

BTM RESOURCES BERHAD (303962-T)
(Incorporated In Malaysia)
Condensed Consolidated Statement of Financial Position
As At 31 December 2015

	Unaudited as at 31/12/2015 RM'000	Audited as at 31/12/2014 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	21.645	19.592
Prepaid lease payments	440	478
Investment in club membership	0	0
Total Non-Current Assets	22.085	20.070
Current Assets		
Inventories	5.005	4.270
Trade receivables	1.897	2.559
Other receivables, deposits and prepayments	1.851	408
Fixed deposits with licensed banks	7.658	10.440
Cash and bank balances	577	3.363
Total Current Assets	16.988	21.040
TOTAL ASSETS	39.073	41.110
EQUITY AND LIABILITIES		
Equity Attributable To Owners Of		
The Company		
Share capital	25.061	24.441
Share premium	425	0
Revaluation reserves	16.378	16.378
Capital reserves	532	532
Warrant reserve	4.039	4.464
Accumulated losses	-20.598	-18.007
TOTAL EQUITY	25.837	27.808
Non-Current Liabilities		
Retirement benefit obligations	1.698	1.478
Bank borrowings (secured) - Term loan	4.174	4.174
Hire purchase creditors	53	70
Deferred taxation	167	167
Total Non-Current Liabilities	6.092	5.889
Current Liabilities		
Trade payables	1.319	1.446
Other payables and accruals	2.526	1.902
Bank borrowings (secured) - Term loan	1.708	1.708
Amount due to directors	1.496	2.258
Hire purchase creditors	19	24
Taxation	76	75
Total Current Liabilities	7.144	7.413
TOTAL LIABILITIES	13.236	13.302
TOTAL EQUITY AND LIABILITIES	39.073	41.110
NET TANGIBLE ASSETS PER SHARE (RM)	0,21	0,23

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2014)

BTM RESOURCES BERHAD (303962-T)

(Incorporated In Malaysia)

**Unaudited Condensed Consolidated Statement of Comprehensive Income
Interim Report for the Quarter ended 31 December 2015**

	Current Quarter 31/12/2015 RM'000	Comparative Quarter 31/12/2014 RM'000	Current Year To Date 31/12/2015 RM'000	Comparative Year To Date 31/12/2014 RM'000
Revenue	3.103	2.676	11.551	9.082
Operating Expenses	-4.390	-7.918	-14.597	-17.801
Other Operating Income	<u>545</u>	<u>2.715</u>	<u>970</u>	<u>2.895</u>
Loss From Operations	-742	-2.527	-2.076	-5.824
Finance Costs	-507	-363	-513	-523
Investing Results	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Loss From Ordinary Activities Before Tax	-1.249	-2.890	-2.589	-6.347
Taxation	<u>-2</u>	<u>-9</u>	<u>-2</u>	<u>-9</u>
Loss From Ordinary Activities After Tax	-1.251	-2.899	-2.591	-6.356
Other Comprehensive Income, Net of Tax	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Comprehensive Loss for the Period	<u><u>-1.251</u></u>	<u><u>-2.899</u></u>	<u><u>-2.591</u></u>	<u><u>-6.356</u></u>
Total Comprehensive Loss attributable to: Owners of the Company	<u><u>-1.251</u></u>	<u><u>-2.899</u></u>	<u><u>-2.591</u></u>	<u><u>-6.356</u></u>
Loss Per Share (sen) attributable to Owners of the Company				
- Basic	-1,00	-2,85	-2,10	-11,32
- Diluted	N/A	N/A	N/A	N/A

N/A - Not Applicable

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2014)

BTM RESOURCES BERHAD (303962-T)

(Incorporated In Malaysia)

Unaudited Condensed Consolidated Statement of Changes in Equity**For the 12 Months Ended 31 December 2015**

	<u>Non-distributable</u>			<u>Distributable</u>			
	Share Capital RM'000	Share Premium RM'000	Revaluation reserves RM'000	Capital reserves RM'000	Warrant reserve RM'000	Retained earnings RM'000	Total RM'000
12 months ended 31-12-2015							
Balance at 01-01-2015	24.441	0	16.378	532	4.464	-18.007	27.808
Conversion of Warrant 2014/2024	620	425	0	0	-425	0	620
Total Comprehensive Loss for the year	0	0	0	0	0	-2.591	-2.591
Balance at 31-12-2015	<u>25.061</u>	<u>425</u>	<u>16.378</u>	<u>532</u>	<u>4.039</u>	<u>-20.598</u>	<u>25.837</u>
12 months ended 31-12-2014							
Balance at 01-01-2014	40.734	7.628	16.378	532	0	-46.512	18.760
Reduction of share capital and share premium set off against accumulated losses	-32.587	-3.959	0	0	0	36.546	0
Rights issue of shares with warrants	16.294	-2.779	0	0	4.464	-1.685	16.294
Share issue expenses	0	-890	0	0	0	0	-890
Total Comprehensive Loss for the year	0	0	0	0	0	-6.356	-6.356
Balance at 31-12-2014	<u>24.441</u>	<u>0</u>	<u>16.378</u>	<u>532</u>	<u>4.464</u>	<u>-18.007</u>	<u>27.808</u>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2014.)

BTM RESOURCES BERHAD (303962-T)

(Incorporated In Malaysia)

Unaudited Condensed Consolidated Statement of Cash Flows**For the 12 Months Ended 31 December 2015**

	12 months Cumulative 31/12/2015 RM'000	12 months Cumulative 31/12/2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	-2.589	-6.347
Adjustments for:-		
Amortisation of prepaid lease payments	38	38
Allowance for impairment loss on property, plant and equipment	0	4.104
Allowance for doubtful debts	21	0
Depreciation	877	1.722
Defined benefit obligations	220	208
Waiver of interest on term loans	0	-2.510
Gain on disposal of property, plant and equipment	-35	-95
Interest expense	513	521
Interest income	-272	-73
Operating loss before working capital changes	<u>-1.227</u>	<u>-2.432</u>
Increase in inventories	-735	-177
Decrease in trade receivables	641	457
Increase in other receivables and deposits & prepayments	-1.443	-255
(Decrease)/increase in trade payables	-127	854
Increase/(decrease) in other payables and accruals	119	-389
(Decrease)/increase in amount due to directors	-762	260
Cash used in operations	<u>-3.534</u>	<u>-1.682</u>
Interest paid	-3	-9
Tax paid	-1	-8
Interest received	272	73
Net cash used in operating activities	<u>-3.266</u>	<u>-1.626</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	-2.930	-442
Proceeds from disposal of property, plant and equipment	35	96
Net cash used in investing activities	<u>-2.895</u>	<u>-346</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	620	15.840
Repayment of term loans	0	-500
Payment of hire purchase liabilities	-22	-25
Hire purchase interest paid	-5	-7
Net cash generated from financing activities	<u>593</u>	<u>15.308</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	<u>-5.568</u>	<u>13.336</u>
CASH AND CASH EQUIVALENTS AT 1ST JANUARY	13.803	467
CASH AND CASH EQUIVALENTS AT 31ST DECEMBER	<u>8.235</u>	<u>13.803</u>
CASH AND CASH EQUIVALENTS COMPRISE:-		
Fixed deposits with a licensed bank	7.658	10.440
Cash and bank balances	577	3.363
	<u>8.235</u>	<u>13.803</u>

BTM RESOURCES BERHAD (303962-T)

(Incorporated In Malaysia)

Interim Report for the Fourth Quarter Ended 31 December 2015

NOTES

1 Basis of Preparation and Accounting Policies

This condensed consolidated interim financial statements ("Condensed Report") are prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134: "Interim Financial Reporting" and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the Group's annual audited financial statements for the year ended 31 December 2014.

The significant accounting policies and methods of computation adopted in this interim financial report are consistent with those adopted for the annual audited financial statements for the year ended 31 December 2014, except for the adoption of the following amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") which are applicable to its financial statements:

Amendments to MFRS 119 Defined Benefit Plans: Employee Contributions
Amendments to MFRSs Classified as "Annual Improvements to MFRSs 2010 - 2012 Cycle"
Amendments to MFRSs Classified as "Annual Improvements to MFRSs 2011 - 2013 Cycle"

The adoption of the above amendments to MFRSs does not have any significant impact on the interim financial report upon their initial application.

2 Audit Qualification of Preceding Annual Financial Statements

The audit report for the preceding annual financial statements was not subject to any qualification.

3 Seasonal or Cyclical Factors

The business operations of the Group were not materially affected by any seasonal or cyclical factors during the current financial quarter.

4 Unusual Items

There were no items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidence during the current financial quarter.

5 Changes in Estimates

There were no changes in estimates of amounts reported in prior financial years, that have a material effect in the current financial quarter.

6 Debt and Equity Securities

During the current financial year, the issued and fully paid up share capital of the Company was increased from RM24,440,517.60 to RM25,060,517.60 as a result of the issuance of 3,100,000 new ordinary shares of RM0.20 each at an issue price of RM0.20 per share pursuant to the conversion of 3,100,000 Warrants 2014/2024 of the Company.

There were no other issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the current financial quarter.

7 Dividend Paid

There were no dividends paid during the current financial quarter.

8 Segmental Information

The Group is principally engaged in the wood-based activity of logging, sawmilling, timber trading and manufacturing of moulding, finger-jointed and laminated timber i.e within a single industry segment and its operations are located wholly in Malaysia. Accordingly, segmental information reporting is not relevant in the context of the Group.

9 Revaluation of Property, Plant and Equipment

The valuations of property, plant and equipment have been brought forward, without amendment from the previous annual financial statements.

10 Material Events Subsequent to the end of the Reporting Period

There were no material events subsequent to the end of the current financial quarter that have not been reflected in the financial statements for the said period as at the date of issue of this quarterly report.

11 Changes in the Composition of the Group

There was no change in the composition of the Group during the current financial year to-date.

12 Contingent Liabilities

The Group has contingent liabilities of RM100,000 in respect of secured bank guarantee to third parties.

The Company has contingent liabilities of RM5.88 million in respect of a guarantee to a financial institution for credit facilities granted to a subsidiary company.

13 Performance Review on the Results of the Group

For the fourth financial quarter under review, the Group recorded turnover of RM3.10 million, an increase of 16.0% over the corresponding period last year due to higher sales volume of its manufactured products in the current quarter. The Group recorded a lower pre-tax loss of RM1.25 million as compared to a pre-tax loss of RM2.89 million in the corresponding period last year mainly due to higher turnover recorded in the current financial quarter coupled with the allowance for impairment of property, plant and equipment of RM4.1 million set off against waiver of interest on term loans of RM2.5 million in the corresponding period last year.

14 Changes in the Quarterly Results Compared to Preceding Quarter

For the quarter ended 31 December 2015, the Group recorded a pre-tax loss of RM1.25 million as compared to a pre-tax loss of RM507,000 in the previous quarter ended 30 September 2015, mainly due to lower turnover recorded on its manufactured products and higher interest expense in the current financial quarter.

15 Current Year Prospect

The Group primarily depends on the income and contribution from the subsidiaries which rely on the availability of raw materials. The Group is making arrangements to secure raw materials in Kelantan, Terengganu and Thailand where the raw materials are now available. However, the global economic conditions in 2016 are expected to remain challenging which will affect the demand for timber products. The Directors expect the current year to be challenging but hope that its financial performance will improve.

16 Variance of Actual Profit From Forecast Profit

This is not applicable.

17 Taxation

Details of taxation are as follows :

	Current Year Quarter 31.12.2015 RM'000	Current Year To date 31.12.2015 RM'000
<i>Current taxation</i>	4	4
<i>Over provision in prior year</i>	-2	-2
<i>Deferred taxation</i>	0	0
	<u>2</u>	<u>2</u>

18 Status of Corporate Proposals

On 11 August 2015, the Company announced that BTM Marketing & Trading Sdn Bhd ("BTM Marketing"), a wholly owned subsidiary of BTM, has entered into a preliminary discussion with Pendragon Auto Sdn Bhd ("Pendragon Auto") with the aim to eventually cumulated into a definitive Shares Sale Agreement or a Shares Subscription Agreement, resulting in BTM Marketing acquiring or holding an effective stake of no less than 51% in Pendragon Auto. However, on 15 January 2016, BTM Marketing has received a letter from Pendragon Auto indicating they are unable to proceed with the Shares Sale Agreement or Shares Subscription Agreement due to Pendragon Auto has ceased its operation effective December 2015.

On 27 August 2015, RHB Investment Bank Berhad on behalf of the Company announced that the Company proposed to undertake a private placement of up to ten percent (10%) of its issued and paid-up share capital to investors to be identified in accordance with Section 132D of the Companies Act, 1965 ("Proposed Private Placement"). The listing application for the listing of and quotation for the Placement Shares on the Main Market of Bursa Securities in relation to the Proposed Private Placement has been submitted to Bursa Securities on 4 September 2015.

On 23 December 2015, the Company announced that BTM Marketing has on 17 December 2015 entered into a Memorandum of Understanding ("MOU") with Chicken Cottage (M) Sdn Bhd ("CCSB") for the purpose of appointing BTM Marketing as the master franchisor for the Chicken Cottage for Johore and Singapore region.

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

19 Utilisation of Rights Issue Proceeds

The utilisation of proceeds from the Rights Issue with Warrants exercise up to the end of the current quarter are

as follows:-

	As Approved RM'000	Utilisation RM'000
Working capital requirements	9.224	6.092
Repayment of borrowings	1.100	0
Estimated expenses in relation to the exercise To set up factory and purchase of plant and machineries for the manufacturing of wood pellet business	970	562
	<u>5.000</u>	<u>2.738</u>
	<u><u>16.294</u></u>	<u><u>9.392</u></u>

The Board has on 28 October 2015 approved the utilisation of proceeds from the Rights Issue with Warrants to be extended to 28 October 2016.

20 Group Borrowings

Total Group borrowings as at 31 December 2015 are as follows :-

	RM'000
Long Term Borrowings	
Secured - Term Loan	4.174
- Hire purchase	<u>53</u>
	<u>4.227</u>
Short Term Borrowings	
Secured - Term Loan	1.708
- Hire purchase	<u>19</u>
	<u><u>1.727</u></u>

There are no borrowings denominated in foreign currency.

21 Material Litigation

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

22 Dividends

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

23 Earnings /(Loss) per Ordinary Share

a) Basic loss per share

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

	Current Quarter 31/12/2015	Comparative Quarter 31/12/2014	Current Year To Date 31/12/2015	Comparative Year To Date 31/12/2014
Net loss for the period (RM'000)	-1.251	-2.899	-2.591	-6.356
Weighted average number of ordinary shares in issue ('000)	125.168	101.835	123.517	56.135
Basic loss per share (sen)	-1,00	-2,85	-2,10	-11,32

b) Diluted loss per share

The effect on the loss per share of the assumed exercise of the Warrants is anti-dilutive and hence, the diluted loss per share for respective periods have not been presented.

24 Realised and unrealised accumulated losses

The breakdown of the accumulated losses of the Group as at the end of the reporting periods, into realised and unrealised accumulated losses, is as follows:-

	As at 31/12/2015 RM'000	As at 31/12/2014 RM'000
The accumulated losses of the Group		
- realised	-59.187	-56.596
- unrealised	-1.688	-1.688
	<u>-60.875</u>	<u>-58.284</u>
Add: Consolidation adjustments	40.277	40.277
Accumulated losses as per financial statements	<u><u>-20.598</u></u>	<u><u>-18.007</u></u>

25 Loss Before Taxation

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

	Current Quarter 31.12.2015 RM'000	Comparative Quarter 31.12.2014 RM'000	Current Year To Date 31.12.2015 RM'000	Comparative Year To Date 31.12.2014 RM'000
Other income	464	130	663	217
Gain on disposal of property, plant and equipment	20	3	35	95
Interest income	61	72	272	73
Waiver of interest on term loans	0	2.510	0	2.510
Interest expense	-507	-361	-513	-521
Amortisation of prepaid lease payments	-9	-9	-38	-38
Allowance for impairment loss on property, plant and equipment	0	-4.104	0	-4.104
Allowance for doubtful debts	-21	0	-21	0
Depreciation	-221	-445	-877	-1.722

Other disclosure items pursuant to Appendix 9B Note 16 of the Listing Requirements of Bursa Malaysia Securities Berhad are not applicable.

BY ORDER OF THE BOARD

DATED: 25 February 2016