

**BTM RESOURCES BERHAD (199401018283 (303962-T))**  
(Incorporated In Malaysia)  
**Condensed Consolidated Statement of Financial Position**  
**As At 30 June 2021**

	<b>Unaudited as at 30/06/2021 RM'000</b>	<b>Audited as at 31/12/2020 RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	29,437	30,089
Right of use asset	1,347	1,484
<b>Total Non-Current Assets</b>	<b>30,784</b>	<b>31,573</b>
<b>Current Assets</b>		
Inventories	3,388	3,880
Trade receivables	322	538
Other receivables, deposits and prepayments	1,408	753
Fixed deposits with licensed banks	242	241
Cash and bank balances	2,326	1,636
<b>Total Current Assets</b>	<b>7,686</b>	<b>7,048</b>
<b>TOTAL ASSETS</b>	<b>38,470</b>	<b>38,621</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	34,129	31,299
Revaluation reserves	20,714	20,714
Capital reserves	119	119
Warrant reserve	3,602	3,602
Accumulated losses	(36,842)	(33,601)
<b>Equity Attributable To Owners Of The Company</b>	<b>21,722</b>	<b>22,133</b>
<b>Non-Controlling Interest</b>	<b>(8)</b>	<b>(8)</b>
<b>TOTAL EQUITY</b>	<b>21,714</b>	<b>22,125</b>
<b>Non-Current Liabilities</b>		
Retirement benefit obligations	2,382	2,272
Hire purchase creditors	47	60
Lease liabilities	1,239	1,363
Deferred taxation	780	780
<b>Total Non-Current Liabilities</b>	<b>4,448</b>	<b>4,475</b>
<b>Current Liabilities</b>		
Trade payables	1,729	1,598
Other payables and accruals	3,468	3,487
Term loan (secured)	811	1,175
Amount due to directors	6,020	5,492
Hire purchase creditors	31	25
Lease liabilities	249	244
<b>Total Current Liabilities</b>	<b>12,308</b>	<b>12,021</b>
<b>TOTAL LIABILITIES</b>	<b>16,756</b>	<b>16,496</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>38,470</b>	<b>38,621</b>
<b>NET TANGIBLE ASSETS PER SHARE (RM)</b>	<b>0.13</b>	<b>0.14</b>

*(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2020)*

**BTM RESOURCES BERHAD (199401018283 (303962-T))**

(Incorporated In Malaysia)

**Unaudited Condensed Consolidated Statement of Comprehensive Income  
Interim Report for the Quarter ended 30 June 2021**

	<b>Current Quarter 30/06/2021 RM'000</b>	<b>Comparative Quarter 30/06/2020 RM'000</b>	<b>Current Year To Date 30/06/2021 RM'000</b>	<b>Comparative Year To Date 30/06/2020 RM'000</b>
Revenue	1,722	930	3,558	3,366
Operating Expenses	(3,399)	(2,564)	(6,911)	(6,964)
Other Operating Income	<u>206</u>	<u>42</u>	<u>363</u>	<u>110</u>
Loss From Operations	(1,471)	(1,592)	(2,990)	(3,488)
Finance Costs	(36)	(72)	(82)	(154)
Investing Results	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Loss From Ordinary Activities Before Tax	(1,507)	(1,664)	(3,072)	(3,642)
Taxation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Loss From Ordinary Activities After Tax	(1,507)	(1,664)	(3,072)	(3,642)
Other Comprehensive Income, Net of Tax	0	0	0	0
Total Comprehensive Income for the Period	<u><u>(1,507)</u></u>	<u><u>(1,664)</u></u>	<u><u>(3,072)</u></u>	<u><u>(3,642)</u></u>
Loss attributable to:				
Owners of the Company	(1,507)	(1,664)	(3,072)	(3,642)
Non-Controlling Interest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u><u>(1,507)</u></u>	<u><u>(1,664)</u></u>	<u><u>(3,072)</u></u>	<u><u>(3,642)</u></u>
Total Comprehensive Income attributable to:				
Owners of the Company	(1,507)	(1,664)	(3,072)	(3,642)
Non-Controlling Interest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u><u>(1,507)</u></u>	<u><u>(1,664)</u></u>	<u><u>(3,072)</u></u>	<u><u>(3,642)</u></u>
Loss Per Share (sen)				
- Basic	(0.95)	(1.18)	(1.95)	(2.58)
- 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 2020)*

**BTM RESOURCES BERHAD (199401018283 (303962-T))**

(Incorporated In Malaysia)

**Unaudited Condensed Consolidated Statement of Changes in Equity  
For the 6 Months Ended 30 June 2021**

		<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>6 months ended 30-06-2021</b>									
Balance at 01-01-2021	31,299	20,714	119	3,602	(33,601)	22,133	(8)	22,125	
Issuance of new shares	2,830	0	0	0	0	2,830	0	2,830	
Share issue expenses	0	0	0	0	(169)	(169)	0	(169)	
Total Comprehensive Loss for the period	0	0	0	0	(3,072)	(3,072)	0	(3,072)	
Balance at 30-06-2021	<u>34,129</u>	<u>20,714</u>	<u>119</u>	<u>3,602</u>	<u>(36,842)</u>	<u>21,722</u>	<u>(8)</u>	<u>21,714</u>	
<b>6 months ended 30-06-2020</b>									
Balance at 01-01-2020	29,038	19,025	532	3,602	(29,611)	22,586	(18)	22,568	
Total Comprehensive Loss for the period	0	0	0	0	(3,642)	(3,642)	0	(3,642)	
Balance at 30-06-2020	<u>29,038</u>	<u>19,025</u>	<u>532</u>	<u>3,602</u>	<u>(33,253)</u>	<u>18,944</u>	<u>(18)</u>	<u>18,926</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 2020)*

**BTM RESOURCES BERHAD (199401018283 (303962-T))**

(Incorporated In Malaysia)

**Unaudited Condensed Consolidated Statement of Cash Flows**

For the 6 Months Ended 30 June 2021

	<b>6 months Cumulative 30/06/2021 RM'000</b>	<b>6 months Cumulative 30/06/2020 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Loss before taxation</b>	(3,072)	(3,642)
Adjustments for:-		
Amortisation of prepaid lease payments	0	11
Depreciation on property, plant and equipment	688	821
Depreciation on right of use asset	137	136
Defined benefit cost	110	124
Gain on disposal of property, plant and equipment	(1)	0
Waiver of lease liabilities	(161)	0
Interest expense	80	154
Interest income	(1)	(1)
<b>Operating loss before working capital changes</b>	<u>(2,220)</u>	<u>(2,397)</u>
Decrease in inventories	492	1,061
Decrease/(Increase) in trade receivables	216	(154)
Increase in other receivables, deposits & prepayments	(655)	(73)
Increase in trade payables	131	456
(Decrease)/Increase in other payables and accruals	(19)	568
Increase in amount due to directors	528	755
<b>Cash (used in)/generated from operations</b>	<u>(1,527)</u>	<u>216</u>
Interest received	1	1
<b>Net cash (used in)/from operating activities</b>	<u>(1,526)</u>	<u>217</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(36)	(10)
Proceeds from disposal of property, plant and equipment	1	0
<b>Net cash used in investing activities</b>	(35)	(10)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares net of share issue expenses	2,661	0
Repayment of term loan	(364)	(306)
Term loan interest paid	(10)	(68)
Payment of hire purchase liabilities	(7)	(7)
Hire purchase interest paid	(2)	(3)
Placement of fixed deposit pledged	(1)	(1)
Payment of lease liability	(22)	(21)
Lease liability interest paid	(4)	(6)
<b>Net cash from/(used in) financing activities</b>	<u>2,251</u>	<u>(412)</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>690</u>	<u>(205)</u>
<b>CASH AND CASH EQUIVALENTS AT 1ST JANUARY</b>	1,636	579
<b>CASH AND CASH EQUIVALENTS AT 30TH JUNE</b>	<u><u>2,326</u></u>	<u><u>374</u></u>
<b>CASH AND CASH EQUIVALENTS COMPRISE:-</b>		
Fixed deposits with a licensed bank	242	235
Cash and bank balances	2,326	374
	<u>2,568</u>	<u>609</u>
Less: Fixed deposits pledged as security	(242)	(235)
	<u><u>2,326</u></u>	<u><u>374</u></u>

**BTM RESOURCES BERHAD (199401018283 (303962-T))**

(Incorporated In Malaysia)

**Interim Report for the Second Quarter Ended 30 June 2021****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 2020.

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 2020, 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 16 - Covid-19 Related Rent Concessions

Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 - Interest Rate Benchmark Reform (Phase 2)

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 RM31,299,361 to RM34,129,061 as a result of the issuance of 15,547,800 new ordinary shares at an issue price of RM0.182 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 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**

On 1 March 2021, the Company acquired all the paid-up share capital of BTM Green Energy Sdn Bhd ("BTMGE") for a consideration sum of RM1.00. BTMGE is currently a dormant company.

**12 Contingent Liabilities**

The Group has contingent liabilities of RM230,000 in respect of secured bank guarantee to third parties.

The Company has contingent liabilities of RM0.811 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 30 June 2021 is RM115.6 million (30 June 2020: RM Nil)

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

	Individual Period (2nd Quarter)		Changes %	Cumulative Period		Changes %
	Current Year Quarter 30/06/2021 RM'000	Preceding Year Corresponding Quarter 30/06/2020 RM'000		Current Year To- date 30/06/2021 RM'000	Preceding Year Corresponding Period 30/06/2020 RM'000	
Revenue	1,722	930	85.16%	3,558	3,366	5.70%
Loss Before Interest and Tax	(1,471)	(1,592)	-7.60%	(2,990)	(3,488)	-14.28%
Loss Before Tax	(1,507)	(1,664)	-9.44%	(3,072)	(3,642)	15.65%
Loss After Tax	(1,507)	(1,664)	-9.44%	(3,072)	(3,642)	15.65%
Loss Attributable to Ordinary Equity Holders of the Parent	(1,507)	(1,664)	-9.44%	(3,072)	(3,642)	15.65%

For the second financial quarter under review, the Group recorded turnover of RM1.72 million, an increase of 85.16% over the corresponding period last year. The Group recorded a pre-tax loss of RM1.51 million as compared to a pre-tax loss of RM1.66 million in the corresponding period last year mainly due to higher revenue from its manufacturing operations during the current financial quarter.

### 15 Changes in the Quarterly Results Compared to Preceding Quarter

	Current Quarter 30/06/2021	Immediate Preceding Quarter 31/03/2021	Changes %
Revenue	1,722	1,836	-6.21%
Loss Before Interest and Tax	(1,471)	(1,519)	-3.16%
Loss Before Tax	(1,507)	(1,565)	-3.71%
Loss After Tax	(1,507)	(1,565)	-3.71%
Loss Attributable to Ordinary Equity Holders of the Parent	(1,507)	(1,565)	-3.71%

For the quarter ended 30 June 2021, the Group recorded a pre-tax loss of RM1.51 million as compared to a pre-tax loss of RM1.56 million in the previous quarter ended 31 March 2021, mainly due to lower overhead from its manufacturing operations 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 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 30/06/2021 RM'000	Current Year To date 30/06/2021 RM'000
Current taxation	0	0
Under provision in prior year	0	0
Deferred taxation	0	0
	<u>0</u>	<u>0</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 ("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.

- (c) On 3 May 2021, M&A Securities Sdn Bhd ("M&A") on behalf of the Company announced that the Company proposed to undertake a private placement of up to 15,547,800 new ordinary shares in BTM ("BTM Shares") representing not more than 10% of the issued BTM shares ("Proposed Private Placement"), at an issue price to be determined and fixed at a future date.

The Proposed Private Placement will be undertaken in accordance with the general mandate pursuant to Sections 75 and 76 of the Companies Act, 2016 ("Act") obtained from the shareholders of the Company at its 26th Annual General Meeting ("AGM") convened on 9 September 2020, which authorises the Board of Directors of the Company to issue new BTM Shares not exceeding 20% of the total number of issued shares of the Company. ("20% General Mandate").

On 6 May 2021, M&A on behalf of the Company announced that the additional listing application for the new BTM Shares to be issued pursuant to the Proposed Private Placement has been submitted to Bursa Securities. On 25 May 2021, M&A on behalf of the Company announced that Bursa Securities had, vide their letter dated 25 May 2021, approved the listing of and quotation of up to 15,547,800 Placement Shares to be issued pursuant to the Proposed Private Placement.

On 8 June 2021, M&A on behalf of the Company announced that the Private Placement has been completed following the listing of 15,547,800 Placement Shares on the Main Market of Bursa Securities on 8 June 2021.

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>30/06/2021</b>	30/06/2020
	<b>RM'000</b>	RM'000
Long Term Borrowings		
Secured - Term Loan	0	0
- Hire purchase	47	62
	<u>47</u>	<u>62</u>
Short Term Borrowings		
Secured - Term Loan	811	1,427
- Hire purchase	31	30
	<u>842</u>	<u>1,457</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>30/06/2021</b>	30/06/2020	<b>30/06/2021</b>	30/06/2020
Net loss for the period (RM'000)	(1,507)	(1,664)	(3,072)	(3,642)
Weighted average number of ordinary shares in issue ('000)	159,408	141,344	157,454	141,344
Basic loss per share (sen)	(0.95)	(1.18)	(1.95)	(2.58)

### 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>30/06/2021</b>	30/06/2020	<b>30/06/2021</b>	30/06/2020
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
Other income	206	42	363	110
Interest expense	(36)	(72)	(82)	(154)
Amortisation of prepaid lease payments	0	(6)	0	(11)
Depreciation on property, plant and equipment	(344)	(411)	(688)	(821)
Depreciation on right of use assets	(69)	(68)	(137)	(136)

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 September 2021**