

Company Name	:	BTM RESOURCES BERHAD
Stock Name	:	BTM
Date Announced	:	15/07/2009

Type : Reply to query
Reply to Bursa : IJ-090714-38736
Malaysia's Query Letter -
Reference ID

Subject : BTM RESOURCES BERHAD ("BTM" OR ("THE COMPANY")
(I) Log Supply Agreement between Besut Tsuda Industries Sdn Bhd ("BTI") and SPPT
Development Sdn Bhd ("SPPT")
(II) Timber Supply Agreement between Besut Tsuda Wood Products Sdn Bhd ("BTWP")
and Samas Limited ("SAMAS")
(III) Timber Supply Agreement between Besut Tsuda Wood Products Sdn Bhd and BTM
Timber Industries Sdn Bhd ("BTMTI")

Contents : With reference to the Bursa Malaysia's Query letter, we have pleasure to furnish the following additional information :

(I) on Log Supply Agreement between Besut Tsuda Industries Sdn Bhd ("BTI") and SPPT Development Sdn Bhd ("SPPT")

(1) Log price of RM 400.00 per ton is based on average market value of logs to be extracted from Chenderong Concession with log size ranging from 9 inch to 13 inch.

(2) The source of funds for the purchase of logs will be from the proceeds of the Proposed Rights Issue on which an application has been submitted to Securities Commission on 8 July 2009.

(3) The salient terms of the option for two years Extended Period are as follows:
In the event that BTI exercise its option to further renew the log supply for the Extended Period , the price thereof shall be negotiated between SPPT and BTI three (3) months prior to the expiry of the Initial Period.

(4) The agreement is not expected to have a material effect on earnings, earnings per share and net assets per share of the BTM Group for the financial year ending 31 December 2009. However, the agreement is expected to contribute positively towards the earnings in the future.

(5) Dato' Seri Yong Tu Sang, Yong Emmy and Yong Ellen are deemed interested directors in the Agreement and as such, have and will continue to abstain from all board deliberations and voting on the relevant resolution on the Agreement at the Board Meeting.

(6) The direct and indirect shareholding of interest directors and/ or major shareholder in the Company and SPPT are shown in the tables attached.

(7) The Company has not appoint the Main Adviser and Independent Adviser for the Agreement. The name of the Main Adviser and Independent Adviser will be announced upon their appointment.

(8) The role of the independent Adviser is to advise the minority shareholders of the Company as to whether the transaction is fair and reasonable as far as the shareholders are concerned and whether the transaction is to the detriment of minority shareholders.

(II) Timber Supply Agreement between Besut Tsuda Wood Products Sdn Bhd and Samas Limited ("SAMAS")

(1) Timber price of RM700.00 per cubic metre, inclusive of any applicable taxes is based on average market value of merchantable medium hardwood timber required by BTWP as raw material.

(2) The source of funds for the purchase of logs will be from the proceeds of the Proposed Rights Issue on which an application has been submitted to Securities Commission on 8 July 2009.

(3) The salient terms of the option for two years Extended Period are as follows:
In the event that BTWP exercise its option to further renew the log supply for the Extended Period , the price thereof shall be negotiated between BTWP and SAMAS three (3) months prior to the expiry of the Initial Period.

(4) The agreement is not expected to have a material effect on earnings, earnings per share and net assets per share of the BTM Group for the financial year ending 31 December 2009. However, the agreement is expected to contribute positively towards the earnings in the future.

(5) Dato' Seri Yong Tu Sang, Yong Emmy and Yong Ellen are deemed interested directors in the Agreement and as such, have and will continue to abstain from all board deliberations and voting on the relevant resolution on the Agreement at the Board Meeting.

(6) The direct and indirect shareholding of interest directors and/ or major shareholder in the Company and SAMAS are shown in the tables attached.

(7) The Company has not appoint the Main Adviser and Independent Adviser for the Agreement. The name of the Main Adviser and Independent Adviser will be announced upon their appointment.

(8) The role of the independent Adviser is to advise the minority shareholders of the Company as to whether the transaction is fair and reasonable as far as the shareholders are concerned and whether the transaction is to the detriment of minority shareholders.

(III) Timber Supply Agreement between Besut Tsuda Wood Products Sdn Bhd and BTM Timber Industries Sdn Bhd ("BTMTI")

(1) Timber price of RM800.00 per ton is based on average market value of merchantable medium hardwood timber required by BTWP as raw material.

(2) The source of funds for the purchase of logs will be from the proceeds of the Proposed Rights Issue on which an application has been submitted to Securities Commission on 8 July 2009.

(3) The salient terms of the option for two years Extended Period are as follows: In the event that BTWP exercise its option to further renew the log supply for the Extended Period, the price thereof shall be negotiated between BTWP and BTMTI three (3) months prior to the expiry of the Initial Period.

(4) The agreement is not expected to have a material effect on earnings, earnings per share and net assets per share of the BTM Group for the financial year ending 31 December 2009. However, the agreement is expected to contribute positively towards the earnings in the future.

(5) Dato' Seri Yong Tu Sang, Yong Emmy and Yong Ellen are deemed interested directors in the Agreement and as such, have and will continue to abstain from all board deliberations and voting on the relevant resolution on the Agreement at the Board Meeting.

(6) The direct and indirect shareholding of interest directors and/ or major shareholder in the Company and BTMTI are shown in the tables attached.

(7) The Company has not appoint the Main Adviser and Independent Adviser for the Agreement. The name of the Main Adviser and Independent Adviser will be announced upon their appointment.

(8) The role of the independent Adviser is to advise the minority shareholders of the Company as to whether the transaction is fair and reasonable as far as the shareholders are concerned and whether the transaction is to the detriment of minority shareholders.

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: We refer to your Company's announcements dated 13 July 2009, in respect of the aforesaid matter.

In this connection, kindly furnish Bursa Malaysia Securities Berhad ("Bursa Securities") with the following additional information for public release:-

The basis in arriving at the price of logs/timber per tonne for each of the Agreements;

The source of funds for the purchase of logs/timber for each of the Agreements;

The salient terms of the options for two years Extended Period for each of the Agreements;

The effects of each of the Agreements on the earnings per share and net assets per share of the BTM Group;

A statement that the interested directors for each of the Agreements have abstained and/or will abstain from deliberating and voting on the relevant resolution on the Agreements at the board meeting;

The direct and indirect shareholdings of the interested directors and/or major

shareholders in the Company and SPPT, SAMAS and BTMTI respectively.
The name of the Main Adviser and Independent Adviser ("IA") for each of the Agreements; and
A statement explaining the role of the IA for each of the Agreements.

Please furnish Bursa Securities with your reply within one (1) market day from the date hereof.

Yours faithfully

CHONG FUI TZY
Head, Issuers
Listing Division
Regulation

HTH/IJ
copy to:- Head, Market Surveillance, Securities Commission (via fax)

Announcement Details :

The shareholdings of Interested directors and /or major shareholders of BTM

Name	Direct-No.of shares held	Direct-% of shareholding	indirect-No.of share held	Indirect-% of shareholding
Dato' Seri Yong Tu Sang	4,186,000	13.32	9,747,500*	31.02
Yong Emmy	3,024,000	9.62	10,909,500**	34.72
To' Puan Ng Ah Heng	2,500,000	7.96	11,433,500***	36.39
Sung Lee Timber Trading Sdn Bhd	2,312,500	7.36	-	-
BTM Timber Industries Sdn Bhd	1,875,000	5.97	-	-
Yong Ellen	36,000	0.11	13,897,500****	44.23

Note:

*Deemed interest by virtue of his interest held through his spouse (namely To' puan Ng Ah Heng) and his daughters (namely Yong Emmy and Yong Ellen)

and his substantial shareholdings in Sung Lee Timber Trading Sdn Bhd and BTM Timber Industries Sdn Bhd.

**Deemed interest by virtue of her interest held through her parents (namely Dato'seri Yong Tu Sang and To' Puan Ng Ah Heng) and her sister (namely Yong Ellen) and their shareholdings in Sung Lee Timber Trading Sdn Bhd and BTM Timber Industries Sdn Bhd.

***Deemed interest by virtue of her interest held through her spouse (namely Dato' Seri Yong Tu Sang) and her daughters (namely Yong Emmy and Yong Ellen) and their substantial shareholdings in Sung lee Timber Trading and BTM Timber Industries Sdn Bhd.

****Deemed interest by virtue of her interest held through her parents (namely Dato' Seri Yong Tu Sang and To' Puan Ng Ah Heng) and her sister (namely Yong Emmy and their substantial shareholding in Sung Lee Timber Trading Sdn Bhd and BTM Timber Industries Sdn Bhd.

The shareholding of interest directors and major shareholders of SPPT:

Name	Direct-No. of share held	Direct-% of shareholding	Indirect-No. of shareheld	Indirect-% of shareholding
Dato Seri Yong Tu Sang	49,999	10%	250,001*	50%
Yong Ellen	200,001	40%	99,999**	20%
Saga Exotika Sdn Bhd	50,000	10%	-	-

Note:

*Deemed interest by virtue of his interest through his daughter (namely Yong Ellen) and her substantial interest in Saga Exotika Sdn Bhd.

** Deemed interest by virtue of her interest held through her father (namely Dato Seri Yong Tu Sang) and her substantial shareholding in

The shareholding of interest directors and major shareholders of SAMAS:

Name	Direct-No.of shares held	Direct-% of shareholding	Indirect-no. of shares held	Indirect-% of shareholding
Dato' Seri Yong Tu Sang	5,000	50%	5,000*	50%
Yong Hin Siong	5,000	50%	5,000**	50%

Note:

* Deemed interest by virtue of his interest through his son (namely Yong Hin Siong)

** Deemed interest by virtue of his interest through his father (namely Dato' Seri Yong Tu Sang).

The shareholding of interest directors and major shareholders of BTM Timber Industries Sdn Bhd:

Name	Direct-No.of shares held	Direct-% of shareholding	Indirect-No.of share held	Indirect-% of shareholding
Dato' Seri Yong Tu Sang	293,999	29.40%	506,001*	50.60%
Yong Ellen	200,001	20.00%	599,999**	60.00%
Gold On Demand Sdn Bhd	306,000	30.60%	-	-

Note:

* Deemed interest by virtue of his interest through his daughter (namely Yong Ellen) and her substantial shareholding in Gold On Demand Sdn Bhd.

** Deemed interest by virtue of her interest through her father (namely Dato Seri Yong Tu Sang) and and her substantial shareholding in Gold On Demand sdn Bhd.