

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

	Unaudited as at 31/03/2016 RM'000	Audited as at 31/12/2015 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	21,910	21,961
Prepaid lease payments	430	440
Investment in club membership	0	0
Total Non-Current Assets	22,340	22,401
Current Assets		
Inventories	4,973	5,005
Trade receivables	1,579	1,897
Other receivables, deposits and prepayments	1,359	1,818
Fixed deposits with licensed banks	5,598	7,658
Cash and bank balances	1,437	615
Total Current Assets	14,946	16,993
TOTAL ASSETS	37,286	39,394
EQUITY AND LIABILITIES		
Equity Attributable To Owners Of		
The Company		
Share capital	25,061	25,061
Share premium	425	425
Revaluation reserves	16,378	16,378
Capital reserves	532	532
Warrant reserve	4,039	4,039
Accumulated losses	-20,682	-20,639
TOTAL EQUITY	25,753	25,796
Non-Current Liabilities		
Retirement benefit obligations	1,754	1,698
Bank borrowings (secured) - Term loan	4,712	4,973
Hire purchase creditors	41	49
Deferred taxation	165	165
Total Non-Current Liabilities	6,672	6,885
Current Liabilities		
Trade payables	1,404	1,356
Other payables and accruals	956	2,855
Bank borrowings (secured) - Term loan	1,005	908
Amount due to directors	1,468	1,496
Hire purchase creditors	23	23
Taxation	5	75
Total Current Liabilities	4,861	6,713
TOTAL LIABILITIES	11,533	13,598
TOTAL EQUITY AND LIABILITIES	37,286	39,394
NET TANGIBLE ASSETS PER SHARE (RM)	0.21	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 2015)

BTM RESOURCES BERHAD (303962-T)

(Incorporated In Malaysia)

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

	Current Quarter 31/03/2016 RM'000	Comparative Quarter 31/03/2015 RM'000	Current Year To Date 31/03/2016 RM'000	Comparative Year To Date 31/03/2015 RM'000
Revenue	2,935	2,907	2,935	2,907
Operating Expenses	-3,931	-3,747	-3,931	-3,747
Other Operating Income	<u>1,039</u>	<u>195</u>	<u>1,039</u>	<u>195</u>
Loss From Operations	43	-645	43	-645
Finance Costs	-86	-128	-86	-128
Investing Results	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Loss From Ordinary Activities Before Tax	-43	-773	-43	-773
Taxation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Loss From Ordinary Activities After Tax	-43	-773	-43	-773
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>-43</u></u>	<u><u>-773</u></u>	<u><u>-43</u></u>	<u><u>-773</u></u>
Total Comprehensive Loss attributable to: Owners of the Company	<u><u>-43</u></u>	<u><u>-773</u></u>	<u><u>-43</u></u>	<u><u>-773</u></u>
Loss Per Share (sen) attributable to Owners of the Company				
- Basic	-0.03	-0.63	-0.03	-0.63
- 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 2015)

BTM RESOURCES BERHAD (303962-T)

(Incorporated In Malaysia)

Unaudited Condensed Consolidated Statement of Changes in Equity**For the 3 Months Ended 31 March 2016**

	<u>Non-distributable</u>				<u>Distributable</u>		Total 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	
<u>3 months ended 31-03-2016</u>							
Balance at 01-01-2016	25,061	425	16,378	532	4,039	-20,639	25,796
Total Comprehensive Loss for the period	0	0	0	0	0	-43	-43
Balance at 31-03-2016	<u>25,061</u>	<u>425</u>	<u>16,378</u>	<u>532</u>	<u>4,039</u>	<u>-20,682</u>	<u>25,753</u>
<u>3 months ended 31-03-2015</u>							
Balance at 01-01-2015	24,441	0	16,378	532	4,464	-18,007	27,808
Total Comprehensive Loss for the period	0	0	0	0	0	-773	-773
Balance at 31-03-2015	<u>24,441</u>	<u>0</u>	<u>16,378</u>	<u>532</u>	<u>4,464</u>	<u>-18,780</u>	<u>27,035</u>

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

BTM RESOURCES BERHAD (303962-T)

(Incorporated In Malaysia)

Unaudited Condensed Consolidated Statement of Cash Flows**For the 3 Months Ended 31 March 2016**

	3 months Cumulative 31/03/2016 RM'000	3 months Cumulative 31/03/2015 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	-43	-773
Adjustments for:-		
Amortisation of prepaid lease payments	10	9
Depreciation	214	434
Defined benefit obligations	56	55
Waiver of interest on term loans	-1,012	0
Interest expense	86	127
Interest income	-5	-81
Operating loss before working capital changes	<u>-694</u>	<u>-229</u>
Decrease/(Increase) in inventories	32	-56
Decrease/(Increase) in trade receivables	318	-147
Decrease/(Increase) in other receivables and deposits & prepayments	459	-1,465
Increase/(decrease) in trade payables	48	-236
(Decrease)/increase in other payables and accruals	-887	90
(Decrease)/increase in amount due to directors	-28	28
Cash used in operations	<u>-752</u>	<u>-2,015</u>
Interest paid	-1	0
Tax paid	-70	0
Interest received	5	81
Net cash used in operating activities	<u>-818</u>	<u>-1,934</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	-163	-110
Net cash used in investing activities	-163	-110
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of term loan	-164	0
Term loan interest paid	-84	0
Payment of hire purchase liabilities	-8	-4
Hire purchase interest paid	-1	-1
Net cash used in financing activities	<u>-257</u>	<u>-5</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>-1,238</u>	<u>-2,049</u>
CASH AND CASH EQUIVALENTS AT 1ST JANUARY	8,273	13,803
CASH AND CASH EQUIVALENTS AT 31ST MARCH	<u>7,035</u>	<u>11,754</u>
CASH AND CASH EQUIVALENTS COMPRISE:-		
Fixed deposits with a licensed bank	5,598	10,520
Cash and bank balances	1,437	1,234
	<u>7,035</u>	<u>11,754</u>

BTM RESOURCES BERHAD (303962-T)

(Incorporated In Malaysia)

Interim Report for the First Quarter Ended 31 March 2016

NOTES

1 Basis of Preparation and Accounting Policies

This condensed consolidated interim financial statements ("Condensed Report") are prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134: "Interim Financial Reporting" and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the Group's annual audited financial statements for the year ended 31 December 2015.

The significant accounting policies and methods of computation adopted in this interim financial report are consistent with those adopted for the annual audited financial statements for the year ended 31 December 2015, except for the adoption of the following new MFRSs and amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") which are applicable to its financial statements:

MFRS 14, Regulatory Deferral Accounts

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

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

Amendments to MFRS 101 - Disclosure Initiative

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

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

Amendments to MFRS 127 - Equity Method in Separate Financial Statements

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

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

2 Audit Qualification of Preceding Annual Financial Statements

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

3 Seasonal or Cyclical Factors

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

4 Unusual Items

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

5 Changes in Estimates

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

6 Debt and Equity Securities

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

7 Dividend Paid

There were no dividends paid during the current financial quarter.

8 Segmental Information

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

9 Revaluation of Property, Plant and Equipment

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

10 Material Events Subsequent to the end of the Reporting Period

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

11 Changes in the Composition of the Group

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

Subsequent to the financial period ended 31 March 2016, the Company incorporated a 100% owned subsidiary known as BTM Gourmet Sdn Bhd ("BTMG") on 9 May 2016. BTMG has an authorised share capital of RM400,000.00 divided into 400,000 shares of RM1.00 each and issued share capital of RM2.00 comprising of 2 shares of RM1.00 each. BTMG will be principally involved in quick service restaurants business.

12 Contingent Liabilities

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

The Company has contingent liabilities of RM5.72 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 March 2016:-

	31/03/2016	31/12/2015
	RM'000	RM'000
Authorised and contracted for:-		
Purchase of plant and machinery	<u>3,886</u>	<u>4,187</u>

14 Performance Review on the Results of the Group

For the first financial quarter under review, the Group recorded turnover of RM2.93 million, an increase of 1.0% over the corresponding period last. The Group recorded a lower pre-tax loss of RM43,000 as compared to a pre-tax loss of RM773,000 in the corresponding period last year mainly due to the writeback of term loan interest previously overaccrued during the current financial quarter.

15 Changes in the Quarterly Results Compared to Preceding Quarter

For the quarter ended 31 March 2016, the Group recorded a pre-tax loss of RM43,000 as compared to a pre-tax loss of RM1.25 million in the previous quarter ended 31 December 2015, mainly due to writeback of term loan interest previously overaccrued 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 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.

17 Variance of Actual Profit From Forecast Profit

This is not applicable.

18 Taxation

Details of taxation are as follows :

	Current Year Quarter 31/03/2016 RM'000	Current Year To date 31/03/2016 RM'000
<i>Current taxation</i>	0	0
<i>Over provision in prior year</i>	0	0
<i>Deferred taxation</i>	0	0
	<u>0</u>	<u>0</u>

19 Status of Corporate Proposals

On 27 August 2015, RHB Investment Bank Berhad ("RHBIBB") 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 18 April 2016, RHBIBB on behalf of the Company announced that after further deliberation and assessment on the progress of the wood pellet manufacturing factory in Terengganu, the Board has decided not to proceed with the Proposed Private Placement, as the Company is expected to have sufficient internally generated funds for the purposes set out in the announcement dated 27 August 2015.

On 23 December 2015, the Company announced that BTM Marketing & Trading Sdn Bhd ("BTMMT"), a wholly owned subsidiary of the Company, has on 17 December 2015 entered into a Memorandum of Understanding ("MOU") with Chicken Cottage (M) Sdn Bhd ("CCSB") for the purpose of appointing BTMMT as the master franchisor for the Chicken Cottage for Johore and Singapore region. On 23 May 2016, the Company announced that the MOU has been mutually extended until 31 August 2016 for both parties to agree to the draft agreement.

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

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

20 Utilisation of Rights Issue Proceeds

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

	As Approved RM'000	Utilisation RM'000
Working capital requirements	9,224	6,847
Repayment of borrowings	1,100	249
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
	5,000	3,603
	<u>16,294</u>	<u>11,261</u>

21 Group Borrowings

Total Group borrowings as at 31 March 2016 are as follows :-

	RM'000
Long Term Borrowings	
Secured - Term Loan	4,712
- Hire purchase	41
	<u>4,753</u>
Short Term Borrowings	
Secured - Term Loan	1,005
- Hire purchase	23
	<u>1,028</u>

There are no borrowings denominated in foreign currency.

22 Material Litigation

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

23 Dividends

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

24 Earnings /(Loss) per Ordinary Share

a) Basic 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 31/03/2016	Comparative Quarter 31/03/2015	Current Year To Date 31/03/2016	Comparative Year To Date 31/03/2015
Net loss for the period (RM'000)	-43	-773	-43	-773
Weighted average number of ordinary shares in issue ('000)	125,303	122,203	125,303	122,203
Basic loss per share (sen)	-0.03	-0.63	-0.03	-0.63

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.

25 Realised and unrealised accumulated losses

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

	As at 31/03/2016 RM'000	As at 31/12/2015 RM'000
The accumulated losses of the Group		
- realised	-59,273	-59,231
- unrealised	-1,686	-1,686
	<u>-60,959</u>	<u>-60,916</u>
Add: Consolidation adjustments	40,277	40,277
Accumulated losses as per financial statements	<u><u>-20,682</u></u>	<u><u>-20,639</u></u>

26 Loss Before Taxation

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

	Current Quarter 31.03.2016 RM'000	Comparative Quarter 31.03.2015 RM'000	Current Year To Date 31.03.2016 RM'000	Comparative Year To Date 31.03.2015 RM'000
Other income	22	195	22	195
Interest income	5	0	5	0
Waiver of interest on term loans	1,012	0	1,012	0
Interest expense	-86	-128	-86	-128
Amortisation of prepaid lease payments	-10	-9	-10	-9
Depreciation	-214	-434	-214	-434

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: 30 MAY 2016