



# BTM RESOURCES BERHAD

## CORPORATE PRESENTATION

### MARCH 2022



**MOULDING &  
FINGER JOINTED TIMBER**



• **BIOMASS RENEWABLE ENERGY  
POWER PLANT** •



**BIOMASS WOOD PELLETS**

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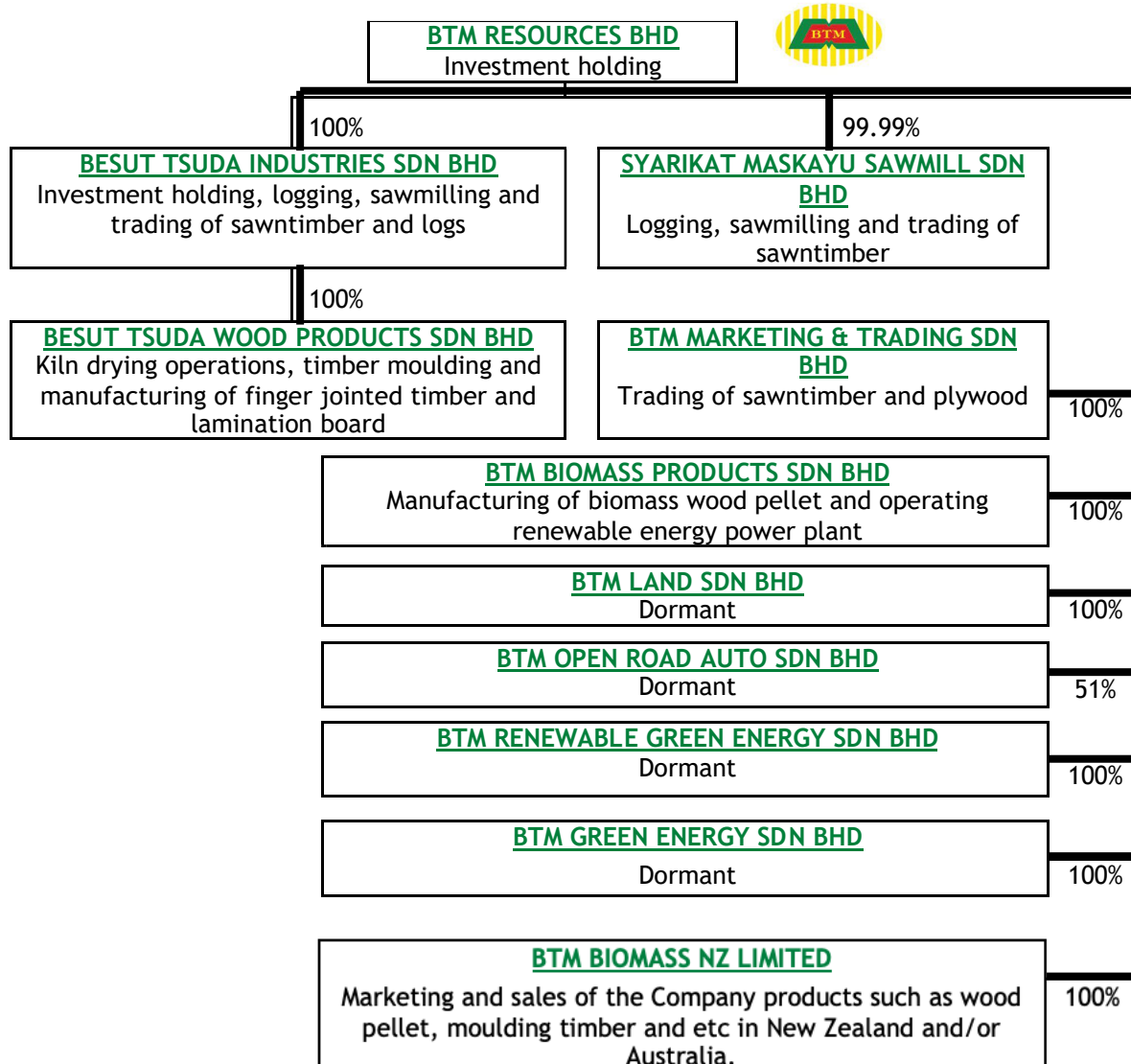


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# Our Core Businesses

# Corporate Structure



# Our Team: Board of Directors & Management Team



Datuk Haji Mohamed Iqbal Bin  
M.M. Mohamed Ganey

*Chairman,  
Independent Non-Executive Director*

- He has vast experience in banking having worked with a foreign bank in various senior positions for 29 years. He had the opportunity to be exposed to various environment in the domestic as well as international markets whilst serving as the Head of Product Development, Trade Finance, Standard Chartered Bank Malaysia Berhad.
- He was the Group Executive Director of a major recycler in the country and Chairman of a company involved in food production and distribution and a Senior Independent Director of one of the leading Money Changers and Remittance provider in the country. He is also the Chairman of MIG Resources Sdn Bhd, an investment holding company with investment in properties, food production and restaurants.

Dato' Seri Yong Tu Sang

*Managing Director*

- His involvement in business commenced in 1973 with the setting up of BTM Timber Industries Sdn Bhd, a company principally involved in logging and sawmilling operations. Since then, he has been actively involved in the setting up and management of companies in a diverse area of business ranging from timber, oil palm plantation, civil and building construction, property development and sea transportation.
- He has 49 years of experience in trading of timber. Currently sits on the Boards of several private limited companies in addition to companies within the BTM Resources Berhad

Choong Show Tong

*Independent Non-Executive Director*

- Mr. Choong Show Tong was appointed to the Board as Independent Director on 19 May 2003 and he also serves as Chairman of Nomination Committee and Audit And Risk Management Committee. He also serve as member of Remuneration Committee.
- He started his career as an Article Clerk in April 1978 and later became an Office Manager in a Chartered Accountants firm in London. In September 1983, he worked as an Office Manager in Christopher Chooi & Co. a firm of Chartered Accountants in Kuala Lumpur. Since October 1984 till now he is the Sole Proprietor of Allan Choong & Co, a Chartered / Public Accountants firm in Kuala Lumpur.

# Our Team: Board of Directors & Management Team (Cont'd)



Yong Hin Siong

*Executive Director*

- Mr. Yong Hin Siong is a graduate with Bachelor of Arts from Macquarie University in New South Wales, Australia. He was appointed as an Executive Director of the Company on 2nd May 2014.
- After graduated from Macquarie University in New South Wales, Australia in 2004, he joined a timber consortium company as a management trainee focusing on operation management. He was promoted to manager of sales and purchases department in charge of purchasing raw material and sales of finished products whereby he gained valuable experience sourcing for raw materials from various countries.
- Subsequently, he also gained working experience in manufacturing of plywood, managing a golf and country resort, oil palm plantation and logging operation in Malaysia and Papua New Guinea

Yong Emmy

*Non-Executive Director*

- Madam Yong Emmy was appointed to the Board as Non-Executive Director on 11 November 1999 and she is a member of Remuneration Committee.
- She has Bachelor of Arts (Economics & Japanese Studies) from National University of Singapore and MBA (Finance) from Oklahoma City University.
- Started her career in July 1997 as a Business Executive in Itochu Asia Pte Ltd, and Itochu Pulp & Paper Asia Pte Ltd Singapore, both companies dealing with paper and wood pulp. She has gained experience in marketing & trading and was appointed as Business Development Manager of Mizam Pte Ltd.
- She has experiences in international trading and financing, marketing of wood-based products. Currently she sits on the Board of several private limited companies.

Datuk Woo Thin Choy

*Executive Director*

- Datuk Woo has vast experience in Malaysia property evident in his involvement with companies such as the Berjaya Group, Mah Sing Group, Mayland and Ho Hup Construction Company Berhad. Datuk Woo being one of the pioneers of the property division for Mah Sing Group during the mid 90's, he was also the pioneer in the initiation of small apartments, otherwise known as Small Office Home Office, into Sri Hartamas in 1996. Datuk Woo has also found success in reviving previously abandoned projects located in Bukit Jalil, leading to the then Ministry of Local Housing to present vacant possessions to home buyers a year into the projects revival (2009).
- Datuk Woo has been well commended for his involvement from hotels, apartments and commercial shopping centres. Datuk Woo is also the Managing Director of Terraton Development Sdn Bhd and has successfully completed numerous<sup>6</sup> property development project in Malaysia.

# Our Core Business



The Group is principally involved in following business activities:

## 1) Logging, sawmilling and trading of saw timber, logs and plywood (UPSTREAM)



## 2) Kiln-drying operations, timber moulding and lamination boards (DOWNSTREAM)



## 3) Manufacturing and sales of biomass wood pellets (DOWNSTREAM)



# Our Core Business (1)



## 1) Logging, sawmilling and trading of saw timber, logs and plywood

### Logging



In view of the growing awareness of forest preservation, we have taken necessary steps to ensure that logging is carried out on a proper forest management to ensure minimal impact on the environment. This ensures an adequate supply of round logs on a sustainable yield basis. Trees to be harvested are first selected based on specifications approved by the Forestry Department.

### Sawmilling



The sawmilling process involves managing of incoming logs and feeding them into breakdown bandsaws, sorting, stacking, seasoning, selection of off-cuts, bundling and stock handling of timber.

# Our Core Business (1) (Cont'd)



## Production Facilities



Timber Sheds



Sawmill Buildings



Sawmilling Operation

The sawmilling division consists of two production plants, namely Plant A and Plant B.

**Plant A:** which has 1 unit of semi-automatic breakdown saw, 2 units of semi-automatic pony saw and 4 units of band saw, caters for the European, Korean and local markets.

**Plant B:** caters mainly for the Japanese market and has 1 unit of Tanaka automatic breakdown saw (Japanese made), 2 units of Tanaka automatic pony saw (Japanese made) and 2 units of normal band saw (Thailand made).

These machines which operate on one-man operation system are capable of cutting logs at a high level of accuracy as specified by the Japanese customers.

Our sawmill factory is capable of producing 18,000 tons of sawtimber per annum which requires 30,000 tons of logs.

# Our Core Business (2)



## 2) Kiln-drying operations, timber moulding and lamination boards

Our Group commenced operations in the manufacturing of kiln dried timber, moulded timber, finger jointed timber and lamination board in 1992.



The factory has 11 kiln drying chambers which are equipped with a computerized control system, 3 units of finger joint machine, 3 units of rotary composer/lamination, 16 units of cross-cut saw and other sawing machinery, 6 units of moulding machine, 9 units of grinder, 12 units of manufacturing planners sanding & slicer machine, 1 unit of Boiler hot water central heating and 16 units of vehicles.

The factory is capable of producing annually 16,200 tons of kiln-dried timber, 7,200 tons of moulded timber and 3,000 tons of finger-jointed and priming timber and lamination board which would require 18,000 tons of logs per annum.

# Our Core Business (2) (Cont'd)



**Semi Finished Block Board**



**Lamination of Block Board**



**Operation in Progress**



**Semi Finished Block Board**



**Lamination of Block Board**



**Finished Goods for Export**

# Our Core Business (3)



## 3) Manufacturing and sales of biomass wood pellets



### What is Biomass Wood Pellets?

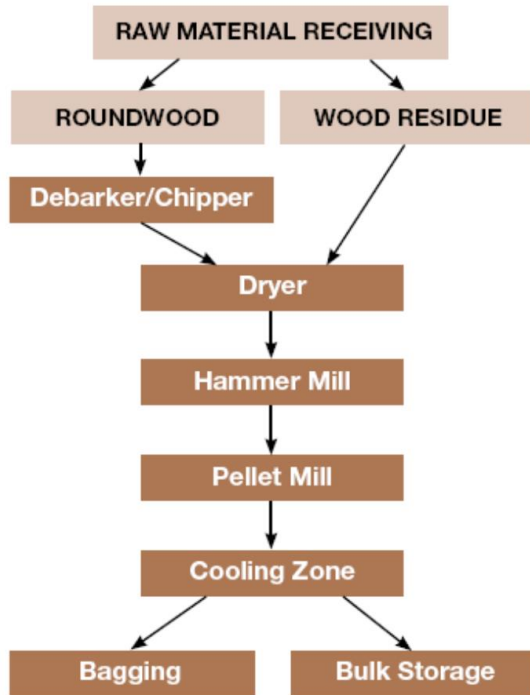
Wood pellets are heating fuels made from compressed biomass. A form of wood fuel, wood pellets are generally made from compacted sawdust or other wood wastes from sawmilling, manufacture of wood products and furniture, tree tops and branches discarded during agriculture replantation operations.

Pellets are extremely dense and can be produced with a low moisture content that allows them to be burned with very high combustion efficiency.

# Our Core Business (3) (Cont'd)



## Process of producing wood pellets



## Wood Waste



# Our Core Business (3) (Cont'd)



**Saw Dust**



**Rotary Dryer**



**Hammer Machine**



**Woodchips**



**Woodchips to Hammer Machine**



**Woodchips to Hammer Machine**

# Our Core Business (3) (Cont'd)



**Conveyor Transport Sawdust to Pellet Mill**



**Wood Pellet Output**



**Packing Wood Pellet into Jumbo Bags**



**Pallet Mill**



**Wood Pellets**



**Wood Pellets in Jumbo Bags**

# Our Core Business (3) (Cont'd)



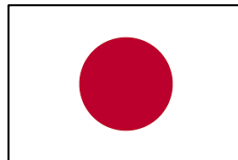
## Production Facilities

BTM is principally engaged in manufacturing and sale of biomass wood pellet at its factory located in Terengganu.

The site of approximately 10 acres is currently rented from a related company, Gimzan Plywood Sdn Bhd. It is situated on a parcel of industrial land at Mukim Bukit Payung, District of Marang, Terengganu, which is about 18 kilometers from Kuala Terengganu in the State of Terengganu. The industrial area was developed by the Terengganu SEDC covering approximately 158 hectares of land especially for timber related industries.

BTM has completed the installation of the wood pellet manufacturing plant and machineries in the factory. The Company has purchased 6 Efficient Centrifugal Pellet Mills, together with other accompanying machineries being dryer, sawdust, feeding and packing machines at the total sum of approximately RM5.5 million, of which each mill has the production capacity of approximately 1,500 tonnes per month, ie annually 108,000 tons of biomass wood pellets.

BTM has commenced operations in the manufacturing of biomass wood pellets in August 2017 with most of its products exported overseas to South Korea and expected to be expanded to China, Japan and Europe.



# Renewable Energy Power Plant



The Group intends to venture into operating renewable energy power plant in order to diversify its income stream and provide for a sustainable revenue and income to the Group.

The Group via its wholly owned subsidiary company, BTM Biomass Products Sdn Bhd (“BTMBP”) has obtained the 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”).**

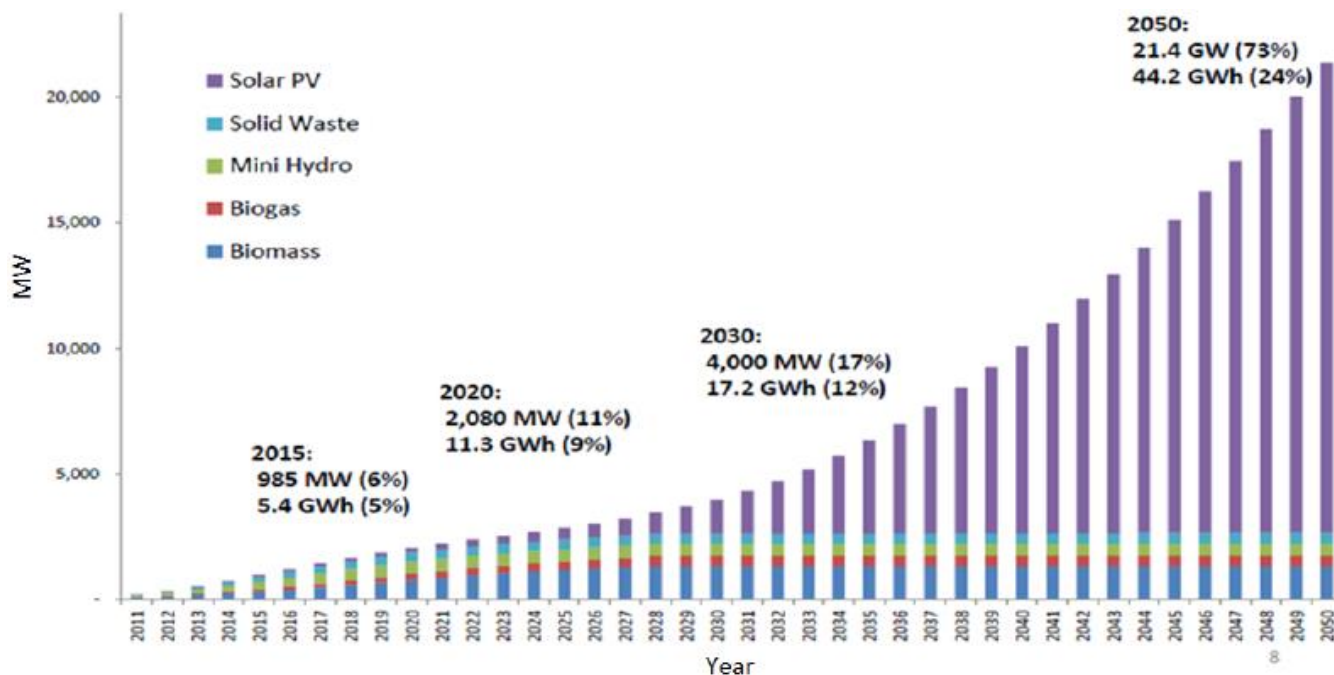
BTMBP received the Feed-in Tariff (“FIT”) Approval Certificate dated 1 July 2020. The approval granted is for a period of twenty one (21) years commencing no later than 23 January 2023 **at a fixed tariff rate of RM0.3486 per kWh.** BTMBP has on 27 July 2020 entered into a Renewable Energy Power Purchase Agreement (“REPPA”) with TNB 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.

# Renewable Energy Power Plant (Cont'd)



## Economic Viability



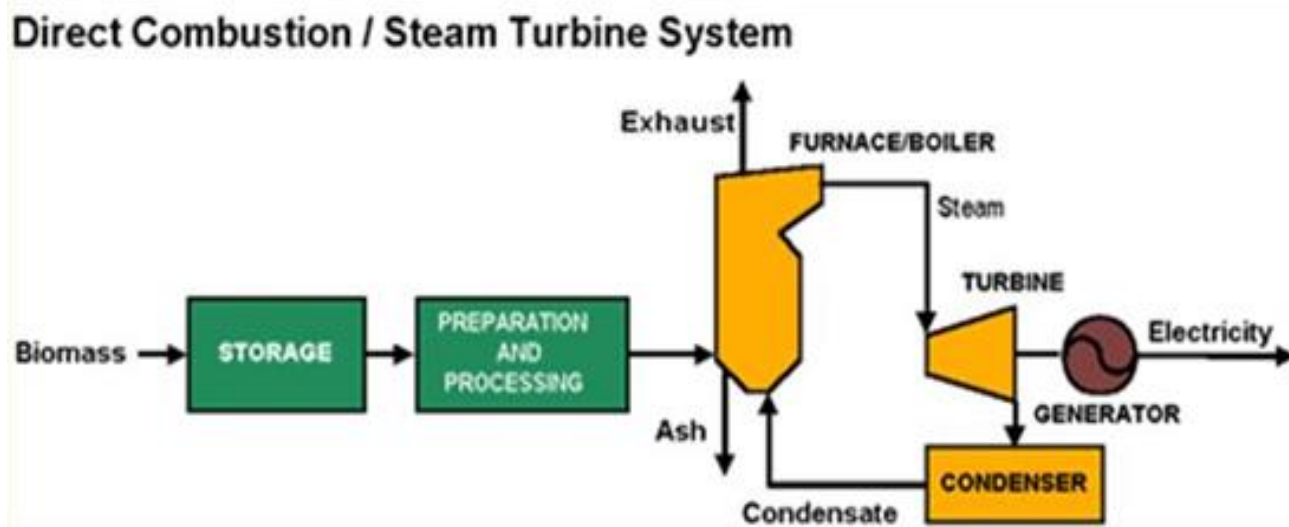
Source: Sustainable Energy Development Authority Malaysia

The proposed biomass renewable energy (“BRE”) power plant in Terengganu is expected to process up to 350 tonnes of biomass waste per day, equating to a potential energy production of some 12MW; of which 10MW will be exported/sold to TNB while 2MW accounts for the power plant’s parasitic power consumption. This project will contribute a small portion of the renewable energy supply to the national electricity grid and aid the State of Terengganu in achieving the Federal Government’s national target of increasing the share of renewable energy to 20% of the national grid’s generation by 2025.

# Renewable Energy Power Plant (Cont'd)



## Simplified Process Flow Diagram of the proposed Biomass Power Plant



As illustrated in the Figure above, the fuel (wood waste) is delivered to the Biomass Power Plant where storage piles or silos accommodate extra biomass that is not immediately fed to the plant. The fuel (biomass) will undergo some pre-processing steps on site including size reduction and separation into wood chips before feeding into the power plant. Wood chips are channelled into the combustion chamber through a conveyor system and burned to heat water in the boiler. The remaining ash will be collected for other purpose such as plantation fertiliser and for road construction.

Under high temperatures of the heat, the water in the boiler becomes high pressure steam that is used to spin the turbine, and the turbine drives the generator. The generator creates electricity which will be partially channelled back to the power plant for internal usage and the bulk portion will be exported the national grid. The wood waste biomass power generation is carbon cycle neutral. The amount of carbon absorbed by growing trees equals the amount released through burning the biomass wood chips.



# Recent Corporate Development

# Factory Visit by Malaysian Timber Council (“MTC”) as of 22 October 2021



The Malaysian Timber Council (MTC) delegation led by its Chairperson Madam Hajah Norrida Yusoff and CEO Mr. Muhtar Suhaili visited woodworking factory, namely, Besut Tsuda Wood Products Sdn. Bhd.

With over 100 workers, Besut Tsuda Wood Products is one of the major timber factories producing sawtimber, moulding, finger jointed, priming timber and other wood products in Terengganu. Among its major export destinations are Australia, the United States, Europe and the Middle East. The delegation was warmly welcomed by the company's Director Dato' Seri Yong Tu Sang, Business Development Manager Mr. Allan Tan and Sawmill Manager Mr. Benny Tan.



# Factory Visit by Malaysian Timber Council (“MTC”) as of 22 October 2021 (Cont’d)



# Incorporation of BTM Biomass NZ Limited



The Board of Directors of BTM wishes to announce that the Company had on 14 October 2021 incorporated a 100% subsidiary known as BTM BIOMASS NZ Limited.

The principal activity of BTM BIOMASS NZ is mainly for marketing and sales of the Company products, namely biomass wood pellet, moulding timber and finger-jointed timber in New Zealand and / or Australia.

## Financial Effect on the Incorporation

### **Issued and paid-up share capital and net tangible assets**

The incorporation will not have any material effect on the issued and paid-up share capital and net tangible assets of BTM for the financial year ending 31 December 2021.

### **Earnings**

The Incorporation is not expected to have any material impact on the earnings of BTM for the financial year ending 31 December 2021.

### **Gearing**

The Incorporation is not expected to have any material impact on the gearing of BTM for the financial year ending 31 December 2021.

# Renewable Energy Power Generation Project

## Acceptance of Banking Facilities from MBSB Bank Berhad



Board of Directors of BTM wishes to announce that its wholly-owned subsidiary company, BTM Biomass Products Sdn Bhd (“BTMBP”) has on 26 April 2021 accepted the following banking facilities from MBSB Bank Berhad (“Banking Facilities”):-



	Types of Banking Facilities	Limit	Purpose
1.	Term Financing-i (“TF-i”)	RM92,480,000.00	To part finance (approximately up to 80% of RM115.6 million) the cost of civil & structure works and the Engineering, Procurement, Construction and Commissioning cost in relation to the Project (excluding material on site, variation order, retention sum and regulatory taxes).
2.	Letter of Credit-i (“LC-i”)Wakalah Local/Foreign/Sight/Usance (sub-limit to TF-i)	(RM66,880,000.00)	To facilitate the purchase of equipment/materials from local/foreign suppliers in relation to the Project.
3.	FX Forward Wa’d-i (“FX-i”) (10% exposure of LC-i)	RM6,688,000.00	To hedge against foreign currency fluctuation.
	<b>TOTAL</b>	<b>RM99,168,000.00</b>	

After having considered the terms and conditions of the Banking Facilities and after careful deliberations, the Board is of the opinion that the **acceptance of the Banking Facilities is in the best interest of the Company.**

# BTM awarded EPCC works in relation to Biomass Renewable Energy Power Plant to SAMAI DEN



SAMAI DEN

Board of Directors of BTM is pleased to announce that BTM Biomass Products Sdn. Bhd., a wholly-owned subsidiary of BTM has on 23 November 2020, awarded the engineering, procurement, construction and commissioning works in relation to the development of its 10 MWac biomass renewable energy power plant at Lot 153-C, Mukim Hulu Chukai, Telok Kalong, 24007 Cukai, Terengganu Darul Iman to Samaiden Sdn. Bhd. (“SAMAI DEN”), a wholly-owned subsidiary of Samaiden Group Berhad for a contract sum of RM 115,000,000.00.

# Renewable Energy Power Purchase Agreement Between BTM and Tenaga Nasional Berhad



Board of Directors of BTM Resources Berhad wishes to state the certain salient terms and conditions of the renewable energy power purchase agreement entered into by BTM Biomass Products Sdn. Bhd. ("Feed-in Approval Holder") with Tenaga Nasional Berhad ("Distribution Licensee") on 27 July 2020 as follows :-

## Terms and conditions of the Renewable Energy Power Purchase Agreement

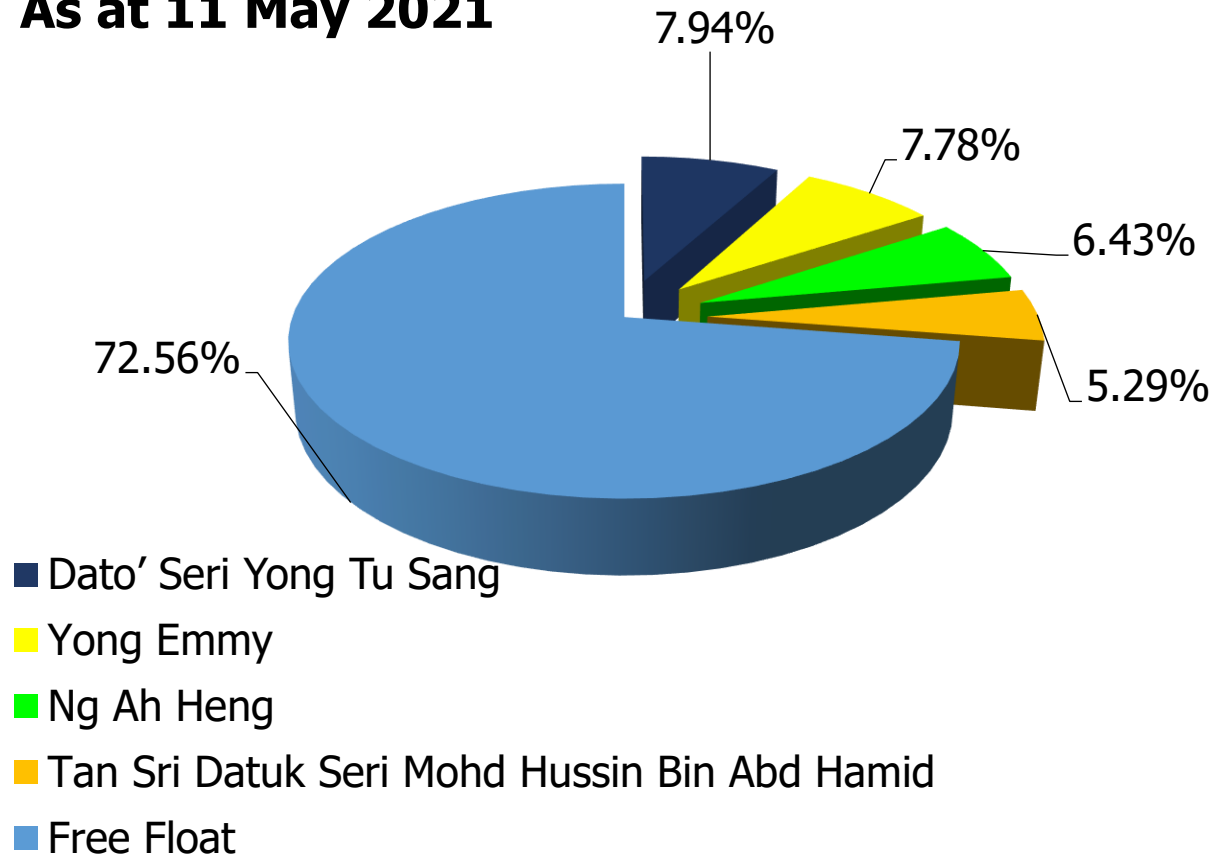
- 1) The Agreement is entered into pursuant to Subsection 12(1) of the Renewable Energy Act 2011.
- 2) The Location of Renewable Energy Installation at 153-C ,Mukim Hulu Chukai, Teluk Kalong, 24007 Cukai, Terengganu Darul Iaman.
- 3) Net Export Capacity of the Installation is 10.000 Mega Watt.
- 4) Scheduled Feed-in Tariff Commencement Date is 23 January 2023.
- 5) Effective Period is 21 years ( years commencing from The Feed-in Tariff Commencement Date).
- 6) Feed-in Tariff Rate is RM 0.3486 per kWh.
- 7) The Feed-in Approval Holder shall meet the Milestone dates:
  - a) Registration of REPPA with SEDA & SI Public Licence (Provisional) by 23 August 2020,
  - b) Financing Agreements by 23 January 2021,
  - c) First payment to EPC Contractor by 23 July 2021,
  - d) Initial Operation Date (IOD) by 23 January 2022,
  - e) Feed-in Tariff Commencement Date by 23 January 2023.



# Shareholding Profile Analysis

# Ordinary Shares Shareholding Profile

**As at 11 May 2021**

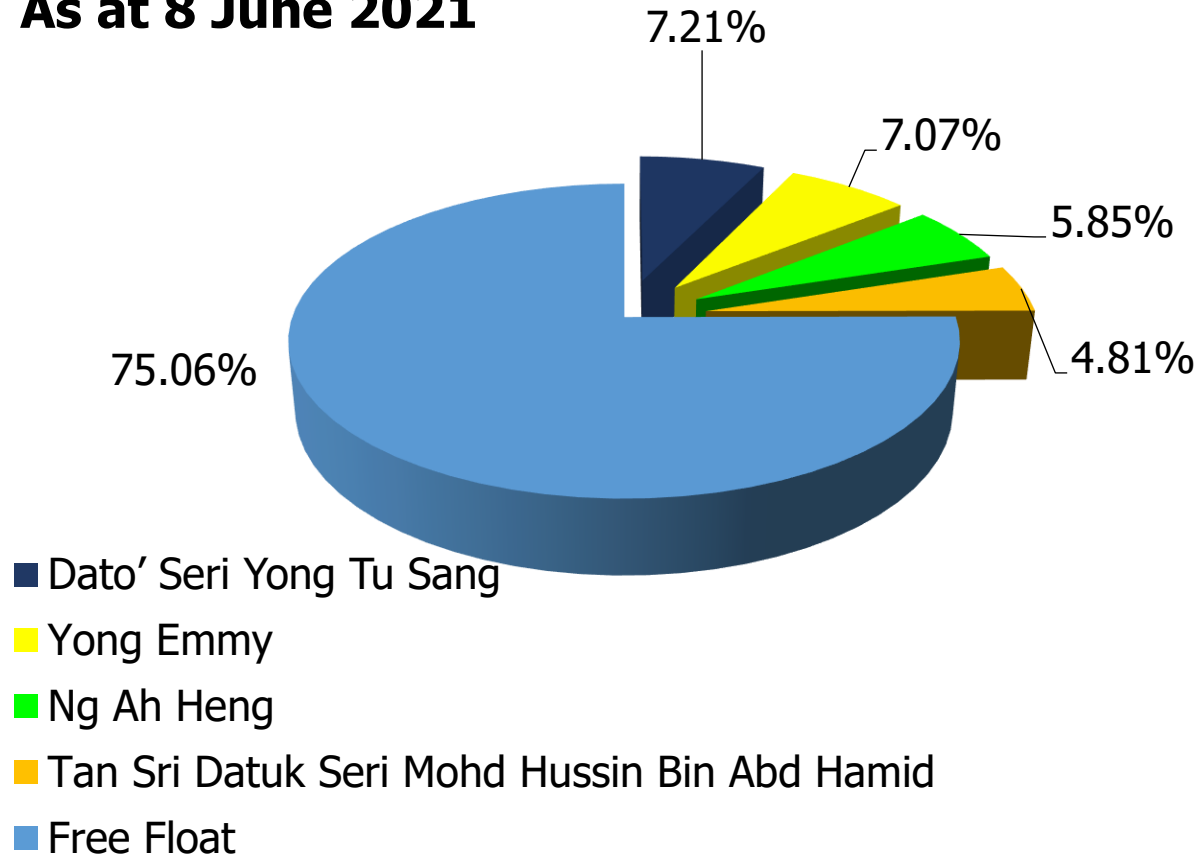


**Note:**

As at 11 May 2021, Dato' Seri Yong Tu Sang collectively (direct and indirectly) owns 25.82% of the Company. The actively traded free float in the open market is 72.56% out from the total enlarged share capital of 155,478,588 ordinary shares.

# Ordinary Shares Shareholding Profile (After Private Placement of 10% New Shares)

**As at 8 June 2021**

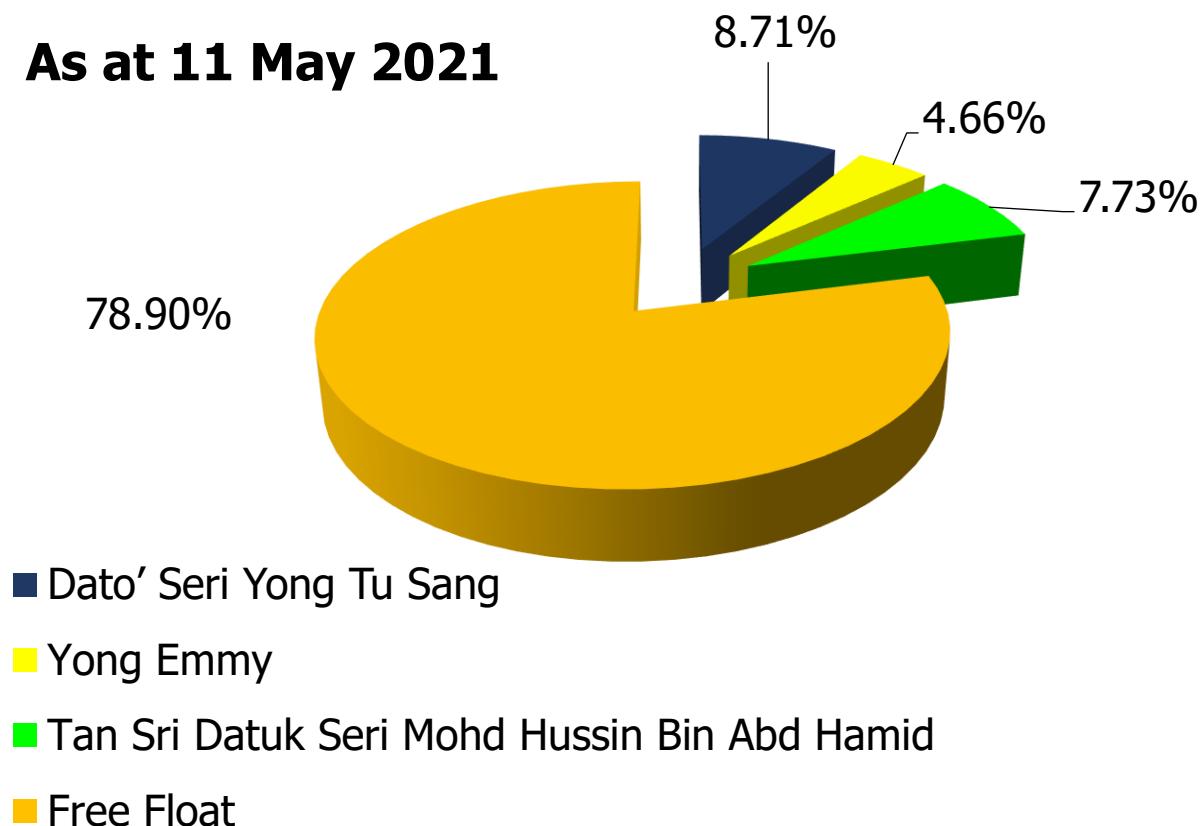


**Note:**

As at 8 June 2021, Dato' Seri Yong Tu Sang collectively (direct and indirectly) owns 23.48% of the Company. The actively traded free float in the open market is 75.06% out from the total enlarged share capital of 171,026,388 ordinary shares.

# Warrant holding Profile

**As at 11 May 2021**



**Note:**

As at 11 May 2021, Dato' Seri Yong Tu Sang collectively (direct and indirectly) owns 22.25% of the warrants of the Company. The actively traded free float in the open market is 78.90% out from the total enlarged share capital of 26,295,146 warrants.



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# Thank you

For more information, please refer to: <http://www.btmresources.com.my>





# Appendices

# Renewable Energy Power Plant



## Key Parameters assumed for the analysis of the economic viability of the Biomass Power Plant

PARAMETERS	BTM Biomass Products (10MWaC Biomass Power Plant)
Plant Capacity (tonnes per day)	312.00
Annual operational days	334.00
Annual plant availability (hours)	8,000.00
Installed capacity (MW)	12.00
Internal usage (MW)	2.00
Export capacity (MW)	10.00
FiT rate (RM/kWh)	0.3486
Finance Source	Equity (20%) Commercial Debt (80%)
Financing Interest Rate (%)	6.0%
Financing Tenure (years)	15.00
Corporate Tax Rate	24%
Inflation per annum:	Personnel (3%) Consumables (3%)
Depreciation period (years)	20.00
Owner	Malaysian Public Company
Contract type	EPCC
Concession Period (years)	21.00

# Summary of Biomass RE Power Plants In Malaysia



No	Company Name (Site Location)	Fuel	Power generated (MW)
1	Cash Horse (M) Sdn Bhd (Sandakan, Sabah)	EFB	12
2	FTJ Bio Power Sdn Bhd (Maran, Pahang)	EFB/palm oil waste	12.5
3	TSH Bio-energy Sdn Bhd (Tawau, Sabah)	Palm oil	10
4	Kina Biopower Sdn Bhd (Kota Kinabalu, Sabah)	EFB/palm oil	12
5	Maju Intan Biomass Energy Sdn Bhd (Teluk Intan, Perak)	EFB	12.5
6	Seguntor Bioenergy Sdn Bhd	EFB	13.5
7	Tenaga Sulpom Sdn Bhd (Dengkil, Selangor)	Palm oil	7
8	VibroPower Green Energy Sdn Bhd	EFB	12.5
9	Agni Power Sdn Bhd	EFB	13
10	Raub Energy Ventures (RE) Sdn Bhd (Raub, Pahang)	N/A	3.9
11	Majunaka Eco Energy Sdn Bhd (Padang Terap, Kedah)	Rice husk	10
12	Meru Energy Sdn Bhd (Kuantan, Pahang)	EFB	8
13	Ajil Biofuel Sdn Bhd (Batu Rakit, Terengganu)	Wood waste	2.4



# Financial Highlights

# Reported Yearly Financial Performance



Financial Year (s) ended 31 Dec (RM million)	Audited FY2017 (12 months)	Audited FY2018 (12 months)	Audited FY2019 (12 months)	Audited FY2020 (12 months)	Unaudited FY2021 (12 months)
Revenue	12.763	15.552	9.413	8.366	7.978
<b>Gross Profit/(Loss)</b>	<b>0.963</b>	<b>2.207</b>	<b>(2.904)</b>	<b>(3.276)</b>	<b>(2.871)</b>
<b>(+) Add : Other Income</b>	2.314	0.315	1.183	2.858	0.794
<b>(-) Minus : Distribution Expenses</b>	(0.721)	(1.032)	(0.909)	(0.616)	(0.600)
<b>(-) Minus : Administrative Expenses</b>	(3.609)	(3.498)	(3.459)	(3.447)	(3.617)
<b>(-) Minus : Other Operating Expenses</b>	-	(0.003)	(0.009)	(0.008)	-
<b>(-) Minus : Finance costs</b>	(0.445)	(0.342)	(0.432)	(0.287)	(0.150)
<b>Profit/(Loss) Before Tax</b>	<b>(1.498)</b>	<b>(2.352)</b>	<b>(6.530)</b>	<b>(4.777)</b>	<b>(6.444)</b>
<b>Profit/(Loss) After Tax</b>	<b>(0.827)</b>	<b>(2.605)</b>	<b>(6.453)</b>	<b>(4.203)</b>	<b>(6.444)</b>
Net Profit/Loss Attributable to Owners of the Company	(0.821)	(2.600)	(6.448)	(4.198)	(6.442)

# Summary of Financial Position



(RM million)	Audited as at 31 Dec 2017	Audited as at 31 Dec 2018	Audited as at 31 Dec 2019	Audited as at 31 Dec 2020	Unaudited as at 31 Dec 2021
Current Assets	10.202	9.977	8.003	7.048	<b>8.818</b>
Current Liabilities	7.035	7.665	11.959	12.020	<b>16.023</b>
<i>Current Ratio</i>	<b>1.45 times</b>	<b>1.30 times</b>	<b>0.67 times</b>	<b>0.59 times</b>	<b>0.55 times</b>
Short Term Debt	1.240	1.329	1.413	1.200	<b>0.201</b>
Long Term Debt	2.944	1.794	0.419	0.060	<b>0.033</b>
Total Debt	<b>4.184</b>	<b>3.123</b>	<b>1.832</b>	<b>1.260</b>	<b>0.234</b>
Total Cash (Cash + FD + Short-Term Investment)	0.987	0.604	0.813	1.877	<b>1.180</b>
Net Cash / (Net Debt)	(3.197)	(2.519)	(1.019)	0.617	<b>0.946</b>
Total Equity	28.859	28.512	22.568	22.125	<b>18.342</b>
<i>Total Debt / Total Equity</i>	<b>14%</b>	<b>11%</b>	<b>8%</b>	<b>6%</b>	<b>1%</b>
<i>Net Debt / Total Equity</i>	<b>11%</b>	<b>9%</b>	<b>4%</b>	<b>N/A</b>	<b>N/A</b>

# Summary of Financial Liquidity



	Audited	Audited	Audited	Audited	Unaudited
Y-o-Y Comparison (RM million)	FY2017 (12 months)	FY2018 (12 months)	FY2019 (12 months)	FY2020 (12 months)	FY2021 (12 months)
Net cash flows from/(used in) operating activities	(0.215)	0.171	1.935	(2.570)	(2.207)
Net cash flows from/(used in) investing activities	(0.948)	(1.370)	(0.140)	2.318 <sup>(1)</sup>	(0.058)
Net cash flows from/(used in) financing activities	(0.628)	0.816	(1.594)	1.308 <sup>(2)</sup>	1.5630 <sup>(2)</sup>
Net increase/(decrease in) cash and cash equivalent	<b>(1.791)</b>	<b>(0.383)</b>	<b>0.201</b>	<b>1.057</b>	<b>(0.702)</b>
Cash and cash equivalent at beginning of the year	2.557	0.766	0.377	0.579	1.636
Cash and cash equivalent at end of the year	<b>0.766</b>	<b>0.377</b>	<b>0.579</b>	<b>1.636</b>	<b>0.934</b>

## Notes:

- (1) In FY2020 investing activities, there was net proceeds from compulsory acquisition of short-term leasehold land by government with amount of RM2.436 million.
- (2) In FY2020 & FY2021 financing activities, there was proceeds from issuance of shares net share issue expenses with amount of RM2.071 million and RM2.661 million respectively.

# Private Placement Completed as of 8 June 2021



On behalf of the Board of Directors of BTM, M&A Securities Sdn Bhd is pleased to announce that the Private Placement has completed following the listing of the 15,547,800 Placement Shares on the Main Market of Bursa Malaysia Securities Berhad on 8 June 2021.

Total Placement Proceeds raised = 15,547,800 Placement Shares x RM0.182 Issue Price  
= RM2,829,700

## Private Placement: Utilisation of Proceeds (Illustrative Purpose)

For illustrative purposes, the placement proceeds to be raised from the Proposed Private Placement of RM3,137,546 (based on the Indicative Issue Price) are expected to be utilised by BTM and its subsidiaries ("**BTM Group**" or "**Group**") in the following manner:

Details	Notes	Amount RM'000	#Expected timeframe for utilisation of proceeds
General working capital	(a)	2,988	Within 12 months
Estimated expenses for the Proposed Private Placement	(b)	150	Within 1 month
<b>Total</b>		<b>3,138</b>	

### Notes:

- # From the listing date of Placement Shares on the Main Market of Bursa Securities.
- (a) The Company intends to utilise up to RM2.99 million of the proceeds for the working capital requirements of its day-to-day operations. The breakdown of which are as follows:

No.	Description	RM'000
(i)	Purchase of raw materials (i.e. timber, wood waste, sawdust, glue and paint)	1,828
(ii)	Staff related expenses	600
(iii)	Utilities charges	360
(iv)	Sales & distribution expenses (i.e. freight, forwarding charges and transportation)	200
<b>Total</b>		<b>2,988</b>



# BTM & PMINT Lease Agreement Details

# BTM entered into a Lease Agreement with PMINT



## Introduction

The Board of Directors of BTM (**“Board”**) wishes to announce BTM Biomass Products Sdn Bhd (**“BTMBP”**), a wholly-owned subsidiary of BTM, has entered into a lease agreement dated 12 December 2021 with Perbadanan Memajukan Iktisad Negeri Terengganu (**“PMINT”**) for the term of 30 years (**“Lease Agreement”**) for the lease of 20 acres out of 80 acres (323,748.514 square metres) of vacant parcel of industrial leasehold land identified by the State Government of Terengganu via the Majlis Mesyuarat Kerajaan Negeri held on 12 April 2021 as Plot 1, Kawasan Perindustrian Teluk Kalong, Mukim Hulu Chukai, Kemaman, Terengganu Darul Iman (**“Teluk Kalong Land”**)(**“Proposed Lease”**).

## Details of the Proposed Lease

On 2 July 2020, BTM had announced that BTMBP has obtained the feed-in approval from the Sustainable Energy Development Authority (**“SEDA”**) dated 1 July 2020, pursuant to the Renewable Energy Act 2011, to build and operate a renewable electrical power plant with a capacity to supply 10 megawatts (**“MW”**) per hour of electricity to Tenaga Nasional Berhad (**“TNB”**) under its Feed-in Tariff system for a period of 21 years commencing no later than 23 January 2023 (**“Renewable Energy Business”**).

# BTM entered into a Lease Agreement with PMINT (Cont'd)



## Details of the Proposed Lease

On 23 July 2020, BTMBP and TNB had entered into the renewable energy power purchase agreement for a Feed-in-Tariff (“FiT”) concession period of 21 years for electricity to be generated from its 10 MW biomass renewable electrical power plant and related facilities on the Teluk Kalong Land (“Power Plant”).

In conjunction with the Renewable Energy Business, BTMMP and PMINT had on 12 December 2021 entered into Lease Agreement for the lease of the 20 acres of the Teluk Kalong Land for a lease consideration of RM3,965,919 to be fully satisfied by cash (“Phase 1 Lease Consideration”).

The Proposed Lease shall be divided into 3 phases, namely the following:

<u>Phase</u>	<u>Size of land (acres)</u>	<u>Lease consideration (RM)</u>
1	20 <sup>(1)</sup>	3,965,919
2	30 <sup>(2)</sup>	5,948,879
3	30 <sup>(2)</sup>	5,948,879
<b>Total</b>	<b>80</b>	<b>15,863,677</b>

(the lease consideration for Phase 1, Phase 2 and Phase 3 shall be collectively known as “Total Lease Consideration”)

# BTM entered into a Lease Agreement with PMINT (Cont'd)



## Details of the Proposed Lease

### Notes:

The construction of the Power Plant shall be undertaken on Phase 1, which shall also be utilised for the purpose of storing, warehousing, processing, distribution of raw materials, industrial products and accommodation for employees working at the Power Plant.

For the purpose of leasing the Teluk Kalong Land, the parties also agreed that 3 separate lease agreements for Phase 1, Phase 2 and Phase 3, respectively, will be signed together with the Lease Form (Form 15A of the National Land Code 1965 (“NLC”)). The lease agreements for Phase 2 and Phase 3 will only be signed when the terms and conditions of the respective lease agreement are finalised.

PMINT has obtained approval from the State Government of Terengganu via the Majlis Mesyuarat Kerajaan Negeri on 8 September 2021 allowing BTMBP to charge on the lease of a portion of 20 acres (Phase 1) out of the 80 acres of the Teluk Kalong Land after issuance of a separate qualified title to the 20 acres of the Teluk Kalong Land in order to obtain financing from the relevant financial institutions for the purpose of developing the Teluk Kalong Land.

# BTM entered into a Lease Agreement with PMINT (Cont'd)



## Payment for the Lease Period and Land Tax

In consideration of the leasing of the Teluk Kalong Land for 30 years, BTMBP shall make payment to PMINT for the Lease Consideration in the following manner:

Phase	Area (acres)	Milestone	Total	
1	20	• Upon signing of the Lease Agreement	43%	1,705,112.10
		• Payment shall be made within 7 days upon the issuance of the leasehold title of the Teluk \$ Kalong Land in favour of PMINT	57%	2,260,807.20
2	30	• Upon signing of the Lease Agreement	5%	297,443.95
		• Payment shall be made within two (2) years after the issuance of Leasehold Title.	95%	5,651,435.00
		• Confirmation to commence Phase 2 and Phase 3 must be made before or in March 2024.		
		• The total lease payment for the Lease Agreement for the purposes of Phases 1, 2, and 3 shall be made before or in March 2025.		
3	30	• Upon signing of the Lease Agreement	5%	297,443.95
		• Payment shall be made within two (2) years after the issuance of Leasehold Title.	95%	5,651,435.00
		• Confirmation to commence Phase 2 and Phase 3 must be made before or in March 2024.		
		• The total lease payment for the Lease Agreement for the purposes of Phases 1, 2, and 3 shall be made before or in March 2025.		

□

For more information, please download the company announcement at

[https://www.bursamalaysia.com/market\\_information/announcements/company\\_announcement/announcement\\_details?ann\\_id=3218365](https://www.bursamalaysia.com/market_information/announcements/company_announcement/announcement_details?ann_id=3218365)

# BTM entered into a Lease Agreement with PMINT (Cont'd)



## Background information of the Teluk Kalong Land

The Teluk Kalong Land is located at Kawasan Perindustrian Teluk Kalong, Kemaman, Terengganu and is within 3.8 kilometres from the TNB's main distribution substation ("PPU") which serves as the main inter-connection grid point for the Power Plant. **The close proximity of the Teluk Kalong Land to the PPU and feedstock supply in the vicinity makes it an ideal location to construct the Power Plant.**

The following diagram depicts the location of the Teluk Kalong Land:



# BTM entered into a Lease Agreement with PMINT (Cont'd)



## Background information of the Teluk Kalong Land

A parcel of vacant 80 acres of land was identified and delineated out from a vacant parcel of leasehold land at Kawasan Perindustrian Teluk Kalong, Mukim Hulu Chukai, Kemaman, Terengganu Darul Iman with the following details and information: -

Terms	Details
Title details	: H.S.(D) 9351, No. PT 8927, Mukim Hulu Cukai, Daerah Kemaman, Negeri Terengganu
Registered owner	: PMINT
Tenure	: Leasehold of 99 years ending on 24 November 2120
Total Land area	: measuring approximately 2,164,700 sq. metres
Existing and proposed use	: Vacant land, proposed for the construction of the Power Plant
Encumbrances	: Nil
Category of land use	: Industrial
Expressed conditions	: Shall be used for the construction of factories and erect until completion of buildings connected therewith. Within two years from the date of allotment or within an extended period approved by the Director General of Lands and Mines Terengganu shall be used for a factory and erect until complete completion of the building associated therewith only in accordance with the plan approved by the Local Authority.
Restriction-in-interest	: Not allowed to transfer, mortgage or lease unless permission is obtained from the State Authority. The above restriction of interest is not subject to PMINT for the purpose of leasing only

□

# BTM entered into a Lease Agreement with PMINT (Cont'd)



## Overview of the Renewable Energy Business

The salient features of the Feed-in approval obtained by SEDA are as follows:

Effective period	: 21 years (commencing from the FiT commencement date on 23 January 2023)
Scheduled FiT commencement date	: 23 January 2023
FiT rate (RM/kWh)	: 0.3486
Installed capacity	: 12.00 MW
Net export capacity	: 10.00 MW
Declared annual availability	: BTMPP shall ensure that its renewable energy installation meets an annual minimum performance threshold of no less than 35.0% of the following declared annual availability for each year during the effective period:

<b>Year</b>	<b><u>Declared annual availability (MW/hour)</u></b>
2023	75,178.0822
2024 to 2043	80,000 per year
2044	4,821.9178

The total FiT that BTMPP is entitled to receive in each year during the effective period shall be limited to the total FiT payable to it for the renewable energy generated up to the declared annual availability of the applicable year as specified in the table above.

Distribution licensee	: TNB
Renewable resources	: Biomass

# BTM entered into a Lease Agreement with PMINT (Cont'd)



## Basis and Justification of the Lease Consideration

The Lease Consideration was arrived at based on a willing-buyer willing-seller basis after taking into account the following:-

1. Estimated market value ascribed by the valuer appointed, namely Laurelcap Sdn Bhd (“Valuer”) with the market value of RM17,000,000 using the comparison approach method of valuation. The Lease Consideration represents a discount of approximately 6.68% to the market value of the Teluk Kalong Land;
2. the rationale for the Proposed Lease; and
3. the prospects and outlook of the renewable energy industry and biomass market in Malaysia as well as the timber plantation industry in Malaysia.

## Source and Breakdown of Funding

The Lease Consideration will be fully funded via the internally generated funds, equity fundraising and/or bank borrowings to be undertaken, the breakdown of which has not been determined at this juncture.

# BTM entered into a Lease Agreement with PMINT (Cont'd)



## Liabilities to be assumed and estimated financial commitments

There are no other liabilities to be assumed by BTM arising from the Proposed Lease. On 23 November 2020, BTMPP has awarded the engineering, procurement, construction and commissioning (“EPCC”) works in relation the development of the Power Plant to Samaiden Sdn Bhd (“SSB”), a wholly-owned subsidiary of Samaiden Group Berhad, for the total contract sum of RM115.60 million. The scope of work includes the EPCC, reliability test, remedy of defect during the defect liability period and provision of all equipment, both permanent works and temporary works in connection with the Project (“Works”).

## Rationale and Benefits of the Proposed Lease

The Proposed Lease is undertaken to construct and build the Power Plant. This is in line with the Group’s strategies to diversify its income streams into other businesses with promising growth prospects to supplement BTM’s existing businesses and to mitigate the risks of relying on current ongoing businesses.

The Teluk Kalong Land is located at Kawasan Perindustrian Teluk Kalong, Kemaman, Terengganu and is within 3.8 kilometres from the TNB’s main distribution substation (“PPU”) which serves as the main inter-connection grid point for the Power Plant. The close proximity of the Teluk Kalong Land to the PPU and feedstock supply in the vicinity makes it an ideal location to construct the Power Plant.

# BTM entered into a Lease Agreement with PMINT (Cont'd)



## Effects of the Proposed Lease

### Share Capital

The Proposed Lease will not have any effects on the issued share capital of the Company as no new ordinary shares shall be issued for the satisfaction of the Lease Consideration.

### Earnings and earnings per share (“EPS”)

The Proposed Lease is not expected to have immediate material effect on the consolidated earnings of the Group for the financial year ending (“FYE”) 31 December 2021 as the Proposed Lease is only expected to be completed in the first half of 2022. Nevertheless, the Proposed Lease, if implemented, are expected to contribute positively to the long-term future earnings of the Group.

### Substantial shareholders’ shareholdings

The Proposed Lease would not have any impact on the substantial shareholders’ shareholdings of BTM as there will not be any issuance of securities towards the satisfaction of the Lease Consideration.

# BTM entered into a Lease Agreement with PMINT (Cont'd)



## Effects of the Proposed Lease

### Net Assets (“NA”) and Gearing

Based on the audited consolidated financial statements of BTM as at 31 December 2020, the pro forma effects of the Proposed Lease on the consolidated NA and gearing position of BTM are shown below:

	<b>Audited as at 31 December 2020</b>	<b>(a)Subsequent events</b>	<b>After Proposed Lease</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Share capital	31,299	34,129	34,129
Revaluation reserves	20,714	20,714	20,714
Capital reserves	119	119	119
Warrant reserve	3,602	3,602	3,602
Accumulated losses	(33,601)	<sup>(b)</sup> (33,770)	(33,770)
<b>Net assets</b>	<b>22,133</b>	<b>24,794</b>	<b>24,794</b>
Non-controlling interest	(8)	(8)	(8)
<b>Total equity</b>	<b>22,125</b>	<b>24,786</b>	<b>24,786</b>
No. of Shares ('000)	155,479	171,026	171,026
NA per Share (RM) <sup>(c)</sup>	0.14	0.14	0.14
Interest bearing borrowings (RM'000)	1,260	1,260	1,260
Gearing (times)	0.06	0.05	0.05

# BTM entered into a Lease Agreement with PMINT (Cont'd)



## Effects of the Proposed Lease

### Net Assets (“NA”) and Gearing

#### Notes:

1. After incorporating the completion of the Issuance of 15,547,800 new ordinary shares in BTM (“BTM Shares” or “Shares”) at the issue price of RM0.182 per Share pursuant to private placement exercise, which was completed on 7 June 2021.
2. After deducting estimated expenses of RM169,000 for the private placement exercise.
3. Computed by taking the total NA of the Group divided by the number of Shares in issuance.

### Estimated Timeframe for Completion

Barring any unforeseen circumstances and subject to all approvals being obtained, if any the Proposed Lease are expected to be completed by the first half of 2022.

# BTM entered into a Lease Agreement with PMINT (Cont'd)



## Effects of the Proposed Lease

### Approvals Required

The Proposed Lease are subject to the following approvals being obtained:

1. approval of the shareholders of BTM at an extraordinary general meeting (“EGM”) to be convened; and
2. any other relevant authorities and/or parties, if required.

The Proposed Lease is not conditional upon any other corporate proposals undertaken by BTM (if any).



# Supply Agreement

# Supply Agreement #1

BTM Biomass Products Sdn Bhd & BTM Timber Industries Sdn Bhd



## Introduction

The Board of Directors of BTM Resources Berhad (“BTM” or “the Company”) wishes to announce that BTM Biomass Products Sdn. Bhd. [Registration No. 199701034582 (450081-D)] (“BTMBP”), a wholly-owned subsidiary of BTM has on 20 January 2022 entered into a Supply Agreement with BTM Timber Industries Sdn. Bhd. [Registration No. 197301001593 (15121-W)] (“BTMTI”), for the purchase of wood waste products comprising of primary or by-products to be used as biomass such as sawdust, wood chips, wood scrap, bark, slab and other raw materials excluding leaves and/or other foreign elements (“Wood Waste Products”) over a period of twenty one (21) years from 23 January 2023.

## Salient Features of Supply Agreement

### Information on BTMTI

BTMTI was incorporated in Malaysia as a private limited company under the Companies Act 1965 on 20<sup>th</sup> July 1973. The principal activities of BTMTI are investment holding, logging, sawmilling and trading of sawn timber and logs.

# Supply Agreement #1 (Cont'd)

BTM Biomass Products Sdn Bhd & BTM Timber Industries Sdn Bhd



## Salient Features of Supply Agreement

### Supply of Wood Waste Products

BTMTI shall supply to BTMBP fifty (50) tonnes of Wood Waste Products per day. BTMTI shall commence the supply of Wood Waste Products from 23 January 2023 and shall continue for a period of twenty one (21) years or until earlier terminated in accordance with the provisions of the Supply Agreement (“Term”).

### Price of Wood Waste Products

The price of the Wood Waste Products to be supplied during the Term shall be fixed at maximum of Ringgit Malaysia Ninety (RM90.00) only per tonne.

## The Sources of Funds for the Purchase of Wood Waste Products

BTMBP will finance the purchase of the Wood Waste Products through internally generated funds.

# Supply Agreement #1 (Cont'd)

BTM Biomass Products Sdn Bhd & BTM Timber Industries Sdn Bhd



## Rationale for the Supply Agreement

1. BTMBP has obtained the feed-in approval from the Sustainable Energy Development Authority (“SEDA”) dated 1 July 2020, pursuant to the Renewable Energy Act 2011, to finance, design, supply, build, own, operate and maintain a renewable electrical power plant with a capacity to supply 10 megawatts (“MW”) per hour of electricity (“Biomass Power Plant”) to Tenaga Nasional Berhad (“TNB”) under its Feed-in-Tariff (“FiT”) system for a period of 21 years commencing no later than 23 January 2023 (“Biomass Energy Business”). The scheduled FiT commencement date of the Biomass Power Plant shall not be later than 23 January 2023.

2. On 23 July 2020, BTMBP and TNB had entered into the renewable energy power purchase agreement for a FiT concession period of 21 years for electricity to be generated from its Biomass Power Plant to be constructed and situated at Lot 153-C, Mukim Hulu Chukai, Teluk Kalong, Mukim of Chukai, Terengganu Darul Iman.

3. The Supply Agreement will ensure adequate supply of raw materials or feedstock to sustain the Biomass Power Plant throughout the renewable energy power purchase agreement for the FiT concession period of 21 years.

# Supply Agreement #1 (Cont'd)

BTM Biomass Products Sdn Bhd & BTM Timber Industries Sdn Bhd



## Financial Effects

The Supply Agreement will have no effect on the issued and paid-up capital, substantial shareholders' shareholdings and gearing of BTM Group. The Supply Agreement is expected to contribute positively towards the earnings for the financial year ending 31 December 2023 and onwards.

## Approval Required

In view of the interests of the Interested Directors and Interested Shareholders set out in Section 8 below, the Supply Agreement is deemed a related party transaction and the Company will seek the approval of its shareholders for this transaction under the shareholders' mandate at an Extraordinary General Meeting to be convened.

# Supply Agreement #2

BTM Biomass Products Sdn Bhd & SPPT Development Sdn Bhd



## Introduction

The Board of Directors of BTM Resources Berhad (“BTM” or “the Company”) wishes to announce that BTM Biomass Products Sdn. Bhd. [Registration No. 199701034582 (450081-D)] (“BTMBP”), a wholly-owned subsidiary of BTM has on 20 January 2022 entered into a Supply Agreement with SPPT Development Sdn. Bhd. (Registration No. 198401012504 (125060-D)] (“SPPT”), for the purchase of wood waste products comprising of primary or by-products to be used as biomass such as sawdust, wood chips, wood scrap, bark, slab and other raw materials excluding leaves and/or other foreign elements (“Wood Waste Products”) over a period of twenty one (21) years from 23 January 2023.

## Salient Features of Supply Agreement

### Information on SPPT

SPPT was incorporated in Malaysia as a private limited company under the Companies Act 1965 on 16th August 1984. The principal activities of SPPT are selling of logs and wood and forest replantation.

# Supply Agreement #2 (Cont'd)

BTM Biomass Products Sdn Bhd & SPPT Development Sdn Bhd



## Salient Features of Supply Agreement

### Supply of Wood Waste Products

SPPT shall supply to BTMBP two hundred and fifty (250) tonnes of Wood Waste Products per day. SPPT shall commence the supply of Wood Waste Products from 23 January 2023 and shall continue for a period of twenty one (21) years or until earlier terminated in accordance with the provisions of the Supply Agreement (“Term”).

### Price of Wood Waste Products

The price of the Wood Waste Products to be supplied during the Term shall be fixed at maximum of Ringgit Malaysia Ninety (RM90.00) only per tonne.

## The Sources of Funds for the Purchase of Wood Waste Products

BTMBP will finance the purchase of the Wood Waste Products through internally generated funds.

# Supply Agreement #2 (Cont'd)

BTM Biomass Products Sdn Bhd & SPPT Development Sdn Bhd



## Rationale for the Supply Agreement

1. BTMBP has obtained the feed-in approval from the Sustainable Energy Development Authority (“SEDA”) dated 1 July 2020, pursuant to the Renewable Energy Act 2011, to finance, design, supply, build, own, operate and maintain a renewable electrical power plant with a capacity to supply 10 megawatts (“MW”) per hour of electricity (“Biomass Power Plant”) to Tenaga Nasional Berhad (“TNB”) under its Feed-in-Tariff (“FiT”) system for a period of 21 years commencing no later than 23 January 2023 (“Biomass Energy Business”). The scheduled FiT commencement date of the Biomass Power Plant shall not be later than 23 January 2023.
2. On 23 July 2020, BTMBP and TNB had entered into the renewable energy power purchase agreement for a FiT concession period of 21 years for electricity to be generated from its Biomass Power Plant to be constructed and situated at Lot 153-C, Mukim Hulu Chukai, Teluk Kalong, Mukim of Chukai, Terengganu Darul Iman.
3. The Supply Agreement will ensure adequate supply of raw materials or feedstock to sustain the Biomass Power Plant throughout the renewable energy power purchase agreement for the FiT concession period of 21 years.

# Supply Agreement #2 (Cont'd)

BTM Biomass Products Sdn Bhd & SPPT Development Sdn Bhd



## Financial Effects

The Supply Agreement will have no effect on the issued and paid-up capital, substantial shareholders' shareholdings and gearing of BTM Group. The Supply Agreement is expected to contribute positively towards the earnings for the financial year ending 31 December 2023 and onwards.

## Approval Required

In view of the interests of the Interested Directors and Interested Shareholders set out in Section 8 below, the Supply Agreement is deemed a related party transaction and the Company will seek the approval of its shareholders for this transaction under the shareholders' mandate at an Extraordinary General Meeting to be convened.



# Multiple Proposals

- (A) PROPOSED SUBLEASE;
- (B) PROPOSED DIVERSIFICATION;
- (C) PROPOSED RIGHTS ISSUE WITH WARRANTS-C; AND
- (D) PROPOSED LTIP

# Multiple Proposals



## Introduction

On behalf of the Board of Directors of BTM (**“Board”**), M&A Securities Sdn Bhd (**“M&A Securities”**) wishes to announce the following:

- (a) proposed sublease of approximately 2,255.33 hectares (5,572.912 acres) of secondary forest land identified as Block 10 (Lot Nos. 28 to 31) and Block 11A (Lot No. 32) located in Mukim of Tebak/Bandi, District of Kemaman, Terengganu Darul Iman for a period of approximately 63 years expiring on 31 December 2084 (**“Sublease Term”**) (**“Plantation Lands”**) from SPPT Development Sdn Bhd (**“SPPT”**) for a total sublease consideration of RM24,700,000 (**“Sublease Consideration”**) (**“Sublease Agreement”**) (**“Proposed Sublease”**);
- (b) proposed renounceable rights issue of new ordinary shares in BTM (**“Rights Shares”**) together with free detachable warrants (**“Warrants-C”**) to raise minimum gross proceeds of RM60.0 million and maximum gross proceeds of up to RM88.80 million (**“Proposed Rights Issue with Warrants-C”**);
- (c) proposed diversification of the business of BTM and its subsidiaries (**“BTM Group”** or the **“Group”**) into the renewable energy business including the construction and operations of biomass power plant (**“Proposed Diversification”**); and
- (d) proposed establishment and implementation of a long-term incentive plan (**“LTIP”**) of up to 15.0% of the Company’s total issued share capital (excluding treasury shares) at any point in time over the duration of the LTIP for eligible directors of BTM (**“Directors”**) and employees of BTM Group (excluding dormant subsidiaries) (**“Employees”**) (**“Proposed LTIP”** or **“Scheme”**). The Proposed LTIP comprises of an executive share grant scheme (**“Proposed ESGS”**) and an employees’ share option scheme (**“Proposed ESOS”**).

# Multiple Proposals: Proposed Sublease



## Proposed Sublease

On 20 January 2022, BTM Biomass Products Sdn Bhd (“BTMBP”), a wholly-owned subsidiary of the Company, had entered into a conditional sublease agreement with SPPT in respect of the assignment of all SPPT’s rights, interest and title in and to the Plantation Lands to BTMBP for a total sublease consideration of RM24,700,000 payable upfront in cash (“**Sublease Agreement**”).

The Proposed Sublease involves the sublease of approximately 2,255.33 hectares (approximately 5,572.912 acres) identified as Block 10 (Lot Nos. 28 to 31) and Block 11A (Lot No. 32) within the Chenderong Concession(1) and located in Mukim Of Tebak/Bandi, District of Kemaman, Terengganu Darul Iman for a period of approximately 63 years expiring on 31 December 2084. The Proposed Sublease is undertaken as part of the Group’s venture into the Biomass Energy Business (as defined hereunder), the details of which are set out below.

### **Note:**

(1) By a concession made pursuant to the Concession Enactment (Terengganu) No. 3 of 1344 by way of any deed of gift, grant or lease made by the Sultan of Terengganu, the piece of land which was granted by Seri Paduka Al-Sultan Zainal Abidin was coined as “Chenderong Concession” for ease of identification as the delineated land was bordering the Chenderong River.

# Multiple Proposals: Proposed Sublease



## Proposed Sublease

On 2 July 2020, BTM announced that BTMBP has obtained the feed-in approval from the Sustainable Energy Development Authority (“SEDA”) dated 1 July 2020, pursuant to the Renewable Energy Act 2011, to finance, design, supply, build, own, operate and maintain a renewable electrical power plant with a capacity to supply 10 megawatts (“MW”) per hour of electricity to Tenaga Nasional Berhad (“TNB”) under its Feed-in Tariff (“FiT”) system for a period of 21 years commencing no later than 23 January 2023 (“**Biomass Energy Business**”). The scheduled FiT commencement date of the Biomass Power Plant shall not be later than 23 January 2023.

On 23 July 2020, BTMBP and TNB had entered into the renewable energy power purchase agreement (“REPPA”) for a FiT concession period of 21 years for electricity to be generated from its 10 MW biomass renewable electrical power plant to be constructed and situated at Lot 153-C, Mukim Hulu Chukai, Teluk Kalong, Mukim of Chukai, Terengganu Darul Iman (“**Biomass Power Plant**”).

In conjunction with the Biomass Energy Business, BTMBP and Perbadanan Memajukan Iktisad Negeri Terengganu (“PMINT”) had on 12 December 2021 entered into lease agreement for the lease of a piece of leasehold industrial land measuring a total 20 acres out of 80 acres (323,748.514 square metres) of vacant parcel of industrial leasehold land in area within the vicinity of the Lot 153-C, Teluk Kalong in the Mukim of Hulu Cukai, District of Kemaman, Terengganu Darul Iman (“**Teluk Kalong Land**”) for a lease consideration of RM3,965,919 to be fully satisfied by cash (“**Lease Consideration for Phase 1**”) (“**Proposed Lease of Teluk Kalong Land**”). The Proposed Lease of Teluk Kalong Land shall be divided into 3 phases, namely the following:

# Multiple Proposals: Proposed Sublease



## Proposed Sublease

<u>Phase</u>	<u>Size of land (acres)</u>	<u>Lease consideration (RM)</u>
1	20 <sup>(1)</sup>	3,965,919
2	30 <sup>(2)</sup>	5,948,879
3	30 <sup>(2)</sup>	5,948,879
<b>Total</b>	<b>80</b>	<b>15,863,677</b>

### Notes:

- (1) The construction of the Biomass Power Plant shall be undertaken on Phase 1 of the Teluk Kalong Land, which shall also be utilised for the purpose of storing, warehousing, processing, distribution of raw materials, industrial products and accommodation for employees working at the Biomass Power Plant.
- (2) For the purpose of leasing the Teluk Kalong Land, the parties also agreed that 3 separate lease agreements for Phase 1, Phase 2 and Phase 3, respectively, will be signed together with the Lease Form (Form 15A of the National Land Code 1965 (“NLC")). The lease agreements for Phase 2 and Phase 3 will only be signed when the terms and conditions of the respective lease agreement are finalised. The Group has not finalised any development plans to be undertaken under Phase 2 and Phase 3 at the Teluk Kalong Land.

For avoidance of doubt, the Proposed Lease of Teluk Kalong Land with the Proposals shall require the approval of shareholders together at an extraordinary general meeting to be convened at a later date.

# Multiple Proposals: Proposed Sublease



## Proposed Sublease

BTMBP is undertaking the Proposed Sublease for the following purposes:

(a) undertake the plantation program of industrial timber plantation to grow fast growing Acacia mangium trees which will be planted within the Plantation Lands, which shall be managed and harvested on a rotation basis every 4 years as fuelwood supply for the Biomass Power Plant. The plantation program will be expected to span across a period of 34 years between 2022 to 2056, where the first felling will commence in 2026 and continued until 2056(1); and

### **Note:**

(1) The Biomass Power Plant will require the available feedstock supply of Acacia mangium of 350 tonnes per day to achieve optimum electricity power generation of between 8.1MW and 11.5MW. As the first felling from the areas under the Proposed Sublease will only commence in 2026, the Company is in the midst of discussion with several suppliers for the feedstock supply of Acacia mangium for the period of 2023 to 2026, where BTMBP shall enter into supply agreements with these feedstock suppliers.

(b) upon expiry of the REPPA for the FiT concession period of 21 years (i.e. 23 July 2044), BTMBP may undertake plantation program for other types of logs as well as timber planting and harvesting activities either for sale or as supply of fuelwood supply (such as wood pellets and wood chips) to other biomass power plants operated by other operators.

# Multiple Proposals: Proposed Sublease



## Proposed Sublease

### Background Information on BTMBP

BTMBP was incorporated in Malaysia on 15 October 1997 under the Companies Act, 1965 as a private limited company under the name of BTM Global Holdings Sdn. Bhd. On 6 November 2014, it changed its name from BTM Global Holdings Sdn Bhd to BTM Biomass Products Sdn Bhd. BTMBP is principally involved in the manufacturing and sale of wood pellets. As at the date of this announcement, the directors of BTMBP are Dato' Seri Yong Tu Sang and Datuk Woo Thin Choy.

### Background information on the SPPT

SPPT was incorporated in Malaysia on 16 August 1984 under the Companies Act, 1965 as a private limited company. It is principally involved in the selling of logs and woods and forest replantation. As at the date of this announcement, the issued share capital of SPPT is RM500,000. The sole Director of SPPT is Dato' Seri Yong Tu Sang, whilst the shareholders of SPPT are as follows:

<u>Names</u>	<u>Nationality</u>	<u>No. of shares</u>	<u>%</u>
Dato' Seri Yong Tu Sang	Malaysian	149,999	30.0
Yong Ellen	Malaysian	350,001	70.0
	<b>Total</b>	<b>500,000</b>	<b>100.0</b>

# Multiple Proposals: Proposed Sublease



## Proposed Sublease

### Background Information of the Plantation Lands

The whole of Chenderong Concession (where the Plantation Lands are situated at) is a parcel of land in the Mukim of Tebak/Bandi, District of Kemaman, Terengganu measuring approximately 63,448 acres (equivalent to 25,676.495 hectares). The whole Chenderong Concession is made up of 20 blocks comprising 76 lots. Its border runs along the Kemaman river with the Sungai Nipah Forest Reserve to its west and the Cherul Forest Reserve to its east. The Chenderong Concession is situated about 45 kilometres west of the Chukai town and about 90 kilometres of Kuantan town. The details of the Plantation Lands are as follows:

Terms	Details
Identification	Block 10 (Lot Nos. 28 to 31) and Block 11A (Lot No. 32)
Mukim/District/State	Tebak / Bandi, Kemaman, Terengganu
Term	Lease for a period of 99 years expiring on 31st December 2084 (unexpired lease term of 63 years). SPPT became the beneficial owner for a portion of the Chenderong Concession measuring over 38,924.01 acres by way of a Sub-Lease Agreement dated 23 August 1990 entered into between Tis 'Ata Ashar Sdn Bhd (" <b>TAA</b> ") and SPPT and Deed of Assignment dated 21 November 1995 entered into between TAA, Majlis Agama Islam dan Adat Melayu Terengganu (" <b>MAIDAM</b> ") and SPPT.

# Multiple Proposals: Proposed Sublease



## Proposed Sublease

Terms	Details		
Category of land use	Not stated. Although presently there are no land use stated, BTMBP is able to proceed with its proposed plantation program of <i>Acacia mangium</i> at the Plantation Lands and would not be in breach thereof.		
Expressed conditions	Not applicable. The Plantation Lands is however not subject to any express condition in the Sublease Agreement, or in the Chenderong Concession or by the Terengganu State Government that it must be planted with any specific agricultural crop or forest trees. The status of the land is that of a parcel of secondary forest land that is suitable for agricultural cultivation such as oil palm, durian or timber plantation.		
Restriction-in-interest	Not applicable		
Encumbrances	Nil		
Provisional land area	Details are as follows:		
	<b>Blocks (Lot)</b>	<b>Areas</b>	
		<b>Hectares</b>	<b>Acres</b>
	Block 10 (Lot Nos. 28 to 31)	1,825.930	4,511.873
	Block 11A (Lot No. 32)	429.396	1,061.039
	<b>Total</b>	<b>2,255.326</b>	<b>5,572.912</b>
Beneficial owner	SPPT		

# Multiple Proposals: Proposed Sublease



## Proposed Sublease

Terms	Details
Legal owner	MAIDAM ( <b>Note:</b> By virtue of the Terengganu Enactment No. 9 of 1963, the Chenderong Concession became vested in MAIDAM, which is a corporation established under Section 6 of the Administration of Islamic Land Enactment, 1955. Further, in the Royal Grant, the ownership and rights of control was transferred to MAIDAM)
Net book value	RM1,465,230 (based on the audited financial statements of SPPT as at 31 December 2019)
Production in past 3 years	Nil
Profit contribution or revenue and expense account of the estate for the past 3 years	Not available, as there were no cultivation activities performed at the Plantation Lands previously
Existing and proposed use	Currently no cultivation or plantation activities were undertaken at the Plantation Lands. BTMBP intends to undertake the plantation program of industrial timber plantation to grow fast growing <i>Acacia mangium</i> trees which will be planted within the Plantation Lands, managed and harvested on a rotation basis every 4 years as fuelwood supply for the Biomass Power Plant.



# Multiple Proposals: Proposed Sublease



## Proposed Sublease

The species *Acacia mangium* family Fabaceae is a species of flowering tree and is an exotic native in Queensland, Australia, Papua New Guinea and eastern Maluku islands. It is a tropical species that is capable of colonizing infertile sites. It grows well not only in cleared forest sites but also in degraded sites, such as weedy *Imperata* grasslands and mining sites. Important attributes of *Acacia mangium* include rapid early growth, good coppicing ability, suitable as raw material for pulp, timber and fuel, and tolerance of a range of soil types and pH levels. *Acacia mangium* is a popular wood for furniture, agriculture implements, crates, particleboard, and wood chips. It is also suitable for manufacturing charcoal briquettes and activated carbon. It is a common pulp and paper crop in Sumatra and Vietnam.

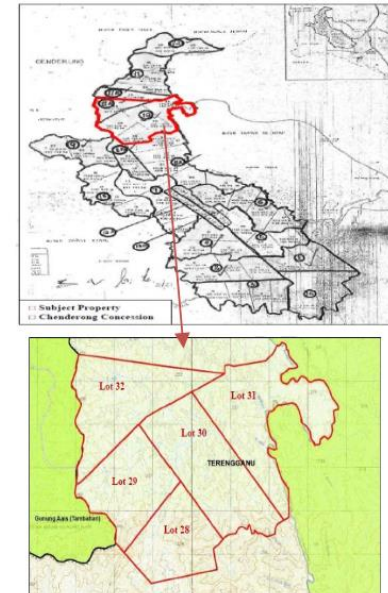
The *Acacia mangium* plantations will then be established on the subject 5 lots on a rotational basis with a staggered planting schedule lot by lot, commencing with planting on Lot No. 28 in year 2022, maintenance and upkeep for up to the end of the 4th year and harvesting after 4 years of growth in 2026. The cycle is then repeated. Similarly, Lot No. 29 will be planted in the year 2023 and Lot No. 30 in the year 2024 and so on. The cycle is then repeated for all the 5 lots on 4-year rotational cycles.

# Multiple Proposals: Proposed Sublease



## Proposed Sublease

The Plantation Lands comprises 2,255.33-hectares (5,572.91-acres) of secondary forest identified as Block 10 (Lot Nos. 28 to 31) and Block 11A (Lot No. 32) within the Chenderong Concession. Based on the existing vegetation, the Plantation Lands has been overgrown with wildings amongst others include *macaranga gigantea* (kubin), *neolamarckia cadamba* (kelempayan), *alstonia angustiloba* (pulai), *sapium baccatum* (ludai), *dicranopteris linearis* (resam), wild bamboos and herbaceous weeds. The areas of the Plantation Lands is located in the range of 66 to 86 metres above sea level (GPS readings). The terrain is level to slightly undulating, sloping from 10 to 30 degrees and well drained. To-date, there are no structures erected on the Plantation Lands. The location of the Plantation Lands within the Chenderong Concession are as follows:



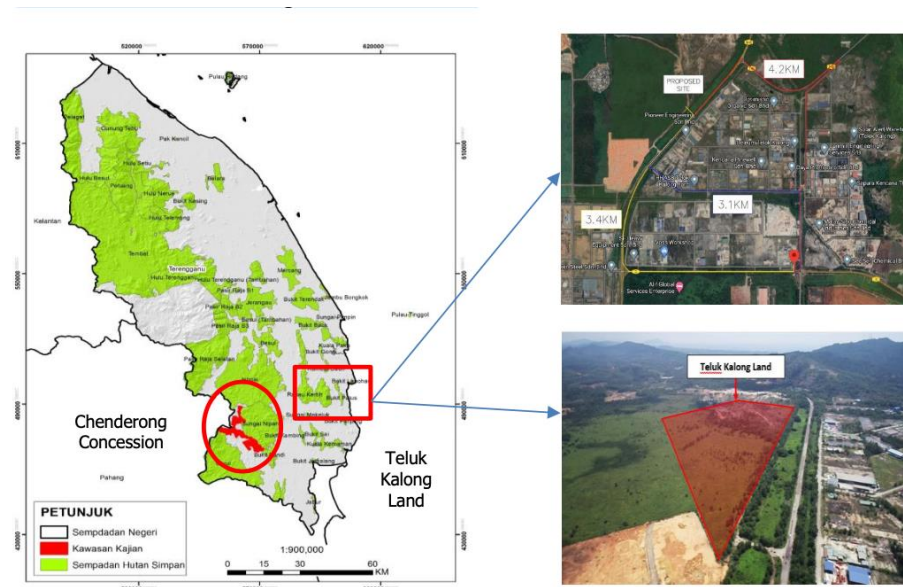
# Multiple Proposals: Proposed Sublease



## Overview of the Biomass Power Plant and electricity generation

The Biomass Power Plant shall be constructed on the Teluk Kalong Land with a capacity to export 10MWh to the national grid network and installed electricity generating capacity of 12MWh. The approved grid interconnection points by TNB and accepted by SEDA is identified at 33kV Pencawang Pembahagian Utama (PPU) Teluk Kalong, which is situated approximately 4 km from the Teluk Kalong Land, with approved net export of 10MW. The connected network is under the administration of TNB Kemaman.

In addition, the Teluk Kalong Land where the Biomass Power Plant will be constructed is located approximately 60 kilometres east of the Plantation Lands which is close to the feedstock supply of *Acacia mangium* for the generation of electricity power and thereby optimising the logistic cost for the Biomass Power Plant. The location of the Biomass Power Plant within the Teluk Kalong Land is as follows:



# Multiple Proposals: Proposed Sublease



## Overview of the Biomass Power Plant and electricity generation

Pursuant to the Biomass Energy Business, BTMBP has on 23 November 2020 awarded the engineering, procurement, construction and commissioning (“EPCC”) works in relation the development of the Biomass Power Plant to Samaiden Sdn Bhd (“SSB”), a wholly-owned subsidiary of Samaiden Group Berhad, for the total contract sum of RM115.60 million. BTMBP and SSB shall subsequently enter into a formal EPCC contract setting out the details of each party’s obligations for carrying out the EPCC works. The construction cost for the Biomass Power Plant will be partly financed via the bank borrowings obtained from MBSB Bank Berhad (“MBSB”) on 27 April 2021 of RM92.48 million, whilst the remaining balance of RM23.12 million will funded via the proceeds to be raised from the Proposed Rights Issue with Warrants-C (Note: The bank borrowings from MBSB has not been drawdown as to date).

The construction and development of the Biomass Power Plant shall utilise two (2) major technology systems, which are the boiler and turbine systems. These systems equipment is widely utilised in various industries like oil palm, wood, paper, oil refinery, sugar, power plant in general. Its technology, supply chain and competent operators are readily available in Malaysia. Most of biomass cogeneration applications used in Malaysia are the standard steam boiler/steam turbine-generator combination. This combination is moderately efficient, robust, available from several key suppliers, and can be purchased with guarantees of completion, operational performance, and environmental performance.

# Multiple Proposals: Proposed Sublease



## Overview of the Biomass Power Plant and electricity generation

Power generation from biomass can be achieved with a wide range of feedstock and technologies, either through thermal-chemical processes (i.e. combustion, gasification and pyrolysis) or biochemical processes such as anaerobic digestion. The biomass feedstock source for power generation for the Biomass Power Plant will be natural wood waste (i.e. Acacia mangium plantations) from the Plantation Lands. The fuel (wood waste) is delivered to the Biomass Power Plant where storage piles or silos shall be erected to accommodate extra biomass that is not immediately fed to the Biomass Power Plant. The fuel (biomass) will undergo some pre-processing steps on site including size reduction and separation into wood chips before feeding into the Biomass Power Plant. Wood chips are then channelled into the combustion chamber through a conveyor system and burned to heat water in the boiler. The remaining ash will be collected for other purpose such as plantation fertiliser and for road construction.

The Biomass Power plant will deploy the combustion technology and boiler design to achieve the combined goals of higher efficiency and ability to burn fuels set in a regulatory framework which demands ever reducing emission levels. The Biomass Power Plant will combust the wood waste fuel using conventional steam cycle technology and use the well-tested moving-grate incineration technology. The Biomass Power Plant is designed to combust wood waste by conveying and blowing the wood waste onto a travelling grate within the boiler. The spent steam from the turbine is condensed in a condenser cooled with water from a cooling tower. The condensate is then recycled to the boiler. Hot flue gas is passed through a mechanical cyclone and then cleaned further in an electrostatic precipitator to remove ash and particulates in the gas stream, prior to venting to the atmosphere via a tall stack. Ash and any effluent sludge will be collected and used for other purpose.

# Multiple Proposals: Proposed Sublease



## Overview of the Biomass Power Plant and electricity generation

The steam boiler combusts the wood biomass fuel on a grate, converting the biomass organic potential to steam. The steam temperature will be superheated to 425°C to allow for more efficient turbine operation. The heat of combustion will be captured first in wall tubes containing water, followed by the superheater and convection section, and finally by the economizer and air heater. The goal of these devices is to capture from the steam some 70% to 75% of the theoretical heating value of the incoming wood fuel. The heat of combustion will drive the steam turbine to generate power. The turbine-generator is typically a multistage rotor spinning at 3,600 to 8,000 revolutions per minute (“RPM”). The proposed turbine will spin at 7,800 RPM whereas the generator spins at 1,500 RPM (4 pole generator). From the steam turbine, the electricity energy for which the voltage will then be stepped up through transformer(s) in order to deliver useful power to the grid in accordance to the existing distribution line voltage at 33kV. In terms of boiler type selection, travelling grate type is opted for the Biomass Power Plant, with a steam flowrate of 57.5 ton per hour and design steam pressure of 51 bar (G). This type of boiler system and design parameters are commonly applied for a wood-based fired boiler.

# Multiple Proposals: Proposed Sublease



## Overview of the Biomass Power Plant and electricity generation

Apart from the Sublease Consideration, BTMBP is expected to bear the following capital expenditures and operating expenditures in relation to the operations of the Biomass Power Plant, as follows:

### (i) Capital expenditures

No.	Purposes	RM'000
(a)	Preliminaries and relevant applications to the relevant regulatory authorities	4,500
(b)	Installation and setting up of biomass power generation system (including fuel handling, storage and feeding facilities, boiler systems, steam turbine, water treatment system, air pollution control systems, piping, electrical, control and instrumentation systems as well as related equipment)	83,600
(c)	Civil and structural works (such as site development, road and drainage works, foundation and building works as well as other related infrastructures to be erected)	12,000
(d)	Voltage electrical works	4,500
(e)	TNB grid interconnection works and grid connection acceptance test, testing, commissioning and reliability run works	6,500
(f)	Related amenities and contingencies	4,500
<b>Total</b>		<b>115,600</b>

### (ii) Operating expenditures (per annum basis)

No.	Purposes	RM'000
(a)	Salaries and worker remunerations	840
(b)	Fixed operational and office overheads	36
(c)	Complete equipment maintenance and replacement of spare parts	2,940
(d)	Insurances (complete scope)	244
(e)	Licensing fee (Suruhanjaya Tenaga)	17
(f)	Utilities Cost (electricity & water)	612
(g)	Fuel cost (wood waste)	10,109
<b>Total</b>		<b>14,798</b>

# Multiple Proposals: Proposed Sublease



## Basis and Justification of the Sublease Consideration

The Sublease Consideration was arrived at based on a willing-buyer willing-seller basis after taking into account the following:

- (a) market value of the remaining unexpired 63 years sublease interest of the Plantation Lands of RM27,800,000 or RM4,997.00 per acre, as appraised by City Valuers & Consultants Sdn Bhd (“**Valuer**”), the valuer appointed to undertake the valuation on the Plantation Lands adopting the comparison method of valuation, vide its valuation letter dated 30 September 2021. The Sublease Consideration represents a discount of approximately RM3,100,000 or 11.2% to the market value of the sublease interest of the Plantation Lands of RM27,800,000 as ascribed by the Valuer;
- (b) the rationale for the Proposed Sublease as set out in Section 3 of this announcement; and
- (c) the prospects and outlook of the renewable energy industry and biomass market in Malaysia prepared by Providence Strategic Partners Sdn Bhd (“**Providence**”) in relation to BTM’s business as set out in Section 4 of this announcement.

Based on the above considerations, the Board (save for the interested directors, namely Dato’ Seri Yong Tu Sang, Yong Hin Siong and Yong Emmy) is of the view the Sublease Consideration is fair and reasonable.

# Multiple Proposals: Proposed Sublease



## **Source and Breakdown of Funding**

The Sublease Consideration will be fully funded via the funds to be raised from the Proposed Rights Issue with Warrants-C.

## **Liabilities to be assumed**

There are no other liabilities to be assumed by BTM arising from the Proposed Sublease.

## **Additional Financial Commitments**

Save as disclosed below, the Company does not expect to incur any other financial commitment arising from the Proposed Sublease:

(a) Upon completion of the Proposed Sublease, BTMBP shall undertake the plantation program on the Plantation Lands and is expected to incur the total capital expenditure of RM81.95 million over the plantation program period of 34 years, which is equivalent to an average annual plantation expenditure of approximately RM2.41 million per annum. The Group is expected to fund the initial capital expenditures for the plantation program of between RM2.30 million and up to RM20.20 million which will be funded via funds to be raised from the Proposed Rights Issue with Warrants-C. Subsequent capital expenditures shall be funded via internally generated funds and/or bank borrowings to be obtained.

# Multiple Proposals: Proposed Diversification



## Proposed Diversification

Presently, BTM is principally involved in the following business activities:

- (a) logging, sawmilling and trading of sawn timber, logs and plywood;
- (b) kiln-drying operations, timber moulding and manufacturing of finger jointed timber and lamination boards; and
- (c) manufacturing and sale of biomass wood pellets.

The Biomass Energy Business is expected to contribute to 25% or more of the net profits of the Group and/or result in a diversion of more than 25% of the net assets of the Group moving forward, after taking into consideration, the developments made by the Group in respect of its expansion of the renewable energy segment and the outlook of the energy sector in Malaysia as highlighted in Section 4.2 in the Announcement.

Hence, the Board proposes to seek the approval from shareholders for the Proposed Diversification pursuant to Paragraph 10.13(1) of the Main Market LR. Pursuant to Paragraph 10.13(1) of the Main Market LR, a listed issuer must obtain its shareholders' approval in a general meeting for any transaction or business arrangement which might reasonably be expected to result in either:

- (a) the diversion of 25% or more of the net assets of the listed issuer to an operation which differs widely from those operations previously carried on by the listed issuer; or

# Multiple Proposals: Proposed Diversification



## Proposed Diversification

(b) the contribution from such an operation of 25% or more of the net profits of the listed issuer.

In this regard, the Board wishes to obtain the approval of the shareholders of BTM for the Proposed Diversification pursuant to the Main Market LR. If the Proposed Diversification is approved by the shareholders at the EGM, the Group will be subjected to new challenges and risks arising from the Proposed Diversification, which are set out in Section 5 of this announcement. Notwithstanding the Proposed Diversification, the Board intends to continue with the Group's existing business in the same manner.

The Biomass Energy Business activities will be spearhead by Datuk Woo Thin Choy ("**Datuk Woo**"), the Executive Director of BTM, to oversee the Biomass Energy Business. His profile is as follows:

### **Datuk Woo**

Datuk Woo, a Malaysian male, aged 56, is the Executive Director of BTM. He was appointed to the Board as a Non-Independent Non-Executive Director on 2 January 2019. He was then re-designated as an Executive Director on 1 June 2021. Datuk Woo graduated with a Bachelor of Engineering majoring in Geotechnical Design from University of Malaya in 1989. He subsequently obtained a Master in Business Administration from University of Malaya in 2000.

# Multiple Proposals: Proposed Diversification



## Proposed Diversification

Datuk Woo past working experiences are as follows:

Year	Company	Positions held	Roles/Responsibilities
1989 to 1992	Berjaya Corporation Berhad	Project Engineer (1989) Senior Project Engineer (1990-1992)	<ul style="list-style-type: none"> <li>Preparation, coordination and monitoring of various engineering development projects</li> <li>Formulating project parameters and delegation of responsibilities to other project team members</li> </ul>
1992 to 1995	Mah Sing Group Berhad	General Manager	<ul style="list-style-type: none"> <li>Allocation of budget resources and managing operational costs</li> <li>Formulating key management policies, coordination of business operations</li> <li>Engaging with key stakeholders of the group</li> </ul>
1995 to 2000	Malaysia Land Properties Sdn Bhd	Senior Business Development Manager	<ul style="list-style-type: none"> <li>Analysis and identification of new business opportunities/investments</li> <li>Coordination and completion of key property development projects undertaken</li> </ul>
2001 to 2007	Sant Sdn Bhd	Managing Director	<ul style="list-style-type: none"> <li>Overseeing overall business operations, financial performance, investments, and business ventures</li> <li>Enhancing the company's public profile</li> </ul>
2008 to 2010	Ho Hup Construction Company Berhad	Project Director	<ul style="list-style-type: none"> <li>Developing and executing business strategies to achieve short and long-term goals</li> <li>Reporting to the board, providing market insights and strategic advice</li> <li>Developing and implementing business plans to improve cost-efficiency</li> <li>Maintaining and developing relationships with key stakeholders</li> </ul>

# Multiple Proposals: Proposed Diversification



## Proposed Diversification

Datuk Woo past working experiences are as follows: (Cont'd)

Year	Company	Positions held	Roles/Responsibilities
2011 to 2018	Terraton Development Sdn Bhd	Managing Director	<ul style="list-style-type: none"><li>Overseeing the company's business operations, financial performance, investments, and ventures</li></ul>
2019 to current	BTM	Executive Director	<ul style="list-style-type: none"><li>Oversee overall business execution process and strategic operations</li><li>Lead the Biomass Energy Business</li></ul>

Over the years, he has also accumulated vast corporate management experiences including directing, strategic planning and expansion of various private and public companies in Malaysia. Such experiences include the following roles:

- overseeing and managing all aspects of the contractual and financial side of construction projects undertaken. This also includes preparation of construction cost budgets, project implementation schedules as well as cost estimation budgets;
- overseeing the contractual and legal obligations of various infrastructure projects undertaken; and
- undertaking contract and project management for the construction and development of various infrastructure projects in Malaysia.

# Multiple Proposals: Proposed Rights Issue with Warrant C



## Introduction

The Proposed Rights Issue with Warrants entails the issuance of Shares together with Warrants-C to the shareholders of the Company whose names appear in the Record of Depositors of the Company (**“Entitled Shareholders”**) as at the close of business on the entitlement date (**“Entitlement Date”**). The Entitlement Date will be determined by the Board after obtaining the approvals for the Proposed Rights Issue with Warrants-C from all relevant authorities and the shareholders of the Company.

The Proposed Rights Issue with Warrants-C is intended to raise minimum gross proceeds of RM60.0 million (**“Minimum Gross Proceeds”**). However, should all the Entitled Shareholders and/or their renouncee(s), where applicable, subscribe in full for their respective entitlements under the Proposed Rights Issue with Warrants-C, the Company may potentially raise maximum gross proceeds of up to about RM88.80 million (**“Maximum Gross Proceeds”**).

The quantum of gross proceeds has been determined upfront while the entitlement basis for the Proposed Rights Issue with Warrants-C and issue price of the Rights Shares have not been determined at this juncture in order to provide flexibility to the Board in respect of the pricing of the Rights Shares and the number of Rights Shares and Warrants-C to be issued. The entitlement basis and the issue price of the Rights Shares (**“Issue Price”**) will be determined and announced later by the Board before the Entitlement Date.

As at the LPD, BTM has:

- (a) an issued share capital of RM34,129,060 comprising 171,026,388 BTM Shares; and
- (b) 26,295,146 outstanding warrants 2014/2024 (**“Warrants-B”**) which are exercisable into 26,295,146 new Shares at an exercise price of RM0.20 each.

# Multiple Proposals: Proposed Rights Issue with Warrant C



## Introduction

The Proposed Rights Issue with Warrants is renounceable in full or in part. Accordingly, the Entitled Shareholders can subscribe for and/or renounce their respective entitlements to the Rights Shares together with the Warrants-C in full or in part. However, the Rights Shares and Warrants-C cannot be renounced separately and only the Entitled Shareholders who subscribe for the Rights Shares will be entitled to Warrants-C on the basis to be determined and announced later. As such, the Entitled Shareholders who renounce all their Rights Shares entitlement shall be deemed to have also renounced the accompanying entitlement to Warrants- C to be issued together with the Rights Shares. If the Entitled Shareholders accept only part of their Rights Shares entitlement, they shall be entitled to the Warrants-C in proportion to their acceptance of their Rights Shares entitlement.

The Warrants-C are attached to the Rights Shares without any cost and will only be issued to the Entitled Shareholders and their renounees and/or transferees (if applicable) who successfully subscribe for the requisite number of Rights Shares. The Warrants-C will detach immediately from the Rights Shares upon issuance and will be traded separately on Bursa Securities. The Warrants-C will be issued in registered form and constituted by a deed poll to be executed by the Company (“**Deed Poll C**”).

The Rights Shares and Warrants-C will be provisionally allocated to the Entitled Shareholders. Any fractional entitlements under the Proposed Rights Issue with Warrants will be disregarded and will be dealt with in such manner as the Board in its absolute discretion deems fit or expedient in order to minimise the incidence of odd lots and in the best interest of the Company.

# Multiple Proposals: Proposed Rights Issue with Warrant C



## Introduction

Any Rights Shares which are not subscribed or validly subscribed will be made available for subscription by other Entitled Shareholders and/or their renouncees and transferees (if applicable) under the application for excess Rights Shares. The Board intends to allocate the excess Rights Shares in a fair and equitable manner on a basis to be determined and announced later by the Board.

The Proposed Rights Issue with Warrants-C will be implemented in a single tranche.

The indicative salient terms of the Warrants-C are set out in Section 2.3.6 below.

# Multiple Proposals: Proposed Rights Issue with Warrant C



## Basis of determining the issue price of the Rights Shares and exercise price of the Warrant-C

### Rights Shares

The issue price of the Rights Shares will be determined and announced by the Board at a later before the announcement of the Entitlement Date, after taking into consideration, amongst others, the following:

- (i) The funding requirements of BTM Group as set out in Section 2.3.7 of this announcement;
- (ii) the trading and liquidity of BTM Shares;
- (iii) the prevailing market conditions which include, among others, market sentiment and volatility of the Malaysian stock market; and
- (iv) the theoretical ex-all price ("**TEAP**") of BTM Shares based on the 5-day volume weighted average market price ("**5D-VWAMP**") of BTM Shares up to and including the last trading day prior to the price-fixing date.

# Multiple Proposals: Proposed Rights Issue with Warrant C



## Basis of determining the issue price of the Rights Shares and exercise price of the Warrant-C

### Warrant-C

The exercise price of the Warrants-C under the Proposed Rights Issue with Warrants-C will be determined by the Board at a later date, after taking into consideration, amongst others, the following:

- (i) the 5D-VWAMP of BTM Shares up to the price fixing date to be determined later; and
- (ii) the TEAP of BTM Shares.

As at the LPD, the Board has yet to determine the Exercise Price of the Warrants-C. The Exercise Price of the Warrants-C may be fixed at a premium or discount to the TEAP or equivalent to the TEAP, if deemed appropriate by the Board.

# Multiple Proposals: Proposed Rights Issue with Warrant C



## **Adjustment for Warrants-B**

Pursuant to the deed poll which governs the terms and conditions of the Warrants-B, the Proposed Rights Issue with Warrants-C may give rise to adjustments of outstanding Warrants- B. The adjustments will be made in accordance with the provisions of the deed poll. Any necessary adjustments arising from the Proposed Rights Issue with Warrants-C in relation to the Warrants-B will only be finalised on the Entitlement Date.

The details on the actual adjustments to the exercise price of the Warrants-B shall be announced at a later date and shall be set out in a notice of adjustments to the holders of Warrants-B, if any, which shall be despatched within 21 market days of such adjustments.

## **Listing of the Rights Shares, Warrants-C, additional Warrants-B and additional Shares arising from the exercise of additional Warrants-B**

An application will be made to Bursa Securities for the listing of and quotation for the following on the Main Market of Bursa Securities:

- (a) the Rights Shares;
- (b) the Warrants-C;
- (c) additional Warrants-B to be issued pursuant to the adjustment clauses of the deed poll governing the Warrants-B respectively; and
- (d) the new BTM Shares to be issued from the exercise of the Warrants-C and additional Warrants-B to be issued.

# Multiple Proposals: Proposed Rights Issue with Warrant C



## Proposed minimum subscription level, undertakings and underwriting arrangement

The Proposed Rights Issue with Warrants-C is intended to be undertaken on a minimum subscription level basis to raise minimum gross proceeds of RM60.00 million (“**Minimum Subscription Level**”). The Minimum Subscription Level has been determined by the Board after taking into consideration the funding requirements of the Group, as set out in Section 2.3.7 of this announcement. In order to meet the Minimum Subscription Level, the Company:

(a) has procured the irrevocable written undertakings from the following identified existing shareholders of BTM (“**Undertaking Shareholders**”) to apply and subscribe in full for their entitlement of Rights Shares and/or via excess applications (“**Undertakings**”), the details of which are as follows:

<b>Undertaking Shareholders</b>	<b>Direct shareholdings held</b>		<b>Undertakings from the Undertaking Shareholders in value</b>
	<b>No. of BTM Shares held</b>	<b>(1)%</b>	<b>Amount (RM)</b>
Dato’ Seri Yong Tu Sang	12,339,081	7.2	5,552,586
Datin Ng Ah Heng <sup>(4)</sup>	9,999,999	5.8	4,500,000
Yong Emmy <sup>(5)</sup>	12,096,000	7.1	5,443,200
Yong Ellen <sup>(6)</sup>	108,300	0.1	48,735
Tan Kha Luong <sup>(7)</sup>	5,610,100	3.3	2,524,545
Confirmed Uptrend Sdn Bhd <sup>(8)</sup>	6,293,400	3.7	2,832,030
<b>Total</b>	<b>46,446,880</b>	<b>27.2</b>	<b>20,901,096</b>

# Multiple Proposals: Proposed Rights Issue with Warrant C



## Proposed minimum subscription level, undertakings and underwriting arrangement

### Notes:

- (1) Based on the issued share capital of 171,026,388 Shares as at 31 December 2021.
- (2) Datin Ng Ah Heng is the spouse of Dato' Seri Yong Tu Sang, mother of Yong Emmy, Yong Ellen and Yong Hin Siong (Executive Director of BTM) as well as mother-in-law of Tan Kha Luong.
- (3) Yong Emmy is the Non-Executive Director of the Company, daughter of Dato' Seri Yong Tu Sang and Datin Ng Ah Heng.
- (4) Yong Ellen is the daughter of Dato' Seri Yong Tu Sang and Datin Ng Ah Heng as well as spouse of Tan Kha Luong.
- (5) Tan Kha Luong is the spouse of Yong Ellen as well as son-in-law of Dato' Seri Yong Tu Sang and Datin Ng Ah Heng.
- (6) The Directors and substantial shareholders of Confirmed Uptrend Sdn Bhd are as follows:

<b>Names</b>	<b>Involvements</b>	<b>No. of ordinary shares held</b>	<b>%</b>
Datuk Woo Thin Choy	Director and shareholder	1	50.0
Woo Wen Jie	Director and shareholder	1	50.0
<b>Total</b>		<b>2</b>	<b>100.0</b>

# Multiple Proposals: Proposed Rights Issue with Warrant C



## Proposed minimum subscription level, undertakings and underwriting arrangement

BTM may also procure other irrevocable and unconditional undertaking from its other shareholders to subscribe for the remaining Rights Shares under the Minimum Scenario to raise the remaining amount of RM39,098,904. Underwriting arrangements will then be made for the remaining portion of the Rights Shares for which no undertaking has been obtained.

The abovementioned Undertaking Shareholders has confirmed via the Undertakings that they have sufficient financial resources to fulfil their respective Undertakings. The Undertakings are subject to the Undertaking Shareholders not triggering any mandatory take-over offer obligation pursuant to the Malaysian Code on Take-Overs and Mergers, 2016 (“Code”) and the Rules on Take-Overs, Mergers and Compulsory Acquisitions issued by the Securities Commission Malaysia (“SC”) as a result of the Proposed Rights Issue with Warrants-C. The Undertaking Shareholders has confirmed that it will at all times observe and ensure compliance with the provisions of the Code and the Rules on Take-Overs, Mergers and Compulsory Acquisitions issued by the SC. In addition, the public shareholding spread of BTM is expected to be in compliance with the minimum public shareholding spread of 25.0% pursuant to Paragraph 8.02(1) of the Main Market LR upon completion of the Proposed Rights Issue with Warrants-C.

# Multiple Proposals: Proposed Rights Issue with Warrant C



## Utilisation of Proceeds

For illustrative purposes, the gross proceeds to be raised from the Proposed Rights Issue with Warrants based on the following assumed parameters, are as follows:

	<u>Minimum Scenario</u>	<u>Maximum Scenario</u>
Illustrative issue price	RM0.10	
Illustrative entitlement basis	9 Rights Shares for every 2 Shares held 1 Warrants-C for every 3 Rights Shares subscribed	
Number of securities to be issued	<ul style="list-style-type: none"><li>• 600,000,000 Rights Shares</li><li>• 200,000,000 Warrants-C</li></ul>	<ul style="list-style-type: none"><li>• 887,946,903 Rights Shares</li><li>• 295,982,301 Warrants-C</li></ul>
Gross proceeds to be raised	RM60.00 million	RM88.80 million
Basis	Assuming that the Proposed Rights Issue with Warrants-C is undertaken on the Minimum Subscription Level	Assuming that all Entitled Shareholders fully subscribe for their respective entitlements

# Multiple Proposals: Proposed Rights Issue with Warrant C



## Utilisation of Proceeds

<b>Purposes</b>	<b>Notes</b>	<b>Minimum Scenario RM'000</b>	<b>Maximum Scenario RM'000</b>	<b>#Expected timeframe for utilisation of proceeds (from listing date)</b>
Payment of the Sublease Consideration	(a)	24,700	24,700	Within 3 months
Planting cost at the Plantation Lands	(b)	2,300	20,200	Within 60 months
Construction cost of the Biomass Power Plant	(c)	23,120	23,120	Within 18 months
Repayment to Director	(d)	6,280	8,213	Within 3 months
Working capital requirements	(e)	1,100	10,062	Within 36 months
Estimated expenses for the Proposals	(f)	2,500	2,500	Within 1 month
	<b>Total</b>	<b>60,000</b>	<b>88,795</b>	

### **Notes:**

- (a) The proceeds earmarked shall be utilised for the payment of the Sublease Consideration of RM24.70 million to be paid under the Sublease Agreement.
- (b) The breakdown of the plantation cost under the plantation program of industrial timber plantation to grow fast growing *Acacia mangium* trees at the Plantation Lands are as follows:

# Multiple Proposals: Proposed Rights Issue with Warrant C



## Utilisation of Proceeds

Details	Minimum Scenario RM'000	Maximum Scenario RM'000
Seedling cost (purchase of seeds for <i>Acacia mangium</i> trees)	725	8,450
Planting cost (including purchase of bamboo sticks, lining and holing as well as fertilisation and refilling cost)	725	8,450
Infrastructure development, road and drainage works as well as site preparations	120	630
Purchase of fertilisers and weeds	550	1,970
Administrative cost	180	700
<b>Total</b>	<b>2,300</b>	<b>20,200</b>

The Biomass Power Plant will require the available feedstock supply of *Acacia mangium* of 350 tonnes per day to achieve optimum electricity power generation of between 8.1MW and 11.5MW. As such, the plantation program at the Plantation Lands will involve the production of feedstock supply of 200 tons per day, whilst the remaining supply of feedstock of 150 tonnes/day shall be sourced from other suppliers of feedstocks. The proceeds to be raised from the Proposed Rights Issue with Warrants-C shall be utilised within 12 months (Minimum Scenario) and 60 months (Maximum Scenario) from the listing date of the Rights Shares and Warrants-C on the Main Market of Bursa Securities.

- (c) Pursuant to the Biomass Energy Business, BTMBP has on 23 November 2020 awarded the EPCC works in relation the construction and development of the Biomass Power Plant to SSB for the total contract sum of RM115.60 million. The construction cost for the Biomass Power Plant will be partly financed via the bank borrowings obtained from MBSB on 26 April 2021 of RM92.48 million, whilst the remaining balance of RM23.12 million will funded via the proceeds to be raised from the Proposed Rights Issue with Warrants-C. The said proceeds shall be utilised in the following manner:

# Multiple Proposals: Proposed Rights Issue with Warrant C



## Utilisation of Proceeds

No.	Purposes	RM'000
(i)	Preliminaries and relevant applications to the relevant regulatory authorities	900
(ii)	Installation and setting up of biomass power generation systems (including fuel handling, storage and feeding facilities, boiler systems, steam turbine, water treatment system, air pollution control systems, piping, electrical, control and instrumentation systems as well as related equipment)	16,720
(iii)	Civil and structural works (such as site development, road and drainage works, foundation and building works as well as other related infrastructures to be erected)	2,400
(iv)	Voltage electrical works, related amenities and contingencies	1,800
(v)	TNB grid interconnection works and grid connection acceptance test, testing, commissioning and reliability run works	1,300
<b>Total</b>		<b>23,120</b>

- (d) As at the LPD, the advances provided by the Managing Director, Dato' Seri Yong Tu Sang from 2016 until LPD stood at approximately RM8.21 million, which are interest-free. The Group intends to settle the advances provided by Dato' Seri Yong Tu Sang. These advances obtained from the Dato' Seri Yong Tu Sang were given as interim funding to the Group to cover for shortfall in cash flow at the time and were used to provide working capital to the Group. These include the following:

Details	RM'000
Working capital requirements of BTM Group (such as purchase of raw materials for existing manufacturing operations, utilities charges as well as staff related expenses)	5,913
Deposit payment for the lease of Teluk Kalong Land	2,300
<b>Total</b>	<b>8,213</b>

The advances were intended to be for a short-term period of not more than 1 year. However, due to operating cash flow requirements of the Group, the period of the advances has been extended and remain outstanding.

# Multiple Proposals: Proposed Rights Issue with Warrant C



## Utilisation of Proceeds

- (e) A breakdown of the utilisation of working capital requirements of the Group are as follows:

Details	Minimum Scenario	Maximum Scenario
	RM'000	RM'000
Purchase of raw materials (such as timber, wood waste, sawdust, glue and related materials) for its existing manufacturing activities	400	6,682
Staff related expenses	500	2,200
Utilities charges for the operations of the Group's existing manufacturing facilities in Terengganu	100	1,080
Sales and distribution expenses	100	600
<b>Total</b>	<b>1,100</b>	<b>10,062</b>

- (f) The estimated expenses comprise professional fees, underwriting expenses, fees to be paid to the relevant authorities, printing and advertising charges and miscellaneous charges which are estimated of approximately RM2.00 million for the Proposals. The breakdown are as follows:

Details	RM'000
Professional fees <sup>(1)</sup>	1,000
Fees payable to the authorities	200
Underwriting fees	1,200
Printing, advertising fees and contingencies <sup>(2)</sup>	100
<b>Total</b>	<b>2,500</b>

### Notes:

- (1) Includes advisory/professional fees for, amongst others, the Principal Adviser, due diligence solicitors, valuers and Independent Adviser.  
 (2) Other incidental or related expenses in connection with the Proposals.

# Multiple Proposals: Proposed Rights Issue with Warrant C



## Salient terms of Warrants-C

Terms	Details
Issue Size	: Pursuant to Paragraph 6.50 of the Main Market LR, the Warrants-C together with all other outstanding convertible securities shall not exceed 50% of the of the total number of issued shares of the listed issuer (excluding treasury shares and before the exercise of the convertible equity securities) at all times
Issue price	: The Warrants-C will be issued at no cost to the Entitled Shareholders
Detachability	: The Warrants-C are immediately detachable upon allotment and issue of the Rights Shares. The Warrants-C will be traded separately.
Form	: The Warrants-C will be issued in registered form and will be constituted by a Deed Poll.
Board Lot	: The Warrants-C are tradeable upon listing in board lots of 100 units carrying rights to subscribe for 100 new BTM Shares at any time during the Exercise Period or such denomination as determined by Bursa Securities.
Exercise Price	: The final exercise price of the Warrants-C will be determined at a later date, after taking into consideration, <i>inter-alia</i> , the theoretical ex-rights price of the BTM Shares at a price fixing date to be determined later.

# Multiple Proposals: Proposed Rights Issue with Warrant C



## Salient terms of Warrants-C

Terms	Details
Exercise Price	: The final exercise price of the Warrants-C will be determined at a later date, after taking into consideration, <i>inter-alia</i> , the theoretical ex-rights price of the BTM Shares at a price fixing date to be determined later.
Exercise Period	: Five (5) years commencing on and including the date of issuance of the Warrants and ending at 5.00 p.m. on the date preceding the fifth (5 <sup>th</sup> ) anniversary of the date of issuance, or if such day is not a market day, then it shall be the market day immediately preceding the said non-market day. Any Warrants-C not exercised during the Exercise Period will thereafter lapse and cease to be valid.
Exercise Rights	: Each Warrants-C entitles the registered holder to subscribe for one (1) new BTM Share at the Exercise Price during the Exercise Period and shall be subject to adjustments in accordance with the Deed Poll.
Rights of the Warrant-C holders	: The holder of Warrants-C shall not be entitled to any voting rights or to participate in any dividends, rights, allotments and/or other forms of distributions in the Company until and unless such holders of the Warrants-C exercise their Warrants-C into new BTM Shares.

# Multiple Proposals: Proposed Rights Issue with Warrant C



## Salient terms of Warrants-C

Terms	Details
Ranking of new BTM Shares	: All the new BTM Shares to be issued pursuant to the exercise of the Warrants-C shall, upon allotment and issue, rank <i>pari passu</i> in all respects with the then existing BTM Shares, save and except that they will not be entitled to any dividends, rights, allotments and/or other forms of distributions, that may be declared, made or paid prior the date of allotment of the new BTM Shares.
Listing of the Warrants-C	: An application will be made to Bursa Securities for the listing of the Warrants-C and new BTM Shares arising from the exercise of Warrants-C as well as admission of the Warrants-C to the Official List of the Main Market of Bursa Securities.
Adjustments in the Exercise Price and/or number of Warrants-C	: The Exercise Price and/or the number of Warrants-C held by each Warrants-C holder may from time to time be adjusted in the event of any alteration to the share capital of the Company in accordance with the provisions as set out in the Deed Poll.
Transferability	: The Warrants-C shall be transferable in the manner in accordance with the Deed Poll subject always to the provisions of the Securities Industries (Central Depositories) Act, 1991, as amended and revised from time to time and the Rules of Bursa Depository and any appendices.

# Multiple Proposals: Proposed Rights Issue with Warrant C



## Salient terms of Warrants-C

Terms	Details
Rights in the event of winding-up, liquidation, compromise and/or arrangement	<p>Where a resolution has been passed for a member's voluntary winding up of the Company, or where there is a compromise or arrangement, then:</p> <p>(a) If such winding-up, compromise or arrangement has been approved by the Warrants-C holder or some persons designated by them of such purposes by a special resolution, the terms of such winding up, compromise or arrangement will be binding on all the Warrant holders; and</p> <p>(b) In any other case, every Warrants-C holder shall be entitled within six (6) weeks after the passing of such resolution for a member's voluntary winding-up of the Company or within six (6) weeks after the granting of the court order approving the compromise or arrangement, by the irrevocable surrendering of his Warrants to the Company, exercise his Warrants-C and be treated as if he had exercised the Warrants-C immediately prior to the commencement of such winding-up or such compromise or arrangement. If the Company is wound up, all exercise rights which have not been exercised within six (6) weeks of the passing of such resolution, shall lapse and the Warrants-C shall cease to be valid for any purpose.</p>

Governing Laws : Laws and regulations of Malaysia.

# Multiple Proposals: Proposed LTIP



## Proposed LTIP

The Proposed LTIP entails the establishment of a scheme which comprises the Proposed ESGS and Proposed ESOS to attract, retain, motivate and rewards the eligible Directors and employees of BTM Group (excluding subsidiaries which are dormant), who fulfil the criteria for eligibility for participation as set out in Section 2.4.3(c) of this announcement, (“**Eligible Person(s)**”), in accordance with the by-laws governing the Scheme (“**By-Laws**”).

The Proposed LTIP will be administered by a committee, comprising members who shall be duly appointed and authorised by the Board (“**LTIP Committee**”) and governed by the By- Laws. The LTIP Committee will have absolute discretion in administering the Scheme including prescribing financial and performance criteria and such other conditions as it may deem fit.

The salient features of the Proposed LTIP, details of which will be governed by the By-Laws, are set out in the ensuing sections.

### **Maximum number of BTM Shares available under the Proposed LTIP**

The maximum number of BTM Shares, which may be made available pursuant to the Proposed LTIP shall not exceed in aggregate **15% of the total number of issued BTM Shares (excluding treasury shares, if any) at any point in time over the duration of the Proposed LTIP.**

# Multiple Proposals: Proposed LTIP



## Proposed ESGS

The Proposed ESGS is intended to allow BTM to reward the Eligible Persons through the award of BTM Shares (“**ESGS Grant(s)**”), subject to the terms and conditions of the By-Laws.

Upon acceptance of the ESGS Grants by the Eligible Person(s) (“**ESGS Participant(s)**”), the ESGS Grants will be vested to the ESGS Participants at no consideration over the duration of the Proposed LTIP, subject to the ESGS Participants fulfilling the vesting conditions as may be determined by the LTIP Committee in accordance with the By-Laws. The reference price of the ESGS Grants to be awarded will be determined based on the fair value of the ESGS Grants, which will take into account, amongst others, the market price of the Shares as at or prior to the award date of the ESGS Grants.

# Multiple Proposals: Proposed LTIP



## Proposed ESOS

The Proposed ESOS is intended to allow BTM to reward the Eligible Persons through the award of employees share options (“**ESOS Option(s)**”) to subscribe for BTM Shares at a prescribed option price (“**Option Price**”) (“**Offer**”), subject to the terms and conditions of the By-Laws.

Upon acceptance of the Offer by the Eligible Person(s) (“**ESOS Grantee(s)**”), the ESOS Options will be vested to the ESOS Grantee at the Option Price over the duration of the Proposed LTIP, subject to the ESOS Grantee fulfilling the vesting conditions as may be determined by the LTIP Committee in accordance with the By-Laws.

Subject to any adjustments to be made under the By-Laws and pursuant to the Main Market LR, the Option Price shall be based on a price to be determined by the Board upon recommendation of the LTIP Committee based on the 5D-VWAMP of BTM Shares immediately preceding the date of the Offer with a discount of not more than 10.0% or such other percentage of discount as may be permitted by Bursa Securities or any other relevant authorities from time to time during the duration of the Proposed LTIP.

# Multiple Proposals: Rationale and Benefits



## Proposed Sublease and Proposed Diversification

The Proposed Sublease will allow the Group to undertake a plantation program to establish fast growing Acacia mangium plantations. The Acacia Mangium is suitable as raw material to produce fuel woods to be utilised as raw materials or feedstock to generate electricity from the Biomass Power Plant. The proposed plantation program will ensure adequate supply of raw materials or feedstock to sustain the Biomass Power Plant throughout the REPPA for the FiT concession period of 21 years.

The Group has been facing challenges in its existing core business in the timber and related product business segment over the past few years and had on 1 July 2020 obtained the feed- in approval from the SEDA to build and operate the Biomass Power Plant. Premised on the outlook of the renewable energy industry as set out in Section 4, the Biomass Energy Business will help to reduce the reliance on the Group's existing core business by providing a stable and recurring long-term source of income. The Proposed Diversification is in line with the Group's strategies to diversify its income streams into the Biomass Energy Business which will improve the revenue and earnings of BTM Group in the future, as well as reducing the Group's reliance on the existing core business activities.

# Multiple Proposals: Rationale and Benefits



## Proposed Rights Issue with Warrants-C

After considering other methods of fundraising such as bank borrowings and private placements, as well as the capital structure of BTM, the Board is of the opinion that the Proposed Rights Issue with Warrants-C is more appropriate method of raising funds, after taking into account the following:

- (a) the issuance of Rights Shares would enable the Group to secure funding of at least RM60.00 million under the Minimum Scenario and up to RM88.80 million under the Maximum Scenario, without incurring interest costs compared to bank borrowings;
- (b) compared to other equity offerings, the Proposed Rights Issue with Warrants-C will involve the issuance of new BTM Shares without diluting the Entitled Shareholders' shareholdings, provided that all Entitled Shareholders subscribe in full for their respective entitlements;
- (c) the Proposed Rights Issue with Warrants-C will increase the number of BTM Shares in circulation which is may potentially enhance the liquidity and marketability of BTM Shares on the Main Market of Bursa Securities;
- (d) The Warrants-C attached to the Rights Shares are expected to enhance the attractiveness of the Rights Shares. It provides the shareholders with the option to further participate in the equity of the Company at a pre-determined price and enable them to benefit from the future growth of the Company and any potential capital appreciation arising thereof;

# Multiple Proposals: Rationale and Benefits



## Proposed Rights Issue with Warrants-C

- (e) the Proposed Rights Issue with Warrants-C will strengthen the Company's financial position with enhanced shareholders' funds. These factors are expected to facilitate the continuous business expansion plans of the Company; and
- (f) the Warrants-C will also provide the Company with additional capital when they are exercised. The exercise of the Warrants will allow the Company to raise fresh proceeds without incurring additional financing cost and minimise any potential cash outflow in respect of interest servicing.

For information only, the equity fund-raising exercises undertaken by the Group in the past 12 months before the first announcement of the Proposed Rights Issue with Warrants-C are as follows:

- (a) On 8 June 2021, the Company completed a private placement exercise which involved the issuance of 15,547,800 new Shares ("**Private Placement**"), raising a total of RM2.83 million. The said proceeds have been partly utilised as follows:

Details	Proposed utilisation RM'000	Actual utilisation RM'000	Amount unutilised as at LPD (RM'000)
General working capital requirements	2,988	2,680	260
Estimated expenses for the Private Placement	150	150	-
<b>Total</b>	<b>3,138</b>	<b>2,830</b>	<b>260</b>

# Multiple Proposals: Rationale and Benefits



## Proposed LTIP

The Proposed LTIP primarily serves as a long-term incentive plan to reward the Eligible Persons and to align their interest with the corporate goals and objectives of BTM Group. In addition, the Proposed LTIP is intended to achieve the following objectives:

- (a) to recognise the contributions of Eligible Persons whose services are valued and considered vital to the operations and continued growth of the Group;
- (b) to motivate Eligible Persons to work towards better performance through greater productivity and loyalty;
- (c) to stimulate a greater sense of belonging and dedication since Eligible Persons are given the opportunity to participate directly in the equity of the Company;
- (d) to encourage Eligible Persons to remain with the Group thus ensuring that any loss of key personnel is kept to a minimum;
- (e) to reward Eligible Persons by allowing them to participate in the Group's growth and profitability and eventually realise potential capital gains arising from any appreciation in the value of the Shares;
- (f) to make the Group's remuneration scheme more competitive to attract more skilled and experienced individuals to join the Group and contribute to its continued growth; and
- (g) to provide BTM with the flexibility to determine the most appropriate LTIP Awards to reward and retain Eligible Persons who have contributed to the success of the Group.

# Multiple Proposals: Effects of the Proposals



## Share Capital

The Proposed Diversification and Proposed Sublease will not have any effects on the issued share capital of the Company.

The Proposed LTIP will not have an immediate effect on the share capital of the Company until such time new BTM Shares are issued pursuant to the Proposed LTIP. The share capital of the Company will increase progressively depending on the number of new BTM Shares which may be issued pursuant to the Proposed LTIP. The pro forma effects of the Proposed Rights Issue with Warrants-C on the issued share capital of BTM are as follows:

Details	Minimum Scenario		Maximum Scenario	
	No. of BTM Shares		No. of BTM Shares	
	'000	RM'000	'000	RM'000
Issued share capital as at the LPD	171,026	34,129	171,026	34,129
Assuming full exercise of Warrants-B	-	-	26,295	<sup>(i)</sup> 8,861
	<b>171,026</b>	<b>34,129</b>	<b>197,321</b>	<b>42,990</b>
Rights Shares to be issued pursuant to the Proposed Rights Issue with Warrants-C	600,000	<sup>(ii)</sup> 38,000	887,947	<sup>(ii)</sup> 50,317
<b>Enlarged issued share capital</b>	<b>771,026</b>	<b>72,129</b>	<b>1,085,268</b>	<b>93,307</b>
New Shares to be issued assuming full exercise of the Warrants-C	256,540	<sup>(iii)</sup> 57,475	295,982	<sup>(iii)</sup> 68,076
New Shares to be issued assuming full exercise of the Warrants-B	26,295	<sup>(iv)</sup> 3,682	-	-
New Shares to be issued assuming full exercise of the additional Warrants-B	13,915	<sup>(iv)</sup> 1,948	-	-
<b>Enlarged issued share capital</b>	<b>1,011,236</b>	<b>135,234</b>	<b>1,381,250</b>	<b>161,383</b>

# Multiple Proposals: Effects of the Proposals



## Share Capital

### **Notes:**

- (i) Based on the exercise price of RM0.20 per Warrants-B as well as reversal of warrant reserve.
- (ii) Computed based on the indicative issue price of RM0.10 per Rights Share and creation of warrant reserve.
- (iii) Computed based on the indicative exercise price of RM0.10 per Warrant-C.
- (iv) Computed based on the indicative revised exercise price of RM0.14 per Warrant-B.

# Multiple Proposals: Effects of the Proposals



## Net Assets and Gearing

Based on the audited consolidated financial statements of BTM as at 31 December 2020, the pro forma effects of the Proposed Rights Issue with Warrants-C on the consolidated NA and gearing position of BTM are shown below:

### Minimum Scenario

	<b>Audited as at 31 December 2020</b>	<b>(a) After subsequent events</b>	<b>(b) After Proposed Rights Issue with Warrants-C</b>	<b>(d)(e) After full exercise of Warrants-C, Warrants-B and additional Warrants-B</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Share capital	31,299	34,129	82,872	145,976
Revaluation reserves	20,714	20,714	20,714	20,714
Capital reserves	119	119	119	119
Warrant reserves	3,602	3,602	(c)31,821	-
Accumulated losses	(33,601)	(33,770)	(36,270)	(36,270)
<b>Shareholders' fund</b>	<b>22,133</b>	<b>24,794</b>	<b>99,256</b>	<b>130,539</b>
Non-controlling interest	(8)	(8)	(8)	(8)
<b>Total equity</b>	<b>22,125</b>	<b>24,786</b>	<b>99,248</b>	<b>130,531</b>
Number of shares in issue	155,479	171,026	940,645	1,237,395
NA per ordinary share (RM) <sup>(f)</sup>	0.14	0.14	0.11	0.11
Borrowings (interest-bearing) (RM '000)	1,260	1,260	100,428	100,428
Gearing ratio (times) <sup>(g)</sup>	0.06	0.05	1.01	0.77

# Multiple Proposals: Effects of the Proposals



## Net Assets and Gearing

### Notes:

- (a) After incorporating the effects of the completion of the Private Placement exercise on 8 June 2021.
- (b) Based on the issuance of 600,000,000 Rights Shares at an indicative issue price of RM0.10 each together with issuance of 200,000,000 Warrants-C and after deducting estimated expenses for the Proposed Rights Issue with Warrants-C of RM2.50 million.
- (c) After accounting for the creation of warrants reserve based on the issuance of 200,000,000 Warrants-C at an estimated fair value of RM0.11 per Warrant-C.
- (d) Based on the indicative exercise price of RM0.10 per Warrants-C and after accounting for the reversal of warrant reserve.
- (e) Based on the full exercise of Warrants-B at the revised exercise price of RM0.14 each.
- (f) Computed by taking the total NA of the Group divided by the number of Shares in issuance.
- (g) Computed by taking the total borrowings over the total equity of the Group.

# Multiple Proposals: Effects of the Proposals



## Net Assets and Gearing

### Maximum Scenario

	<b>Audited as at 31 December 2020 RM'000</b>	<b>(a) After subsequent events RM'000</b>	<b>(b) After full exercise Warrants-B RM'000</b>	<b>(c)(d) After Proposed Rights Issue with Warrants-C RM'000</b>	<b>(e) After full exercise of Warrants-C RM'000</b>
Share capital	31,299	34,129	42,990	93,307	161,383
Revaluation reserves	20,714	20,714	20,714	20,714	20,714
Capital reserves	119	119	119	119	119
Warrant reserves	3,602	3,602	-	38,478	-
Accumulated losses	(33,601)	(33,770)	(33,770)	(35,770)	(35,770)
	<b>22,133</b>	<b>24,794</b>	<b>30,053</b>	<b>116,848</b>	<b>146,446</b>
Non-controlling interest	(8)	(8)	(8)	(8)	(8)
<b>Total equity / NA</b>	<b>22,125</b>	<b>24,786</b>	<b>30,045</b>	<b>116,840</b>	<b>146,438</b>
Number of shares in issue ('000)	155,479	171,026	197,321	1,085,268	1,381,250
NA per ordinary share (RM) <sup>(f)</sup>	0.14	0.14	0.15	0.11	0.11
Borrowings (interest-bearing) (RM '000)	1,260	1,260	1,260	100,428	100,428
Gearing ratio (times) <sup>(g)</sup>	0.06	0.05	0.04	0.86	0.69

# Multiple Proposals: Effects of the Proposals



## Net Assets and Gearing

### **Notes:**

- (a) After incorporating the completion of the Issuance of 15,547,800 new Shares pursuant to proposed private placement exercise, which was completed on 8 June 2021.
- (b) Assuming full exercise of 26,295,146 outstanding Warrants-B at the exercise price of RM0.20 each.
- (c) Based on the issuance of 887,946,903 Rights Shares at an illustrative issue price of RM0.10 each together with 295,982,301 Warrants-C and after deducting estimated expenses for the Proposed Rights Issue with Warrants-C of RM2.0 million.
- (d) After accounting for the creation of warrant reserve based on the issuance of 295,982,301 Warrants-C at an estimated fair value of RM0.11 per Warrant-C (computed based on data sourced from Bloomberg).
- (e) Based on the illustrative exercise price of RM0.10 per Warrant-C and after accounting for the reversal of warrant reserve.
- (f) Computed by taking the total NA of the Group divided by the number of Shares in issuance.
- (g) Computed by taking the total borrowings over the total equity of the Group.

# Multiple Proposals: Effects of the Proposals



## Net Assets and Gearing

Save for the potential impact of the Malaysian Financial Reporting Standards 2, on “Share Based Payment” (“MFRS 2”) issued by the Malaysian Accounting Standards Board as elaborated in Section 6.3 below, the Proposed LTIP is not expected to have an immediate effect on the NA, NA per Share and gearing of BTM Group until such time when the Shares are issued and/or transferred arising from the vesting of the ESGS Grants and/or exercise of the ESOS Options pursuant to the Proposed LTIP. Any potential effect on the consolidated NA per Share and gearing of BTM Group in the future would depend on factors such as the actual number of new BTM Shares to be issued which can only be determined at the point of the vesting of the ESGS Grants and/or the exercise of the ESOS Options and Option Price.

Upon the vesting of the ESGS Grants pursuant to the Proposed LTIP, the NA per Share of the Group will decrease when the Shares are vested in satisfaction of the ESGS Grants. Upon the exercise of the ESOS Options pursuant to the Proposed LTIP, the NA per Share of the Group is expected to:

- (a) increase if the Option Price is higher than the NA per Share; or
- (b) decrease if the Option Price is lower than the NA per Share, at such point of exercise of the Options.

# Multiple Proposals: Effects of the Proposals



## Substantial shareholders' shareholdings

The Proposed Diversification and Proposed Sublease, will not have any effects on the shareholdings of the substantial shareholders of the Company.

The Proposed LTIP will not have an immediate effect on the shareholdings of the substantial shareholders of the Company until such time when the new BTM Shares are issued pursuant to the Proposed LTIP. Any potential effect on the percentage of substantial shareholders' shareholdings in BTM would depend on the actual number of BTM Shares to be issued pursuant to the Proposed LTIP. The pro forma effects of the Proposed Rights Issue with Warrants-C on the substantial shareholders' shareholdings of BTM are as follows:

# Multiple Proposals: Effects of the Proposals



## Substantial shareholders' shareholdings - Minimum Scenario

	(I)							
	As at the LPD				After the Proposed Rights Issue with Warrants-C <sup>(1)</sup>			
	<---Direct --->		<---Indirect--->		<---Direct --->		<---Indirect--->	
	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%
Dato' Seri Yong Tu Sang	12,339	7.2	<sup>(2)</sup> 27,814	16.3	67,865	8.8	<sup>(2)</sup> 152,979	19.8
Datin Ng Ah Heng	10,000	5.8	<sup>(3)</sup> 30,153	17.6	55,000	7.1	<sup>(3)</sup> 165,844	21.5
Yong Emmy	12,096	7.1	<sup>(4)</sup> 28,057	16.4	66,528	8.6	<sup>(4)</sup> 154,316	20.0
Yong Ellen	108	0.1	<sup>(5)</sup> 40,045	23.4	594	0.1	<sup>(5)</sup> 220,248	28.6
Tan Kha Luong	5,610	3.3	<sup>(6)</sup> 34,543	20.2	30,856	4.0	<sup>(6)</sup> 189,989	24.6
Datuk Woo Thin Choy	-	-	<sup>(7)</sup> 6,293	3.7	-	-	<sup>(7)</sup> 34,614	4.5
Confirmed Uptrend Sdn Bhd	6,293	3.7	-	-	34,614	4.5	-	-
Tan Sri Datuk Seri Mohd Hussin bin Abd Hamid	8,220	5.3	<sup>(8)</sup> 1,458	0.9	8,220	1.1	<sup>(8)</sup> 1,458	0.2

	(II)			
	After full conversion of Warrants-C, Warrants-B and additional Warrants-B to be issued			
	<---Direct --->		<---Indirect--->	
	No. of Shares ('000)	%	No. of Shares ('000)	%
Dato' Seri Yong Tu Sang	89,876	8.9	<sup>(2)</sup> 200,007	19.8
Datin Ng Ah Heng	71,020	7.0	<sup>(3)</sup> 218,864	21.5
Yong Emmy	86,546	8.6	<sup>(4)</sup> 203,337	20.0
Yong Ellen	969	0.1	<sup>(5)</sup> 288,914	28.6
Tan Kha Luong	41,473	4.1	<sup>(6)</sup> 248,411	24.6
Datuk Woo Thin Choy	-	-	<sup>(7)</sup> 44,054	19.8
Confirmed Uptrend Sdn Bhd	44,054	4.4	-	-
Tan Sri Datuk Seri Mohd Hussin bin Abd Hamid	11,327	1.1	<sup>(8)</sup> 1,720	0.2

# Multiple Proposals: Effects of the Proposals



## Substantial shareholders' shareholdings - Minimum Scenario

### Notes:

- (1) Assuming the Undertaking Shareholders subscribe for their respective entitlements under the Proposed Rights Issue with Warrants-C such that the minimum proceeds is raised.
- (2) Deemed interest by virtue of shares held by his spouse, children and son-in-law.
- (3) Deemed interest by virtue of shares held by her spouse, children and son-in-law.
- (4) Deemed interest by virtue of shares held by her parents, sister and brother-in-law.
- (5) Deemed interest by virtue of shares held by her spouse, parents and sister.
- (6) Deemed interest by virtue of shares held by his spouse, parents-in-law and sister-in-law.
- (7) Deemed interest by virtue of his interest in Confirmed Uptrend Sdn Bhd.
- (8) Deemed interest by virtue of his shares held by his son.

# Multiple Proposals: Effects of the Proposals



## Substantial shareholders' shareholdings - Maximum Scenario

	(I)							
	As at the LPD				After full exercise of Warrants-B			
	<---Direct --->		<---Indirect--->		<---Direct --->		<---Indirect--->	
	No. of Shares ( <sup>'000</sup> )	%	No. of Shares ( <sup>'000</sup> )	%	No. of Shares ( <sup>'000</sup> )	%	No. of Shares ( <sup>'000</sup> )	%
Dato' Seri Yong Tu Sang	12,339	7.2	<sup>(1)</sup> 27,814	16.3	14,629	7.4	<sup>(2)</sup> 31,285	15.9
Ng Ah Heng	10,000	5.8	<sup>(3)</sup> 30,153	17.6	10,667	5.4	<sup>(3)</sup> 35,247	17.9
Yong Emmy	12,096	7.1	<sup>(2)</sup> 28,057	16.4	13,322	6.8	<sup>(4)</sup> 32,592	16.5
Yong Ellen	108	0.1	<sup>(4)</sup> 40,045	23.4	246	0.1	<sup>(5)</sup> 45,668	23.1
Tan Kha Luong	5,610	3.3	<sup>(5)</sup> 34,453	20.2	7,050	3.6	<sup>(6)</sup> 38,864	19.7
Datuk Woo Thin Choy	-	-	<sup>(6)</sup> 6,293	3.7	-	-	<sup>(7)</sup> 6,293	3.2
Confirmed Uptrend Sdn Bhd	6,293	3.7	-	-	6,293	3.2	-	-
Tan Sri Datuk Seri Mohd Hussin bin Abd Hamid	8,220	5.3	<sup>(7)</sup> 1,458	0.9	10,252	5.2	<sup>(8)</sup> 1,720	0.9

	(II)			
	After the Proposed Rights Issue with Warrants-C <sup>(1)</sup>			
	<---Direct --->		<---Indirect--->	
	No. of Shares ( <sup>'000</sup> )	%	No. of Shares ( <sup>'000</sup> )	%
Dato' Seri Yong Tu Sang	80,462	7.4	<sup>(2)</sup> 172,065	15.9
Ng Ah Heng	58,667	5.4	<sup>(3)</sup> 193,860	17.9
Yong Emmy	73,269	6.8	<sup>(4)</sup> 179,258	16.5
Yong Ellen	1,354	0.1	<sup>(5)</sup> 251,173	23.1
Tan Kha Luong	38,776	3.6	<sup>(6)</sup> 213,751	19.7
Datuk Woo Thin Choy	-	-	<sup>(7)</sup> 34,614	3.2
Confirmed Uptrend Sdn Bhd	34,614	3.2	-	-
Tan Sri Datuk Seri Mohd Hussin bin Abd Hamid	56,386	5.2	<sup>(8)</sup> 17,990	1.7

# Multiple Proposals: Effects of the Proposals



## Substantial shareholders' shareholdings - Maximum Scenario

### **Notes:**

- (1) Assuming the Undertaking Shareholders subscribe for their respective entitlements under the Proposed Rights Issue with Warrants-C such that the Minimum Proceeds is raised.
- (2) Deemed interest by virtue of shares held by his spouse, children and son-in-law.
- (3) Deemed interest by virtue of shares held by her spouse, children and son-in-law.
- (4) Deemed interest by virtue of shares held by her parents, sister and brother-in-law.
- (5) Deemed interest by virtue of shares held by her spouse, parents and sister.
- (6) Deemed interest by virtue of shares held by his spouse, parents-in-law and sister-in-law.
- (7) Deemed interest by virtue of his interest in Confirmed Uptrend Sdn Bhd.
- (8) Deemed interest by virtue of his shares held by his son.

# Multiple Proposals: Effects of the Proposals



## Earnings and Earnings Per Share

The Proposed Diversification and Proposed Sublease are expected to contribute positively to the future consolidated earnings of the Group.

The effects of the Proposed Rights Issue with Warrants-C on the consolidated earnings and EPS of the Company will depend on, amongst others, the number of Rights Shares to be issued and the level of returns generated from the utilisation of the proceeds to be raised from the Proposed Rights Issue with Warrants-C.

The Proposed LTIP is not expected to have a material effect on the earnings of the Group. However, the EPS of the Group may be diluted, depending on the number of Shares issued and/or transferred to the LTIP Participants pursuant to the vesting of the LTIP Awards.

In accordance with MFRS 2, the potential cost arising from the awarding of the LTIP Awards pursuant to the Proposed LTIP is required to be measured at fair value as at the LTIP Award Date and recognised as an expense in the consolidated statements of comprehensive income of the Company over the vesting period of such LTIP Awards, and may therefore reduce the future earnings of BTM Group, the quantum of which can only be determined at the LTIP Award Date.

# Multiple Proposals: Effects of the Proposals



## Earnings and Earnings Per Share

The potential effects of the Proposed LTIP on the earnings and EPS of BTM Group in the future, as a consequence of the recognition of the expense cannot be determined at this juncture as it would depend on various factors, which may include, amongst others, the actual number of ESGS Grants vested and/or ESOS Options exercised, the Option Price, the prevailing market price of BTM Shares and the volatility of BTM Share price, which will affect the fair value of the LTIP Awards awarded under the Proposed LTIP as at the LTIP Award Date. It should be noted that such potential cost of awarding the LTIP Awards does not represent a cash outflow but only an accounting treatment.

The Board has taken note of the potential impact of MFRS 2 on the Group's future earnings and will take into consideration such impact in the awarding and vesting of the LTIP Awards under the Proposed LTIP.

# Multiple Proposals: Effects of the Proposals



## Convertible Securities

Save for the outstanding Warrants-B, the Company does not have any other existing convertible securities as at the LPD. The Proposed Rights Issue with Warrants-C and Proposed LTIP will result in the issuance of additional 12,901,328 Warrants-B to be issued pursuant to the deed poll governing the Warrants-B on 12 September 2014.

## Approvals Required

The Proposals are subject to the following approvals being obtained:

- (a) Bursa Securities for the listing of and quotation for the Rights Shares, Warrants-C as well as the additional Warrants-B to be issued;
- (b) approval of the non-interested shareholders of BTM at an extraordinary general meeting (“**EGM**”) to be convened; and
- (c) any other relevant authorities and/or parties, if required.

# Multiple Proposals: Effects of the Proposals



## Approvals Required

The Proposed Diversification and Proposed Rights Issue with Warrants-C is not conditional upon the Proposed Sublease. However, the Proposed Diversification and Proposed Rights Issue with Warrants-C are inter-conditional with each other and the Proposed Lease of Teluk Kalong Land. The Proposed LTIP are not inter-conditional with the other components of the Proposals and the Proposed Lease of Teluk Kalong Land.

In the event that the Proposed Sublease are not approved by the non-interested shareholders at the forthcoming EGM, the Company shall seek alternative sources of the feedstock supply for the generation of electricity power for the Biomass Power Plant. In such an event, the Company may vary the utilisation of proceeds to be raised from the Proposed Rights Issue with Warrants-C.

Save as disclosed above, the Proposals are not conditional upon any other corporate proposals undertaken by BTM (if any).

# Multiple Proposals: Effects of the Proposals



## Directors' Statement

The Board (save for the Interested Directors), after having considered all aspects of the Proposed Sublease is of the opinion that the Proposed Sublease, Proposed Diversification and Proposed Rights Issue with Warrants-C are fair, reasonable and on normal commercial terms which are in the best interest of the Company and is not detrimental to the interests of the non-interested shareholders of BTM. The Board is also of the opinion that the Proposed LTIP are in the best interest of BTM.

The views of the Board (save for the Interested Directors) were arrived at after having considered, inter-alia, the rationale for the Proposals, the opinion from Thinkat as the Independent Adviser for the Proposed Sublease, the future prospects of the renewable energy industry and biomass market in Malaysia and timber plantation industries, as well as the financial effects of the Proposals on the BTM Group.

Accordingly, the Board (save for the Interested Directors who have abstained from deliberation and voting in relation to the Proposed Sublease) recommends that you vote in favour of the resolution pertaining to the Proposed Sublease to be tabled at the forthcoming EGM of the Company. In addition, the Board recommends that you vote in favour of the resolutions pertaining to the Proposed Diversification, Proposed Rights Issue with Warrants-C and Proposed LTIP to be tabled at the forthcoming EGM of the Company.

# Multiple Proposals: Effects of the Proposals

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## Submission to the Authorities and Estimated Timeframe

The application to the relevant authorities for the Proposals and the Proposed Lease of Teluk Kalong Land will be submitted within 2 months from the date of this announcement.

Barring any unforeseen circumstances and subject to all approvals being obtained, the Proposals are expected to be completed by the second quarter of 2022.