and Cash Equivalents

Cash and cash equivalents in the statements of cash flows comprise deposits with licensed banks, cash and bank balances, reduced by bank overdraft. The statements of cash flows are prepared using the indirect method.

2.16 Share Capital

Ordinary shares are classified as equity. Distributions to holders of ordinary shares are debited directly to equity and dividends declared at or before the end of the reporting period are recognised as liabilities. Costs directly attributable to equity transactions are accounted for as a deduction, net of tax, from equity.

2.17 Financial Liabilities

The Group recognises all financial liabilities in its statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the instruments.

Classification and measurement

Financial liabilities are initially measured at fair value minus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs. Transaction costs of financial assets at fair value through profit or loss are expensed to profit or loss when incurred.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities measured at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2026

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.17 Financial Liabilities (Cont'd)

Classification and measurement (Cont'd)

(a) Fair value through profit or loss ("FVTPL")

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL upon initial recognition or derivatives that are liabilities.

A financial liability is classified as held for trading if :-

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition, it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

After initial recognition, financial liabilities at FVTPL are measured at fair value with any gains or losses arising from changes in fair value recognised in profit or loss. If a financial liability is designated as at FVTPL, the change in fair value that is attributable to changes in the credit risk of that liability is presented in other comprehensive income and the remaining change in fair value of the liability is presented in profit or loss. The net gains or losses recognised in profit or loss do not include any exchange differences or interest paid on the financial liability. Exchange differences and interest expense on financial liabilities at FVTPL are recognised separately in profit or loss as part of other income or other expenses.

The Group does not have financial liabilities measured at FVTPL as at the reporting date.

(b) Amortised cost

All financial liabilities, other than those categorised as FVTPL are subsequently measured at amortised cost using the effective interest method.

A gain or loss on financial liabilities at amortised cost is recognised in profit or loss when the financial liabilities are derecognised and through the amortisation process.

The Group's financial liabilities measured at amortised cost comprise all payables and bank borrowings.

Derecognition of financial liabilities

A financial liability is derecognised when, and only when, the obligation specified in the contract is extinguished. When an existing financial liability is exchanged with the same lender on substantially different terms or the terms of an existing liability are substantially modified, they are accounted for as an extinguishment of the original financial liability and a new financial liability is recognised. The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

2.18 Offsetting Financial Instruments

Financial assets and financial liabilities are offset when the Group has a legally enforceable right to offset and intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2026

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.19 Leases

(a) The Group as a lessee

The Group assesses whether a contract is, or contains a lease at the inception of the contract. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Where applicable, the Group applies, by class of underlying asset, the practical expedient of not separating non-lease components from lease components and instead accounts for them as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the commencement date for all leases except for short-term leases with lease term of 12 months or less and leases of low value assets. The Group recognises the lease payments in respect of short-term leases and leases of low value assets as an expense on a straight-line basis over the term of the leases.

At the lease commencement date, the right-of-use asset is initially measured at cost which comprises the initial amount of the corresponding lease liability, any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs incurred and an estimate of costs to be incurred to dismantle and remove the underlying asset or to restore the site on which it is located or to restore the underlying asset to the condition required by the terms of the lease.

Right-of-use asset is subsequently measured at cost less accumulated depreciation and impairment loss. The right-of-use asset is depreciated on a straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the right-of-use asset shall be depreciated from the commencement date to the end of the useful life of the underlying asset. The right-of-use asset is also assessed for impairment in accordance with the Group's accounting policy for impairment of non-financial assets and adjusted for any remeasurement of corresponding lease liability.

The lease term is determined as the non-cancellable period plus periods covered by an extension or termination option when the lease is reasonably certain to be extended or not to be terminated after considering all facts and circumstances that create an economic incentive for the Group to exercise an extension option or not to exercise a termination option.

Lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, at the incremental borrowing rate of the Group entity.

Lease payments included in the measurement of the lease liability comprise :-

- fixed payments, including in-substance fixed payments, less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under residual value guarantees;
- exercise price of a purchase option if the lessee is reasonably certain to exercise; and
- payments of penalties for terminating the lease if the lease term reflects the lessee exercising an option to terminate the lease.

Variable lease payments that are linked to future performance or usage of the underlying asset are excluded from the measurement of the lease liability and these payments are recognised in profit or loss in the period in which the event or condition that triggers the payments occurs.

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2026

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.19 Leases (Cont'd)

(a) The Group as a lessee (Cont'd)

Lease liability is subsequently measured at amortised cost through increasing its carrying amount to reflect accretion of interest on the lease liability using the effective interest method and reducing the carrying amount by the lease payments made.

The carrying amount of the lease liability is remeasured to reflect changes to lease payments arising from a change in the lease term, a change in linked index or rate, a change in the estimated amount payable under a residual value guarantee, a change in the assessment of an option to purchase the underlying asset or a lease modification that is not accounted for as a separate lease. The amount of remeasurement is adjusted to the carrying amount of the associated right-of-use asset or recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(b) The Group as a lessor

When the Group enters into a leasing arrangement as a lessor, it determines at the lease inception whether the lease is a finance lease or an operating lease. If the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the underlying asset to the lessee, the lease is classified as a finance lease. If not, the lease is an operating lease.

All leases entered by the Group are operating leases. The Group recognises lease payments from an operating lease as income on a straight-line basis over the lease term. The income is included as part of revenue.

2.20 Provisions

Provisions are recognised when the Group has a present legal and constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the effect of time value of money is material, the amount of provision is measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the amount of a provision due to passage of time is recognised as finance cost.

2.21 Taxation

Tax expense is the aggregate amount of current and deferred taxation. Current and deferred taxes are recognised as income or expense in profit or loss except to the extent that the taxes relate to items recognised outside profit or loss, either in other comprehensive income or directly in equity or a business combination.

Current tax is the expected tax payable on the taxable income for the year using tax rates enacted or substantively enacted at the end of the reporting period.

Deferred tax is provided using the liability method on temporary differences at end of the reporting period between the carrying amounts of assets and liabilities and the amounts attributed to those assets and liabilities for taxation purposes.

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2026

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.21 Taxation (Cont'd)

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences and unabsorbed tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the assets can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Tax rates enacted or substantively enacted at the end of the reporting period are used to determine deferred tax.

2.22 Employee Benefits

(i) Short-Term Benefits

Wages, salaries, bonuses and social security contributions, paid annual and sick leave and non-monetary benefits are recognised as an expense or included in the costs of assets, where applicable, in the period in which the associated services are rendered by the employees of the Group.

(ii) Defined Contribution Plans

The Group provides post-employment benefits by way of contribution to defined contribution plans operated by the relevant authorities at the prescribed rates.

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

The Group's contributions to define contribution plans are recognised as an expense in the period to which the contributions relate or included in the costs of assets, where applicable.

(iii) Defined Benefit Plans

Defined benefit plans are post-employment benefits plans other than defined contribution plans and under which the pension benefits payable to employees are usually determined by reference to employee's earning and/or length of service.

The Group operates an unfunded defined benefit final salary plan for eligible employees.

The liability recognised in the statement of financial position is the present value of the defined benefit obligation at the reporting date.

The present value of the defined benefit obligation is determined on a triennial basis by independent qualified actuaries using the Projected Unit Credit Method. The present value of the defined benefit obligation is determined by discounting the estimate of the amount of benefit that employees have earned in return for their service in the current and prior periods using interest rate of high quality corporate bonds that are denominated in the currency in which the benefits are expected to be paid and that have terms of maturity approximating the terms of the Company's obligations.

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2026

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.22 Employee Benefits (Cont'd)

(iii) Defined Benefit Plans (Cont'd)

Actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income in the period in which they arise and will not be reclassified to profit or loss.

Past service cost is the change in the present value of the defined benefit obligation resulting from a plan amendment or curtailment. Past service cost is recognised as an expense in profit or loss in the period of a plan amendment or curtailment.

The Company recognises the components of defined benefit cost as follows :-

- current service cost, past service cost and gains or losses on curtailment and settlement to profit or loss;
- net interest on the net defined liability to profit or loss; and
- remeasurement of the net defined liability in other comprehensive income.

Net interest on the net defined liability is determined by multiplying the net defined liability by the discount rate used in determining the present value of defined benefit obligation, both as determined at the start of the annual reporting period, taking into account of any changes in the net defined liability during the period as a result of contribution and benefit payments.

(iv) Equity-Settled Share-Based Compensation

The Group operates a Long Term Incentive Plan which includes an Executive Share Grant Scheme ("ESGS") to reward eligible directors and employees of the Group through the grant of ordinary shares in the Company at no consideration as their compensation for services rendered to the Group.

Any new ordinary shares of the Company granted under the ESGS shall be allotted and issued when they are vested with the grantees. The fair value of the new ordinary shares issued pursuant to the ESGS are recognised as an employee benefits expense in profit or loss of the Group at their issuance date with a corresponding increase to share capital in equity.

In the Company's separate financial statements, the fair value of the ordinary shares granted to employees of subsidiaries is not recognised as an expense in profit or loss upon their issuance. Instead, their fair value is accounted for as additional equity contribution to subsidiaries resulting in an increase in the investment in subsidiaries with a corresponding increase to share capital in equity.

(v) Termination Benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for those benefits. The Group recognises termination benefits at the earlier of (i) when the Group can no longer withdraw the offer of those benefits; and (ii) when the Group recognises costs for a restructuring that is within the scope of MFRS 137, Provisions, Contingent Liabilities and Contingent Assets and involves the payment of termination benefits.

Termination benefits falling over more than twelve (12) months after the end of the reporting period are discounted to present value.

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2026

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.23 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction, production or preparation of assets until they are ready for their intended use or sale are capitalised as part of the cost of those assets. Other borrowing costs are recognised as an expense in the period in which they are incurred.

2.24 Revenue from Contracts with Customers

The Group recognises revenue from a contract with customer when it satisfies a performance obligation by transferring control of a promised good or service to the customer. Performance obligations may be satisfied over time or at a point in time. Revenue is measured based on the consideration specified in the contract which the Group expects to be entitled in exchange for transferring the good or service, excluding the amounts collected on behalf of third parties.

The Group recognises revenue from the following business activities :-

(a) Sale of timber products

(b) Sale of wood pellets

(c) Sale of logs

Revenue from sales of timber products, wood pellets and logs is recognised at the point in time when control of the goods is transferred to the customers, generally on acceptance by customers of the individual contracts.

In respect of the Company, management fees from subsidiaries are recognised as revenue upon rendering of services for which the Company has the right to specified consideration.

2.25 Revenue from Other Sources and Other Income

(a) Rental income

Rental income from operating leases is recognised as disclosed in Note 2.19(b).

(b) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

2.26 Contingent Liabilities

The Group does not recognise a contingent liability but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2026

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.27 Earnings Per Share

Basic earnings per share is calculated by dividing the profit or loss for the financial year attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the financial year, net of treasury shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, net of treasury shares held, for the effects of all dilutive potential ordinary shares.

2.28 Operating Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses relating to transactions with other components of the Group. Operating segment results are reviewed by the chief operating decision maker i.e. the Group Managing Director who makes decision about resources to be allocated to the segments and to assess their performance and for which discrete financial information is available.

2.29 Fair Value Measurements

Fair value of an asset or a liability, except for share-based payment and leasing transactions, is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial assets, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring fair value, the Group maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Fair value measurements are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows :-

Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 : Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 : Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2026

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in conformity with the Malaysian Financial Reporting Standards and International Financial Reporting Standards requires management to exercise their judgement in the process of applying the Group's accounting policies and which may have significant effects on the amounts recognised in the financial statements. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the results reported for the reporting period and that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Although these judgements and estimates are based on the management's best knowledge of current events and actions, actual results may differ.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Significant judgements in applying the Group's accounting policies

In the process of applying the Group's material accounting policies, which are described in Note 2, the management is of the opinion that any instances of application of judgement are not expected to have a significant effect on the amounts recognised in the financial statements, apart from those involving estimations which are dealt with below.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(i) Impairment of non-financial assets

The Group assesses impairment of property, plant and equipment and right-of-use assets when the events or changes in circumstances indicate that the carrying amounts of the assets may not be recoverable. Similar assessment for impairment of investments in subsidiary companies and other investment is performed in respect of the Company. In assessing such impairment, the recoverable amount of the assets is estimated using the latest available fair value after taking into account the costs to sell or expected value in use of the relevant assets. The carrying amount of the Group's property, plant and equipment, right-of-use assets and the Company's investments in subsidiary companies and their accumulated impairment losses are disclosed in Note 4, Note 5 and Note 6 respectively.

(ii) Impairment losses of receivables

The Group made impairment loss allowance for trade receivables based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group’s past history, existing market conditions as well as forward looking estimates at the end of reporting period. For credit impaired debts, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

Where expectations differ from the original estimates, such difference will impact the carrying value of the trade receivables. The carrying amount of the Group's trade receivables and their loss allowance for impairment are disclosed in Note 9.

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2026

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

(b) Key sources of estimation uncertainty (Cont'd)

(iii) Deferred tax assets

Deferred tax assets are recognised for unabsorbed tax losses, unutilised capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses, capital allowances and other deductible temporary differences can be utilised. Management's judgement is required to determine the amount of deferred tax assets that can be recognised, based on the assessment on the probability of the availability of future taxable profits. The total carrying amount of deferred tax assets recognised on unabsorbed tax losses, unutilised capital allowances and other deductible temporary differences of the Group at the end of the reporting period are RM1,487,417 (2025 : RM1,771,357).

The unrecognised unabsorbed tax losses, unutilised allowances and other deductible temporary differences are disclosed under Note 20(b) and the unrecognised deferred tax assets in connection thereto at the end of the reporting period are estimated at RM19,146,500 (2025 : RM19,177,848) and RM4,492,400 (2025 : RM4,363,992) for the Group and the Company respectively.

(iv) Retirement benefit obligations

The Group’s retirement benefit obligations for eligible employees were measured by an actuarial valuation using the Projected Unit Credit Actuarial Cost Method. According to this method, several statistical information and assumptions are used to determine the expense and liability. Statistical information is principally related to demographic assumptions such as mortality, employee turnover and early retirement. The assumptions are mainly discount rate and future salary increase rate. In determining the appropriate discount rate, the Group considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related retirement benefit obligations. All these assumptions are disclosed in Note 17.

(v) Estimated useful lives of property, plant and equipment

The Group reviews annually the estimated useful lives of property, plant and equipment based on various factors such as level of usage and business plans. The estimated useful lives are as disclosed in Note 2.9. Changes in the expected level of usage and business plan could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(vi) Estimation of net realisable value of inventories

Inventories are stated at the lower of cost and net realisable value. The Group writes down its obsolete or slow moving inventories to net realisable value based on assessment of their estimated net selling price. Inventories are written down when events or changes in circumstances indicate that the carrying amounts could not be recovered. Management specifically analyses sales trend and current economic trends when making this adjustment to evaluate the adequacy of the write-down for obsolete or slow moving inventories. Where expectations differ from the original estimates, the differences would impact the carrying amount of inventories. The carrying amount of the Group's inventories is disclosed in Note 8.

4. PROPERTY, PLANT AND EQUIPMENT

	At valuation		At cost				
Group	**Freehold properties (Refer *) RM**	**Plant and machinery RM**	**Office equipment, furniture and fittings RM**	**Motor vehicles RM**	**Factory and office renovation RM**	**Unused plant RM**	**Total RM**
2026							
Cost/Valuation							
At beginning of financial year	10,700,000	11,226,477	2,472,919	1,374,683	216,511	8,119,692	34,110,282
Additions	-	-	3,980	-	-	-	3,980
Disposals	-	-	-	(196,413)	-	-	(196,413)
Write-off	-	-	(1,850)	-	(136,400)	-	(138,250)
At end of financial year	10,700,000	11,226,477	2,475,049	1,178,270	80,111	8,119,692	33,779,599
Accumulated depreciation							
At beginning of financial year	568,419	11,189,346	2,414,426	1,272,855	87,804	-	15,532,850
Charge for the financial year	378,947	-	32,042	21,834	18,186	-	451,009
Disposals	-	-	-	(196,411)	-	-	(196,411)
Write-off	-	-	(586)	-	(68,200)	-	(68,786)
At end of financial year	947,366	11,189,346	2,445,882	1,098,278	37,790	-	15,718,662
Accumulated impairment loss							
At beginning of financial year	281,581	37,119	-	-	42,321	8,109,823	8,470,844
Additions	-	-	-	-	-	9,869	9,869
At end of financial year	281,581	37,119	-	-	42,321	8,119,692	8,480,713
Net book value	9,471,053	12	29,167	79,992	-	-	9,580,224

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	At valuation: Freehold and leasehold properties (Refer *) RM	At cost: Plant and machinery RM	At cost: Office equipment, furniture and fittings RM	At cost: Motor vehicles RM	At cost: Factory and office renovation RM	At cost: Unused plant RM	Total RM
2025							
Cost/Valuation							
At beginning of financial period	22,170,000	17,810,661	2,456,755	2,028,706	216,511	8,119,692	52,802,325
Additions	-	-	22,125	-	-	-	22,125
Disposals	(6,000,000)	-	(5,961)	-	-	-	(6,005,961)
Transfer to non-current assets held for sale (Note 13)	(5,470,000)	(6,584,184)	-	(654,023)	-	-	(12,708,207)
At end of financial period	10,700,000	11,226,477	2,472,919	1,374,683	216,511	8,119,692	34,110,282
Accumulated depreciation							
At beginning of financial period	-	14,591,423	2,365,573	1,526,587	46,884	-	18,530,467
Charge for the financial period	907,101	995,431	51,327	126,650	40,920	-	2,121,429
Disposals	(90,046)	-	(2,474)	-	-	-	(92,520)
Transfer to non-current assets held for sale (Note 13)	(248,636)	(4,397,508)	-	(380,382)	-	-	(5,026,526)
At end of financial period	568,419	11,189,346	2,414,426	1,272,855	87,804	-	15,532,850
Accumulated impairment loss							
At beginning of financial period	-	8,500	-	-	42,321	8,109,823	8,160,644
Additions							
- recognised in profit or loss	-	1,885,992	-	142,500	-	-	2,028,492
- recognised in other comprehensive income	1,763,389	-	-	-	-	-	1,763,389
	1,763,389	1,885,992	-	142,500	-	-	3,791,881
Transfer to non-current assets held for sale (Note 13)	(1,481,808)	(1,857,373)	-	(142,500)	-	-	(3,481,681)
At end of financial period	281,581	37,119	-	-	42,321	8,109,823	8,470,844
Net book value	9,850,000	12	58,493	101,828	86,386	9,869	10,106,588

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2026

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

* Details of properties are as follows :-

Group	At valuation: Freehold land RM	At valuation: Freehold building RM	Total RM
2026			
Valuation			
At beginning/end of financial year	3,500,000	7,200,000	10,700,000
Accumulated depreciation			
At beginning of financial year	-	568,419	568,419
Charge for the financial year	-	378,947	378,947
At end of financial year	-	947,366	947,366
Accumulated impairment loss			
At beginning/end of financial year	-	281,581	281,581
Net book value	3,500,000	5,971,053	9,471,053

	At valuation				
		Freehold building			
	Freehold land RM	Subject to operating lease RM	Own use RM	Leasehold building RM	Total RM
2025					
Valuation					
At beginning of financial period	6,700,000	610,653	9,389,347	5,470,000	22,170,000
Disposals	(3,200,000)	(610,653)	(2,189,347)	-	(6,000,000)
Transfer to non-current assets held for sale (Note 13)	-	-	-	(5,470,000)	(5,470,000)
At end of financial period	3,500,000	-	7,200,000	-	10,700,000
Accumulated depreciation					
At beginning of financial period	-	-	-	-	-
Charge for the financial period	-	19,638	638,827	248,636	907,101
Disposals	-	(19,638)	(70,408)	-	(90,046)
Transfer to non-current assets held for sale (Note 13)	-	-	-	(248,636)	(248,636)
At end of financial period	-	-	568,419	-	568,419
Accumulated impairment loss					
At beginning of financial period	-	-	-	-	-
Additions	-	-	281,581	1,481,808	1,763,389
Transfer to non-current assets held for sale (Note 13)	-	-	-	(1,481,808)	(1,481,808)
At end of financial period	-	-	281,581	-	281,581
Net book value	3,500,000	-	6,350,000	-	9,850,000

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2026

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	At cost: Office equipment, furniture and fittings RM	At cost: Motor vehicles RM	Total RM
2026			
Cost			
At beginning of financial year	1,350,902	276,043	1,626,945
Additions	3,980	-	3,980
Disposals	-	(174,613)	(174,613)
At end of financial year	1,354,882	101,430	1,456,312
Accumulated depreciation			
At beginning of financial year	1,311,716	213,493	1,525,209
Charge for the financial year	11,898	20,286	32,184
Disposals	-	(174,612)	(174,612)
At end of financial year	1,323,614	59,167	1,382,781
Net book value	31,268	42,263	73,531

	At valuation: Freehold land RM	At valuation: Freehold building – Subject to operating lease RM	At valuation: Freehold building – Own use RM	At cost: Office equipment, furniture and fittings RM	At cost: Motor vehicles RM	Total RM
2025						
Cost/Valuation						
At beginning of financial period	3,200,000	610,653	2,189,347	1,332,909	276,043	7,608,952
Additions	-	-	-	22,125	-	22,125
Disposals	(3,200,000)	(610,653)	(2,189,347)	(4,132)	-	(6,004,132)
At end of financial period	-	-	-	1,350,902	276,043	1,626,945
Accumulated depreciation						
At beginning of financial period	-	-	-	1,295,779	183,064	1,478,843
Charge for the financial period	-	19,638	70,408	16,583	30,429	137,058
Disposals	-	(19,638)	(70,408)	(646)	-	(90,692)
At end of financial period	-	-	-	1,311,716	213,493	1,525,209
Net book value	-	-	-	39,186	62,550	101,736

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2026

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(a) The Group has provided impairment losses amounting to RM3,791,881 to write down the carrying amounts of the factory buildings, certain plant and machinery and motor vehicles to their recoverable amounts as a result of their discontinued use for manufacturing activities in the previous financial period. Impairment loss recognised in profit or loss is included under other operating expenses in the statement of profit or loss and other comprehensive income of the Group.

In the previous financial period, the impairment losses on the factory building and machineries of the subsidiary company amounting to RM3,481,681 were recognised based on their fair values less costs to sell, determined by reference to the selling prices in the sale and purchase agreement and estimated costs of disposal as follows: -

	RM
Factory building	4,000,000
Machineries	500,000
	4,500,000
Estimated costs of disposal	(300,000)
Recoverable amounts	4,200,000

The carrying amounts of the factory building and machineries totalling RM4,200,000 were transferred to non-current assets held for sale classified under current assets in the previous financial period. The disposal was completed during the financial year and did not result in any gain or loss to the Group.

(b) The freehold land and buildings, and leasehold building of the Group and of the Company were last revalued by the directors on 31 December 2023 based on their open market values as ascertained through an independent valuation carried out by professional valuers on that date. In the assessment of the fair values, the sales prices of comparable properties in the locality are adjusted for factors which affect value such as the size of the properties. The most significant input into this valuation is price per square foot.

The fair values of the freehold land and buildings, and leasehold building are determined in accordance with Level 2 of the fair value hierarchy.

(c) Had the freehold land and buildings of the Group been carried under the cost model, the carrying amount as at 30 June 2026, would have been RM800,000 (2025 : RM800,000) and RM230,329 (2025 : RM244,194) respectively.

(d) The title to the freehold land acquired in 2004 by a subsidiary company with carrying amount of RM3,500,000 (2025 : RM3,500,000) as at 30 June 2026 has yet to be registered in the name of the subsidiary company as at the end of the reporting period. The transfer of the title is in progress as at the date of this report.

(e) Property, plant and equipment of the Group and of the Company include the following assets acquired under hire purchase arrangements :-

Group and Company	Cost RM	Accumulated depreciation RM	Net book value RM	Current financial year/period depreciation RM
2026				
Motor vehicle	101,430	59,167	42,263	20,286
2025				
Motor vehicle	101,430	38,881	62,549	30,429

(f) The unused plant refers to a Woodwaste Fired Cogeneration System boiler plant acquired by a subsidiary company which has yet to be installed. The carrying amount of the unused plant had been impaired based on management's estimate of the recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2026

5. RIGHT-OF-USE ASSETS

Group	Leasehold plantation lands RM	Leasehold industrial land RM	Office premises RM	Motor vehicles RM	Total RM
2026					
Cost					
At beginning of financial year	24,855,666	4,037,299	141,345	862,744	29,897,054
Derecognition	-	-	(141,345)	-	(141,345)
At end of financial year	24,855,666	4,037,299	-	862,744	29,755,709
Accumulated depreciation					
At beginning of financial year	1,002,245	321,848	109,935	366,840	1,800,868
Charge for the financial year	400,898	139,217	31,410	172,549	744,074
Derecognition	-	-	(141,345)	-	(141,345)
At end of financial year	1,403,143	461,065	-	539,389	2,403,597
Carrying amount					
At end of financial year	23,452,523	3,576,234	-	323,355	27,352,112

	Leasehold plantation lands RM	Leasehold industrial land RM	Office premises RM	Factory land RM	Office equipment RM	Motor vehicles RM	Total RM
2025							
Cost							
At beginning of financial period	24,855,666	4,179,969	315,073	1,847,157	5,999	862,744	32,066,608
Adjustment for waiver of stamp duty	-	(142,670)	-	-	-	-	(142,670)
Additions	-	-	-	25,509	-	-	25,509
Derecognition	-	-	(173,728)	(1,872,666)	(5,999)	-	(2,052,393)
At end of financial period	24,855,666	4,037,299	141,345	-	-	862,744	29,897,054
Accumulated depreciation							
At beginning of financial period	400,898	108,103	155,080	1,154,475	3,920	108,017	1,930,493
Charge for the financial period	601,347	213,745	114,104	102,473	2,079	258,823	1,292,571
Derecognition	-	-	(159,249)	(1,256,948)	(5,999)	-	(1,422,196)
At end of financial period	1,002,245	321,848	109,935	-	-	366,840	1,800,868
Carrying amount							
At end of financial period	23,853,421	3,715,451	31,410	-	-	495,904	28,096,186

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2026

5. RIGHT-OF-USE ASSETS (CONT'D)

	Company	
	2026 RM	2025 RM
Office premises		
Cost		
At beginning of financial year/period	-	173,728
Derecognition	-	(173,728)
At end of financial year/period	-	-
Accumulated depreciation		
At beginning of financial year/period	-	115,818
Charge for the financial year/period	-	43,432
Derecognition	-	(159,250)
At end of financial year/period	-	-
Carrying amount		
At end of financial year/period	-	-

The leasehold plantation lands are subleased by a subsidiary company, BTM Biomass Products Sdn Bhd ("BTMBP") from SPPT Development Sdn Bhd ("SPPT"), a company in which certain director and shareholders of the Company have substantial interests for a period of approximately 63 years pursuant to a sublease agreement dated 20 January 2022. The sublease commenced in the financial year 2023 upon fulfilment of all conditions precedent in the sublease agreement. The sublease agreement assigned all of SPPT's rights, interest and title in and to the plantation lands to BTMBP for a total sublease consideration of RM24,700,000.

The leasehold industrial land is in relation to a lease agreement dated 12 December 2021 entered into by BTMBP with Perbadanan Memajukan Iktisad Negeri Terengganu (“PMINT”) for a parcel of land measuring 20 acres for a lease term of 30 years. The lease commenced in the financial year 2023 upon fulfilment of all conditions precedent in the lease agreement.

The costs recognised for the abovementioned right-of-use leasehold plantation and industrial lands include initial costs incurred for obtaining the leases.

In view of the cancellation of the Group's biomass renewable energy power plant projects in previous financial period, BTMBP is currently evaluating potential alternative use for both the leasehold plantation and industrial lands originally intended for the projects, and also potential swap or disposal of the lands.

The Group has also leased office premises and motor vehicles for the operations of the Group. The office premises had a lease term of three years and motor vehicles are leased for term of five years. Obligations for lease payments in respect of these right-of-use assets are recognised as lease liabilities as disclosed in Note 18.

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2026

6. SUBSIDIARY COMPANIES

	Company	
	2026	**2025**
	RM	**RM**
Unquoted shares, at cost	28,494,235	28,494,235
Equity contribution arising from ESGS under LTIP (Note 14)	4,619,817	4,619,817
	33,114,052	33,114,052
Less : Accumulated impairment losses		
At beginning of financial year/period	(17,559,516)	(17,973,550)
Addition	(8,800,000)	(1,965,282)
Disposal	-	2,379,316
At end of financial year/period	(26,359,516)	(17,559,516)
	6,754,536	15,554,536

During the current financial year, the Company has undertaken an impairment review on the carrying value of investments in subsidiary companies and has made further allowance for impairment losses where consider necessary on loss making subsidiary companies. The impairment losses recognised in profit or loss are included under administrative expenses in the statement of profit or loss and other comprehensive income of the Company.

(a) Details of the subsidiary companies

Details of the subsidiary companies, all of which have their place of incorporation and principal place of business in Malaysia unless otherwise stated, are as follows :-

	Equity Interest (%)		
Name of Company	**2026**	**2025**	**Principal Activities**
Besut Tsuda Industries Sendirian Berhad	100.00	100.00	Investment holding and sawmilling of timber products
Besut Tsuda Wood Products Sdn. Bhd. (held indirectly through Besut Tsuda Industries Sendirian Berhad)	100.00	100.00	Trading of logs and timber products
BTM Marketing & Trading Sdn. Bhd.	100.00	100.00	Trading of sawn timber, plywood and logs
BTM Biomass Products Sdn. Bhd.	100.00	100.00	Manufacturing and sale of timber products (presently inactive)
BTM Land Sdn. Bhd.	100.00	100.00	Dormant
BTM Green Energy Sdn. Bhd.	100.00	100.00	Dormant

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2026

6. SUBSIDIARY COMPANIES (CONT'D)

(b) Disposal of entire equity interest in a subsidiary company, Syarikat Maskayu Sawmill Sdn. Bhd. ("SMS") in the previous financial period

The Company disposed of its entire equity interest in the subsidiary company, SMS for a cash consideration of RM1,000,000 in the previous financial period. The disposal of SMS resulted in no gain or loss for the Company.

The effects of the disposal of SMS on the assets and liabilities at the date of disposal, and results and cash flows of the Group in the previous financial period are as tabulated below :-

	Group 1.1.2024 to 30.6.2025 RM
Bank balance	22
Trade payables	(17,923)
Other payables and accruals	(61,147)
Net liabilities of subsidary company disposed	(79,048)
Disposal consideration	(1,000,000)
Gain of disposal of a subsidiary company	(1,079,048)
Cash consideration received	1,000,000
Less : Bank balance disposed	(22)
Net cash inflow from disposal of a subsidiary company	999,978

7. INVESTMENT IN CLUB MEMBERSHIP

	Group/Company	
	2026 RM	2025 RM
Golf club membership, at cost	-	40,000
Less : Allowance for impairment loss	-	(40,000)
	-	-

Allowance for impairment loss

Movements in allowance for impairment loss on investment in club membership is as follows :-

	Group	
	2026 RM	2025 RM
At beginning of financial year/period	40,000	40,000
Investment written off	(40,000)	-
At end of financial year/period	-	40,000

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2026

8. INVENTORIES

	Group	
	2026 RM	**2025 RM**
At cost :-		
Logs and sawn timber	28,741	381,001
Consumables stores	-	107,110
	28,741	488,111
At net realisable value :-		
Sawn timber and manufactured timber products	-	700,991
	28,741	1,189,102

Cost of inventories recognised as an expense for the financial year/period amounted to RM7,472,523 (2025 : RM3,964,143).

9. TRADE RECEIVABLES

	Group	
	2026 RM	**2025 RM**
Trade receivables	3,195,703	1,123,049
Less : Allowance for impairment losses	(643,192)	(363,192)
	2,552,511	759,857

The normal credit term of trade receivables is 30 days (2025 : 30 days).

(a) Credit risk exposure

Information about the exposure to credit risk and allowance for expected credit losses ("ECLs") in respect of trade receivables are as tabulated below :-

	Group		
	Gross carrying amount RM	**Loss allowance RM**	**Net carrying amount RM**
As at 30 June 2026			
Current	1,326,372	-	1,326,372
Past due 31 to 120 days	1,035,142	(34,000)	1,001,142
Past due more than 120 days	182,842	(30,000)	152,842
	2,544,356	(64,000)	2,480,356
Credit impaired			
Past due more than 120 days	651,347	(579,192)	72,155
	3,195,703	(643,192)	2,552,511

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2026

9. TRADE RECEIVABLES (CONT'D)

(a) Credit risk exposure (Cont'd)

	Group		
	Gross carrying amount RM	Loss allowance RM	Net carrying amount RM
As at 30 June 2025			
Current	414,369	-	414,369
Past due 31 to 120 days	172,673	-	172,673
Past due more than 120 days	172,815	-	172,815
	759,857	-	759,857
Credit impaired			
Past due more than 120 days	363,192	(363,192)	-
	1,123,049	(363,192)	759,857

Further information on credit risk exposure together with the recognition and measurement of allowance for ECLs are disclosed in Note 31(b)(i).

(b) Allowance for impairment losses

Movements in allowance for impairment losses on trade receivables are as follows :-

	Group	
	2026 RM	2025 RM
At beginning of financial year/period	363,192	25,000
Addition	280,000	338,192
At end of financial year/period	643,192	363,192

10. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Other receivables and deposits	259,434	345,145	179,180	179,180
Prepayments	609,472	890,258	2,114	97,114
Less : Allowance for impairment loss	(594,888)	(594,888)	-	-
	14,584	295,370	2,114	97,114
	274,018	640,515	181,294	276,294

Prepayments of the Group as at the end of the financial year/period include prepaid lease payments amounting to RM594,888 (2025 : RM594,888) relating to the lease of a parcel of vacant leasehold industrial land by BTMBP. Full impairment loss had been recognised due to possible forfeiture of the amount arising from BTMBP's decision not to proceed with the lease arrangement.

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2026

10. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

Allowance for impairment loss

Movements in allowance for impairment loss on prepayments are as follows :-

	Group	
	2026	**2025**
	RM	**RM**
At beginning of financial year/period	594,888	-
Addition	-	594,888
At end of financial year/period	594,888	594,888

11. AMOUNT DUE FROM/(TO) SUBSIDIARY COMPANIES

The balances are interest-free, unsecured and repayable on demand. Amount due from subsidiary companies is stated net of impairment losses of RM64,384,525 (2025 : RM60,987,414). Movements in allowance for impairment losses on amount due from subsidiary companies are as follows :-

	Company	
	2026	**2025**
	RM	**RM**
At beginning of financial year/period	60,987,414	36,080,383
Addition	3,397,111	24,908,504
Written off	-	(1,473)
At end of financial year/period	64,384,525	60,987,414

The classification of the net amount due from subsidiary companies into current and non-current portions is based on their expected timing of settlement.

12. FIXED DEPOSITS WITH A LICENSED BANK

The effective interest rates and maturity profile of the fixed deposits with a licensed bank of the Group as at the end of the financial year/period range from 2.45% to 2.70% (2025 : 2.70% to 3.00%) per annum and 12 months (2025 : 12 months) respectively.

Fixed deposits of the Group in the previous financial period amounting to RM265,853 was pledged to a licensed bank as securities for a bank guarantee facility granted to a subsidiary company.

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2026

13. NON-CURRENT ASSETS HELD FOR SALE

	Group	
	2026 RM	2025 RM
Reclassified from property, plant and equipment [Note 4(a)]	-	4,200,000

14. SHARE CAPITAL

	Group/Company			
Issued and fully paid :-	2026 Number	2025 Number	2026 RM	2025 RM
Ordinary shares				
At beginning of financial year/period	1,256,486,718	1,256,486,718	97,895,077	97,895,077
Share capital reduction	-	-	(80,000,000)	-
At end of financial year/period	1,256,486,718	1,256,486,718	17,895,077	97,895,077

(a) Pursuant to Section 74 of the Companies Act 2016, all shares issued before or upon commencement of the Act shall have no par or nominal value.

(b) The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

(c) Pursuant to the approval of the shareholders at an Extraordinary General Meeting of the Company held on 6 February 2026, the Company has reduced its share capital from RM97,895,077 to RM17,895,077 via the cancellation of the issued share capital by RM80,000,000 and the credit arising used to set-off against the accumulated losses of the Company. The share capital reduction was confirmed as completed on 17 April 2026 by the Registrar of Companies.

Long Term Incentive Plan

The Company's Long Term Incentive Plan ("LTIP") approved by the shareholders of the Company at the EGM held on 23 August 2022 was implemented with effect from 17 January 2023 for a period of 5 years and may be extended for a further period of up to 5 years at the absolute discretion of the directors. The LTIP entails a scheme which comprises the Executive Share Grant Scheme ("ESGS") and Employee Share Option Scheme ("ESOS") to attract, retain, motivate and reward the employees and directors of the Group (excluding dormant subsidiaries) ("Eligible Persons") who fulfil the eligibility criteria for participation in the scheme as stipulated in the By-Laws for the LTIP. The LTIP is administered by a committee ("LTIP Committee") appointed and authorised by the directors and governed by the By-Laws.

The ESGS is intended for the Company to reward the Eligible Persons through the grant of ordinary shares in the Company at no consideration ("ESGS Grants") while the ESOS is for the Company to reward the Eligible Persons through the grant of options ("ESOS Options) to subscribe for ordinary shares in the Company at the option price fixed at the time of award of the grant, during the duration of the LTIP in the manner and subject to the terms and conditions provided in the By-Laws. Both ESGS Grants and ESOS Options will be vested with the Eligible Persons upon their acceptance of the grants subject to the Eligible Persons fulfilling the vesting conditions as may be determined by the LTIP Committee in accordance with the By-Laws.

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2026

14. SHARE CAPITAL (CONT'D)

Long Term Incentive Plan (Cont'd)

Other salient features and terms of the LTIP are as follows :-

(i) The maximum number of ordinary shares made available under the LTIP shall not exceed in aggregate 15% of the total number of issued ordinary shares (excluding treasury shares, if any) in the Company at any point in time over the duration of the LTIP.

(ii) The number of ordinary shares allocated to any Eligible Person who, either singly or collectively through persons connected with the Eligible Person, holds 20% or more of the total number of ordinary shares (excluding treasury shares) in the Company, does not exceed 10% of the total number of ordinary shares to be allocated to the LTIP. In addition, the number of ordinary shares that could be allocated, in aggregate, to the executive directors, non-executive directors and key senior management of the Group shall be up to a maximum of 80% of the total number of ordinary shares made available under the LTIP.

(iii) At the date of which the offer of ESGS Grants and ESOS Options are awarded, the Eligible Persons must (i) attain the age of at least 18 years and is not an undischarged bankrupt nor subject to any bankruptcy proceedings; (ii) be in employment within the Group and have been confirmed in service and have served at least 6 months with the employment contract be at least for a duration of 1 year and shall have not expired within 3 months from the offer date; (iii) have not served a notice to resign or receive a notice of termination in respect of the employment; and/or (iv) be a director or employee under such categories and criteria that the LTIP Committee may from time to time decide at its absolute discretion.

(iv) The option price for the exercise of ESOS Options shall be the 5-day volume weighted average market price of the ordinary shares of the Company immediately preceding the date of the award of the ESOS Options with a discount of not more than 10% or such other percentage of discount may be permitted by Bursa Securities or any other relevant authorities from time to time during the duration of the LTIP.

(v) ESGS Grants and ESOS Options granted shall vest with the Eligible Persons on the vesting date when any stipulated vesting conditions have been fully and duly satisfied. The ESOS Options are exercisable either in whole or in part at their exercise price at any time from the vesting date during the duration of the LTIP ("Option Period") whilst the Eligible Persons are in employment of the Group or during their tenure as directors by following the procedures determined by the LTIP Committee from time to time. Any ESOS Option which remained unexercised at the expiry of the Option Period shall be automatically terminated and lapsed without any claim against the Company. Similarly, any unvested ESGS Grants shall be automatically terminated and ceased to be valid at the end of the duration of the LTIP.

(vi) Grantees of ESGS Grants and ESOS Options shall not be entitled to any dividends, rights or other entitlements on their unvested ESGS Grants and/or unvested or unexercised ESOS Options.

(vii) The new ordinary shares of the Company to be allotted and issued under the LTIP shall rank equally in all respects with the existing ordinary shares, save and except that they shall not be entitled to any dividends, rights, allotments and/or other distributions declared, the entitlement date which precedes the date of allotment and issuance of the new ordinary shares. In the event that existing ordinary shares are to be transferred to grantees of ESGS Grants upon their vesting, the grantees shall not be entitled to any dividends, rights, allotment and/or distributions unless the ordinary shares are credited to their shares depository accounts on or prior to the entitlement date for those dividends, rights, allotment and/or distributions.

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2026

14. SHARE CAPITAL (CONT'D)

Long Term Incentive Plan (Cont'd)

(viii) The new ordinary shares to be allotted and issued or existing ordinary shares to be transferred to the Eligible Persons pursuant to the LTIP will not be subjected to any retention period unless otherwise stipulated by the LTIP Committee at the time of granting the awards. Notwithstanding, an Eligible Person who is a non-executive director must not sell, transfer or assign his shares obtained through the vesting of ESGS Grants or the exercise of ESOS Options within one year from the date of award in accordance with listing requirements of Bursa Securities.

The Company has not granted any ESOS Options since the implementation of the LTIP. No ESGS Grants were granted during the financial year.

15. REVALUATION RESERVES

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
At beginning of financial year/period	15,504,140	19,897,270	-	3,052,955
Impairment losses recognised for the financial year/period	-	(1,763,389)	-	-
Transfer to accumulated losses upon disposal of freehold land and building	-	(3,052,955)	-	(3,052,955)
Deferred taxation reversed (Note 20)	-	423,214	-	-
At end of financial year/period	15,504,140	15,504,140	-	-

Revaluation reserves represent surplus net of tax arising from revaluation of land and buildings under property, plant and equipment.

16. WARRANT RESERVES

	Group/Company	
	2026 RM	2025 RM
At beginning of financial year/period	20,612,471	24,214,906
Transfer to accumulated losses upon expiry of Warrants-B 2014/2024	-	(3,602,435)
At end of financial period/year	20,612,471	20,612,471

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As at 30 June 2026

16. WARRANT RESERVES (CONT'D)

Warrant reserves represent fair value allocated to the free detachable warrants issued together with rights issues of ordinary shares by the Company which have been ascertained through independent valuations performed by professional valuers using appropriate option pricing models. The warrants are listed and quoted on the Main Market of Bursa Malaysia Securities Berhad.

Warrants-C 2023/2028

The fair value allocated to each of the Warrants-C 2023/2028 as at their issuance date is RM0.0671 using the Trinomial option pricing model.

The Warrants-C 2023/2028 carry the entitlement, at any time from the issue date of 10 January 2023 up to the close of business at 5.00 p.m. on the maturity date of 9 January 2028 ("Exercise Period"), to subscribe for one new ordinary share in the Company at the exercise price of RM0.10 for cash in accordance with the Deed Poll dated 25 November 2022 constituting the Warrants-C 2023/2028. Any warrant not exercised during the Exercise Period will lapse and thereafter ceases to be valid for any purpose.

The movements in the number of warrants that remained unexercised are as follows :-

	Group/Company			
	Warrants-B 2014/2024		Warrants-C 2023/2028	
	2026 Number	2025 Number	2026 Number	2025 Number
At beginning of financial year/period	-	34,937,862	307,190,331	307,190,331
Expired during the financial year/period	-	(34,937,862)	-	-
At end of financial period/year	-	-	307,190,331	307,190,331

17. RETIREMENT BENEFIT OBLIGATIONS

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Present value of unfunded defined benefit obligations	115,887	229,210	39,286	170,198

(a) Provision for employees' retirement benefit obligations was determined by an independent actuarial valuation using the Projected Unit Credit Actuarial Cost Method and was made to cover estimated obligations for payment of retirement benefits to employees. The latest valuation was performed on 30 June 2025. These benefits are payable upon reaching the age of retirement, on retirement due to medical grounds or upon death in respect of employees who have served continuously for a period of ten (10) or more years.

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2026

17. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

The movements in the present value of unfunded defined benefit obligations during the financial year/period are as follows :-

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
At beginning of financial year/period	229,210	2,112,404	170,198	655,878
Defined benefit cost recognised in profit or loss [Note 17(b)]	43,044	120,741	25,455	59,253
Benefit paid	(156,367)	(1,830,093)	(156,367)	(505,508)
Actuarial gain arising from remeasurement due to:				
- Changes in financial assumptions	-	(881)	-	(124)
- Experience adjustments	-	(85,278)	-	(39,301)
Actuarial gain recognised in other comprehensive income	-	(86,159)	-	(39,425)
Reclassification of unclaimed amount to other payables (Note 22)	-	(87,683)	-	-
At end of financial year/period	115,887	229,210	39,286	170,198

(b) The amount of defined benefit cost recognised in profit or loss of the Group and of the Company can be analysed into the following components :-

	Group		Company	
	1.7.2025 to 30.6.2026 RM	1.1.2024 to 30.6.2025 RM	1.7.2025 to 30.6.2026 RM	1.1.2024 to 30.6.2025 RM
Current service cost	39,997	83,302	24,874	41,361
Interest cost	3,047	27,647	581	16,577
Loss on settlement	-	9,792	-	1,315
	43,044	120,741	25,455	59,253

(c) The significant actuarial assumptions used for determination of the present value of defined benefit obligations were as follows :-

	Group		Company	
	2026 %	2025 %	2026 %	2025 %
Discount rate	4.20	4.20	4.20	4.20
Salary increment rate	4.00	4.00	4.00	4.00

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As at 30 June 2026

17. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(d) A sensitivity analysis of the effects of changes to the significant actuarial assumptions [as disclosed in Note 17(c)] on the defined benefit obligations as at the end of the financial year/period, with all other assumptions remain constant is as follows :-

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Discount rate				
1% increase	(13,599)	(9,608)	(3,941)	(1,451)
1% decrease	15,873	11,387	4,534	1,676
Salary increment rate				
1% increase	16,370	10,890	4,707	1,588
1% decrease	(14,235)	(9,405)	(4,154)	(1,407)

The sensitivity analysis presented above may not be representative of the actual change in defined benefit obligations as the change in assumptions unlikely would occur in isolation of one another as some of the assumptions may be correlated.

18. LEASE LIABILITIES

	Group	
	2026 RM	2025 RM
Non-current	403,984	492,089
Current	88,105	114,212
Total lease liabilities	492,089	606,301
Balance attributable to :		
- a director	-	33,639

Lease liabilities are in respect of the future lease payments for the leases of office premises and motor vehicles which are recognised as right-of-use assets as disclosed in Note 5.

Maturity analysis of the undiscounted lease payments is as follows :-

	Group	
	2026 RM	2025 RM
Not later than 1 year	128,448	162,848
Later than 1 year and not later than 2 years	432,322	128,448
Later than 2 years and not later than 5 years	-	357,240
More than 5 years	-	75,082
Total outstanding lease payments	560,770	723,618
Total cash outflow for leases for the financial year/period	242,825	532,258

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2026

19. HIRE PURCHASE CREDITORS

	Group/Company	
	2026 RM	2025 RM
Future minimum payments :-		
Payable within one year	18,936	18,936
Payable between two to five years	20,473	39,409
	39,409	58,345
Future finance charges	(1,907)	(4,125)
Present value	37,502	54,220
Payable within one year (included under current liabilities)	(17,563)	(16,718)
Payable between two to five years (included under non-current liabilities)	19,939	37,502

20. DEFERRED TAXATION

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
At beginning of financial year/period	270,000	361,426	-	91,426
Recognised in profit or loss (Note 26)	-	331,788	-	(91,426)
Recognised in other comprehensive income	-	(423,214)	-	-
At end of financial year/period	270,000	270,000	-	-

(a) The components and movements of deferred tax liabilities and assets recognised in the financial statements during the financial year/period are as follows :-

Group	At beginning of financial year RM	Recognised in profit or loss RM	At end of financial year RM
2026			
Deferred tax liabilities :-			
Revaluation of land and buildings	1,762,525	(114,751)	1,647,774
Accelerated capital allowances	152,277	(120,239)	32,038
Right-of-use assets	126,555	(48,950)	77,605
	2,041,357	(283,940)	1,757,417

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2026

20. DEFERRED TAXATION (CONT'D)

Group	At beginning of financial year RM	Recognised in profit or loss RM	At end of financial year RM
2026			
Deferred tax assets :-			
Excess of depreciation over capital allowances	(7,280)	7,280	-
Unutilised capital allowances	(735,404)	87,436	(647,968)
Unabsorbed tax losses	(883,161)	123,293	(759,868)
Lease liabilities	(145,512)	65,931	(79,581)
	(1,771,357)	283,940	(1,487,417)
	270,000	-	270,000

Group	At beginning of financial period RM	Recognised in profit or loss RM	Recognised in other comprehensive income RM	At end of financial period RM
2025				
Deferred tax liabilities :-				
Revaluation of land and buildings	2,890,139	(704,400)	(423,214)	1,762,525
Accelerated capital allowances	833,934	(681,657)	-	152,277
Right-of-use assets	386,275	(259,720)	-	126,555
	4,110,348	(1,645,777)	(423,214)	2,041,357
Deferred tax assets :-				
Excess of depreciation over capital allowances	(17,599)	10,319	-	(7,280)
Unutilised capital allowances	(2,090,880)	1,355,476	-	(735,404)
Unabsorbed tax losses	(1,232,786)	349,625	-	(883,161)
Lease liabilities	(407,657)	262,145	-	(145,512)
	(3,748,922)	1,977,565	-	(1,771,357)
	361,426	331,788	(423,214)	270,000

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2026

20. DEFERRED TAXATION (CONT'D)

Company	At beginning of financial year/period RM	Recognised in profit or loss RM	At end of financial year/period RM
2026			
Deferred tax liabilities :-			
Accelerated capital allowances	-	794	794
Deferred tax assets :-			
Unutilised capital allowances	-	(794)	(794)
	-	-	-
2025			
Deferred tax liabilities :-			
Revaluation of land and building	554,745	(554,745)	-
Accelerated capital allowances	3,461	(3,461)	-
Right-of-use assets	13,898	(13,898)	-
	572,104	(572,104)	-
Deferred tax assets :-			
Unutilised capital allowances	(25,787)	25,787	-
Unabsorbed tax losses	(439,870)	439,870	-
Lease liabilities	(15,021)	15,021	-
	(480,678)	480,678	-
	91,426	(91,426)	-

(b) Deferred tax assets have not been recognised in respect of the following items which are available for set-off against future taxable profit :-

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Excess of depreciation over capital allowances	2,400	20,900	-	16,800
Lease liabilities	160,500	-	-	-
Other deductible temporary differences	203,500	316,800	39,300	170,200
Unutilised capital allowances	5,495,300	4,510,300	140,700	133,100
Unabsorbed tax losses	70,522,400	71,666,700	18,538,300	17,863,200
Unutilised reinvestment allowances	3,393,000	3,393,000	-	-
	79,777,100	79,907,700	18,718,300	18,183,300

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2026

21. TRADE PAYABLES

The normal credit terms for trade payables range from 30 days to 90 days (2025 : 30 days to 90 days).

22. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Other payables	2,192,385	7,379,515	1,998,701	2,642,597
Accruals	580,870	852,172	84,686	215,331
	2,773,255	8,231,687	2,083,387	2,857,928

23. AMOUNT DUE TO DIRECTORS

The amount due to directors are unsecured, interest free and are repayable on demand. Repayment is expected to be in cash.

24. REVENUE

	Group		Company	
	1.7.2025 to 30.6.2026 RM	1.1.2024 to 30.6.2025 RM	1.7.2025 to 30.6.2026 RM	1.1.2024 to 30.6.2025 RM
Revenue from contracts with customers :-				
Sale of timber products	3,222,244	1,962,999	-	-
Sale of wood pellets	-	261,840	-	-
Sale of logs	3,302,296	6,701,082	-	-
Management fee	-	-	240,000	360,000
	6,524,540	8,925,921	240,000	360,000
Revenue from other sources :-				
Rental income	-	178,750	-	178,750
	6,524,540	9,104,671	240,000	538,750

All intra-group transactions have been eliminated in arriving at the revenue of the Group.

Revenue from contracts with customers of the Group and of the Company are recognised at a point in time.

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2026

25. LOSS BEFORE TAXATION

	Group		Company	
	1.7.2025 to 30.6.2026 RM	1.1.2024 to 30.6.2025 RM	1.7.2025 to 30.6.2026 RM	1.1.2024 to 30.6.2025 RM
This is stated after charging :-				
Auditors' remuneration				
- statutory audit				
- current financial year/period	88,000	82,000	40,000	28,000
- underprovision in prior financial period	23,000	500	12,000	-
- other services	4,000	8,000	4,000	8,000
Allowance for impairment losses on :-				
- property, plant and equipment	9,869	2,028,492	-	-
- amount due from subsidiary companies	-	-	3,397,111	24,908,504
- investments in subsidiary companies	-	-	8,800,000	1,965,282
- trade receivables	280,000	338,192	-	-
- prepayments	-	594,888	-	-
Interest expenses :-				
- hire purchase	2,218	5,337	2,218	4,912
- term loan	-	175,617	-	175,617
- lease liabilities	48,637	118,940	-	2,491
- bank overdraft	-	73	-	-
Depreciation of property, plant and equipment	451,009	2,121,429	32,184	137,058
Depreciation of right-of-use assets	744,074	1,292,571	-	43,432
Defined benefit cost	43,044	120,741	25,455	59,253
Directors' fees				
- directors of the Company	173,645	239,845	173,645	239,845
Directors' salaries, bonuses and other emoluments				
- directors of the Company	976,300	1,283,408	976,300	1,262,408
- directors of subsidiary companies	-	397,523	-	-
Property, plant and equipment written off	69,464	-	-	-
Rental of plant equipment :-				
- short-term lease	-	44,000	-	-
- low value asset	5,640	1,140	3,360	-
Rental of premises :-				
- short-term lease	74,337	31,386	59,928	26,928
Investments in a subsidiary company written off upon striking-off	-	-	-	292
Write-down in value of inventories	530,665	627,161	-	-
Loss on disposal of property, plant and equipment	-	713,440	-	713,440
Prepaid expenses relating to biomass renewable energy power plant project written off	-	4,500,178	-	-

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2026

25. LOSS BEFORE TAXATION (CONT'D)

	Group		Company	
	1.7.2025 to 30.6.2026 RM	1.1.2024 to 30.6.2025 RM	1.7.2025 to 30.6.2026 RM	1.1.2024 to 30.6.2025 RM
This is stated after charging (Cont'd) :-				
Estimated monetary value of benefits-in-kind :-				
- directors of the Company	47,900	41,912	-	-
- director of a subsidiary company	-	27,942	-	-
And crediting :-				
Interest income	486,791	1,010,380	478,842	854,163
Gain on derecognition of a subsidiary company struck off	-	3,904	-	-
Gain on derecognition of right-of-use assets	-	150,788	-	1,640
Gain on disposal of property, plant and equipment	599	-	-	-
Gain on disposal of a subsidiary company [Note 6(b)]	-	1,079,048	-	-
Rental income	18,936	22,092	18,936	22,092

	Group		Company	
	1.7.2025 to 30.6.2026 RM	1.1.2024 to 30.6.2025 RM	1.7.2025 to 30.6.2026 RM	1.1.2024 to 30.6.2025 RM
Employee information :-				
Employee benefits expense	1,866,191	3,835,973	1,471,756	1,915,743
Employee benefits expense included the following :-				
Contributions to Employees Provident Fund	138,777	267,834	101,655	126,050

Employee benefits expense of the Group and of the Company includes directors' remuneration other than fees.

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2026

26. TAXATION

	Group		Company	
	1.7.2025 to 30.6.2026 RM	1.1.2024 to 30.6.2025 RM	1.7.2025 to 30.6.2026 RM	1.1.2024 to 30.6.2025 RM
Current taxation				
- underprovision in prior financial period	-	1,762	-	-
Transfer to/(from) deferred taxation (Note 20)	-	331,788	-	(91,426)
	-	333,550	-	(91,426)

(a) The statutory income tax rate in Malaysia applicable to the Group and the Company is 24% (2025 : 24%).

(b) Reconciliations of tax income applicable to loss before taxation at the statutory tax rate to the tax expense/(income) at the effective tax rate of the Group and of the Company are as follows :-

	Group		Company	
	1.7.2025 to 30.6.2026 RM	1.1.2024 to 30.6.2025 RM	1.7.2025 to 30.6.2026 RM	1.1.2024 to 30.6.2025 RM
Loss before taxation	(5,312,844)	(16,899,157)	(14,106,940)	(29,741,819)
Taxation at the rate of 24% (2025 : 24%)	(1,275,083)	(4,055,798)	(3,385,666)	(7,138,037)
Tax effect of non-taxable income	(144)	(632,356)	-	(283,350)
Tax effect of expenses not deductible for tax purposes	576,138	2,546,439	3,084,896	6,517,404
Underprovision of income tax in prior financial period	-	1,762	-	-
Deferred tax assets not recognised for the financial year/period	699,089	2,473,503	300,770	812,557
	-	333,550	-	(91,426)

(c) The following are estimated unutilised capital and reinvestment allowances and unabsorbed tax losses which subject to agreement with the Inland Revenue Board, are available for set-off against future taxable income :-

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Unutilised reinvestment allowances	3,393,000	3,393,000	-	-
Unutilised capital allowances	8,198,402	7,574,487	143,993	133,075
Unabsorbed tax losses	73,688,415	75,346,429	18,538,276	17,863,225
	85,279,817	86,313,916	18,682,269	17,996,300

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2026

26. TAXATION (CONT'D)

(d) Pursuant to the Finance Act 2021, any unabsorbed tax losses for the year of assessment 2019 onwards shall be available for utilisation for a maximum period of ten consecutive years of assessment immediately following that year of assessment and any excess at the end of the tenth year shall be disregarded. Consequently, the unabsorbed tax losses of the Group and of the Company at the end of the reporting period shall expire in the year of assessment as tabulated below :-

	Group		Company	
	2026	2025	2026	2025
Year of Assessment	RM	RM	RM	RM
2028	36,055,395	36,217,973	4,793,293	4,945,276
2029	5,926,379	5,926,379	874,208	874,208
2030	4,621,015	4,815,605	806,138	806,138
2031	3,933,635	4,429,345	865,365	865,365
2032	3,122,987	3,122,987	1,033,245	1,033,245
2033	14,149,407	14,149,407	7,454,842	7,454,842
2034	2,191,671	-	1,097,458	-
2035	1,259,715	6,684,733	235,837	1,884,151
2036	2,428,211	-	1,377,890	-
	73,688,415	75,346,429	18,538,276	17,863,225

27. LOSS PER SHARE

(a) Basic

The basic loss per share attributable to owners of the Company is calculated based on the Group's loss for the financial year/period attributable to owners of the Company of RM5,312,844 (2025 : RM17,232,707) divided by the weighted average number of ordinary shares in issue during the financial year/period of 1,256,486,718 (2025 : 1,256,486,718).

(b) Diluted

For the purpose of calculating diluted loss per share, the loss for the financial year/period attributable to owners of the Company and the weighted average number of ordinary shares in issue during the financial year/period have been adjusted for the dilutive effects of all potential ordinary shares.

Warrants-C 2023/2028 are not considered in the computation of diluted loss per share for the current financial year and previous financial period as their exercise price exceeded the weighted average price during that financial year/period and hence, have no dilutive effect on loss per share.

Consequently, the diluted loss per share disclosed for both current financial year and previous financial period equal the basic loss per share as they are computed on the same basis.

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2026

28. NOTES TO STATEMENTS OF CASH FLOWS

(a) Liabilities arising from financing activities

Changes in the Group's and the Company's liabilities arising from financing activities, including both cash and non-cash changes, during the financial year/period are analysed in the reconciliations below :-

Group	Hire Purchase Financing RM	Lease Liabilities RM	Total RM
At 1 July 2025	54,220	606,301	660,521
Payment of lease liabilities	-	(114,212)	(114,212)
Payment of hire purchase financing	(16,718)	-	(16,718)
Net changes in cash flows	(16,718)	(114,212)	(130,930)
At 30 June 2026	37,502	492,089	529,591

	Term loan RM	Hire Purchase Financing RM	Lease Liabilities RM	Total RM
At 1 January 2024	3,081,035	100,272	1,698,569	4,879,876
Addition	-	-	25,509	25,509
Derecognition	-	-	(780,985)	(780,985)
Net non-cash changes	-	-	(755,476)	(755,476)
Repayment of term loan	(3,081,035)	-	-	(3,081,035)
Payment of lease liabilities	-	-	(336,792)	(336,792)
Payment of hire purchase financing	-	(46,052)	-	(46,052)
Net changes in cash flows	(3,081,035)	(46,052)	(336,792)	(3,463,879)
At 30 June 2025	-	54,220	606,301	660,521

Company	Hire Purchase Financing RM
At 1 July 2025	54,220
Payment of hire purchase financing	(16,718)
At 30 June 2026	37,502

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2026

28. NOTES TO STATEMENTS OF CASH FLOWS (CONT'D)

(a) Liabilities arising from financing activities (Cont'd)

Company	Term Loan RM	Hire Purchase Financing RM	Lease Liabilities RM	Total RM
At 1 January 2024	3,081,035	77,712	62,587	3,221,334
Non-cash changes				
- Derecognition	-	-	(16,118)	(16,118)
Repayment of term loan	(3,081,035)	-	-	(3,081,035)
Payment of lease liabilities	-	-	(46,469)	(46,469)
Payment of hire purchase financing	-	(23,492)	-	(23,492)
Net changes in cash flows	(3,081,035)	(23,492)	(46,469)	(3,150,996)
At 30 June 2025	-	54,220	-	54,220

(b) Cash and cash equivalents at end of financial year/period

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Cash and bank balances	14,282,396	21,758,617	14,231,598	20,989,010
Fixed deposits with a licensed bank	273,675	265,853	-	-
	14,556,071	22,024,470	14,231,598	20,989,010
Less :				
- Fixed deposits pledged	-	(265,853)	-	-
- Fixed deposits with maturity periods exceeding three months	(273,675)	-	-	-
	14,282,396	21,758,617	14,231,598	20,989,010

Cash and bank balances of the Group and the Company at end of the financial year include a balance of RM12,000,000 which has been approved by shareholders of the Company for use in potential strategic acquisition of new business(es) or assets or investment(s) to be identified as part of the Group's efforts to expand and diversify its revenue stream and to improve its profitability. The balance remains unutilised as at the end of the current financial year as the process of identifying and assessing viable business and acquisitions is currently ongoing.

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2026

29. RELATED PARTY TRANSACTIONS AND BALANCES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party or one party controlled both.

(a) Transactions and financial year/period-end outstanding balances with subsidiary companies

Transactions between the Company and its subsidiary companies during the financial year/period are as follows :-

	Company	
	1.7.2025 to 30.6.2026 RM	1.1.2024 to 30.6.2025 RM
Management fees charged to subsidiary companies	240,000	360,000

The financial year/period-end outstanding balances with the subsidiary companies are as disclosed in the statement of financial position of the Company and their terms and conditions are as disclosed in Note 11 to the financial statements.

(b) Transactions with a director

Transactions between the Group and the Company with its director, Dato' Seri Yong Tu Sang during the financial year/period are as follows :-

	Group		Company	
	1.7.2025 to 30.6.2026 RM	1.1.2024 to 30.6.2025 RM	1.7.2025 to 30.6.2026 RM	1.1.2024 to 30.6.2025 RM
Rental of premises payable to a director	94,328	153,288	59,928	75,888

Future rentals for the remaining lease of the premises payable to the director are recognised as lease liabilities as disclosed in Note 18.

(c) Transactions and financial year/period-end outstanding balances with related parties

(i) Related party relationships exist between the Group and the undermentioned companies in which a director of the Company and certain family members of the director have substantial financial interest :-

(i) Gimzan Plywood Sdn. Bhd.
(ii) Seri Indah Enterprise Sdn. Bhd.
(iii) BTM Timber Industries Sdn. Bhd.
(iv) Seri Indah Resort Sdn. Bhd.

Modern Mode Sdn Bhd, a company of which its sole director/shareholder is also a director of BTM Timber Industries Sdn Bhd and is under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the above director of the Company, is deemed a related party of the Group.

Related party relationship also exists between the Group and Hai Ming Marketing Sdn. Bhd., in which a substantial shareholder of the Company is deemed to have substantial financial interest.

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2026

29. RELATED PARTY TRANSACTIONS AND BALANCES (CONT'D)

(c) Transactions and financial year/period-end outstanding balances with related parties (Cont'd)

(ii) Details of significant transactions between the Group and the Company with related parties recognised in profit or loss for the financial year/period are as follows :-

	Group	
	1.7.2025 to 30.6.2026 RM	**1.1.2024 to 30.6.2025 RM**
Income		
Disposal of non-current assets held for sale		
Gimzan Plywood Sdn Bhd	4,500,000	-
Expenditure		
Purchases of sawdust and waste product		
BTM Timber Industries Sdn. Bhd.	-	2,148
Gimzan Plywood Sdn Bhd	-	16,000
Purchases of logs		
Gimzan Plywood Sdn Bhd	-	112,000
Rental of lorry		
BTM Timber Industries Sdn. Bhd.	-	4,000
Rental of staff quarter		
Gimzan Plywood Sdn Bhd	-	2,000
Rental of plant equipment		
Gimzan Plywood Sdn Bhd	-	38,000
Accommodation		
Seri Indah Resort Sdn. Bhd.	-	459
Services		
Seri Indah Enterprise Sdn. Bhd.	-	10,812
Term loan interest		
Hai Ming Marketing Sdn. Bhd.	-	175,617

	Company	
	1.7.2025 to 30.6.2026 RM	**1.1.2024 to 30.6.2025 RM**
Term loan interest		
Hai Ming Marketing Sdn. Bhd.	-	175,617

(iii) Lease transaction with a related party

	Group	
	1.7.2025 to 30.6.2026 RM	**1.1.2024 to 30.6.2025 RM**
Rental of factory land payable to Gimzan Plywood Sdn Bhd	14,409	138,877

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2026

29. RELATED PARTY TRANSACTIONS AND BALANCES (CONT'D)

(c) Transactions and financial year/period-end outstanding balances with related parties (Cont'd)

(iv) Transactions with Modern Mode Sdn Bhd

	Group	
	1.7.2025 to 30.6.2026 RM	1.1.2024 to 30.6.2025 RM
Advances to a subsidiary company	-	5,000,000
Debt assignment between related parties	(4,500,000)	-

The outstanding amount of RM4,500,000 owing to Modern Mode Sdn Bhd ("MMSB") has been assigned to Gimzan Plywood Sdn Bhd ("Gimzan") pursuant to a debt assignment agreement entered into between MMSB and Gimzan on 12 September 2025. Consequently, the outstanding amount became a debt due to Gimzan from that date. Further details on the debt assignment are disclosed in Note 33(b).

(v) Amounts due from/(to) related parties at the financial year/period end included in the statements of financial position are as follows :-

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Included in other receivables :-				
BTM Timber Industries Sdn. Bhd.	9,705	7,519	-	-
Included in other payables :-				
Gimzan Plywood Sdn. Bhd.	1,803,077	1,846,865	1,803,077	1,803,077
Modern Mode Sdn. Bhd.	-	4,500,000	-	-

The amounts due from/to related parties are unsecured, interest free and repayable on demand. Settlement is expected to be made in cash.

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2026

29. RELATED PARTY TRANSACTIONS AND BALANCES (CONT'D)

(d) Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. The key management personnel of the Group and of the Company include all the directors and senior management personnel of the Company and their remuneration for the year/period are as follows :-

	Group		Company	
	1.7.2025 to 30.6.2026 RM	1.1.2024 to 30.6.2025 RM	1.7.2025 to 30.6.2026 RM	1.1.2024 to 30.6.2025 RM
Short-term benefits	1,140,245	2,021,180	1,092,345	1,548,403
Post-employment benefits				
- Contribution to Employees Provident Fund	57,600	130,405	57,600	84,565
	1,197,845	2,151,585	1,149,945	1,632,968

30. SEGMENT INFORMATION

(a) Operating Segment

The Group's activities are primarily conducted within a single industry segment comprising the 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. As such, the operating revenue and results of this segment is reflected in the Group's statement of profit or loss and other comprehensive income. The segment assets and liabilities are as presented in the Group's statement of financial position.

(b) Geographical Information

No segment information by geographical area has been presented as the Group operates predominantly in Malaysia.

(c) Major Customers

Revenue from transactions with major customers who individually accounted for 10 percent or more of Group's revenue are summarised below :-

	Revenue	
	1.7.2025 to 30.6.2026 RM	1.1.2024 to 30.6.2025 RM
Customer A	-	5,900,123
Customer B	-	1,230,000
Customer C	1,555,305	-
Customer D	1,719,978	-
Customer E	1,582,318	-
	4,857,601	7,130,123

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2026

31. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

Financial assets of the Group include fixed deposits, cash and bank balances and trade and other receivables. In respect of the Company, financial assets include amount due from subsidiary companies.

Financial liabilities of the Group include trade and other payables, amount due to directors and bank borrowings. In respect of the Company, financial liabilities include amount due to subsidiary company.

(a) Categories of Financial Instruments

The financial instruments of the Group and of the Company are categorised as follows :-

2026

Financial Assets as per Statements of Financial Position

	Group		Company	
	Carrying amount RM	Financial assets at amortised cost RM	Carrying amount RM	Financial assets at amortised cost RM
Trade receivables	2,552,511	2,552,511	-	-
Other receivables and deposits	259,434	259,434	179,180	179,180
Amount due from subsidiary companies	-	-	17,903,345	17,903,345
Fixed deposits with a licensed bank	273,675	273,675	-	-
Cash and bank balances	14,282,396	14,282,396	14,231,598	14,231,598
	17,368,016	17,368,016	32,314,123	32,314,123

Financial Liabilities as per Statements of Financial Position

	Group		Company	
	Carrying amount RM	Financial liabilities at amortised cost RM	Carrying amount RM	Financial liabilities at amortised cost RM
Trade payables	282,984	282,984	-	-
Other payables and accruals	2,773,255	2,773,255	2,083,387	2,083,387
Amount due to directors	556,331	556,331	545,007	545,007
Amount due to a subsidiary company	-	-	395,875	395,875
Hire purchase creditor	37,502	37,502	37,502	37,502
	3,650,072	3,650,072	3,061,771	3,061,771

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2026

31. FINANCIAL INSTRUMENTS (CONT'D)

(a) Categories of Financial Instruments (Cont'd)

2025

Financial Assets as per Statements of Financial Position

	Group		Company	
	Carrying amount RM	Financial assets at amortised cost RM	Carrying amount RM	Financial assets at amortised cost RM
Trade receivables	759,857	759,857	-	-
Other receivables and deposits	345,145	345,145	179,180	179,180
Amount due from subsidiary companies	-	-	17,236,607	17,236,607
Fixed deposits with a licensed bank	265,853	265,853	-	-
Cash and bank balances	21,758,617	21,758,617	20,989,010	20,989,010
	23,129,472	23,129,472	38,404,797	38,404,797

Financial Liabilities as per Statements of Financial Position

	Group		Company	
	Carrying amount RM	Financial liabilities at amortised cost RM	Carrying amount RM	Financial liabilities at amortised cost RM
Trade payables	1,854,240	1,854,240	-	-
Other payables and accruals	8,231,687	8,231,687	2,857,928	2,857,928
Amount due to directors	642,587	642,587	616,523	616,523
Amount due to a subsidiary company	-	-	309,127	309,127
Hire purchase creditor	54,220	54,220	54,220	54,220
	10,782,734	10,782,734	3,837,798	3,837,798

(b) Financial Risk Management

The Group's activities expose it to certain financial risks, including interest rate risk, credit risk, market risk and liquidity and cash flow risks. The Board of Directors have formulated a financial risk management framework with the principal objectives of minimising the Group's exposure to risks and/or costs associated with the financing, investing and operating activities of the Group.

Various risk management policies are established for observation in the day-to-day operations for the controlling and management of the risks associated with the deployment of financial instruments by the Group.

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2026

31. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial Risk Management (Cont'd)

(i) Credit Risk

Credit risk is the risk of financial loss attributable to default on obligations by parties contracting with the Group. The Group's main exposure to credit risk is in respect of its trade receivables.

Credit risk arises when sales are made on deferred credit terms. The Group seeks to control credit risk by setting counterparty limits and ensuring that sales of products are made to customers with an appropriate credit history.

The Group assesses changes in its exposure to credit risk of its customers based primarily on past due information for customers' balances, their past payment trend and historical defaults experience, if any, together with other relevant credit risk related information affecting the financial standing of the customers which are available to management. The Group also considers macroeconomic information in respect of current market development and industry outlook that may affect its credit risk exposure.

The Group measures its exposure to credit risk by way of an allowance for expected credit losses ("ECLs"). ECLs take into consideration the probability of a default in payment of trade receivables before they become credit impaired. The Group uses the simplified approach, i.e. lifetime ECLs in determining the allowance for ECLs on trade receivables which are assessed individually based on their credit risk characteristics. In this respect, the ECLs are computed by way of estimating the present value of the receivables based on the expected timing of receipts of their cash flows, and the difference with their carrying amount is recognised as credit loss. For any trade receivables which are determined as credit impaired at the reporting date, ECLs are assessed and measured on an individual basis. Trade receivables are determined as credit impaired when they have defaulted on their payments and are considered to have financial difficulties in repaying their debts.

Information on the exposure to credit risk and impairment of trade receivables are disclosed in Note 9.

Impairment loss of other receivables is determined based on the general approach under MFRS 9 dependent on whether there has been a significant increase in credit risk since initial recognition of the financial assets. A 12-month expected credit loss is recognised if there is no significant increase in the credit risk. If the credit risk has increased significantly at the reporting date, a lifetime expected credit loss is recognised. There is no expected credit loss allowed for other receivables as the probability of default on other receivables of the Group and the Company is assessed as low.

Cash and cash equivalents are placed with major financial institutions which have low credit risk. The Group views that any expected credit loss arising on these financial assets is insignificant.

The Company has made advances to its subsidiary companies and monitors the financial position of the subsidiary companies in managing the exposure to their credit risk arising from the advances. Appropriate loss allowance has been made for outstanding balances due from subsidiary companies as disclosed in Note 11 using the general approach under MFRS 9 based on management's assessment of changes in credit risk at the reporting date.

The maximum exposure to credit risk at the end of the reporting period is represented by the carrying amount of the financial assets recognised in the statements of financial position of the Group and of the Company at the reporting date.

None of the Group's financial assets are secured by collateral or other credit enhancements.

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2026

31. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial Risk Management (Cont'd)

(ii) Interest Rate Risk

The Group has interest rate risk in respect of its deposits with a licensed bank and bank borrowings.

The Group's deposits with a licensed bank and hire purchase financing are subject to interest based on fixed rates.

Market interest rates movements are monitored with a view to ensuring that the most competitive rates are secured and where appropriate interest bearing instruments and borrowings arrangements are restructured or reduced.

Interest rate risk sensitivity analysis

As the Group's bank deposits and borrowings at the end of the reporting period comprise fixed rate instruments, a change in the market interest rate would not have any effect on the profit or loss and equity of the Group.

(iii) Market Risk

Market risk is the risk that the value of the financial instruments will fluctuate due to changes in market prices.

The Group's main market risk exposure is in respect of interest rate fluctuation which is discussed under the interest rate risk heading.

(iv) Liquidity and Cash Flow Risk

Liquidity or funding risk is the risk of the inability to meet commitments associated with financial instruments while cash flow risk is the risk of uncertainty of future cash flow amount associated with a monetary financial instrument.

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Group aims at maintaining flexibility in its funding requirements through a mix of equity capital, external borrowings and supplies credit.

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2026

31. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial Risk Management (Cont'd)

Maturity analysis

The maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments are as follows :-

	Maturity Profile				
Group	**Less than one year RM**	**More than one year and less than five years RM**	**More than five years RM**	**Total RM**	**Effective interest rate %**
2026					
Trade payables	282,984	-	-	282,984	-
Other payables and accruals	2,773,255	-	-	2,773,255	-
Hire purchase creditor	18,936	20,473	-	39,409	4.84
Amount due to directors	556,331	-	-	556,331	-
2025					
Trade payables	1,854,240	-	-	1,854,240	-
Other payables and accruals	8,231,687	-	-	8,231,687	-
Hire purchase creditor	18,936	39,409	-	58,345	4.84
Amount due to directors	642,587	-	-	642,587	-
Company					
2026					
Other payables and accruals	2,083,387	-	-	2,083,387	-
Hire purchase creditor	18,936	20,473	-	39,409	4.84
Amount due to a subsidiary company	395,875	-	-	395,875	-
Amount due to directors	545,007	-	-	545,007	-
2025					
Other payables and accruals	2,857,928	-	-	2,857,928	-
Hire purchase creditor	18,936	39,409	-	58,345	4.84
Amount due to a subsidiary company	309,127	-	-	309,127	-
Amount due to directors	616,523	-	-	616,523	-

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2026

31. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair Value of Financial Instruments

(i) The carrying amounts of fixed deposits, cash and bank balances, trade and other receivables and trade and other payables approximate their fair values due to the relatively short term nature of these financial instruments.

(ii) The carrying amount of balances with subsidiary companies and directors approximate their fair values due to their repayable on demand settlement terms.

(iii) The fair values of hire purchase creditor approximate its carrying amounts.

32. CAPITAL MANAGEMENT

The main objective in managing capital is to maintain an optimal capital structure and to safeguard the Group's ability to continue as a going concern so as to maintain market confidence and sustain future business development. The Group manages its capital structure and makes adjustments to it where appropriate, in light of changes in economic conditions.

During the financial year, the Group was not subject to any externally imposed capital requirements.

There were no changes in the Group's approach to capital management during the financial year/period.

33. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) The Company's wholly-owned subsidiary company, BTM Land Sdn Bhd ("BTML") received a letter dated 7 July 2025 from Sustainable Energy Development Authority Malaysia ("SEDA") confirming its acceptance of BTML's application to relinquish its Feed-in Approval for the development and operation of a 7MW biomass renewable energy power plant.

(b) Pursuant to the Sale and Purchase Agreement ("SPA") dated 12 September 2025, the Company's wholly-owned subsidiary company, BTM Biomass Products Sdn Bhd ("BTMBP"), entered into an agreement with Gimzan Plywood Sdn Bhd ("Gimzan"), a related party [Note 29(c)(i)], for the disposals of its factory building and the plant, machinery and equipment installed and equiped within the factory building for a total disposal consideration of RM4,500,000 segregated as follows :-

	RM
Factory building	4,000,000
Plant, machinery and equipment	500,000
Disposals Consideration	4,500,000

The disposals transaction was approved by the shareholders at the Extraordinary General Meeting ("EGM") held on 6 February 2026 and completed on 11 February 2026 following the fulfilment of all conditions precedent under the SPA.

On 12 September 2025, Modern Mode Sdn Bhd ("MMSB") and Gimzan had entered into a debt assignment agreement, whereby Gimzan assumed all of the rights and interests of MMSB in an amount owing by BTMBP to MMSB amounting to RM4,500,000 ("Settlement Sum"). As disclosed in Note 29(c)(i), MMSB is deemed to be a related party. The Settlement Sum was set-off against the above-mentioned Disposals Consideration in accordance with the terms of the SPA.

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2026

33. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

(c) Pursuant to EGM of the Company held on 6 February 2026, the shareholders approved a variation to the utilisation of the balance of proceeds of approximately RM19.59 million raised from a Rights Issue with Warrants-C which was originally earmarked for use in the construction of biomass power plant by way of reallocating up to approximately RM7.59 million for working capital purposes and up to approximately RM12.00 million for potential strategic acquisition of new business(es) or asset(s) or investment(s) to be identified as part of the Group's efforts to expand and diversify its revenue stream and improve its profitability. The timeframe for the revised utilisation of the balance of proceeds is within 24 months from the date of approval by the Company's shareholders.

(d) Pursuant to the approval of the shareholders at an EGM of the Company held on 6 February 2026, the Company has reduced its share capital from RM97,895,077 to RM17,895,077 via the cancellation of the issued share capital by RM80,000,000 and the credit arising used to set-off against the accumulated losses of the Company. The share capital reduction was confirmed as completed on 17 April 2026 by the Registrar of Companies.

34. COMPARATIVE FIGURES

The comparative amounts presented in the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Group and of the Company (including the related notes) relate to a period of eighteen months and hence are not entirely comparable with the current year's amounts.

INDEPENDENT AUDITORS' REPORT

To The Members of BTM Resources Berhad

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of BTM RESOURCES BERHAD, which comprise the statements of financial position as at 30 June 2026 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 81 to 149.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2026, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), as applicable to audits of financial statements of public listed entities and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITORS' REPORT

To The Members of BTM Resources Berhad

Report on the Audit of the Financial Statements (Cont'd)

Key Audit Matters (Cont'd)

Key audit matters	Our audit approach to address the key audit matters
1. **Going concern assessment** The Group and the Company incurred a net loss of RM5,313 million and RM14,107 million respectively for the financial year and, as of 30 June 2026, the Group and the Company recorded accumulated losses of RM4,196 million and RM2,464 million, respectively. In addition, the Group has generated negative operating cash flows of RM7,283 million for the current financial year. In assessing the Group's and the Company's ability to continue as a going concern, the management has prepared a cash flow forecast that incorporates the expected outcomes from the mitigation measures as disclosed in Note 2.1. The expected outcomes are highly subjective as they are dependent upon the successful implementations of those measures and achievability of estimated revenue and operating costs. Accordingly, we considered going concern assessment as an area requiring audit focus.	Our audit approach included the following :- • Discussed with the Directors to obtain an understanding of their business plans and the basis of the cash flow forecasts. • Evaluated the reasonableness of the management's cash flow forecast including the assumptions used against historical results and business plans. • Assessed the feasibility of the mitigation measures planned by management and their expected impact on the Group's and the Company's cash flows. • Evaluated the adequacy of disclosures about events or conditions that may cast a significant doubt about the Group's and the Company's ability to continue as a going concern.
2. **Assessment of impairment on the carrying value of the Company's investment in subsidiary companies and amount due from subsidiary companies** Refer to Notes 2.11, 2.13, 3(b)(i), 6 and 11 to the financial statements. The Company assesses the recoverable amount of the investment in subsidiary companies based on the estimation of future cash flows of the subsidiary companies when there are indications that their carrying values may have been impaired. This estimation is inherently uncertain and requires the management's significant judgement, as changes in the underlying assumptions may affect the recoverable amount of the investment.	Our audit approach included the following :- • Assessed the business plans and strategies for the subsidiary companies which may impact the availability and timing of future cash flows from operations to meet their repayment obligations to the Company through discussion with the management. • Reviewed the cash flow projections of subsidiary companies to assess the reasonableness of key assumptions on revenue and growth rate adopted in the cash flow projections based on their planned operations.

INDEPENDENT AUDITORS' REPORT

To The Members of BTM Resources Berhad

Report on the Audit of the Financial Statements (Cont'd)

Key Audit Matters (Cont'd)

Key audit matters	Our audit approach to address the key audit matters
2. **Assessment of impairment on the carrying value of the Company's investment in subsidiary companies and amount due from subsidiary companies (Cont'd)** The Company's assessment of the recoverability of amount due from subsidiary companies also involves the management's significant judgement and estimates on the expected future operating cash flows of the subsidiary companies while considering their present financial conditions. The extent of significant judgement required from the management and the significance of the amounts of investment in and advances to subsidiary companies resulted in the above matters being identified as key audit matters for the Company.	Our audit approach included the following :- (Cont'd) • Performed a sensitivity analysis on a reasonable possible change to the key assumptions used to determine the recoverable amounts of the investment in and indebtedness from subsidiaries.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT

To The Members of BTM Resources Berhad

Report on the Audit of the Financial Statements (Cont'd)

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also :-

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

INDEPENDENT AUDITORS' REPORT

To The Members of BTM Resources Berhad

Report on the Audit of the Financial Statements (Cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT

To The Members of BTM Resources Berhad

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

FOLKS DFK & CO PLT
FIRM NO. : 202606000002 (LLP0045209-LCA) & AF 0502
CHARTERED ACCOUNTANTS

LEONG KOK TONG
NO. : 02973/11/2027 J
CHARTERED ACCOUNTANT

Kuala Lumpur

Date : 27 October 2026

ANALYSIS OF SHAREHOLDING

As at 6 October 2026

Issued and Paid-Up Share Capital	:	RM17,895,077 represents 1,256,486,718 ordinary shares
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote for each ordinary share held
Number of shareholders	:	1,744

DISTRIBUTION OF SHAREHOLDINGS AS AT 6 OCTOBER 2026
(As per Records of Depositors)

Holdings	No. of holders	Total holdings	Percentage (%)
Less than 100	18	698	0.00
100 – 1000	413	253,316	0.02
1,001 – 10,000	474	2,623,548	0.23
10,001 – 100,000	502	22,205,720	1.91
100,001 – Less than 5% of issued shares	334	828,178,505	65.04
5% and above of issued shares	3	403,224,931	32.81
TOTAL	**1,744**	**1,256,486,718**	**100.00**

SUBSTANTIAL SHAREHOLDERS AS AT 6 OCTOBER 2026
(As per Register of Substantial Shareholders)

The substantial shareholders (holding 5% or more of the issued capital) based on the Register of Substantial Shareholders of the Company and their shareholdings are as follows:-

	Direct Interest		Indirect Interest	
Shareholders	No. of shares	%	No. of shares	%
Citigroup Nominees (Tempatan) Sdn. Bhd. Exempt an for Kenanga Investors Berhad	250,000,000	19.90	-	-
Koh Poh Seng	104,980,750	8.36	-	-
Dato' Seri Yong Tu Sang	68,244,181	5.43	113,909,408[1]	9.07
Datuk Dr. Hon Tian Kok @ William	92,659,797	7.38	-	-

Note:
[1] Deemed interested by virtue of the shareholding of his spouse, Datin Seri Ng Ah Heng and the shareholding of his children, Yong Hin Siong, Yong Emmy and Yong Ellen pursuant to Section 8 of the Companies Act 2016.

ANALYSIS OF SHAREHOLDING

As at 6 October 2026

DIRECTORS' INTERESTS IN SHARES AS AT 6 OCTOBER 2026
(As per Register of Directors' Shareholdings)

The Directors' Shareholdings based on the Register of Directors' Shareholdings of the Company are as follows:-

Directors	Direct Interest		Indirect Interest	
	No. of shares	%	No. of shares	%
Dato' Seri Yong Tu Sang	68,244,181	5.43	113,909,408[1]	9.07
Tan Boon Pock	7,340,000	0.58	1,000,000[2]	0.08
Datuk Dr Hon Tian Kok @ William	92,659,797	7.38	-	-
Datuk Yap Wai Hong	-	-	-	-
Lau Fook Meng	-	-	-	-
Goh Siow Cheng	-	-	-	-
Lee Yoon Seong	-	-	-	-
Wong See Mei	-	-	-	-

Notes:
[1] Deemed interested by virtue of the shareholding of his spouse, Datin Seri Ng Ah Heng and the shareholding of his children, Yong Hin Siong, Yong Emmy and Yong Ellen pursuant to Section 8 of the Companies Act 2016.
[2] Deemed interested by virtue of the shares held by his spouse, Chng Bee Jiuan pursuant to Section 8 of the Companies Act 2016.

List of Thirty (30) Largest Registered Shareholders

	Name	No. of shares held	%
1.	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. EXEMPT AN FOR KENANGA INVESTORS BHD	230,000,000	18.31
2.	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR KOH POH SENG (E-KLC)	104,980,750	8.36
3.	YONG TU SANG	68,244,181	5.43
4.	CHEW GUAN TECK	62,600,000	4.98
5.	NG AH HENG	62,500,099	4.97
6.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR GAN BOON TIAN	60,000,000	4.78
7.	MBSB INVESTMENT NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LOW PENG SIAN @ CHUA PENG SIAN (MGN-LPS0005M)	57,543,500	4.58
8.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR HON TIAN KOK @ WILLIAM	53,659,797	4.27
9.	YONG EMMY	51,274,809	4.08
10.	TA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR HON TIAN KOK @ WILLIAM	39,000,000	3.10
11.	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. CIMB FOR KOK YEW FATT (PB)	36,000,000	2.87
12.	CIMB GROUP NOMINEES (TEMPATAN) SDN. BHD. CIMB COMMERCE TRUSTEE BERHAD FOR KENANGA YIELD ENHANCEMENT FUND	20,000,000	1.59

ANALYSIS OF SHAREHOLDING

As at 6 October 2026

List of Thirty (30) Largest Registered Shareholders (Cont'd)

	Name	No. of shares held	%
13.	TYE LIM HUAT	18,351,900	1.46
14.	KODA CAPITAL SDN. BHD.	16,600,000	1.32
15.	HLB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN CHEE MENG	11,364,100	0.90
16.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR JASON KOH JIAN HUI	10,130,000	0.81
17.	CHONG TZE SENG	10,040,200	0.80
18.	TEE KIAN HENG	10,000,000	0.80
19.	OPEN ROAD CAPITAL SDN. BHD.	9,991,800	0.80
20.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TEH SWEE HENG (MM1118)	8,800,000	0.70
21.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR YAP HENG SANG	8,247,900	0.66
22.	KHOO SIEW HONG	7,391,000	0.59
23.	TAN BOON POCK	7,340,000	0.58
24.	KEVIN WEE TECK JIN	7,100,000	0.57
25.	LEE KIAN TAK	7,000,000	0.56
26.	LIM WOI KOK	7,000,000	0.56
27.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHIAM KIENG SUENG	6,621,800	0.53
28.	TAY WAI MING	6,328,800	0.50
29.	LAI THIAM POH	6,294,200	0.50
30.	KONG TIAM MING	5,938,200	0.47
	TOTAL	**1,010,343,036**	**80.41**

ANALYSIS OF WARRANTS-C HOLDINGS

As at 6 October 2026

Type of Securities	:	Warrants 2023/2028 ("Warrants-C")
Total Number of Warrants Outstanding	:	307,190,331
Exercise Price	:	RM0.10 per warrant
Voting Rights	:	The holder of warrants is not entitled to any voting rights.
Number of warrant holders	:	329

DISTRIBUTION OF WARRANT HOLDINGS AS AT 6 OCTOBER 2026

Holdings	No. of holders	Total holdings	Percentage (%)
Less than 100	16	858	0.00
100 – 1000	13	5,925	0.00
1,001 – 10,000	32	186,909	0.06
10,001 – 100,000	105	5,314,150	1.73
100,001 – Less than 5% of outstanding warrants	159	188,422,245	61.34
5% and above of outstanding warrants	4	113,260,244	36.87
TOTAL	**329**	**307,190,331**	**100.00**

DIRECTORS' WARRANT HOLDINGS ACCORDING TO THE REGISTER OF DIRECTORS' SHAREHOLDINGS

Directors	Direct Interest		Indirect Interest	
	No. of Warrants-C	%	No. of Warrants-C	%
Dato' Seri Yong Tu Sang	36,452,832	11.87	57,946,664[1]	18.86
Tan Boon Pock	2,710,000	0.88	-	-
Datuk Dr Hon Tian Kok @ William	-	-	-	-
Datuk Yap Wai Hong	-	-	-	-
Lau Fook Meng	-	-	-	-
Goh Siow Cheng	-	-	-	-
Lee Yoon Seong	-	-	-	-
Wong See Mei	-	-	-	-

Note:
[1] Deemed interested by virtue of the shareholding of his spouse, Datin Seri Ng Ah Heng and the shareholding of his children, Yong Hin Siong, Yong Emmy and Yong Ellen pursuant to Section 8 of the Companies Act 2016.

ANALYSIS OF WARRANTS-C HOLDINGS

As at 6 October 2026

List of Thirty (30) Largest Registered Warrant Holders

	Name	No. of Warrants held	%
1.	YONG TU SANG	36,452,832	11.87
2.	MODERN MODE SDN. BHD.	30,774,080	10.02
3.	YONG EMMY	25,199,999	8.20
4.	NG AH HENG	20,833,333	6.78
5.	TAN KHA LUONG	11,687,708	3.80
6.	CONFIRMED UPTREND SDN. BHD.	11,266,149	3.67
7.	LOW LAY PING	9,500,000	3.09
8.	KUIK SOON ANN	8,000,000	2.60
9.	LAI THIAM POH	7,018,800	2.28
10.	TA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LAU YEN CHANG	5,000,000	1.63
11.	TEH AH HUAH	4,800,000	1.56
12.	LEE CHAN LAN	4,300,000	1.40
13.	TYE LIM HUAT	4,290,000	1.40
14.	HLIB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR KUIK SOON ANN	4,100,000	1.33
15.	LEE KIAN TAK	4,100,000	1.33
16.	TAY WAI MING	3,500,000	1.14
17.	SIEW CHOON SHIONG	3,500,000	1.14
18.	TAN SAN HUAY	3,200,000	1.04
19.	NEOH GUAN KIE	3,100,000	1.01
20.	TAN SAN XUIN	3,050,000	0.99
21.	SOH ENG SOENG	3,000,000	0.98
22.	WOO CHIEW LOONG	3,000,000	0.98
23.	CHAI TZER LUEN	3,000,000	0.98
24.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR NG GEOK WAH (B BRKLANG-CL)	2,995,000	0.98
25.	TAN SAN SHIAN	2,800,000	0.91
26.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN BOON POCK	2,710,000	0.88
27.	SHIM SOO LIEN	2,592,000	0.84
28.	OOI LEE PENG	2,542,800	0.83
29.	KOH ENG HONG	2,530,000	0.82
30.	CHAY TIAN LOKE	2,469,522	0.80
	TOTAL	**231,312,223**	**75.30**

LIST OF PROPERTIES

Registered Owner	Location	Description/ Existing Use	Date of certificate of fitness/ Year of Acquisition	Approximate Age of Building Years/ Tenure	Land Area/ Built-up Area	Audited Net Book Value as at 30 June 2026 RM'000
Besut Tsuda Wood Products Sdn. Bhd.	Lot No 1654 Mukim of Tanggul District of Hulu Terengganu Terengganu Darul Iman	Factory Buildings Kiln-dried chambers, office erected thereon.	2004	30 years/ Freehold	40,545.45 sq.m./ 21,887.68 sq.m.	9,471
BTM Biomass Products Sdn. Bhd.	HSD No. 10689, PT No. 9691 Mukim of Hulu Chukai District of Kemaman Terengganu Darul Iman	Vacant Industrial Land	2023	30 years leasehold expiring on 11 December 2051	80,940 sq.m.	3,576
BTM Biomass Products Sdn. Bhd.	Block 10 (Lot Nos 28 to 31) and Block 11A (Lot No 32) Mukim of Tebak/Bandi District of Kemaman Terengganu Darul Iman	Secondary Forest	2023	63 years leasehold expiring on 30 December 2084	5,572.912 acres	23,453

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirty-Second ("32nd") Annual General Meeting ("AGM") of BTM RESOURCES BERHAD (the "Company" or "BTM Resources") will be held at Atlanta East, Level 3, Hotel Armada, Lot 6, Lorong Utara C, Section 52, 46200 Petaling Jaya, Selangor Darul Ehsan on 2 December 2026, Wednesday at 11:00 a.m. or at any adjournment thereof, for the following purposes:-

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 30 June 2026 together with the Reports of the Directors and Auditors thereon. (Please refer to Explanatory Note 1)

2. To re-elect the following Directors who are retiring by rotation in accordance with Clause 18.4 of the Company's Constitution and, being eligible, have offered themselves for re-election:
   - i) Mr Tan Boon Pock — Ordinary Resolution 1
   - ii) Ms Goh Siow Cheng — Ordinary Resolution 2

3. To re-elect the following Directors who are retiring in accordance with Clause 18.11 of the Company's Constitution and, being eligible, have offered themselves for re-election:
   - i) Datuk Dr Hon Tian Kok @ William — Ordinary Resolution 3
   - ii) Mr Lau Fook Meng — Ordinary Resolution 4
   - iii) Ms Wong See Mei — Ordinary Resolution 5

4. To approve the payment of Directors' Fees and other benefits payable up to RM310,000.00 to be divided amongst the Directors in such manner as the Directors may determine for the period commencing from 1 January 2027 until 31 December 2027. Ordinary Resolution 6

5. To approve the payment of Directors' Remuneration (excluding Directors' Fees) payable to the Board of Directors of the Company and its subsidiaries up to an amount of RM260,000.00 for the period from 1 January 2027 until 31 December 2027. Ordinary Resolution 7

6. To re-appoint Messrs Folks DFK & Co PLT (AF 0502) as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. Ordinary Resolution 8

Special Business

To consider and, if thought fit, to pass the following resolution, with or without modifications:-

7. **Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016**

   "THAT subject always to the Companies Act 2016, the Constitution of the Company and approvals from Bursa Malaysia Securities Berhad and any other governmental/regulatory bodies, where such approval is necessary, authority be and is hereby given to the Directors pursuant to Sections 75 and 76 of the Companies Act 2016 to allot and issue not more than ten percent (10%) of the total number of issued shares (excluding treasury shares) of the Company at any time upon any such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit or in pursuance of offers, agreements or options to be made or granted by the Directors while this approval is in force until the conclusion of the next Annual General Meeting of the Company. Ordinary Resolution 9

   AND THAT the new shares to be issued shall, upon allotment and issuance, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or other forms of distribution that which may be declared, made or paid before the date of allotment of such new shares."

8. To transact any other business for which due notice shall have been given.

NOTICE OF ANNUAL GENERAL MEETING

By Order of the Board

TAN TONG LANG (MAICSA 7045482/SSM PC No. 202208000250)
THIEN LEE MEE (LS0010621/SSM PC No. 201908002254)
Company Secretaries

Dated: 30 October 2026

Notes:

(1) A Member entitled to attend, participate, speak and vote is entitled to appoint not more than two (2) proxies to attend, participate, speak and vote instead of him/her. A proxy may, but need not, be a Member of the Company and there shall be no restriction as to the qualification of the proxy. Where a Member appoints more than one (1) proxy, he shall specify the proportions of his holdings to be represented by each proxy, failing which the appointment shall be invalid.

(2) A Member who is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("SICDA") may appoint not more than two (2) proxies in respect of each Securities Account it holds in ordinary shares of the Company standing to the credit of the said Securities Account.

(3) Where a Member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one Securities Account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds. An Exempt Authorised Nominee refers to an authorised nominee as defined under SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA. Where a Member appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies. The appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.

(4) The instrument appointing a proxy shall be in writing executed under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.

(5) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of authority, must be deposited at the Company's Share Registrar Office Sectrars Management Sdn. Bhd. at Lot 9-7, Menara Sentral Vista, No. 150, Jalan Sultan Abdul Samad, Bricksfields, 50470 Kuala Lumpur, W.P. Kuala Lumpur, not less that than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.

(6) For the purpose of determining the members who shall be entitled to attend, participate, speak and vote at the Thirty-Second (32nd) Annual General Meeting, the Company shall request Bursa Malaysia Depository Sdn. Bhd. to issue a General Meeting Record of Depositors as at 24 November 2026. Only members whose names appear on the Record of Depositors as at 24 November 2026 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

(7) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in this Notice of Meeting will be put to vote by poll.

Explanatory Notes:

(i) Item 1 of the Agenda – Audited Financial Statements for the financial year ended 30 June 2026

The Audited Financial Statements under this agenda item is meant for discussion only as the provisions of Sections 248(1) and 340(1)(a) of the Companies Act 2016 (the "Act") do not require formal approval of the shareholders and hence this Agenda item is not put forward for voting.

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes: (Cont'd)

(ii) Ordinary Resolutions 1 to 2 – Re-election of Directors who retire pursuant to Clause 18.4 of the Company's Constitution

Clause 18.4 of the Company's Constitution provides that an election of Directors shall take place each year at the annual general meeting where one-third (1/3) of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3), shall retire from office and be eligible for re-election. All Directors shall retire from office at least once in every three (3) years. The Directors to retire each year are those longest in office since their last appointment or re-election.

For the purpose of determining the eligibility of the Directors to stand for re-election at the 32nd AGM, the Nomination and Remuneration ("NRC") has considered and recommended the re-election of Mr Tan Boon Pock and Ms Goh Siow Cheng, who are standing for re-election pursuant to Clause 18.4 of the Company's Constitution.

(iii) Ordinary Resolutions 3 to 5 – Re-election of Directors who retire pursuant to Clause 18.11 of the Company's Constitution

Clause 18.11 of the Company's Constitution provides that the Board may appoint any person to be a Director, other than a Public Interest Director, either to fill a casual vacancy or as an addition to the existing Board. Any Director so appointed shall hold office only until the next following AGM and shall then be eligible for re-election, but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.

Datuk Dr Hon Tian Kok @ William, Mr Lau Fook Meng and Ms Wong See Mei were appointed on 30 January 2026. The NRC has considered and recommended the re-election of the said Directors, who retire pursuant to Clause 18.11 of the Company's Constitution following their appointment during the year. Being eligible, they have offered themselves for re-election.

(iv) Ordinary Resolutions 6 and 7 – Approval of Directors' Fees and other benefits and Directors' Remuneration (excluding Directors' Fees)

Section 230(1) of the Act provides, amongst others, that "the fees" of the directors and "any benefits" payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board agreed that the shareholders' approval shall be sought at the 32nd AGM on the Directors' Remuneration in two (2) separate resolutions as below:-

- Ordinary Resolution 6 on payment of Directors' Fees and other benefits for the period commencing from the date immediately after the 32nd AGM until the conclusion of the next AGM of the Company; and
- Ordinary Resolution 7 on payment of Directors' Remuneration (excluding Directors' Fees) payable to the Board of the Company and its subsidiaries for the period from 1 January 2027 until the conclusion of the next AGM of the Company.

The payment of the Directors' Fees and other benefits for the period commencing from the date immediately after the 32nd AGM until the conclusion of the next AGM of the Company will only be made if the proposed Ordinary Resolution 6 has been passed at the 32nd AGM pursuant to Clause 19.1 of the Company's Constitution and Section 230(1) of the Act.

The total amount of Directors' Remuneration (excluding Directors' Fees) for the period from 1 January 2027 until the conclusion of the next AGM of the Company is estimated not exceeding RM260,000.00.

Payment of the Directors' Fees and other benefits for the period commencing from the date immediately after the 32nd AGM until the conclusion of the next AGM of the Company and the payment of Directors' Remuneration (excluding Directors' Fees) will be made by the Company and its subsidiaries on a monthly basis and/or as and when incurred if the proposed Ordinary Resolutions 6 and 7 have been passed at the 32nd AGM. The Board is of the view that it is just and equitable for the Directors to be paid the said proposed Directors' Fees and other benefits and Directors' Remuneration (excluding Directors' Fees) as and when incurred, particularly after they have discharged their responsibilities and rendered their services to the Company and its subsidiaries throughout the mentioned period. In the event that the payment of the Directors' Fees and other benefits for the period commencing from the date immediately after the 32nd AGM until the conclusion of the next AGM of the Company and the Directors' Remuneration (excluding Directors' Fees) payable for the period from 1 January 2027 until the conclusion of the next AGM of the Company exceeds the estimated amount sought at the 32nd AGM, a separate shareholders' approval will be sought at the next AGM.

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes: (Cont'd)

(v) Ordinary Resolution 8 – Re-appointment of Auditors

The Audit Committee ("AC") has carried out an assessment of the suitability, objectivity and independence of the external auditors, Messrs Folks DFK & Co PLT ("DFK"), and is satisfied with the suitability of DFK based on the quality of audit, performance, competency and sufficiency of resources the external audit team provided to the Group.

The Board therefore approved the AC's recommendation that the re-appointment of DFK as the external auditors of the Company be put forward for the shareholders' approval at the forthcoming 32nd AGM.

(vi) Ordinary Resolution 9 – Authority to Allot and Issue Shares pursuant to Sections 75 and 76 of the Companies Act, 2016

The proposed Ordinary Resolution 9, if passed, will empower the Directors of the Company to allot and issue new shares in the Company at any time, to such person or persons, upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit ("General Mandate"), provided that the number of shares issued pursuant to this General Mandate does not exceed 10% of the total number of issued shares of the Company at the time of issue. This General Mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

The rationale for this general mandate is to eliminate the need to convene general meeting(s) from time to time to seek shareholders' approval as and when the Company issues new shares for future business opportunities and thereby reducing administrative time and cost associated with the convening of such meeting(s). The general mandate will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placement of shares, for the purpose of future investment project(s), working capital, repayment of borrowings and/or acquisition.

This is the renewal of the mandate obtained from the shareholders at the last AGM held on 18 December 2025 ("the Previous Mandate"). The Previous Mandate was not utilised and no proceeds were raised.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of Main Market Listing Requirements of Bursa Securities)

1. Details of individual who are standing for election as Directors (excluding Directors for re-election)

No individual is seeking election as Director at the 32nd AGM of the Company.

The profiles of the Directors who are standing for re-election as per Ordinary Resolutions 1 to 5 of the Notice of 32nd AGM are stated in the Directors' Profile section of the Annual Report 2026.

2. General mandate for issue of securities in accordance with Paragraph 6.03(3) of the Listing Requirements of Bursa Securities

The Company will seek shareholders' approval on the general meeting for issue of securities in accordance with Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Securities. Please refer to the Proposed Ordinary Resolution 9 as stated in the Notice of the 32nd AGM of the Company for details.

PROXY FORM

Number Of Shares Held	
CDS Account No.	

BTM RESOURCES BERHAD
[Registration No. 199401018283 (303962-T)]

* I/We _____

of _____

being a Member/Members of BTM RESOURCES BERHAD [Registration No. 199401018283 (303962-T)], hereby appoint

_____ NRIC/Passport No. _____

of _____ or failing him/her

_____ NRIC/Passport No. _____

of _____

or # THE CHAIRMAN OF THE MEETING as *my/our proxy to vote for *me/us on *my/our behalf at the Thirty-Second Annual General Meeting ("32nd AGM") of the Company to be held at Atlanta East, Level 3, Hotel Armada, Lot 6, Lorong Utara C, Section 52, 46200 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 2 December 2026 at 11:00 a.m. or at any adjournment thereof and to vote as indicated below:-

	Ordinary Resolutions		**For**	**Against**
1.	To re-elect Mr Tan Boon Pock as Director	(Ordinary Resolution 1)		
2.	To re-elect Ms Goh Siow Cheng as Director	(Ordinary Resolution 2)		
3.	To re-elect Datuk Dr Hon Tian Kok @ William as Director	(Ordinary Resolution 3)		
4.	To re-elect Mr Lau Fook Meng as Director	(Ordinary Resolution 4)		
5.	To re-elect Ms Wong See Mei as Director	(Ordinary Resolution 5)		
6.	To approve the payment of Directors' Fees and other benefits payable up to RM310,000.00 to be divided amongst the Directors in such manner as the Directors may determine for the period commencing from 1 January 2027 until 31 December 2027.	(Ordinary Resolution 6)		
7.	To approve the payment of Directors' Remuneration (excluding Directors' Fees) payable to the Board of Directors of the Company and its subsidiaries up to an amount of RM260,000.00 for the period from 1 January 2027 until 31 December 2027.	(Ordinary Resolution 7)		
8.	To re-appoint Messrs Folks DFK & Co PLT (AF 0502) as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.	(Ordinary Resolution 8)		
9.	Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016	(Ordinary Resolution 9)		

Please indicate with an "X" in the space provided above on how you wish to cast your vote. In the absence of specific directions, your Proxy may vote or abstain at his/her discretion.

 # If you wish to appoint other person(s) to be your proxy/proxies, kindly delete the words "The Chairman of the Meeting" and insert the name(s) of the person(s) desired.
** Delete if not applicable.*

The proportions of my/our shareholding to be represented by my/our proxies (if more than 1 proxy) are as follows:-

First proxy	%
Second proxy	%
	100%

Dated this ..... day of 2026

.....
Signature / Common Seal of member

Notes:

(1) A Member entitled to attend, participate, speak and vote is entitled to appoint not more than two (2) proxies to attend, participate, speak and vote instead of him. A proxy may, but need not, be a Member of the Company and there shall be no restriction as to the qualification of the proxy. Where a Member appoints more than one (1) proxy, he shall specify the proportions of his holdings to be represented by each proxy, failing which the appointment shall be invalid.

(2) A Member who is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991 ("SICDA") may appoint not more than two (2) proxies in respect of each Securities Account it holds in ordinary shares of the Company standing to the credit of the said Securities Account.

(3) Where a Member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one Securities Account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds. An Exempt Authorised Nominee refers to an authorised nominee as defined under SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA. Where a Member appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies. The appointment shall not be valid unless he specifies the proportions of his holdings to be represented by each proxy.

(4) The instrument appointing a proxy shall be in writing executed under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.

(5) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of authority, must be deposited at the Company's Share Registrar Office Sectrars Management Sdn. Bhd. at Lot 9-7, Menara Sentral Vista, No. 150, Jalan Sultan Abdul Samad, Bricksfields, 50470 Kuala Lumpur, W.P. Kuala Lumpur, not less that than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.

(6) For the purpose of determining a member who shall be entitled to attend the 32nd Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a General Meeting Record of Depositors as at 24 November 2026. Only members whose name appears on the Record of Depositors as at 24 November 2026 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

(7) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be put to vote by way of poll.

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AFFIX STAMP

BTM RESOURCES BERHAD
(199401018283 (303962-T))

C/O Sectrars Management Sdn. Bhd.
Lot 9-7, Menara Sentral Vista
No. 150, Jalan Sultan Abdul Samad
Brickfields
50470 Kuala Lumpur

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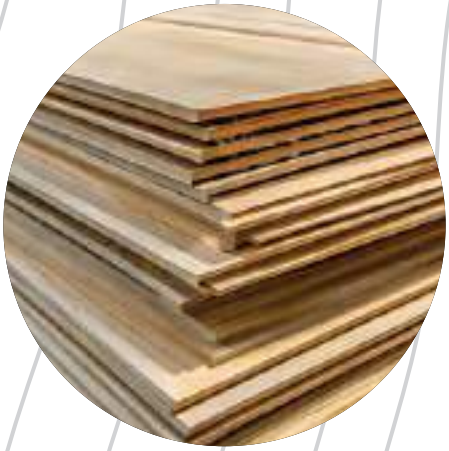





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