

BTM RESOURCES BERHAD (303962-T)
(Incorporated In Malaysia)
Condensed Consolidated Statement of Financial Position
As At 31 December 2017

	Unaudited as at 31/12/2017 RM'000	Audited as at 31/12/2016 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	30,452	27,111
Prepaid lease payments	363	401
Total Non-Current Assets	30,815	27,512
Current Assets		
Inventories	7,243	7,556
Trade receivables	1,252	1,345
Other receivables, deposits and prepayments	762	731
Fixed deposits with licensed banks	220	1,517
Cash and bank balances	767	1,261
Total Current Assets	10,244	12,410
TOTAL ASSETS	41,059	39,922
EQUITY AND LIABILITIES		
EQUITY		
Share capital	26,561	25,061
Share premium	0	425
Revaluation reserves	19,025	16,377
Capital reserves	532	532
Warrant reserve	3,602	4,039
Accumulated losses	-20,805	-20,032
Equity Attributable To Owners Of The Company	28,915	26,402
Non-Controlling Interest	-5	-1
TOTAL EQUITY	28,910	26,401
Non-Current Liabilities		
Retirement benefit obligations	1,985	1,736
Term loan (secured)	3,675	3,905
Hire purchase creditors	7	28
Deferred taxation	866	165
Total Non-Current Liabilities	6,533	5,834
Current Liabilities		
Trade payables	1,981	1,793
Other payables and accruals	2,265	1,704
Term loan (secured)	479	1,069
Amount due to directors	868	3,098
Hire purchase creditors	23	21
Taxation	0	2
Total Current Liabilities	5,616	7,687
TOTAL LIABILITIES	12,149	13,521
TOTAL EQUITY AND LIABILITIES	41,059	39,922
NET TANGIBLE ASSETS PER SHARE (RM)	0.23	0.21

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2016)

BTM RESOURCES BERHAD (303962-T)

(Incorporated In Malaysia)

**Unaudited Condensed Consolidated Statement of Comprehensive Income
Interim Report for the Quarter ended 31 December 2017**

	Current Quarter 31/12/2017 RM'000	Comparative Quarter 31/12/2016 RM'000	Current Year To Date 31/12/2017 RM'000	Comparative Year To Date 31/12/2016 RM'000
Revenue	3,188	5,771	12,772	15,939
Operating Expenses	-4,491	-5,636	-13,424	-16,449
Other Operating Income	181	221	312	1,384
(Loss)/Profit From Operations	-1,122	356	-340	874
Finance Costs	-107	-128	-435	-469
Investing Results	0	0	0	0
(Loss)/Profit From Ordinary Activities Before Tax	-1,229	228	-775	405
Taxation	0	0	-2	0
(Loss)/Profit From Ordinary Activities After Tax	-1,229	228	-777	405
Other Comprehensive Income, Net of Tax				
- Revaluation of lands and buildings	2,648	0	2,648	0
- Actuarial gain on defined benefit obligations	0	201	0	201
	2,648	201	2,648	201
Total Comprehensive Income for the Period	1,419	429	1,871	606
(Loss)/Profit attributable to:				
Owners of the Company	-1,225	229	-773	406
Non-Controlling Interest	-4	-1	-4	-1
	-1,229	228	-777	405
Total Comprehensive Income attributable to:				
Owners of the Company	1,423	430	1,875	607
Non-Controlling Interest	-4	-1	-4	-1
	1,419	429	1,871	606
(Loss)/Earnings Per Share (sen)				
- Basic	-0.96	0.18	-0.61	0.32
- Diluted	N/A	0.18	N/A	0.31

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 2016)

BTM RESOURCES BERHAD (303962-T)

(Incorporated In Malaysia)

Unaudited Condensed Consolidated Statement of Changes in Equity**For the 12 Months Ended 31 December 2017**

	<u>Non-distributable</u>				<u>Distributable</u>		Attributable To Owners Of The Company RM'000	Non- Controlling Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Revaluation reserves RM'000	Capital reserves RM'000	Warrant reserve RM'000	Retained earnings RM'000			
12 months ended 31-12-2017									
Balance at 01-01-2017	25,061	425	16,377	532	4,039	-20,032	26,402	-1	26,401
Conversion of Warrant 2014/2024	1,075				-437		638		638
Transferred pursuant to the Companies Act 2016 (Note 1)	425	-425					0		0
Loss for the year	0	0	0	0	0	-773	-773	-4	-777
Other Comprehensive Income for the year - Revaluation of lands and buildings, net of attributable deferred tax	0	0	2,648	0	0	0	2,648	0	2,648
Balance at 31-12-2017	<u>26,561</u>	<u>0</u>	<u>19,025</u>	<u>532</u>	<u>3,602</u>	<u>-20,805</u>	<u>28,915</u>	<u>-5</u>	<u>28,910</u>
12 months ended 31-12-2016									
Balance at 01-01-2016	25,061	425	16,377	532	4,039	-20,639	25,795	0	25,795
Profit for the year	0	0	0	0	0	406	406	-1	405
Other Comprehensive Income for the year	0	0	0	0	0	201	201	0	201
Balance at 31-12-2016	<u>25,061</u>	<u>425</u>	<u>16,377</u>	<u>532</u>	<u>4,039</u>	<u>-20,032</u>	<u>26,402</u>	<u>-1</u>	<u>26,401</u>

Note 1: With the enactment of the Companies Act 2016, any amount standing to the credit of the Company's share premium shall become part of the Company's contributed share capital. Notwithstanding this provision, the Company may within 24 months from the commencement of the Companies Act 2016, use the amount standing to the credit of the share premium account of RM424,700 for purposes as set out in Section 618(3) of the Companies Act 2016.

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2016.)

BTM RESOURCES BERHAD (303962-T)

(Incorporated In Malaysia)

Unaudited Condensed Consolidated Statement of Cash Flows**For the 12 Months Ended 31 December 2017**

	12 months Cumulative 31/12/2017 RM'000	12 months Cumulative 31/12/2016 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before taxation	-775	405
Adjustments for:-		
Amortisation of prepaid lease payments	38	38
Depreciation	1,064	861
Defined benefit obligations	249	240
Waiver of interest on term loans	0	-1,012
Gain on disposal of property, plant and equipment	-108	-66
Interest expense	435	469
Interest income	-15	-168
Operating profit before working capital changes	<u>888</u>	<u>767</u>
Decrease/(Increase) in inventories	313	-2,550
Decrease in trade receivables	93	606
(Increase)/Decrease in other receivables, deposits & prepayments	-31	1,086
Increase in trade payables	188	437
Increase/(Decrease) in other payables and accruals	561	-139
(Decrease)/Increase in amount due to directors	-2,230	1,602
Cash (used in)/from operations	<u>-218</u>	<u>1,809</u>
Interest paid	-5	-2
Tax paid	-4	-74
Interest received	15	114
Net cash (used in)/from operating activities	<u>-212</u>	<u>1,847</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	-1,056	-6,010
Proceeds from disposal of property, plant and equipment	108	66
Net cash used in investing activities	<u>-948</u>	<u>-5,944</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares, net of share issue expenses	638	0
Repayment of term loan	-820	-908
Term loan interest paid	-428	-464
Payment of hire purchase liabilities	-19	-23
Hire purchase interest paid	-2	-3
Net cash used in financing activities	<u>-631</u>	<u>-1,398</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>-1,791</u>	<u>-5,495</u>
CASH AND CASH EQUIVALENTS AT 1ST JANUARY	2,778	8,273
CASH AND CASH EQUIVALENTS AT 31ST DECEMBER	<u><u>987</u></u>	<u><u>2,778</u></u>
CASH AND CASH EQUIVALENTS COMPRISE:-		
Fixed deposits with a licensed bank	220	1,261
Cash and bank balances	767	1,517
	<u><u>987</u></u>	<u><u>2,778</u></u>

BTM RESOURCES BERHAD (303962-T)

(Incorporated In Malaysia)

Interim Report for the Fourth Quarter Ended 31 December 2017

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 2016.

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 2016, 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 12 - Disclosures of Interests in Other Entities Classified as "Annual Improvements to MFRSs 2014 - 2016 Cycle"

Amendments to MFRS 107 - Disclosure Initiative

Amendments to MFRS 112 - Recognition of Deferred Tax Assets for Unrealised Losses

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 quarter, the contributed share capital of the Company was increased from RM26,067,452.50 to RM26,560,989.00 as a result of the issuance of 1,464,500 new ordinary shares at an issue price of RM0.20 per share pursuant to the conversion of 1,464,500 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 except for lands and buildings. During the current financial year, the lands and buildings were revalued upwards to RM19.98 million by an independent firm of valuers. As a result of the revaluation, the surplus arising from the revaluation (net of deferred taxation) of RM2.65 million has been credited to revaluation reserve.

10 Material Events Subsequent to the end of the Reporting Period

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

11 Changes in the Composition of the Group

On 22 November 2017, the Company acquired 51% of the share capital of BTM Western Power Green Energy Sdn Bhd ("BTMWP") for a consideration of RM510.00. BTMWP has a paid up share capital of RM1,000.00. BTMWP is intended to act as a project developer to develop and set up a Municipal Waste to Energy Generation Plant ("WtE Plant") with a capacity of not less than 1,000 tons/day in the State of Melaka, subject to the approval of the relevant authorities.

12 Contingent Liabilities

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

The Company has contingent liabilities of RM4.15 million in respect of a guarantee to a financial institution for credit facilities granted to a subsidiary company.

13 Capital Commitments

Save as disclosed below, the Group has no other capital commitments as at 31 December 2017:-

	31/12/2017 RM'000	31/12/2016 RM'000
Authorised and contracted for:-		
Purchase of plant and machinery	<u>164</u>	<u>281</u>

14 Performance Review on the Results of the Group

	Individual Period (4th Quarter)		Changes %	Cumulative Period		Changes %
	Current Year Quarter 31/12/2017 RM'000	Preceding Year Corresponding Quarter 31/12/2016 RM'000		Current Year To-date 31/12/2017 RM'000	Preceding Year Corresponding Period 31/12/2016 RM'000	
Revenue	3,188	5,771	-44.76%	12,772	15,939	-19.87%
(Loss)/Profit Before Interest and Tax	-1,122	356	-415.17%	-340	874	-138.90%
(Loss)/Profit Before Tax	-1,229	228	-639.04%	-775	405	291.36%
(Loss)/Profit After Tax	-1,229	228	-639.04%	-777	405	291.85%
(Loss)/Profit Attributable to Ordinary Equity Holders of the Parent	-1,225	229	-634.93%	-773	406	290.39%

For the fourth financial quarter under review, the Group recorded turnover of RM3.19 million, an decrease of 44.76% over the corresponding period last year. The Group recorded a pre-tax loss of RM1.23 million as compared to a pre-tax profit of RM228,000 in the corresponding period last year mainly due to higher operating overhead from its manufacturing operations during the current financial quarter.

15 Changes in the Quarterly Results Compared to Preceding Quarter

	Current Quarter 31/12/2017	Immediate Preceding Quarter 30/09/2017	Changes %
Revenue	3,188	3,163	0.79%
(Loss)/Profit Before Interest and Tax	-1,122	313	-458.47%
(Loss)/Profit Before Tax	-1,229	204	-702.45%
(Loss)/Profit After Tax	-1,229	202	-708.42%
(Loss)/Profit Attributable to Ordinary Equity Holders of the Parent	-1,225	202	-706.44%

For the quarter ended 31 December 2017, the Group recorded a pre-tax loss of RM1.23 million as compared to a pre-tax profit of RM204,000 in the previous quarter ended 30 September 2017, mainly due to higher operating overhead during the current financial quarter.

16 Current Year Prospect

The Group primarily depends on the income and contribution from the subsidiaries which rely on the availability of raw materials. The Group is making arrangements to secure raw materials in Kelantan, Terengganu and Thailand where the raw materials are now available. However, the global economic conditions in 2018 are expected to remain challenging which will affect the demand for timber products. The Directors expect the current year to be challenging but hope that its financial performance will improve.

17 Variance of Actual Profit From Forecast Profit

This is not applicable.

18 Taxation

Details of taxation are as follows :

	Current Year Quarter 31/12/2017 RM'000	Current Year To date 31/12/2017 RM'000
<i>Current taxation</i>	0	0
<i>Under provision in prior year</i>	0	2
<i>Deferred taxation</i>	0	0
	<u>0</u>	<u>2</u>

19 Status of Corporate Proposals

On 22 April 2016, the Company announced that BTMMT has entered into a Shares Sale Agreement ("SSA") with Rozana Binti Hussin ("the Vendor") for the acquisition of 60 ordinary shares of RM1.00 each representing 60% of the total of the issued and paid-up capital of Zulikha Murni Sdn Bhd ("ZMSB") from the Vendor for a total cash consideration of RM800,000.00. ZMSB will be involved in "Pembinaan Menara Pintar - Projek Monopoles SWIFT (Security Wifi Integrated Federal Tower Community Hub)" on at least 300 plots of land measuring 3,000 square feet on each plot by way of Temporary Occupation Licences ("TOL") within Daerah Petaling,

On 17 April 2017, the Company announced that the Company has on 14 April 2017 entered into a Memorandum of Understanding ("MOU") with China Western Power International Pte Ltd ("China Western Power") and Sichuan No. 2 Electric Power Construction Company ("Sicuan Power") at Chengdu, The People's Republic of China, with the intention to set up a Municipal Waste to Energy Plant ("WtE Plant") with a capacity of not less than 1,000 tons/day in the State of Melaka, Malaysia ("the Power Generation Project"), subject to approval of the relevant authorities. Pursuant thereto, on 27 November 2017, the Company announced that BTM Western Power Green Energy Sdn Bhd ("BTMWP") has on 26 November 2017 entered into a Heads of Agreement ("HOA") with SEPCO Electric Power Construction Corporation ("SEPCO") with the intention to award the Engineering, Procurement, Construction, Commission with Finance ("EPC+F") contract to SEPCO for the developing of the Power Generation Project.

On 28 November 2017, M&A Securities Sdn Bhd on behalf of the Company announced that the Company proposed to undertake a private placement of up to ten percent (10%) of the issued shares of the Company to investors to be identified ("Proposed Private Placement"). The Proposed Private Placement will be undertaken in accordance with the general mandate pursuant to Sections 75 and 76 of the Companies Act, 2016 obtained from the shareholders of the Company at its last Annual General Meeting ("AGM") convened on 30 May 2017, whereby the Board of Directors of the Company had been authorised to allot and issue new ordinary shares in the Company not exceeding 10% of the issued shares of the Company. The additional listing application to Bursa Malaysia Securities Berhad ("Bursa Securities") in relation to the Proposed Private Placement has been submitted on 30 November 2017, and Bursa Securities had on 28 December 2017 approved the listing of and quotation for up to 15,478,900 new ordinary shares in BTM to be issued pursuant to the Proposed Private Placement on the Main Market of Bursa Securities. Pursuant thereto, BTM has issued 7,849,400 new ordinary shares in BTM at an issue price of RM0.22 per share which were listed on 15 February 2018.

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

20 Group Borrowings

Total Group borrowings are as follows :-

	31/12/2017 RM'000	31/12/2016 RM'000
Long Term Borrowings		
Secured - Term Loan	3,675	3,905
- Hire purchase	7	28
	<u>3,682</u>	<u>3,933</u>
Short Term Borrowings		
Secured - Term Loan	479	1,069
- Hire purchase	23	21
	<u>502</u>	<u>1,090</u>

There are no borrowings denominated in foreign currency.

21 Material Litigation

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

22 Dividends

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

23 (Loss)/Earnings per Ordinary Share

a) Basic (loss)/earnings per share

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

	Current Quarter 31/12/2017	Comparative Quarter 31/12/2016	Current Year To Date 31/12/2017	Comparative Year To Date 31/12/2016
Net (loss)/profit for the period (RM'000)	-1,225	229	-773	406
Weighted average number of ordinary shares in issue ('000)	128,161	125,303	126,237	125,303
Basic (loss)/earnings per share (sen)	-0.96	0.18	-0.61	0.32

b) Diluted earnings per share

Diluted earnings per share of the Group is calculated by dividing the net profit attributable for the financial period by the adjusted weighted average number of ordinary shares in issue and issuable during the financial period.

	Comparative Quarter 31/12/2016	Comparative Year To Date 31/12/2016
Net profit for the period (RM'000)	229	406
Weighted average number of ordinary shares in issue ('000)	125,303	125,303
Effect of dilution from assumed exercise of Warrants 2014/2024	5,022	6,076
Adjusted weighted average number of ordinary shares in issue and issueable ('000)	<u>130,325</u>	<u>131,379</u>
Diluted earnings per share (sen)	0.18	0.31

The effect on the loss per share of the assumed exercise of the Warrants for the current financial quarter and year to date is anti-dilutive and hence, the diluted loss per share for the current financial quarter and year to date has not been presented.

24 Realised and unrealised accumulated losses

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

	As at 31/12/2017 RM'000	As at 31/12/2016 RM'000
The accumulated losses of the Group		
- realised	-59,402	-58,623
- unrealised	-1,686	-1,686
	<u>-61,088</u>	<u>-60,309</u>
Add: Consolidation adjustments	40,283	40,277
Accumulated losses as per financial statements	<u><u>-20,805</u></u>	<u><u>-20,032</u></u>

25 (Loss)/Profit Before Taxation

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

	Current Quarter 31/12/2017 RM'000	Comparative Quarter 31/12/2016 RM'000	Current Year To Date 31/12/2017 RM'000	Comparative Year To Date 31/12/2016 RM'000
Other income	181	121	297	204
Interest income	0	100	15	168
Waiver of interest on term loans	0	0	0	1,012
Interest expense	-111	-128	-435	-469
Amortisation of prepaid lease payments	-9	-9	-38	-38
Depreciation	-408	-218	-1,064	-861

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: 28 February 2018