

BTM RESOURCES BERHAD (199401018283 (303962-T))
(Incorporated In Malaysia)
Condensed Consolidated Statement of Financial Position
As At 30 June 2023

	Unaudited as at 30/06/2023 RM'000	Audited as at 31/12/2022 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	56,173	27,587
Right-of-use assets	1,928	1,029
Total Non-Current Assets	58,101	28,616
Current Assets		
Inventories	3,052	2,666
Trade receivables	3,459	753
Other receivables, deposits and prepayments	9,627	11,303
Fixed deposits with licensed banks	10,312	251
Cash and bank balances	19,279	1,931
Total Current Assets	45,729	16,904
TOTAL ASSETS	103,830	45,520
EQUITY AND LIABILITIES		
Equity Attributable To Owners Of The Company		
Share capital	113,951	34,129
Revaluation reserves	20,714	20,714
Capital reserves	119	119
Warrant reserve	8,978	3,602
Accumulated losses	(65,209)	(47,548)
	78,553	11,016
Non-Controlling Interest	0	(12)
TOTAL EQUITY	78,553	11,004
LIABILITIES		
Non-Current Liabilities		
Retirement benefit obligations	2,562	2,701
Lease liabilities	1,540	911
Hire purchase creditor	23	25
Term loan (secured)	1,754	2,310
Deferred taxation	458	458
Total Non-Current Liabilities	6,337	6,405
Current Liabilities		
Trade payables	1,447	1,690
Other payables and accruals	7,917	16,795
Lease liabilities	425	284
Term loan (secured)	1,327	1,090
Bank overdraft (secured)	7,751	0
Amount due to directors	56	8,223
Hire purchase creditor	17	29
Total Current Liabilities	18,940	28,111
TOTAL LIABILITIES	25,277	34,516
TOTAL EQUITY AND LIABILITIES	103,830	45,520
NET TANGIBLE ASSETS PER SHARE (RM)	0.06	0.06

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2022)

BTM RESOURCES BERHAD (199401018283 (303962-T))

(Incorporated In Malaysia)

**Unaudited Condensed Consolidated Statement of Comprehensive Income
Interim Report for the Quarter ended 30 June 2023**

	Current Quarter 30/06/2023 RM'000	Comparative Quarter 30/06/2022 RM'000	Current Year To Date 30/06/2023 RM'000	Comparative Year To Date 30/06/2022 RM'000
Revenue	4,069	1,330	5,348	3,512
Operating Expenses	(5,693)	(3,302)	(22,037)	(7,445)
Other Operating Income	<u>332</u>	<u>1,293</u>	<u>682</u>	<u>1,425</u>
Loss From Operations	(1,292)	(679)	(16,007)	(2,508)
Finance Costs	(167)	(30)	(287)	(62)
Investing Results	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Loss From Ordinary Activities Before Tax	(1,459)	(709)	(16,294)	(2,570)
Taxation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Loss From Ordinary Activities After Tax	(1,459)	(709)	(16,294)	(2,570)
Other Comprehensive Income, Net of Tax	0	0	0	0
Total Comprehensive Loss for the Period	<u><u>(1,459)</u></u>	<u><u>(709)</u></u>	<u><u>(16,294)</u></u>	<u><u>(2,570)</u></u>
Loss attributable to:				
Owners of the Company	(1,459)	(709)	(16,294)	(2,570)
Non-Controlling Interest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u><u>(1,459)</u></u>	<u><u>(709)</u></u>	<u><u>(16,294)</u></u>	<u><u>(2,570)</u></u>
Total Comprehensive Loss attributable to:				
Owners of the Company	(1,459)	(709)	(16,294)	(2,570)
Non-Controlling Interest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u><u>(1,459)</u></u>	<u><u>(709)</u></u>	<u><u>(16,294)</u></u>	<u><u>(2,570)</u></u>
Loss Per Share (sen)				
- Basic	(0.12)	(0.41)	(1.46)	(1.50)
- 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 2022)

BTM RESOURCES BERHAD (199401018283 (303962-T))

(Incorporated In Malaysia)

Unaudited Condensed Consolidated Statement of Changes in Equity**For the 6 Months Ended 30 June 2023**

	<u>Non-distributable</u>				<u>Distributable</u>	<u>Attributable To Owners Of The Company</u>	<u>Non-Controlling Interest</u>	<u>Total Equity</u>
	<u>Share Capital</u>	<u>Revaluation reserves</u>	<u>Capital reserves</u>	<u>Warrant reserve</u>	<u>Retained earnings</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
6 months ended								
<u>30/06/2023</u>								
Balance at 01/01/2023	34,129	20,714	119	3,602	(47,548)	11,016	(12)	11,004
Rights Issue of Shares with Warrants	68,350	0	0	5,376	0	73,726	0	73,726
Share issue expenses	0	0	0	0	(1,367)	(1,367)	0	(1,367)
Shares granted under Long Term Incentive Plan	11,472	0	0	0	0	11,472	0	11,472
Total Comprehensive Loss for the period	0	0	0	0	(16,294)	(16,294)	12	(16,282)
Balance at 30/06/2023	<u>113,951</u>	<u>20,714</u>	<u>119</u>	<u>8,978</u>	<u>(65,209)</u>	<u>78,553</u>	<u>0</u>	<u>78,553</u>
6 months ended								
<u>30/06/2022</u>								
Balance at 01/01/2022	34,129	20,714	119	3,602	(39,822)	18,742	(11)	18,731
Total Comprehensive Loss for the period	0	0	0	0	(2,570)	(2,570)	0	(2,570)
Balance at 30/06/2022	<u>34,129</u>	<u>20,714</u>	<u>119</u>	<u>3,602</u>	<u>(42,392)</u>	<u>16,172</u>	<u>(11)</u>	<u>16,161</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 2022)

BTM RESOURCES BERHAD (199401018283 (303962-T))

(Incorporated In Malaysia)

Unaudited Condensed Consolidated Statement of Cash Flows**For the 6 Months Ended 30 June 2023**

	6 months Cumulative 30/06/2023 RM'000	6 months Cumulative 30/06/2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(16,294)	(2,570)
Adjustments for:-		
Depreciation on property, plant and equipment	941	688
Depreciation on right of use asset	174	133
Defined benefit cost	105	104
Share based payments under Executive Share Grant Scheme	11,472	0
Loss on striking off of subsidiary companies	12	0
Property, plant and equipment written off	0	1
Waiver of lease liabilities	0	(161)
Interest income	(227)	(1)
Interest expenses	287	62
Operating loss before working capital changes	<u>(3,530)</u>	<u>(1,744)</u>
(Increase)/decrease in inventories	(386)	707
Increase in trade receivables	(2,706)	(783)
Decrease/(increase) in other receivables, deposits & prepayments	1,676	(6,144)
Decrease in trade payables	(243)	(867)
(Decrease)/increase in other payables and accruals	(8,927)	6,923
(Decrease)/increase in amount due to directors	<u>(8,167)</u>	<u>1,785</u>
Cash used in operation	<u>(22,283)</u>	<u>(123)</u>
Retirement benefits paid	(244)	0
Interest received	227	1
Net cash used in operating activities	<u>(22,300)</u>	<u>(122)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(29,577)	(182)
Purchase of right of use asset	(142)	0
Proceeds from disposal of property, plant and equipment	50	0
Net cash used in investing activities	<u>(29,669)</u>	<u>(182)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares net of share issue expenses	72,359	0
Repayment of term loan	(319)	(161)
Term loan interest paid	(179)	0
Payment of hire purchase liabilities	(14)	(3)
Hire purchase interest paid	(1)	(2)
Payment of lease liability	(161)	(17)
Placement of fixed deposit pledged	(10,061)	(1)
Lease liability interest paid	(58)	(4)
Net cash from/(used in) financing activities	<u>61,566</u>	<u>(188)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	<u>9,597</u>	<u>(492)</u>
CASH AND CASH EQUIVALENTS AT 1ST JANUARY	1,931	934
CASH AND CASH EQUIVALENTS AT 30TH JUNE	<u><u>11,528</u></u>	<u><u>442</u></u>
CASH AND CASH EQUIVALENTS COMPRISE:-		
Fixed deposits with licensed banks	10,312	47
Cash and bank balances	19,279	442
Bank overdraft	(7,751)	0
	<u>21,840</u>	<u>489</u>
Less: Fixed deposits pledged as security	(10,312)	(47)
	<u><u>11,528</u></u>	<u><u>442</u></u>

BTM RESOURCES BERHAD (199401018283 (303962-T))
(Incorporated In Malaysia)
Interim Report for the Second Quarter Ended 30 June 2023

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 2022.

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 2022, 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 101 - Disclosure of Accounting Policies
Amendments to MFRS 108 - Definition of Accounting Estimates
Amendments to MFRS 112 - Deferred Tax related to Assets and Liabilities arising from a single transaction

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 contributed share capital of the Company was increased from RM34,129,061 to RM113,951,164 as a result of the following:-

- (i) the issuance of 921,571,130 new ordinary shares at an issue price of RM0.08 per share, together with 307,190,331 Warrants-C and additional 8,642,716 Warrants-B pursuant to the Rights Issue with Warrants-C exercise of the Company.
- (ii) the issuance of 163,889,200 new ordinary shares at RM0.07 per share for no consideration to certain directors and employees of the Group pursuant to the Executive Share Grant Scheme ("ESGS") under the Long-Term Incentive Plan ("LTIP").

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 biomass 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.

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

During the current financial year, BTM Open Road Auto Sdn Bhd and BTM Renewable Green Energy Sdn Bhd, both dormant subsidiary companies, have been struck-off pursuant to Section 551 of the Companies Act, 2016.

12 Contingent Liabilities

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

13 Capital Commitments

The capital commitments contracted for by the Group as at 30 June 2023 is RM121.1 million (31 December 2022: RM148.1 million)

14 Performance Review on the Results of the Group

	Individual Period (2nd Quarter)		Changes %	Cumulative Period		Changes %
	Current Year Quarter 30/06/2023 RM'000	Preceding Year Corresponding Quarter 30/06/2022 RM'000		Current Year To-date 30/06/2023 RM'000	Preceding Year Corresponding Period 30/06/2022 RM'000	
Revenue	4,069	1,330	205.94%	5,348	3,512	52.28%
Loss Before Interest and Tax	(1,292)	(679)	90.28%	(16,007)	(2,508)	538.24%
Loss Before Tax	(1,459)	(709)	105.78%	(16,294)	(2,570)	534.01%
Loss After Tax	(1,459)	(709)	105.78%	(16,294)	(2,570)	534.01%
Loss Attributable to Ordinary Equity Holders of the Parent	(1,459)	(709)	105.78%	(16,294)	(2,570)	534.01%

For the second financial quarter under review, the Group recorded turnover of RM4.07 million, an increase of 205.94% over the corresponding period last year mainly due to higher trading of logs. The Group recorded a pre-tax loss of RM1.46 million as compared to a pre-tax loss of RM0.71 million in the corresponding period last year mainly due to higher other income received in the corresponding period last year.

15 Changes in the Quarterly Results Compared to Preceding Quarter

	Current Quarter 30/06/2023	Immediate Preceding Quarter 31/03/2023	Changes %
Revenue	4,069	1,279	218.14%
Loss Before Interest and Tax	(1,292)	(14,715)	(91.22%)
Loss Before Tax	(1,459)	(14,835)	(90.17%)
Loss After Tax	(1,459)	(14,835)	(90.17%)
Loss Attributable to Ordinary Equity Holders of the Parent	(1,459)	(14,835)	(90.17%)

For the quarter ended 30 June 2023, the Group recorded a pre-tax loss of RM1.46 million as compared to a pre-tax loss of RM14.83 million in the previous quarter ended 31 March 2023, mainly due to lower revenue and share based payments under the Long Term Incentive Plan 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 2023 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 30/06/2023 RM'000	Current Year To date 30/06/2023 RM'000
<i>Current taxation</i>	0	0
<i>Under provision in prior year</i>	0	0
<i>Deferred taxation</i>	0	0
	<u>0</u>	<u>0</u>

19 Status of Corporate Proposals

- (a) 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. ("Renewable Energy Business")

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 ("NEC") 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 ("EPCC") 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 RM115,600,000.

On 27 April 2021, the Company announced that BTMBP has on 26 April 2021 accepted the banking facilities totalling RM99.168 million from MBSB Bank Berhad ("MBSB") comprising of a Term Financing ("TF-I") of RM92.48 million to part finance 80% of the cost of civil & structure works and the EPCC cost in relation to the REPP, a Letter of Credit-I ("LC-i) Wakalah (sub-limit to TF-i) of RM66.88 million to facilitate the purchase of equipment/materials from local/foreign suppliers in relation to the REPP and a FX Forward Wa'd-I ("FX-I") of RM6.688 million to hedge against foreign currency fluctuation.

On 14 June 2022, the Company announced that BTMBP has received a letter from SEDA dated 15 April 2022 granting an extension of time for the FiT commencement date to 23 July 2023.

On 22 July 2022, the Company announced that Majlis Perbandaran Kemaman ("MPK") has approved all the Development Orders as required by the local authorities in relation to the development of the REPP.

- (b) On 11 May 2022, the Company announced that its wholly owned subsidiary, BTM Land Sdn Bhd ("BTM Land") has received an email from SEDA to inform that BTM Land has been successful in its application for the FiT quota for biomass resources under e-bidding mechanism for the year 2021 with an installed capacity of 8MW.

On 7 June 2022, the Company announced that BTM Land has received the FiT Approval Certificate on 2 June 2022, via a letter from SEDA dated 31 May 2022. The approval from SEDA is to build and operate a REPP with an installed capacity of 8MW per hour to supply NEC of 7MW per hour to TNB at a fixed tariff rate of RM0.3383 per kWh for twenty one (21) years commencing from 11 May 2025. The REPP will be located at Lot 153-C, Mukim of Hulu Chukai, Telok Kalong, 24007 Kemaman, Terengganu Darul Iman.

On 25 July 2022, the Company announced that BTM Land has entered into a Renewable Energy Power Purchase Agreement ("REPPA") with TNB on 25 July 2022 pursuant to Subsection 12(1) of the Renewable Energy Act 2011. The location of the REPP is at Lot 153-C, Telok Kalong, Hulu Chukai, 24007 Chukai, Terengganu Darul Iman with a NEC of 7 MWh. The scheduled FiT commencement date is 11 May 2025 and effective period is twenty one (21) years commencing from the FiT commencement date at a FiT rate of RM0.3383 per kWh.

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

On 3 June 2022, the Company announced that the entitlement basis for the Rights Issue with Warrants-C is fixed at 6 Rights Shares for every 1 Share held together with 1 Warrants-C for every 3 Rights Shares subscribed and issue price of the Rights Share at RM0.08 per Rights Share, which will raised gross proceeds of RM62.00 million at minimum scenario and RM94.71 million at maximum scenario. The shareholders of BTM had approved the Rights Issue with Warrants-C at the Extraordinary General Meeting ("EGM") of BTM held on 23 August 2022. On 24 November 2022, the Company announced that the exercise price of the Warrants-C is fixed at RM0.10 per Warrant-C.

On 16 January 2023, the Rights Issue with Warrants-C was completed following the listing of 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 Securities, raising a total proceeds of approximately RM73.7 million.

The status of utilisation of proceeds as at the end of the current quarter is as follows:-

<u>Proposed utilisation of proceeds</u>	Proceeds Raised RM'000	Unutilised Proceeds Channelled to Working Capital RM'000	Utilised RM'000	Timeframe for utilisation of <u>proceeds</u>
Payment of Sublease Consideration	24,700	0	24,700	Within 3 months
Planting cost at the Plantation Lands	4,800	0	0	Within 60 months
Construction cost of the Biomass Power Plant	23,120	0	1,248	Within 18 months
Repayment to Director	8,000	(290)	7,710	Within 3 months
Working capital requirements	10,606	717	10,813	Within 36 months
Estimated expenses for the Proposals	2,500	(427)	2,073	Within 1 month
	<u>73,726</u>	<u>0</u>	<u>46,544</u>	

21 Group Borrowings

Total Group borrowings are as follows :-

	30/06/2023 RM'000	30/06/2022 RM'000
Long Term Borrowings		
Secured - Term Loan	1,754	0
- Hire purchase	23	19
	<u>1,777</u>	<u>19</u>
Short Term Borrowings		
Secured - Term Loan	1,327	0
- Bank overdraft	7,751	0
- Hire purchase	17	50
	<u>9,095</u>	<u>50</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 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 30/06/2023	Comparative Quarter 30/06/2022	Current Year To Date 30/06/2023	Comparative Year To Date 30/06/2022
Net loss for the period (RM'000)	(1,459)	(709)	(16,294)	(2,570)
Weighted average number of ordinary shares in issue ('000)	1,256,487	171,026	1,119,447	171,026
Basic loss per share (sen)	(0.12)	(0.41)	(1.46)	(1.50)

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 has not been presented.

25 Loss Before Taxation

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

	Current Quarter 30/06/2023 RM'000	Comparative Quarter 30/06/2022 RM'000	Current Year To Date 30/06/2023 RM'000	Comparative Year To Date 30/06/2022 RM'000
Other income	179	1,293	455	1,425
Interest income	153	0	227	0
Depreciation on property, plant and equipment	(597)	(344)	(941)	(688)
Depreciation on right of use assets	(105)	(64)	(174)	(133)
Interest expense	(168)	(30)	(287)	(62)

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: 7 AUGUST 2023**