

**BTM RESOURCES BERHAD (303962-T)**  
(Incorporated In Malaysia)  
**Condensed Consolidated Statement of Financial Position**  
**As At 31 December 2020**

	Unaudited as at 31/12/2020 RM'000	Audited as at 31/12/2019 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	31,855	28,856
Right of use asset	1,484	1,755
Prepaid lease payments	0	302
<b>Total Non-Current Assets</b>	<b>33,339</b>	<b>30,913</b>
<b>Current Assets</b>		
Inventories	3,880	6,000
Trade receivables	984	396
Other receivables, deposits and prepayments	752	793
Fixed deposits with licensed banks	241	234
Cash and bank balances	1,636	579
<b>Total Current Assets</b>	<b>7,493</b>	<b>8,002</b>
<b>TOTAL ASSETS</b>	<b>40,832</b>	<b>38,915</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	31,299	29,038
Revaluation reserves	22,056	19,025
Capital reserves	119	532
Warrant reserve	3,602	3,602
Accumulated losses	(33,633)	(29,611)
<b>Equity Attributable To Owners Of The Company</b>	<b>23,443</b>	<b>22,586</b>
<b>Non-Controlling Interest</b>	<b>(9)</b>	<b>(18)</b>
<b>TOTAL EQUITY</b>	<b>23,434</b>	<b>22,568</b>
<b>Non-Current Liabilities</b>		
Retirement benefit obligations	2,272	2,033
Term loan (secured)	0	344
Hire purchase creditors	55	75
Lease liabilities	1,365	1,605
Deferred taxation	1,203	332
<b>Total Non-Current Liabilities</b>	<b>4,895</b>	<b>4,389</b>
<b>Current Liabilities</b>		
Trade payables	1,556	2,315
Other payables and accruals	4,005	3,060
Term loan (secured)	1,175	1,389
Amount due to directors	5,492	4,949
Hire purchase creditors	33	24
Lease liabilities	242	221
<b>Total Current Liabilities</b>	<b>12,503</b>	<b>11,958</b>
<b>TOTAL LIABILITIES</b>	<b>17,398</b>	<b>16,347</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>40,832</b>	<b>38,915</b>
<b>NET TANGIBLE ASSETS PER SHARE (RM)</b>	<b>0.15</b>	<b>0.16</b>

*(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2019)*

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

(Incorporated In Malaysia)

**Unaudited Condensed Consolidated Statement of Comprehensive Income  
Interim Report for the Quarter ended 31 December 2020**

	<b>Current Quarter 31/12/2020 RM'000</b>	<b>Comparative Quarter 31/12/2019 RM'000</b>	<b>Current Year To Date 31/12/2020 RM'000</b>	<b>Comparative Year To Date 31/12/2019 RM'000</b>				
Revenue	2,411	2,311	8,313	9,413				
Operating Expenses	(4,603)	(4,082)	(15,711)	(16,694)				
Other Operating Income	<u>529</u>	<u>852</u>	<u>2,878</u>	<u>1,183</u>				
Loss From Operations	(1,663)	(919)	(4,520)	(6,098)				
Finance Costs	(61)	(244)	(291)	(432)				
Investing Results	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>				
Loss From Ordinary Activities Before Tax	(1,724)	(1,163)	(4,811)	(6,530)				
Taxation	<u>575</u>	<u>92</u>	<u>575</u>	<u>77</u>				
Loss From Ordinary Activities After Tax	(1,149)	(1,071)	(4,236)	(6,453)				
Other Comprehensive Income, Net of Tax <i>Item that will not be reclassified subsequently to profit or loss</i>								
- Revaluation of land and buildings	<table border="1" style="display: inline-table;"><tr><td style="text-align: center;">3,031</td></tr></table>	3,031	<table border="1" style="display: inline-table;"><tr><td style="text-align: center;">0</td></tr></table>	0	<table border="1" style="display: inline-table;"><tr><td style="text-align: center;">3,031</td></tr></table>	3,031	<table border="1" style="display: inline-table;"><tr><td style="text-align: center;">0</td></tr></table>	0
3,031								
0								
3,031								
0								
- Actuarial gain on defined benefit obligations	<table border="1" style="display: inline-table;"><tr><td style="text-align: center;">0</td></tr></table>	0	<table border="1" style="display: inline-table;"><tr><td style="text-align: center;">509</td></tr></table>	509	<table border="1" style="display: inline-table;"><tr><td style="text-align: center;">0</td></tr></table>	0	<table border="1" style="display: inline-table;"><tr><td style="text-align: center;">509</td></tr></table>	509
0								
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	3,031	509	3,031	509				
Total Comprehensive Income for the Period	<u><u>1,882</u></u>	<u><u>(562)</u></u>	<u><u>(1,205)</u></u>	<u><u>(5,944)</u></u>				
Loss attributable to:								
Owners of the Company	(1,145)	(1,068)	(4,231)	(6,448)				
Non-Controlling Interest	(4)	(3)	(5)	(5)				
	<u><u>(1,149)</u></u>	<u><u>(1,071)</u></u>	<u><u>(4,236)</u></u>	<u><u>(6,453)</u></u>				
Total Comprehensive Income attributable to:								
Owners of the Company	1,886	(559)	(1,200)	(5,939)				
Non-Controlling Interest	(4)	(3)	(5)	(5)				
	<u><u>1,882</u></u>	<u><u>(562)</u></u>	<u><u>(1,205)</u></u>	<u><u>(5,944)</u></u>				
Loss Per Share (sen)								
- Basic	(0.76)	(0.76)	(2.94)	(4.56)				
- 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 2019)*

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

(Incorporated In Malaysia)

**Unaudited Condensed Consolidated Statement of Changes in Equity  
For the 12 Months Ended 31 December 2020**

	<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	Revaluation reserves RM'000	Capital reserves RM'000	Warrant reserve RM'000	Retained earnings RM'000			
<b>12 months ended 31-12-2020</b>								
Balance at 01-01-2020	29,038	19,025	532	3,602	(29,611)	22,586	(18)	22,568
Loss for the year	0	0	0	0	(4,231)	(4,231)	(5)	(4,236)
Other comprehensive income :								
- Revaluation of land and building, net of attributable deferred tax	0	3,031	0	0	0	3,031	0	3,031
Total Comprehensive Loss for the year	0	3,031	0	0	(4,231)	(1,200)	(5)	(1,205)
Issuance of new shares	2,261	0	0	0	0	2,261	0	2,261
Share issue expenses	0	0	0	0	(190)	(190)	0	(190)
Acquisition of shares in subsidiary company	0	0	0	0	(14)	(14)	14	0
Disposal of prepaid lease payments	0	0	(413)	0	413	0	0	0
Balance at 31-12-2020	<u>31,299</u>	<u>22,056</u>	<u>119</u>	<u>3,602</u>	<u>(33,633)</u>	<u>23,443</u>	<u>(9)</u>	<u>23,434</u>
<b>12 months ended 31-12-2019</b>								
Balance at 01-01-2019	29,038	19,025	532	3,602	(23,672)	28,525	(13)	28,512
Loss for the year	0	0	0	0	(6,448)	(6,448)	(5)	(6,453)
Other comprehensive income :								
- Actuarial gain on defined benefit obligations net of attributable deferred tax	0	0	0	0	509	509	0	509
Total Comprehensive Loss for the year	0	0	0	0	(5,939)	(5,939)	(5)	(5,944)
Balance at 31-12-2019	<u>29,038</u>	<u>19,025</u>	<u>532</u>	<u>3,602</u>	<u>(29,611)</u>	<u>22,586</u>	<u>(18)</u>	<u>22,568</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 2019)*

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

(Incorporated In Malaysia)

**Unaudited Condensed Consolidated Statement of Cash Flows****For the 12 Months Ended 31 December 2020**

	<b>12 months Cumulative 31/12/2020 RM'000</b>	<b>12 months Cumulative 31/12/2019 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Loss before taxation</b>	(4,811)	(6,530)
Adjustments for:-		
Amortisation of prepaid lease payments	15	22
Depreciation on property, plant and equipment	1,644	1,646
Depreciation on right of use asset	274	274
Defined benefit cost	239	275
Gain on disposal of prepaid lease payments	(2,148)	0
Gain on disposal of property, plant and equipment	(50)	(3)
Property, plant and equipment written off	1	0
Allowance for impairment loss on trade receivables	5	0
Reversal of allowance for impairment loss on trade receivables	0	(56)
Waiver of advances from a director	0	(900)
Waiver of lease liabilities	(323)	(323)
Interest expense	286	418
Interest income	(8)	(8)
<b>Operating loss before working capital changes</b>	<u>(4,876)</u>	<u>(5,185)</u>
Decrease in inventories	2,120	1,696
(Increase)/Decrease in trade receivables	(593)	551
Decrease/(Increase) in other receivables, deposits & prepayments	42	(7)
(Decrease)/Increase in trade payables	(759)	864
Increase in other payables and accruals	945	932
Increase in amount due to directors	543	3,093
<b>Cash (used in)/from operating activities</b>	<u>(2,578)</u>	<u>1,944</u>
Interest received	7	8
Interest paid	0	(3)
Tax paid	0	(14)
<b>Net cash (used in)/from operating activities</b>	<u>(2,571)</u>	<u>1,935</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(167)	(193)
Proceeds from disposal of property, plant and equipment	50	53
Proceeds from disposal of prepaid lease payments	2,435	0
<b>Net cash from/(used in) investing activities</b>	<u>2,318</u>	<u>(140)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Issuance of shares, net of expenses	2,071	0
Increase in short term deposit pledged as security	(7)	(8)
Repayment of term loan	(558)	(1,260)
Term loan interest paid	(128)	(236)
Payment of hire purchase liabilities	(11)	(31)
Hire purchase interest paid	(5)	(8)
Payment of lease liability	(41)	(37)
Lease liability interest paid	(11)	(14)
<b>Net cash from/(used in) financing activities</b>	<u>1,310</u>	<u>(1,594)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>1,057</u>	<u>201</u>
<b>CASH AND CASH EQUIVALENTS AT 1ST JANUARY</b>	579	378
<b>CASH AND CASH EQUIVALENTS AT 31ST DECEMBER</b>	<u><u>1,636</u></u>	<u><u>579</u></u>
<b>CASH AND CASH EQUIVALENTS COMPRISE:-</b>		
Fixed deposits with a licensed bank	241	234
Cash and bank balances	1,636	579
	<u>1,877</u>	<u>813</u>
Less: Fixed deposits pledged as security	(241)	(234)
	<u><u>1,636</u></u>	<u><u>579</u></u>

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

(Incorporated In Malaysia)

## **Interim Report for the Fourth Quarter Ended 31 December 2020**

### **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 2019.

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 2019, 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 3 - Definition of a Business

Amendments to MFRS 101 and Amendments to MFRS 108 - Definition of Material

Amendments to MFRS 9, MFRS 139 and MFRS 7 - Interest Rate Benchmark Reform

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 to date, the contributed share capital of the Company was increased from RM29,037,856 to RM31,299,361 as a result of the issuance of 14,134,400 new ordinary shares at an issue price of RM0.16 per share pursuant to the private placement exercise 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 activities are primarily conducted within a single industry segment comprising the logging, 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. 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 RM24.83 million by an independent firm of valuers. As a result of the revaluation, the surplus arising from the revaluation (net of deferred taxation) of RM3.03 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 30 December 2020, the Company acquired the remaining 49% of the share capital of BTM Western Power Green Energy Sdn Bhd ("BTMWP") for a consideration of RM490.00, resulting in BTMWP becoming its wholly owned subsidiary company.

**12 Contingent Liabilities**

The Group has contingent liabilities of RM150,000 in respect of secured bank guarantee to third parties.

The Company has contingent liabilities of RM1.175 million in respect of a guarantee to a financial institution for credit facilities granted to a subsidiary company.

**13 Capital Commitments**

The capital commitments contracted for by the Group as at 31 December 2020 is RM Nil (31 December 2019: RM Nil).

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

	Individual Period (4th Quarter)		Changes %	Cumulative Period		Changes %
	Current Year Quarter 31/12/2020 RM'000	Preceding Year Corresponding Quarter 31/12/2019 RM'000		Current Year To-date 31/12/2020 RM'000	Preceding Year Corresponding Period 31/12/2019 RM'000	
Revenue	2,411	2,311	4.33%	8,313	9,413	-11.69%
Loss Before Interest and Tax	(1,663)	(919)	80.96%	(4,520)	(6,098)	-25.88%
Loss Before Tax	(1,724)	(1,163)	48.24%	(4,811)	(6,530)	26.32%
Loss After Tax	(1,149)	(1,071)	7.28%	(4,236)	(6,453)	34.36%
Loss Attributable to Ordinary Equity Holders of the Parent	(1,145)	(1,068)	7.21%	(4,231)	(6,448)	34.38%

For the fourth financial quarter under review, the Group recorded turnover of RM2.41 million, an increase of 4.33% over the corresponding period last year. The Group recorded a pre-tax loss of RM1.72 million as compared to a pre-tax loss of RM1.16 million 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 31/12/2020	Immediate Preceding Quarter 30/09/2020	Changes %
Revenue	2,411	2,536	-4.93%
(Loss)/Profit Before Interest and Tax	(1,663)	631	-363.55%
(Loss)/Profit Before Tax	(1,724)	555	-410.63%
(Loss)/Profit After Tax	(1,149)	555	-307.03%
(Loss)/Profit Attributable to Ordinary Equity Holders of the Parent	(1,145)	556	-305.94%

For the quarter ended 31 December 2020, the Group recorded a pre-tax loss of RM1.72 million as compared to a pre-tax profit of RM0.55 million in the previous quarter ended 30 September 2020, mainly due to the gain on disposal of prepaid lease payments during the previous 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 2021 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 31/12/2020 RM'000	Current Year To date 31/12/2020 RM'000
<i>Current taxation</i>	0	0
<i>Under provision in prior year</i>	0	0
<i>Deferred taxation</i>	575	575
	<u>575</u>	<u>575</u>

## 19 Status of Corporate Proposals

- (a) On 8 April 2019, the Company announced that its subsidiary company, BTM Biomass Products Sdn Bhd ("BTMBP") has on 1 April 2019 entered into a Memorandum of Understanding ("MOU") with Korea South-East Power Co. Ltd ("KOEN") and Mokpo City Gas Co. Ltd ("MOKPO") and MC Bio Sdn Bhd ("MC Bio") (collectively known as "the Parties") to develop a comprehensive cooperative framework for the successful execution of a wood pellet project in the State of Terengganu in Malaysia ("the Project"). KOEN and MOKPO are companies incorporated in the Republic of Korea while MC Bio is a company incorporated in Malaysia.

On 30 September 2019, BTMBP has entered into a Memorandum of Agreement ("MOA") with KOEN, MOKPO and MC Bio for the development of the Project as a shareholder. The Project will conduct the business of manufacturing / production, shipping / delivery and sales / off-take of wood pellets as contemplated by the Parties, which will comprised of production and sales of wood pellet. BTMP desires to supply the raw materials for the wood pellet. KOEN desires to off-take the wood pellet and conduct the feasibility study for the Project. MOKPO desires to engage into the services of logistics to provide ocean transportation and other related services for the sales. MC Bio desires to develop, construct, operate and manage the production and produce, manufacture and supply the wood pellet.

The MOA shall form the basis for each Party's intentions to invest in the Project and / or enter into the joint development agreement ("JDA"), shareholders' agreement for the Project ("the SHA"), Fuel Supply Agreement, Off-Take Agreement and other related agreements (collectively "the Project Documents").

The MOA shall remain in effect until the earlier to occur of (i) the execution of JDA or SHA among the Parties with respect to the Project, (ii) two (2) years after the execution date of the MOA in case the JDA or SHA is not executed by then, or (iii) unless earlier terminated or extended pursuant to the terms thereof or otherwise mutual agreement of the Parties. Notwithstanding anything to the contrary therein, a Party may withdraw from the MOA at its sole discretion by giving the other Parties thirty (30) days prior written notice without any liability to the other Party.

- (b) On 2 July 2020, the Company announced that its wholly owned subsidiary, BTM Biomass Products Sdn Bhd ("BTMBP") has obtained approval from Sustainable Energy Development Authority Malaysia ("SEDA") to build and operate a Renewable Electrical Energy Power Plant ("REPP") with a capacity to supply 10 MW per hour of electricity to Tenaga Nasional Berhad ("TNB"). BTMBP received the Feed-in Tariff ("FIT") Approval Certificate dated 1 July 2020. The approval granted is for a period of twenty one (21) years commencing no later than 23 January 2023 at a fixed tariff rate of RM0.3486 per kWh.

On 29 July 2020 and 30 July 2020, the Company announced that BTMBP has entered into a Renewable Energy Power Purchase Agreement ("REPPA") with TNB on 27 July 2020 pursuant to Subsection 12(1) of the Renewable Energy Act 2011. The location of the REPP is at Lot 153-C, Mukim Hulu Chukai, Telok Kalong, 24007 Chukai, Terengganu Darul Iman with a net export capacity of 10 MWh. The scheduled FIT commencement date is 23 January 2023 and effective period is twenty one (21) years commencing from the FIT commencement date at a FIT rate of RM0.3486 per kWh.

On 23 November 2020, the Company announced that BTMBP has on 23 November 2020 awarded the engineering, procurement, construction and commissioning works in relation to the development of its 10MWac REPP to Samaiden Sdn Bhd, a wholly owned subsidiary of Samaiden Group Berhad for a contract sum of RM115,000,000.

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 :-

	<b>31/12/2020</b>	31/12/2019
	<b>RM'000</b>	RM'000
Long Term Borrowings		
Secured - Term Loan	0	344
- Hire purchase	55	75
	<u>55</u>	<u>419</u>
Short Term Borrowings		
Secured - Term Loan	1,175	1,389
- Hire purchase	33	24
	<u>1,208</u>	<u>1,413</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 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.

	<b>Current</b>	Comparative	<b>Current</b>	Comparative
	<b>Quarter</b>	Quarter	<b>Year To Date</b>	Year To Date
	<b>31/12/2020</b>	31/12/2019	<b>31/12/2020</b>	31/12/2019
Net loss for the period (RM'000)	(1,145)	(1,068)	(4,231)	(6,448)
Weighted average number of ordinary shares in issue ('000)	151,638	141,344	143,939	141,344
Basic loss per share (sen)	(0.76)	(0.76)	(2.94)	(4.56)

**b) Diluted earning/(loss) per share**

The effect on the earning/(loss) per share of the assumed exercise of the Warrants is anti-dilutive and hence, the diluted earning/(loss) per share has not been presented.

**24 Loss Before Taxation**

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

	<b>Current</b>	Comparative	<b>Current</b>	Comparative
	<b>Quarter</b>	Quarter	<b>Year To Date</b>	Year To Date
	<b>31/12/2020</b>	31/12/2019	<b>31/12/2020</b>	31/12/2019
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
Other income	521	844	2,870	1,175
Interest income	8	8	8	8
Interest expense	(61)	(233)	(286)	(418)
Amortisation of prepaid lease payments	0	(6)	(15)	(22)
Depreciation on property, plant and equipment	(413)	(413)	(1,644)	(1,646)
Depreciation on right of use assets	(70)	(274)	(274)	(274)

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: 29TH MARCH 2021**