

Submitting Merchant Bank	:	PUBLIC MERCHANT BANK BERHAD
Company Name	:	BTM RESOURCES BERHAD
Stock Name	:	BTM
Date Announced	:	28/01/2002

Type : Announcement
Subject : BTM RESOURCES BERHAD ("BTM Resources" or "Company")
- Proposed acquisition of land together with factory buildings erected thereon, and plant and machinery from Gimzan Plywood Sdn Bhd ("Gimzan") ("Proposed Assets Acquisition from Gimzan")
- Proposed acquisition of land and plant and machinery from BTM Timber Industries Sdn Bhd
- Proposed acquisition of 5½ storey office building from Sung Lee Timber Trading Sdn Bhd
- Proposed Private Placement
- Proposed Restricted Offer For Sale
- Proposed ESOS

Contents :

Further to our announcement on 14 January 2002 in relation to the appeal by the Board of Directors of BTM Resources ("Board") on the Securities Commission's ("SC") decision on the Proposed Assets Acquisition from Gimzan and the Proposed Restricted Offer For Sale, Public Merchant Bank Berhad wishes to announce that it, on behalf of BTM Resources, had on 25 January 2002 submitted an appeal to the SC.

In respect of the Proposed Assets Acquisition from Gimzan, the SC had rejected the proposed acquisition due to, inter-alia, the assets had ceased operations, the past losses incurred by the assets and the unsatisfactory prospects of the assets. To ensure that the acquisition will contribute positively to BTM Resources, the vendor, Gimzan, has agreed to furnish a profit guarantee for the financial years ending 31 December 2002 and 2003, details of which are set out in Table 1.

In the event that the profit guarantee is not met in the first year, the shortfall shall be carried forward to the following year such that the aggregate for both years shall not be less than RM6.71 million. The profit guarantee shall be secured against 7,226,000 BTM Resources shares. Upon meeting the first year's profit guarantee, a pro-rated number of BTM Resources Shares will be released to Gimzan.

In respect of the Proposed Restricted Offer For Sale, the Board is appealing to the SC to reinstate the Proposed Restricted Offer For Sale as proposed.

Table 1

Financial year ending 31 December	2002 RM'000	2003 RM'000	Aggregate RM'000
Profit before tax	2,819	3,891	6,710