

General Announcement
Reference No MM-010323-39450

Submitting Merchant Bank	:	PUBLIC MERCHANT BANK BERHAD
Company Name	:	BTM RESOURCES BERHAD
Stock Name	:	BTM
Date Announced	:	27/03/2001

Type : Reply to query
Reply to Query : JL-010320-14629
Letter by KLSE
reference ID

Subject : BTM RESOURCES BERHAD ("BTM Resources" or "Company")
- Proposed acquisition of land together with factory buildings erected thereon, and plant and machineries from Gimzan Plywood Sdn Bhd
- Proposed acquisition of land and plant and machineries from BTM Timber Industries Sdn Bhd
- Proposed acquisition of 5 1/2 storey office building from Sung Lee Timber Trading Sdn Bhd
- Proposed Private Placement
- Proposed Restricted Offer For Sale
- Proposed Employees' Share Option Scheme

Contents :

We refer to the Kuala Lumpur Stock Exchange's letter dated 22 March 2001 requesting for further information on the BTM Resources' announcement made on 20 March 2001 in connection with its proposed corporate exercise ("Announcement").

Pursuant thereto, we set out below the said required information:

1. Liabilities to be assumed by BTM Global Holdings Sdn Bhd ("BTM Global"), arising from the Proposed Assets Acquisition from Gimzan and Proposed Assets Acquisition from BTM Timber respectively

The Proposed Assets Acquisition from Gimzan and Proposed Assets Acquisition from BTM Timber do not involve any assumption of liabilities by BTM Global.

2. Liabilities to be assumed by BTM Resources arising from the Proposed Wisma Kam Choon Acquisition

The Proposed Wisma Kam Choon Acquisition does not involve any assumption of liabilities by BTM Resources.

3. Salient features of the sale and purchase agreements in relation to the relevant Proposed Acquisitions

Save as disclosed in Sections 3.1.1, 3.2.1, 3.3, 3.4.1 and 10 of the Announcement, there are no other salient features of the sale and purchase agreements in relation to the Proposed Acquisitions.

4. Basis of offer price of the Proposed Offer For Sale

The offer price of the rights to allotment of 7,876,000 ordinary shares of RM1.00 each in BTM Resources under the Proposed Restricted Offer For Sale would be based on inter-alia, the 5-day weighted average market price of BTM Resources' shares prior to the price fixing date to be determined later, and shall not be more than the issue price for the new BTM Resources shares to be issued pursuant to the Proposed Acquisitions of RM1.60 per share.

5. Interests of Directors and substantial shareholders and persons connected with them in the Proposed ESOS and Proposed Private Placement

Interests of the Directors and substantial shareholders, and persons connected with the Directors and substantial shareholders in relation to the Proposed ESOS were disclosed in an earlier announcement dated 24 December 1999, as follows:

'The Directors of the Company who hold executive functions are entitled to participate in the Proposed ESOS and are therefore deemed interested in respect of their entitlement under the Proposed ESOS. Those individuals will abstain from all Board deliberations on their specific maximum allowable allocations under the Proposed ESOS at the relevant meetings of the Board.'

In relation to the Proposed Private Placement, none of the Directors and substantial shareholders and persons connected with the Directors and substantial shareholders have any interest, direct and/or indirect, in the said Proposed Private Placement.

6. Statement by the Board of Directors

A statement by the Board of Directors as to whether the Proposals are in the best interest of the Company is stated in Section 12 of the Announcement.

Query Letter content :

We refer to your announcement dated 20 March 2001 in respect of the aforesaid matter.

In this connection, kindly furnish the Exchange with the following additional information for public release:-

Particulars of all liabilities to be assumed by BTM Global Holdings Sdn Bhd, arising from the Proposed Assets Acquisition from Gimzan and Proposed Assets Acquisition from BTM Timber respectively.

Particulars of all liabilities to be assumed by BTM arising from the Proposed Wisma Kam Choon Acquisition.

Salient features of the sale and purchase agreements in relation to the Proposed Acquisitions.

The basis for determining the offer price of the Proposed Restricted Offer For Sale.

Whether the directors or substantial shareholders and persons connected with a director or substantial shareholder have any interest, direct and/or indirect in the Proposed ESOS and Proposed Private Placement.

A statement by the Board of Directors stating whether or not the Proposals are in the best interest of the Company, and where a director disagrees with such statement, a statement by the director setting out the reasons and the factors taken into consideration in forming that opinion.

Kindly furnish the Exchange with your reply within two (2) market days from the date hereof.

Yours faithfully

KUALA LUMPUR STOCK EXCHANGE

TAN YEW ENG

Senior Manager, Listing Operations

TYE/JT

Copy to: Securities Commission (via fax)

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