

BERTAM ALLIANCE BERHAD

305530-A

2009

ANNUAL REPORT

CONTENTS

- 02** Notice of Sixteenth Annual General Meeting
- 06** Statement Accompanying Notice of Sixteenth Annual General Meeting
- 07** Corporate Information
- 08** Executive Chairman's Statement
- 10** Profile of the Board of Directors
- 13** Audit Committee Report
- 17** Statement on Corporate Governance
- 22** Statement on Internal Control
- 23** Financial Statements
- 80** List of Properties
- 81** Analysis of Shareholdings
- 85** Appendix

Proxy Form

NOTICE OF SIXTEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Sixteenth Annual General Meeting of the Company will be held at Level 1, Crown Hall 1, Crystal Crown Hotel, No. 12, Lorong Utara A, Off Jalan Utara, 46200 Petaling Jaya, Selangor Darul Ehsan on **Wednesday, 26 May 2010 at 10.30 a.m.**, to transact the following businesses:

AS ORDINARY BUSINESS:

1. To receive the Audited Financial Statements for the financial year ended 31 December 2009 and the Reports of Directors and Auditors thereon. *(Please refer Explanatory Note 1)*
2. To re-elect Mr. Tan Ai Tong who retires by rotation as a Director of the Company pursuant to Article 91 of the Company's Articles of Association. *(Ordinary Resolution 1)*
3. To re-elect Haji Hamdan Bin Yahya who retires by rotation as a Director of the Company pursuant to Article 91 of the Company's Articles of Association. *(Ordinary Resolution 2)*
4. To re-appoint Ernst & Young as Auditors of the Company for the financial year ending 31 December 2010 and to authorise the Directors to fix the Auditors' remuneration. *(Ordinary Resolution 3)*

AS SPECIAL BUSINESS:

5. To approve the payment of Directors' Fees of RM210,000 for the financial year ended 31 December 2009. *(Ordinary Resolution 4)*
6. To consider and if thought fit, to pass the following Ordinary Resolution, with or without modifications:

AUTHORITY TO ISSUE SHARES

"THAT subject always to the Companies Act, 1965, Articles of Association of the Company and approvals from Bursa Malaysia Securities Berhad and any other governmental/regulatory bodies, where such approval is necessary, authority be and is hereby given to the Directors pursuant to Section 132D of the Companies Act, 1965 to issue and allot not more than ten percent (10%) of the issued capital of the Company at any time upon any such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit or in pursuance of offers, agreements or options to be made or granted by the Directors while this approval is in force until the conclusion of the next Annual General Meeting of the Company and that the Directors be and are hereby further authorised to make or grant offers, agreements or options which would or might require shares to be issued after the expiration of the approval hereof."

(Ordinary Resolution 5)

NOTICE OF SIXTEENTH ANNUAL GENERAL MEETING (CONT'D)

7. To consider and if thought fit, to pass the following Ordinary Resolution, with or without modifications:

PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

"THAT, subject to the provisions of the Listing Requirements of Bursa Malaysia Securities Berhad, the Company and/or its subsidiary companies ("the Group") be and are hereby authorised to enter into and give effect to the recurrent related party transactions of a revenue or trading nature with the related party as set out in Section 2.3(a) of the Circular to Shareholders dated 4 May 2010 ("the Related Party") provided that such transactions and/or arrangements are:-

- (a) necessary for the day-to-day operations;
- (b) undertaken in the ordinary course of business and at arm's length basis and on normal commercial terms which are not more favourable to the Related Party than those generally available to the public; and
- (c) are not prejudicial to the minority shareholders of the Company

("the Shareholders' Mandate")

AND THAT such approval, shall continue to be in force until:-

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company following this AGM at which the Shareholders' Mandate is passed, at which time it will lapse, unless by a resolution passed at such AGM whereby the authority is renewed; or
- (b) the expiration of the period within the next AGM of the Company after that date is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- (c) revoked or varied by a resolution passed by the shareholders of the Company in a general meeting;

whichever is earlier;

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Shareholders' Mandate."

(Ordinary Resolution 6)

NOTICE OF SIXTEENTH ANNUAL GENERAL MEETING (CONT'D)

8. To consider and if thought fit, to pass the following Ordinary Resolution, with or without modifications:

PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

"THAT, subject to the provisions of the Listing Requirements of Bursa Malaysia Securities Berhad, the Company and/or its subsidiary companies ("the Group") be and are hereby authorised to enter into and give effect to the recurrent related party transactions of a revenue or trading nature with the related party as set out in Section 2.3(b) of the Circular to Shareholders dated 4 May 2010 ("the Related Party") provided that such transactions and/or arrangements are:-

- (a) necessary for the day-to-day operations;
- (b) undertaken in the ordinary course of business and at arm's length basis and on normal commercial terms which are not more favourable to the Related Party than those generally available to the public; and
- (c) are not prejudicial to the minority shareholders of the Company

("the Shareholders' Mandate")

AND THAT such approval, shall continue to be in force until:-

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company following this AGM at which the Shareholders' Mandate is passed, at which time it will lapse, unless by a resolution passed at such AGM whereby the authority is renewed; or
- (b) the expiration of the period within the next AGM of the Company after that date is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- (c) revoked or varied by a resolution passed by the shareholders of the Company in a general meeting;

whichever is earlier;

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Shareholders' Mandate."

(Ordinary Resolution 7)

9. To consider and if thought fit, to pass the following Special Resolution, with or without modifications:-

AMENDMENT TO THE ARTICLES OF ASSOCIATION

"THAT the proposed amendments to the Articles of Association of the Company as contained in the Appendix 1 attached to the Annual Report 2009 be and are hereby approved."

(Special Resolution 1)

NOTICE OF SIXTEENTH ANNUAL GENERAL MEETING (CONT'D)

10. To transact any other business of which due notice shall have been given in accordance with the Companies Act, 1965.

BY ORDER OF THE BOARD

WONG WEI FONG (MAICSA 7006751)

KUAN HUI FANG (MIA 16876)

Secretaries

Kuala Lumpur

Date: 4 May 2010

Notes:

- A member entitled to attend and vote at this meeting is entitled to appoint one or more proxies to attend and vote in his stead and the holder shall specify the proportion of his shareholding to be represented by each proxy; a proxy need not be a member and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply.*
- Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of an officer or its attorney duly authorised.*
- The instrument appointing a proxy must be deposited at the registered office of the Company at Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting, i.e. on or before 10.30 a.m., Monday, 24 May 2010.*

Explanatory Notes on Special Business:

1. Item 1 of the Agenda

The Agenda item is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

2. Ordinary Resolution 4

The proposed resolution is in accordance with Article 98 of the Company's Articles of Association and if passed, will authorise the payment of Directors' Fees to the Directors of the Company for their services as Directors for the year ended 31 December 2009.

3. Ordinary Resolution 5

The proposed resolution is primarily to give flexibility to the Board of Directors to issue shares to such persons at any time in their absolute discretion without convening a general meeting. This authorisation will expire at the conclusion of the next Annual General Meeting of the Company.

This is the renewal of the mandate obtained from the members at the last Annual General Meeting ("the previous mandate"). The previous mandate was not utilised and accordingly no proceeds were raised.

4. Ordinary Resolution 6

The proposed ordinary resolution, if passed, will allow the Group to enter into recurrent related party transactions made on an arm's length basis and on normal commercial terms and which are not prejudicial to the interests of the minority shareholders. For more information, please refer to the Circular to Shareholders dated 4 May 2010.

5. Ordinary Resolution 7

The proposed ordinary resolution, if passed, will allow the Group to enter into recurrent related party transactions made on an arm's length basis and on normal commercial terms and which are not prejudicial to the interests of the minority shareholders. For more information, please refer to the Circular to Shareholders dated 4 May 2010.

6. Special Resolution 1

The proposed amendments to the Articles of Association will enable the Company to implement the Electronic Dividend payment ("eDividend") to comply with the directive of Bursa Malaysia Securities Berhad dated 19 February 2010, and also for administrative purpose.

STATEMENT ACCOMPANYING NOTICE OF SIXTEENTH ANNUAL GENERAL MEETING

Details of Directors who are standing for re-election

A. Directors standing for re-election:-

(1) Tan Ai Tong

(2) Haji Hamdan Bin Yahya

Details of the above Directors who are standing for re-election are set out in the Directors' Profiles appearing on page 10 and 12 of this Annual Report.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Ng Sing Hwa
Executive Chairman

Tan Ai Tong
Managing Director

Ng Chee Hua
Non-Executive Director

Low Yew Hwa
Non-Executive Director

Loong Foo Ching
Independent Non-Executive Director

Haji Hamdan Bin Yahya
Independent Non-Executive Director

AUDIT COMMITTEE

Loong Foo Ching
Chairman

Haji Hamdan Bin Yahya
Member

Low Yew Hwa
Member

NOMINATION COMMITTEE

Loong Foo Ching
Chairman

Haji Hamdan Bin Yahya
Member

Ng Chee Hua
Member

REMUNERATION COMMITTEE

Loong Foo Ching
Chairman

Ng Chee Hua
Member

Low Yew Hwa
Member

COMPANY SECRETARIES

Wong Wei Fong
MAICSA 7006751

Kuan Hui Fang
MIA 16876

REGISTERED OFFICE

Level 18, The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Malaysia
Telephone : 603-2264 8888
Facsimile : 603-2282 2733

REGISTRAR

Tricor Investor Services Sdn Bhd
(formerly known as Tenaga Koperat Sdn Bhd)
Level 17, The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Malaysia
Telephone : 603-2264 3883
Facsimile : 603-2282 1886

AUDITORS

Ernst & Young
Chartered Accountants
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur
Malaysia

BUSINESS ADDRESS

Brem House, Level 3A
Crystal Crown Hotel
No.12, Lorong Utara A
Off Jalan Utara
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Telephone : 603-7958 7288
Facsimile : 603-7958 5033
Website : www.bertamalliance.com

PRINCIPAL BANKERS

CIMB Bank Berhad
EON Bank Berhad
Hong Leong Bank Berhad
Malaysian Building Society Berhad
Public Bank Berhad

SOLICITORS

Cheah Teh & Su
Lee, Perara & Tan
Soo Thien Ming & Nashrah
TH Moi & Associates

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
Main Market
Stock Code : 9814

EXECUTIVE CHAIRMAN'S STATEMENT

DEAR SHAREHOLDERS,

On behalf of the Board of Directors, I am pleased to present to you the Annual Report and Audited Financial Statements of the Group and Company for the financial year ended 31st December 2009.

MILD ECONOMIC RECOVERY IN YEAR 2009

In tandem with the mild economic recovery experienced by some of Malaysian's major trading partners, our economy was also improving gradually with a positive growth being registered in the last quarter of 2009. Riding on this positive momentum, our government continues to institute various stimulus packages and reform so as to steer our economy out of the recession. It is heartening to note that Bank Negara in its latest Report in forecasting a growth of over 5% for year 2010 in the Gross Domestic Product.

FINANCIAL PERFORMANCE

For the year under review, the Group recorded a lower after tax profit of RM4,213,764 as against the after tax profit of RM5,504,471 achieved in 2008. This was due to the delay in launching the high-end bungalow project in Kota Damansara, Selangor as all the necessary approvals were only obtained at the last quarter 2009. Hence, a lower sales of RM39,759,750 were recorded in 2009 compared with that of RM45,182,136 achieved in 2008.

DIVIDEND

Your board of Directors approved payment of a single-tier interim dividend of 1.31 sen per share in lieu of a final dividend for the year under review, amounting to total dividend payable of RM2,708,510 as against the total net dividend payable of RM2,326,011 for the financial year ended 31st December 2008. The dividend for the financial year ended 31st December 2009 was paid on 31st March 2010.

Whilst on the subject of future dividend payment, shareholders are hereby reminded to provide your bank account information to Bursa Malaysia Depository Sdn. Bhd.. This information is to facilitate payment of e-Dividend by us directly into your bank account instead of making payment via bank cheques. You are therefore required to comply with this electronic dividend payment requirement should any further dividend payment is made with effect from 1st September 2010.

EXECUTIVE CHAIRMAN'S STATEMENT (CONT'D)

OUTLOOK

With the Malaysian economic projected to grow beyond the 5% mark for year 2010, your Directors are optimistic that the housing market will be buoyant again as evidenced by the recent announcements of the substantial locked-in sales achieved by some of the major developers in the Country. The current housing market condition is certainly favourable to the launching of the bungalow project in Kota Damansara.

It is within this backdrop that your Directors are confident that the Group will remain profitable again for the current financial year.

CORPORATE SOCIAL RESPONSIBILITIES

As part of corporate social responsibility efforts, the company also seeks to focus on education. With economic development, prices of goods and services in all sectors, including fees for education, have increased. Thus, additional financial burden was a concern for the students as well as their parents worrying about school fees.

An Employee Study Loan Fund was established in 2008. We continue to provide interest free study loan to employees and their dependents. These interest free study loans are aimed at helping employees and their dependents that need financial assistance to continue their education.

ACKNOWLEDGEMENT

On behalf of the Board of Directors, I would like to say thank you to our valued Shareholders and Business Associates for their support and confidence in the Group. To our management team and employees of the Group, your contribution and efforts is much appreciated indeed.

NG SING HWA
Executive Chairman

PROFILE OF THE BOARD OF DIRECTORS

NG SING HWA *Executive Chairman*

Aged 64, is a Malaysian citizen and was appointed to the Board on 23 July, 2002. He is the Executive Chairman of Bertam Alliance Berhad.

He qualified as a Chartered Accountant and is a member of the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants.

He has vast experience in the areas of corporate finance, hospitality industry, property & construction industry and manufacturing of building materials. He had held the positions of Group Chief Executive of Faber Merlin Malaysia Berhad from 1977 to 1985 and Managing Director of CI Holdings Berhad from 1985 to 1988 prior to venturing into management consultancy services and own property development in 1989.

His shareholdings in the Company are disclosed in the Directors' Report on page 84 and is deemed to be a substantial shareholder of the Company.

He is the brother of Ng Chee Hua who is a non-executive director and substantial shareholder of the Company. He is also the father to Ng Wei Wei and uncle to Ng Eu Jin, substantial shareholders of the Company, whose shareholdings are disclosed in page 83.

He does not hold directorship in other public listed companies and he has no conviction for any offences within the past ten years.

TAN AI TONG *Managing Director*

Aged 56, is a Malaysian citizen and was appointed to the Board on 23 July 2002. He is the Managing Director of Bertam Alliance Berhad. He is responsible for the overall management of the Group.

He holds a Master Degree in Business Administration from the Cranfield Institute of Technology, UK, and a Bachelor of Civil Engineering degree from the University of Auckland, New Zealand. He is a professional Engineer and a member of the Institution of Engineers, Malaysia. He has had many years of experiences in business and property development. He also sits on the Board of several other private limited companies.

His shareholdings in the Company are disclosed in the Directors' Report on page 84.

He does not hold directorship in other public listed companies. He has no family relationship with other directors or major shareholders of the Company and he has no conviction for any offences within the past ten years.

PROFILE OF THE BOARD OF DIRECTORS (CONT'D)

NG CHEE HUA *Non-Executive Director*

Aged 59, is a Malaysian citizen and was appointed to the Board as non-executive director on 23 July 2002. He is also a member of the Nomination Committee and Remuneration Committee.

He is a fellow member of the Association of International Accountants and has more than 30 years of experiences in financial, manufacturing, property development and construction fields. He also holds directorship in a few private property development companies.

His shareholdings in the Company are disclosed in the Directors' Report on page 84 and is deemed to be a substantial shareholder of the Company.

He is the brother of Ng Sing Hwa who is the Executive Chairman and substantial shareholder of the Company. He is also the father to Ng Eu Jin and uncle to Ng Wei Wei, substantial shareholders of the Company, whose shareholdings are disclosed in page 83.

He does not hold directorship in other public listed companies and he has no conviction for any offences within the past ten years.

LOW YEW HWA *Non-Executors Director*

Aged 54, is a Malaysian citizen and was appointed to the Board as non-executive director on 23 July 2002. He is also a member of Audit Committee and Remuneration Committee.

He holds a Diploma in Commerce (Financial Accounting) from Tunku Abdul Rahman College. He is a Fellow Member of the Chartered Association of Certified Accountants, UK and also a member of the Malaysian Institute of Accountants. He is the Executive Director of Brem Holding Berhad and several subsidiaries of Brem Holding Berhad and several other private limited companies.

He neither holds any shares in the Company nor in other subsidiaries within the Group. He is deemed interested in certain recurrent related party transactions. Details pertaining to these transactions are disclosed in Note 28 to the financial statements.

Besides holding directorship in Brem Holding Berhad, he does not hold any directorship in other public listed companies. He has no family relationship with other directors or major shareholders of the Company and he has no conviction for any offences within the past ten years.

PROFILE OF THE BOARD OF DIRECTORS (CONT'D)

LOONG FOO CHING

Independent Non-Executive Director

Aged 60, is a Malaysian citizen and was appointed to the Board as an independent non-executive director on 31 July 2002. He is the Chairman of the Audit Committee, Nomination Committee and Remuneration Committee.

He is an advocate & solicitor and holds a Bachelor of Laws (LLB) - honours degree from University of London and a Master of Laws (LLM) degree from University of Malaya. He is also an associate member of the Chartered Institute of Bankers, London (now under the official brand name of Institute of Financial Services) and a member of Institut Bank-Bank Malaysia. Prior to legal practice, Mr Loong had more than 25 years of working experience in the banking and finance industry.

He does not have any conflict of interest with the Group nor has he any family relationship with other directors or major shareholders of the Company. He does not hold any directorship in other public listed companies and he has no conviction for any offence within the past ten years.

Haji HAMDAN BIN YAHYA

Independent Non-Executive Director

Aged 61, is a Malaysian citizen and was appointed to the Board as an independent non-executive director on 22 February 2005. He is also a member of the Audit Committee and Nomination Committee.

He obtained his degree (BA Hons) from University Malaysia in 1972/73 and started his career as Johor Civil Service officer in 1973. He was in the civil service from 1973 to 1981, after which he joined the private sector.

He has more than 25 years experience in the business sector. He gained experiences in many fields and specialise in corporate and property management.

He has been participating in the federal and state government trade mission to USA, Europe, Taiwan, Japan and etc.

He does not have any conflict of interest with the Group nor has he any family relationship with other directors or major shareholders of the Company. He does not hold any directorship in other public listed companies and he has no conviction for any offences within the past ten years.

AUDIT COMMITTEE REPORT

1. COMPOSITION OF AUDIT COMMITTEE

Loong Foo Ching

Chairman

(Independent Non-Executive Director)

Low Yew Hwa

Member

(Non-Executive Director)

Tuan Haji Hamdan Bin Yahya

Member

(Independent Non-Executive Director)

2. TERMS OF REFERENCE

• MEMBERSHIP

The Committee shall be appointed by the Board of Directors from among the Directors of the Company (except alternate directors) and shall consist of not less than 3 members, the majority of whom shall be independent non-executive directors. All members of the Committee should be non-executive directors.

All the members of the Committee should be financially literate, and at least one (1) member of the Committee:

- (a) must be a member of the Malaysian Institute of Accountants (MIA); or
- (b) if he is not a member of the MIA, he must have at least three (3) years of working experience and:
 - he must have passed the examination specified in Part I of the 1st Schedule to the Accountants Act, 1967; or
 - he/she must be a member of one (1) of the Associations of Accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967; or
 - fulfills such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad.

A quorum shall be a majority of members who shall be the independent non-executive directors.

In the event of any vacancy in the Committee resulting in the non-compliance of the above, the Company must fill the vacancy within 3 months.

The Board of Directors must review the term of office and performance of the Committee and each of its members at least once every 3 years to determine whether such Committee and members have carried out their duties in accordance with their terms of reference.

AUDIT COMMITTEE REPORT (CONT'D)

2. TERMS OF REFERENCE (CONT'D)

- **CHAIRMAN**

The Chairman shall be elected by the Committee from among their members who shall be an independent non-executive director. The Chairman of the Audit Committee should engage on a continuous basis with senior management, the head of internal audit and the external auditors in order to be kept informed of matters affecting the company.

- **RIGHTS**

The Committee shall:

- have authority to investigate any matter within its terms of reference;
- have the resources which are required to perform its duties;
- have full and unrestricted access to any information pertaining to the Company;
- have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity (if any);
- be able to obtain independent professional or other advice; and
- be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

- **FUNCTIONS**

The Committee shall:

- Consider the appointment of the external auditor, the audit fee and any question of resignation or dismissal;
- Discuss with the external auditor before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved;
- Review the quarterly and year-end financial statements of the Company, focusing particularly on:-
 - any change in accounting policies and practices;
 - significant adjustments arising from the audit;
 - the going concern assumption; and
 - compliance with accounting standards and other legal requirements.
- Discuss problems and reservations arising from the interim and final audits, and any matter the auditor may wish to discuss (in the absence of management where necessary);
- Review the external auditor's management letter and management's response;

AUDIT COMMITTEE REPORT (CONT'D)

2. TERMS OF REFERENCE (CONT'D)

• FUNCTIONS (CONT'D)

- vi. Do the following, in relation to the internal audit function:
 - review the adequacy of the scope, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;
 - review the internal audit programme and results of the internal audit process and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function;
 - review any appraisal or assessment of the performance of members of the internal audit function;
 - approve any appointment or termination of senior staff members of the internal audit function; and
 - take cognizance of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.
- vii. Consider any related-party transactions that may arise within the company or group;
- viii. Consider the major findings of internal investigations and management's response; and
- ix. Consider other topics as defined by the board.

3. ATTENDANCE AT MEETINGS

The finance director, the head of internal audit and a representative of the external auditors should normally attend meetings. Other directors and employees may attend any particular audit committee meeting only at the Committee's invitation, specific to the relevant meeting. However, the Committee should meet with the external auditors without the presence of the executive directors, at least twice a year.

4. FREQUENCY OF MEETING

Meetings shall be held not less than four (4) times a year to review the quarterly results and year end financial statements. Other meetings may be held as and when required.

5. AUDIT COMMITTEE MEETINGS ATTENDANCE

During the financial year, the Audit Committee conducted eight (8) meetings inclusive of three (3) separate meetings with the External Auditors of the Company and the subsidiaries without the presence of the Executive Directors and employees of the Company and the subsidiaries. These meetings were attended by all Audit Committee members.

AUDIT COMMITTEE REPORT (CONT'D)

6. ACTIVITIES OF THE AUDIT COMMITTEE

The principal activities undertaken by the Audit Committee during the financial period were summarized as follows:

- (a) Reviewed the External Auditor's management letter and the management's response to the letter;
- (b) Reviewed the unaudited quarterly financial results, cash flows and financial positions for each financial quarter prior to submission to the Board for consideration and approval for announcement to the public;
- (c) Reviewed the annual audited financial statement, Directors' and Auditors' Reports and other significant accounting issues arising from the financial year ended 31 December 2008 audit;
- (d) Reviewed the external auditors' plan for the year ended 31 December 2009;
- (e) Reviewed the performance and effectiveness of the External Auditors and made recommendations to the Board on re-appointment and remuneration of the External Auditors;
- (f) Conducted three (3) meetings with the External Auditors without the presence of the Executive Directors and employees of the Group;
- (g) Reviewed the internal audit plan and reports presented by the Internal Auditors;
- (h) Reviewed the Corporate Governance Statement, Audit Committee Report and Statement on Internal Control prior to submission to the Board for consideration and approval for inclusion in the 2008 annual report;
- (i) Reviewed the quarterly status of recurrent related party transactions; and
- (j) Reviewed the corporate social activities initiated and carried out during the financial year.

7. TRAINING

All committee members attended one day training on "tax and corporate seminar" during the financial year ended 31 December 2009.

8. INTERNAL AUDIT FUNCTION

The internal audit function is essential in assisting the Audit Committee in reviewing the systems of internal control maintained by the management.

The Group had established an internal audit function upon listing. This function is outsourced to an internal audit services company and functionally, the lead internal auditor reports to the Committee directly.

The Committee reviews and approves the annual internal audit plan before the Internal Auditors carry out their functions. All audit findings are reported to the Committee and areas of improvement and audit recommendations identified are communicated to the management for further action.

The cost incurred for the internal audit function in respect of the financial year ended 31 December 2009 was RM36,032.

STATEMENT ON CORPORATE GOVERNANCE

The Malaysian Code on Corporate Governance ~ Revised 2007 (“the Revised Code”) sets out the basic principles and best practices on the structures and processes that companies may adopt in their operation towards achieving effective governance framework. In accordance with the Main Market Listing Requirements, the Board is pleased to present herewith its statement on how it has applied the principles of the Revised Code and the extent of compliance with its Best Practices.

THE BOARD OF DIRECTORS

The Company continues to be led by the same board members comprising directors with both professional and business experience relevant to the property development business of the Group. The Board has six (6) directors and two (2) of them being the Independent Non-Executive Directors. The role and responsibilities of the Executive Chairman and Managing Director are separated and assumed by different directors. In addition, Mr Loong Foo Ching continues to act as the Senior Independent Non-Executive Director to provide shareholders with an alternative to convey their concerns and seek clarifications from the Board.

A description of the background of each director is presented on pages 10 to 12.

Schedule of Board and Audit Committee meetings are determined in advance before the new financial year. This enables the management to plan its yearly business and corporate affairs and ensure timely preparation of information for dissemination to the Board members.

The Board is provided with appropriate and current information to enable it to discharge its duties effectively. The management is invited to attend the Board and Audit Committee meetings and to provide explanations to the Board on the operations of the Group. In addition, the Board is also briefed progressively by the Company Secretary, External Auditors and the Internal Auditors on new or changes in corporate regulatory and listing requirements.

The Board recognises the importance for reviewing and adopting a strategic plan and overseeing the conduct of the business. This will ensure that the business is being properly managed. Presently, the performance of the Group is reviewed by the Board in consideration of the quarterly financial results and explanations provided by the management.

During the financial year, five (5) Board meetings were held and the details of attendance of each director are as follow:

Directors	Total no. of Meetings	No. of Meetings attended
Ng Sing Hwa	5	5
Tan Ai Tong	5	5
Ng Chee Hua	5	4
Low Yew Hwa	5	5
Loong Foo Ching	5	5
Haji Hamdan Bin Yahya	5	5

The Board maintains specific Board committees namely Audit Committee, Nomination Committee and Remuneration Committee. These Committees ensure greater attention, objectivity and independence are provided in the deliberations of specific Board agenda. However, in order to ensure the direction and control of the Group is firmly within the Board, the Board has defined the terms of reference for each Committee. The Chairmen of the Board Committees would report to the Board during the Board meetings on significant matters and salient matters deliberated in the Committees.

STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

APPOINTMENT TO THE BOARD

The Nomination Committee is established and maintained to ensure that there is a formal and transparent procedure for the appointment of new directors to the Board and for the performance appraisal of directors. The current members of the Committee are made up of fully non-executive directors with majority being independent non-executive directors. The composition of the Nomination Committees is as follows:

Chairman : Loong Foo Ching (*Independent Non-Executive Director*)
Member : Ng Chee Hua (*Non-Executive Director*)
Member : Haji Hamdan Bin Yahya (*Independent Non-Executive Director*)

The Revised Code provides greater clarity on the following aspects of which Nomination Committee should consider when recommending candidates for directorship:

- Skills, knowledge, expertise and experience;
- Professionalism;
- Integrity; and
- In the case of candidates for the position of independent director, the Nomination Committee should evaluate the candidates' ability to discharge his/her functions as expected from an independent director.

The other aspects of the functions of the Nomination Committee are:

- To consider, in making its recommendations, candidates for directorships proposed by the Managing Director/ Chief Executive Director and, within the bounds of practicability, by any other senior executive or any director or shareholder;
- To recommend to the Board, directors to fill the seats on Board Committees;
- To assess annually the effectiveness of the Board as a whole, the Committees of the Board and the contribution of each existing individual director and thereafter, report its findings to the Board; and
- To review and identify the required mix of skills and experience and other qualities, including core competencies which non-executive directors should bring to the Board and thereafter, recommend its findings to the Board.

Annually the Nomination Committee conducts appraisal on director, board committees and the Board. In line with the Best Practices, these appraisals were documented.

During the financial year, the Nomination Committee held 2 meetings.

DIRECTORS' TRAINING

Continuous learning and training are part of Directors' development programmes. The Directors recognise the need to attend trainings to enable the directors to discharge their duties effectively.

During the financial year, all directors attended one-day training on "tax and corporate seminar".

STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

RE-ELECTION OF DIRECTORS

Director re-election provides an opportunity for shareholders to renew their mandate conferred to the Directors. In this respect, the Articles of Association of the Company provides that all directors shall retire by rotation once in every three (3) years or at least one-third (1/3) of the Board shall retire but shall be eligible to offer themselves for re-election at the Annual General Meeting ("AGM").

This requirement has been adhered to by the Board in every AGM. Profile of directors standing for election covering their details of profession, meeting attendance, directorships in other public companies and shareholdings in the Group are summarised in the Statement Accompanying the Notice of AGM.

DIRECTORS' REMUNERATION

The remuneration of the Executive Directors and Non-Executive Directors are reviewed by the Remuneration Committee and the Board respectively. All directors play no part in the decision of their own remuneration.

The members of the Remuneration Committee are:

Chairman : Loong Foo Ching (*Independent Non-Executive Director*)
Member : Low Yew Hwa (*Non-Executive Director*)
Member : Ng Chee Hua (*Non-Executive Director*)

The Committee considers the principles recommended by the Code in determining the directors' remuneration, whereby, the executive remuneration is designed to link rewards to the Group's performance whilst the remuneration of the non-executive directors is determined in accordance with their experience and the level of responsibilities assumed.

Annually, the Remuneration Committee reviews the performance and the remunerations of the Executive Directors to ensure that the directors' remunerations commensurate with the market expectation, the directors' experience and competency and the Group's performance.

The number of Directors whose income falls within the following bands is set out as follows:

Remuneration Bands	Executive Directors	Non-Executive
RM50,000 and below	-	4
RM300,000-RM350,000	1	-
RM350,001-RM400,000	1	-

The aggregate remuneration paid or payable to all Directors of the Company are further categorised into the following components:

	Fees* (RM)	Salaries (RM)	Bonuses (RM)	EPF (RM)	Benefit-inkind/ Allowance (RM)	Total (RM)
Executive Directors	70,000	535,200	44,600	51,168	34,700	735,668
Non-Executive Directors	140,000	-	-	-	13,500	153,500

* Subject to the approval by shareholders at the AGM.

STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

DIRECTORS' REMUNERATION (CONT'D)

The Board views that the transparency in respect of the Directors' remuneration has been reasonably dealt with by the 'band disclosure' presented in the above. Therefore, the detailed remuneration of each director is excluded.

SHAREHOLDERS

The Board endeavours to provide timely and accurate disclosure of all material information of the Group to the shareholders and investors. Where practicable, the Board is prepared to enter into a dialogue with institutional shareholders. Currently, information is disseminated through various disclosures and announcements made to the Bursa Securities. This information is electronically published at the Bursa Securities website at <http://www.bursamalaysia.com> and the Company's website at <http://www.bertamalliance.com>.

The AGM remains as the principal forum for dialogue with all shareholders while the Extraordinary General Meetings would be held as and when required. During the financial year, the Fifteenth AGM was held on 27 May 2009. At this AGM, the representatives from the statutory audit firm were present to avail themselves to answer the shareholders' questions on the conduct and finalisation of the annual audited financial statements. In addition, before the proposed resolutions were put to a vote, the shareholders were provided with opportunities to seek clarifications.

ACCOUNTABILITY AND AUDIT

The Board is committed to present a balance and understandable assessment of the Group's financial position and prospects to the stakeholders and general public. In presenting the annual audited financial statements and quarterly announcements of its results, the Board assures that the Company uses appropriate accounting policies consistently and estimates are supported by reasonable and prudent judgments.

It is the Board's responsibility to maintain a sound system of internal control for the Group. The effectiveness of the system of internal control is reviewed by the management and independently assessed by the internal auditors under the purview of the Audit Committee. The internal audit function is currently outsourced to an independent internal audit services company. Information on the Group's state of internal control is reported in the Statement on Internal Control which is presented on page 22.

AUDIT COMMITTEE

The Audit Committee establishes a transparent and professional relationship with the External Auditors. Annually, the Audit Committee reviews the appointment, performance and remuneration of the External Auditors before recommending them to the shareholders for re-appointment in the AGM. The Audit Committee would convene meeting with the External Auditors and Internal Auditors without the presence of the executive directors and employees of the Group as and when necessary. The Audit Committee noted the Revised Code's best practice that at least two (2) meetings shall be held with the external auditors without the presence of executive board members annually and the Audit Committee Chairman should engage on continuous basis with the senior management. Accordingly, during the financial year, the Audit Committee had conducted three meetings with the External Auditors of the Company and the subsidiaries without the presence of the executive directors and employees of the Group. In addition, the Audit Committee Chairman attended the executive management meetings held during the financial year to keep abreast of matters affecting the Group.

On separate note, the Board is always mindful of the Listing Requirements on the review of the terms of office and performance of the Audit Committee and each of its members at least once every three (3) years. The review of Audit Committee and its members was done concurrently with the annual directors' appraisal.

STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

COMPLIANCE WITH THE BEST PRACTICES

Except for the non-disclosure of individual director's remunerations; the Board believes that all material aspects of the best practices set out in Part 2 of the Revised Code have been complied with during the financial year.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are responsible for ensuring that:

- I. The annual audited financial statements of the Group and of the Company are drawn up in accordance with applicable approved accounting standards in Malaysia, the provisions of the Companies Act, 1965 and the Main Market Listing Requirements so as to give a true and fair view of the state of affairs of the Group and the Company for the financial year, and
- II. Proper accounting and other records are kept which enable the preparation of the financial statements with reasonable accuracy and taking reasonable steps to ensure that appropriate systems are in place to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

In the preparation of the financial statements for the financial year ended 31 December 2009, the Directors have adopted appropriate accounting policies and have applied them consistently in the financial statement with reasonable and prudent judgments and estimates. The Directors are also satisfied that all relevant approved accounting standards have been followed in the preparation of the financial statements.

OTHER INFORMATION

Material Contracts

There were no material contracts other than those entered into in the ordinary course of business by the group either still subsisting at the end of the financial year ended 31 December 2009 or entered into since the end of the previous financial year involving Directors' and Major Shareholders' interest.

Revaluation Policy

The Group does not adopt a policy of regular revaluation of its landed properties.

STATEMENT ON INTERNAL CONTROL

The Board of Directors of Bertam Alliance Berhad acknowledges the importance of the systems of internal control and recognises that it is their responsibility to maintain a sound system of internal control to safeguard the Group's interests. In this respect, the Board undertakes to identify principal risks, ensure the implementation of appropriate systems to manage risks and review the adequacy and integrity of the Group's systems of internal control.

Broadly, the Board's review, the management supervision and their experience and the independent review mechanism constitute the key components of the risk management and internal control systems of the Group.

The Board collectively oversees and reviews the conduct of the Group's business while the Executive Chairman, Managing Directors and the management execute business strategy and controls to ensure that risks are effectively managed. These supervision and execution functions are embedded and carried out as the Group's main risk management process. Professionally, all the Board members and the senior management possess extensive experience in property development. With the experience and the risk management structure in place the Group is assured that risks are appropriately identified, considered and managed.

Executive Directors conduct regular management meetings with the senior management members. Audit Committee Chairman and non-executive directors were also invited to attend these meetings. This provides a channel of communication for various parties to discuss and manage risks facing the Group. Broadly, the agenda of these meetings covers the progress of projects undertaken, the financial management, new business opportunities and ventures. In these meetings, issues and risks are identified and actions are decided to ensure businesses are under control and corporate targets and objectives are achieved. The deliberated issues and decided actions in these meetings are recorded in minutes for the reference of all Board members.

There are two aspects of review of systems of internal control in the organisation. The first aspect of review is undertaken by the management as part of the operation activities while the second aspect constitutes the independent review performed by the Audit Committee. The presence of the internal audit function supports this review by reviewing and reporting the status of management control procedures to the Audit Committee. Besides reviewing the systems of internal control, the Audit Committee also reviews the financial information and reports produced by the management. In this case, the Audit Committee in consultation with the management and the External Auditors deliberates the integrity of the financial results, annual report and audited financial statements before recommending to the Board for presenting to the shareholders and public investors.

In making this statement, the Board had considered the Bursa Malaysia Securities Berhad's Guidance on Statement on Internal Control. The Board feels that the existing level of systems of internal control is reasonable to enable the Group to achieve its business objectives. Nonetheless, the Board recognises that the systems of internal control should be continuously improved in line with the evolving business development. It should also be noted that all risk management systems and systems of internal control could only manage rather than eliminate risks of failure to achieve business objectives. Therefore, the systems of internal control and risk management in the Group can only provide reasonable but not absolute assurance against material misstatements, frauds and losses.

This Statement is made in accordance with a resolution of the Board of Director dated 7 April 2010.

FINANCIAL STATEMENTS

24	Directors' Report
28	Statement by Directors
28	Statutory Declaration
29	Independent Auditors' Report
31	Income Statements
32	Balance Sheets
33	Consolidated Statement of Changes in Equity
34	Statement of Changes in Equity
35	Cash Flow Statements
38	Notes to the Financial Statements

DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2009.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services to the subsidiaries.

The principal activities of the subsidiaries are described in Note 11 to the financial statements.

There have been no significant changes in the nature of the principal activities during the financial year.

RESULTS

	Group RM	Company RM
Profit for the year	4,213,764	2,738,376
Attributable to:		
Equity holders of the Company	4,268,781	2,738,376
Minority interests	(55,017)	-
	4,213,764	2,738,376

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

An interim dividend in respect of the financial year ended 31 December 2008 of 1.50 sen per share less 25% taxation on 206,756,497 ordinary shares, amounting to a net dividend payable of RM2,326,011, was approved by the Board of Directors and paid on 27 March 2009.

A single-tier interim dividend in respect of the financial year ended 31 December 2009 of 1.31 sen per share on 206,756,497 ordinary shares, amounting to a dividend payable of RM2,708,510, was approved by the Board of Directors and paid on 31 March 2010.

The directors do not recommend any payment of final dividend in respect of the current financial year.

DIRECTORS' REPORT (CONT'D)

DIRECTORS

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

Ng Sing Hwa
Tan Ai Tong
Ng Chee Hua
Low Yew Hwa
Loong Foo Ching
Haji Hamdan bin Yahya

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full time employee of the Company as shown in Note 6 to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, except as disclosed in Note 28 to the financial statements.

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

Name of Directors	Number of ordinary shares of RM1.00 each			As at 31.12.2009
	As at 1.1.2009	During the year Acquired	Sold	
The Company				
Direct Interest:				
Ng Sing Hwa	2,125,000	-	-	2,125,000
Ng Chee Hua	7,254,000	-	-	7,254,000
Indirect Interest:				
Ng Sing Hwa*	42,515,266	-	-	42,515,266
Ng Chee Hua**	42,240,478	-	-	42,240,478
Tan Ai Tong+	4,262,000	-	-	4,262,000

* Deemed interest through his spouse, Miramas Realty Sdn. Bhd., Miramas Development Sdn. Bhd., Ishtihar Properties & Development Sdn. Bhd. and Dynamic Enterprises Sdn. Bhd.

** Deemed interest through his spouse, Miramas Realty Sdn. Bhd., Miramas Development Sdn. Bhd. and Ishtihar Properties & Development Sdn. Bhd.

+ Deemed interest through VA Trading Sdn. Bhd.

DIRECTORS' REPORT (CONT'D)

OTHER STATUTORY INFORMATION

- (a) Before the income statements and balance sheets of the Group and of the Company were made out, the directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business have been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
- (i) the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and
 - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the directors:
- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

DIRECTORS' REPORT (CONT'D)

SIGNIFICANT EVENTS

Significant events during the year are disclosed in Note 25 to the financial statements.

AUDITORS

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated 7 April 2010.

Ng Sing Hwa

Tan Ai Tong

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT 1965

We, Ng Sing Hwa and Tan Ai Tong being two of the directors of **Bertam Alliance Berhad**, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 31 to 79 are drawn up in accordance with the provisions of the Companies Act 1965 and applicable Financial Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2009 and of the results and the cash flows of the Group and of the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 7 April 2010.

Ng Sing Hwa

Tan Ai Tong

STATUTORY DECLARATION

PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT 1965

I, Ng Sing Hwa, being the Director primarily responsible for the financial management of **Bertam Alliance Berhad**, do solemnly and sincerely declare that the accompanying financial statements set out on pages 31 to 79 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by
the abovenamed, **Ng Sing Hwa** at
Petaling Jaya in the State of
Selangor Darul Ehsan on 7 April 2010.

Ng Sing Hwa

Before me,

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BERTAM ALLIANCE BERHAD
(INCORPORATED IN MALAYSIA)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Bertam Alliance Berhad, which comprise the balance sheets as at 31 December 2009 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 31 to 79.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2009 and of their financial performance and cash flows for the year then ended.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BERTAM ALLIANCE BERHAD
(INCORPORATED IN MALAYSIA) (CONT'D)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the accounts and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 11 to the financial statements.
- (c) We are satisfied that the accounts of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.
- (d) The auditors' reports on the accounts of the subsidiaries were not subject to any qualification material to the consolidated financial statements and did not include any comment required to be made under Section 174(3) of the Act.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young
AF: 0039
Chartered Accountants

Yap Seng Chong
No. 2190/12/11(J)
Chartered Accountant

Kuala Lumpur, Malaysia
7 April 2010

INCOME STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	Group		Company	
		2009 RM	2008 RM	2009 RM	2008 RM
Revenue	3	39,759,750	45,182,136	4,157,500	4,549,235
Cost of sales	4	(30,513,308)	(35,480,996)	-	-
Gross profit		9,246,442	9,701,140	4,157,500	4,549,235
Other operating income		707,805	1,915,041	-	-
Administrative expenses		(5,203,155)	(4,007,859)	(1,419,124)	(1,410,037)
Provision for doubtful debts		(19,636)	(529,052)	-	-
Operating profit		4,731,456	7,079,270	2,738,376	3,139,198
Finance costs	5	(543,360)	(1,290,869)	-	-
Profit before taxation	6	4,188,096	5,788,401	2,738,376	3,139,198
Income tax expense	7	25,668	(283,930)	-	178,439
Profit for the year		4,213,764	5,504,471	2,738,376	3,317,637
Attributable to:					
Equity holders of the Company		4,268,781	5,504,471	2,738,376	3,317,637
Minority interests		(55,017)	-	-	-
		4,213,764	5,504,471	2,738,376	3,317,637
Earnings per share attributable to equity holders of the Company					
Basic	8	2.06 sen	2.66 sen		

The accompanying notes form an integral part of the financial statements.

BALANCE SHEETS

AS AT 31 DECEMBER 2009

	Note	Group		Company	
		2009 RM	2008 RM	2009 RM	2008 RM
Non-current assets					
Plant and equipment	9	665,069	913,092	33,834	47,369
Land held for property development	10	80,379,865	39,873,200	-	-
Investment in subsidiaries	11	-	-	96,298,998	94,758,998
Other investment	12	81,000	76,000	-	-
Non-current trade receivable	13	3,997,479	3,797,479	-	-
Goodwill on consolidation	14	9,597	65	-	-
		85,133,010	44,659,836	96,332,832	94,806,367
Current assets					
Property development costs	15	92,847,886	79,294,752	-	-
Inventories	16	7,791,943	10,025,090	-	-
Trade and other receivables	17	20,188,357	36,058,317	610,546	619,946
Amounts due from subsidiaries	11	-	-	53,380,325	51,894,582
Cash and bank balances	18	2,626,293	6,503,447	53,122	14,509
		123,454,479	131,881,606	54,043,993	52,529,037
Current liabilities					
Trade and other payables	19	55,713,563	14,614,230	2,966,329	2,585,867
Amounts due to subsidiaries	11	-	-	12,878,852	10,247,759
Short term borrowings	20	1,009,814	9,521,222	-	-
Provision for taxation		154,444	1,277,506	-	-
		56,877,821	25,412,958	15,845,181	12,833,626
Net current assets		66,576,658	106,468,648	38,198,812	39,695,411
		151,709,668	151,128,484	134,531,644	134,501,778
Financed by:					
Share capital	21	206,756,497	206,756,497	206,756,497	206,756,497
Accumulated losses		(65,756,458)	(67,316,729)	(72,224,853)	(72,254,719)
		141,000,039	139,439,768	134,531,644	134,501,778
Minority interests		435,673	-	-	-
Total equity		141,435,712	139,439,768	134,531,644	134,501,778
Non-current liabilities					
Long term borrowings	20	4,016,866	5,256,849	-	-
Deferred taxation	22	6,257,090	6,431,867	-	-
		10,273,956	11,688,716	-	-
		151,709,668	151,128,484	134,531,644	134,501,778

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	Attributable to equity <-----holders of the Company----->			Minority interests RM	Total equity RM
		Share capital RM	Accumulated losses RM	Total RM		
At 1 January 2008		206,756,497	(68,200,192)	138,556,305	-	138,556,305
Profit for the year		-	5,504,471	5,504,471	-	5,504,471
Dividends	23	-	(4,621,008)	(4,621,008)	-	(4,621,008)
At 31 December 2008		206,756,497	(67,316,729)	139,439,768	-	139,439,768
At 1 January 2009		206,756,497	(67,316,729)	139,439,768	-	139,439,768
Profit for the year		-	4,268,781	4,268,781	(55,017)	4,213,764
Dividends	23	-	(2,708,510)	(2,708,510)	-	(2,708,510)
Minority interest arising from acquisition of subsidiary companies	11	-	-	-	490,690	490,690
At 31 December 2009		206,756,497	(65,756,458)	141,000,039	435,673	141,435,712

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	Share capital RM	Accumulated losses RM	Total RM
At 1 January 2008		206,756,497	(70,951,348)	135,805,149
Profit for the year		-	3,317,637	3,317,637
Dividends	23	-	(4,621,008)	(4,621,008)
At 31 December 2008		206,756,497	(72,254,719)	134,501,778
At 1 January 2009		206,756,497	(72,254,719)	134,501,778
Profit for the year		-	2,738,376	2,738,376
Dividends	23	-	(2,708,510)	(2,708,510)
At 31 December 2009		206,756,497	(72,224,853)	134,531,644

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2009

	2009 RM	2008 RM
Cash flows from operating activities		
Profit before taxation	4,188,096	5,788,401
Adjustments for:		
Interest expense	543,360	1,290,869
Interest income	(400,740)	(1,663,516)
Provision for doubtful debts	19,636	529,052
Plant and equipment written off	1,040	406
Impairment loss on property development costs (Note 15)	300,000	-
Property development cost written off	-	25,290
Depreciation of plant and equipment	324,299	367,139
Bad debts written off	280,000	-
Deposits written off	21,800	-
Impairment loss of goodwill on consolidation	65	-
Gain on disposal of land held for development	(1,988,478)	-
Gain on disposal of plant and equipment	(15,000)	(15,794)
Operating profit before working capital changes	3,274,078	6,321,847
Decrease in inventories	2,233,147	3,261,558
Decrease in assets held for sale	-	9,650,277
(Increase)/decrease in property development costs	(13,853,134)	1,411,523
Decrease/(increase) in receivables	16,264,234	(1,779,439)
Increase/(decrease) in payables	9,945,272	(1,445,437)
Cash generated from operating activities	17,863,597	17,420,329
Taxation paid	(1,346,462)	(93,466)
Net cash generated from operating activities	16,517,135	17,326,863
Cash flows from investing activities		
Purchase of plant and equipment	(77,316)	(746,694)
Purchase of land held for property development (Note a)	(10,670,119)	(7,577)
Proceeds from disposal of land held for development	2,500,000	-
Proceeds from disposal of plant and equipment	15,000	17,074
Purchase of other investment	(5,000)	(5,000)
Acquisition of subsidiaries (Note 11(a))	452,442	-
Interest received	11,466	127,537
Net cash used in investing activities	(7,773,527)	(614,660)

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2009 (CONT'D)

	2009 RM	2008 RM
Cash flows from financing activities		
(Repayment)/drawdown of hire purchase payables	(144,054)	367,344
Repayment of borrowings	(9,519,199)	(6,094,407)
Dividends paid	(2,326,011)	(2,294,997)
Interest paid	(543,360)	(1,671,948)
Net cash used in financing activities	(12,532,624)	(9,694,008)
Net (decrease)/increase in cash and cash equivalents	(3,789,016)	7,018,195
Cash and cash equivalents at beginning of the financial year	6,415,309	(602,886)
Cash and cash equivalents at end of the financial year (Note 18)	2,626,293	6,415,309

Note a	2009 RM	2008 RM
Land held for property development were acquired by way of:		
Deferred payment terms	30,348,068	-
Cash	10,670,119	7,577
	41,018,187	7,577

The accompanying notes form an integral part of the financial statements.

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2009

	2009 RM	2008 RM
Cash flows from operating activities		
Profit before taxation	2,738,376	3,139,198
Adjustments for:		
Depreciation of plant and equipment	16,152	15,949
Plant and equipment written off	488	-
Gross dividends received	(3,382,500)	(3,775,235)
Operating loss before working capital changes	(627,484)	(620,088)
Decrease/(increase) in receivables	230,703	(263,090)
(Decrease)/increase in payables	(229,721)	8,538
Net change in balances with subsidiaries	4,534,231	(784,495)
Cash generated from/(used in) operating activities	3,907,729	(1,659,135)
Taxation refunded	-	250,000
Net cash generated from/(used in) operating activities	3,907,729	(1,409,135)
Cash flows from investing activities		
Purchase of plant and equipment	(3,105)	-
Acquisition of subsidiary	(550,000)	-
Subscription of Redeemable Preference Shares ("RPS") issued by a subsidiary company (Note 11)	(990,000)	-
Dividends received	-	3,703,674
Net cash (used in)/generated from investing activities	(1,543,105)	3,703,674
Cash flows from financing activity		
Dividends paid, representing net cash used in financing activity	(2,326,011)	(2,294,997)
Net increase/(decrease) in cash and cash equivalents	38,613	(458)
Cash and cash equivalents at beginning of the financial year	14,509	14,967
Cash and cash equivalents at end of the financial year (Note 18)	53,122	14,509

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009

1. CORPORATE INFORMATION

The principal activities of the Company are investment holding and provision of management services to the subsidiaries. The principal activities of the subsidiaries are disclosed in Note 11. There have been no significant changes in the nature of the principal activities during the financial year.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of the Bursa Malaysia Securities Berhad. The registered office of the Company is located at Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur. The principal place of business is at Brem House, Level 3A, Crystal Crown Hotel, No. 12 Lorong Utara A, Off Jalan Utara, 46200 Petaling Jaya, Selangor Darul Ehsan.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 7 April 2010.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and of the Company comply with the provisions of the Companies Act 1965 and applicable Financial Reporting Standards (“FRS”) in Malaysia.

The financial statements of the Group and of the Company have also been prepared on a historical basis. The financial statements are presented in Ringgit Malaysia (RM).

2.2 Summary of significant accounting policies

(a) Subsidiaries and basis of consolidation

(i) Subsidiaries

Subsidiaries are entities over which the Group has the ability to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

In the Company’s separate financial statements, investments in subsidiaries are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of significant accounting policies (cont'd)

(a) Subsidiaries and basis of consolidation (cont'd)

(ii) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the balance sheet date. The financial statements of the subsidiaries are prepared for the same reporting date as the Company.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. In preparing the consolidated financial statements, intragroup balances, transactions and unrealised gains or losses are eliminated in full. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

Acquisitions of subsidiaries are accounted for using the purchase method. The purchase method of accounting involves allocating the cost of the acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

Any excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill.

Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in profit or loss.

Minority interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group. It is measured at the minorities' share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the minorities' share of changes in the subsidiaries' equity since then.

(iii) Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of significant accounting policies (cont'd)

(b) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the Group and the amount of the revenue can be reliably measured.

(i) Development properties

Revenue from sale of development properties is accounted for by the stage of completion method.

(ii) Property inventories

Revenue from sale of property inventories is recognised when the significant risks and rewards of ownership of the property have been passed to the buyer.

(iii) Land sale

Land sale is recognised upon the transfer of risks and rewards.

(iv) Project management, administrative service and support service

Revenue from project management, administrative service and support service is recognised when the service has been rendered and accounted for on accrual basis.

(v) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

(vi) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

(c) Plant and equipment and depreciation

All items of plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Subsequent to recognition, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of significant accounting policies (cont'd)

(c) Plant and equipment and depreciation (cont'd)

Plant and equipment are depreciated on the straight line basis so as to write off the cost of each asset down to its residual value over their estimated useful lives at the following annual rates:

Plant and machinery	10% - 12%
Fixtures, fittings and office equipment	8% - 12%
Motor vehicles	20%
Renovation	10%

The residual values, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of plant and equipment.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in profit or loss.

(d) Land held for property development and property development costs

(i) Land held for property development

Land held for property development consists of land where no significant development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at cost less any accumulated impairment losses. Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount.

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

(ii) Property development costs

Land and development expenses are classified as property development costs when significant development work has been undertaken and is expected to be completed within the normal operating cycle. Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in the income statement by using the percentage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of significant accounting policies (cont'd)

(d) Land held for property development and property development costs (cont'd)

(ii) Property development costs (cont'd)

Where the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on properties sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

Property development costs not recognised as an expense are recognised as an asset, which is measured at the lower of cost and net realisable value.

The excess of revenue recognised in the income statement over billings to purchasers is classified as accrued billings within trade receivables and excess of billings to purchasers over revenue recognised in the income statement is classified as progress billings within trade payables.

(e) Inventories

Inventories consist of residential and commercial properties.

Properties held for resale are stated at the lower of cost and net realisable value. Cost includes the relevant cost of land, development expenditure and appropriate proportions of common costs.

(f) Leases

(i) Classification

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to ownership. All leases that do not transfer substantially all the risks and rewards are classified as operating leases.

(ii) Finance Leases - the Group as Lessee

Assets acquired by way of hire purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the balance sheets as borrowings. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Group's incremental borrowing rate is used. Any initial direct costs are also added to the carrying amount of such assets.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised in the profit or loss over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of significant accounting policies (cont'd)

(f) Leases (cont'd)

(ii) Finance Leases - the Group as Lessee (cont'd)

The depreciation policy for leased assets is in accordance with that for depreciable plant and equipment as described in Note 2.2(c).

(iii) Operating Leases - the Group as Lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(iv) Operating Leases - the Group as Lessor

Assets leased out under operating leases are presented on the balance sheet according to the nature of the assets. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

(g) Provisions for liabilities

Provisions for liabilities are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

(h) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax is provided for, using the liability method. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised in the income statement.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of significant accounting policies (cont'd)

(i) Employee benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leaves are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make contributions to the Employees Provident Fund ("EPF").

(iii) Termination benefits

The Group pays termination benefits in cases of termination of employment within the framework of a restructuring. Termination benefits are recognised as a liability and an expense when the Group has a detailed formal plan for the termination and is without realistic possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than twelve months after balance sheet date are discounted to present value.

(j) Impairment of non financial assets

The carrying amounts of its assets, other than property development costs and inventories are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs to.

An asset's recoverable amount is the higher of an asset's CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or group of units on a pro-rata basis.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of significant accounting policies (cont'd)

(j) Impairment of non financial assets (cont'd)

An impairment loss is recognised in the income statement in the period in which it arises.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in the income statement.

(k) Financial instruments

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

(i) Cash and cash equivalents

For the purposes of the cash flow statements, cash and cash equivalents include cash on hand and at bank and deposits at call which have an insignificant risk of changes in value, net of outstanding bank overdrafts.

(ii) Receivables

Receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

(iii) Payables

Payables are stated at the fair value of the consideration to be paid in the future for goods and services received.

(iv) Other non-current investment

Non-current investment other than investments in subsidiaries is stated at cost less impairment losses. On disposal of an investment, the difference between net disposal proceeds and its carrying amount is recognised in the income statement.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Standards and Interpretations issued but not yet effective (cont'd)

Effective for financial periods beginning on or after 1 January 2010:

FRS 4	Insurance Contracts
FRS 7	Financial Instruments: Disclosures
FRS 101	Presentation of Financial Statements (revised)
FRS 123	Borrowing Costs
FRS 139	Financial Instruments: Recognition and Measurement
Amendments to FRS 1 and FRS 127	First-time Adoption of Financial Reporting Standards and Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 2	Share-based Payment: Vesting Conditions and Cancellations
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 139, FRS 7 and IC Interpretation 9	Financial Instruments: Recognition and Measurement, Disclosures and Reassessment of Embedded Derivatives
Amendments to FRSs IC Interpretation 9	'Improvement to FRSs (2009)' Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 - Group and Treasury Share Transactions
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TR i-3	Presentation of Financial Statements of Islamic Financial Institutions

Effective for financial periods beginning on or after 1 July 2010:

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 3	Business Combinations (revised)
FRS 127	Consolidated and Separate Financial Statements (amended)
Amendments to FRS 2	Share-based Payment
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 138	Intangible Assets
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 15	Agreements for the Construction of Real Estate
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners

The Group and the Company are exempted from disclosing the possible impact to the financial statements upon the initial application of FRS 7 and FRS 139.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Standards and Interpretations issued but not yet effective (cont'd)

The Group and the Company plan to adopt the above pronouncements when they become effective in the respective financial period. Unless otherwise described below, these pronouncements are expected to have no significant impact to the financial statements of the Group and of the Company upon their initial application:

(a) FRS 101: Presentation of Financial Statements (Revised 2009)

The revised FRS 101 separates owner and non-owner changes in equity. Therefore, the consolidated statement of changes in equity will now include only details of transactions with owners. All non-owner changes in equity are presented as a single line labeled as total comprehensive income. The Standard also introduces the statement of comprehensive income: presenting all items of income and expense recognised in the income statement, together with all other items of recognised income and expense, either in one single statement, or in two linked statements. The Group is currently evaluating the format to adopt.

In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the reclassification of items in the financial statements. This revised FRS does not have any impact on the financial position and results of the Group and of the Company.

(b) FRS 3: Business Combinations (Revised 2010) and FRS 127: Consolidated and Separate Financial Statements (Revised 2010)

FRS 3 (Revised) introduces a number of changes to the accounting for business combinations occurring on or after 1 July 2010. These include changes that affect the valuation of non-controlling interest, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs and future reported results.

FRS 127 (Revised) requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as a transaction with owners in their capacity as owners and to be recorded in equity. Therefore, such transaction will no longer give rise to goodwill, nor will it give rise to a gain or loss. Furthermore, the amended Standard changes the accounting for losses incurred by the subsidiary as well as loss of control of a subsidiary.

The changes by FRS 3 (Revised) and FRS 127 (Revised) will be applied prospectively and only affect future acquisition or loss of control of subsidiaries and transactions with non-controlling interests.

(c) IC Interpretation 15: Agreements for the Construction of Real Estate

IC Interpretation 15 was issued on 8 January 2010 and becomes effective for financial years beginning on or after 1 July 2010. The Interpretation is to be applied retrospectively. It clarifies when and how revenue and related expenses from the sale of a real estate unit should be recognised if an agreement between a developer and a buyer is reached before the construction of the real estate is completed. Furthermore, the Interpretation provides guidance on how to determine whether an agreement is within the scope of FRS 111 Construction Contracts or FRS 118 Revenue.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Standards and Interpretations issued but not yet effective (cont'd)

(c) IC Interpretation 15: Agreements for the Construction of Real Estate (cont'd)

FRS 111 applies when the agreement meets the definition of a construction contract, that is, a contract specifically negotiated for the construction of an asset or a combination of assets. In contrast, an agreement for the construction of real estate in which buyers have only limited ability to influence the design of the real estate is an agreement for the sale of goods within the scope of FRS 118.

In Malaysia, the terms of the Sales and Purchase Agreement ("SPA") are dictated by the Housing and Development Act. Under the SPA, the risks and rewards of ownership of the asset pass to the buyer at delivery, and not continuously as construction progresses. With IC Interpretation 15, the Group will have to change its accounting policy from recognising revenue as construction progresses to recognising revenue at a single time, that is, at completion or delivery. As at balance sheet date, all revenue and expenses recognised are from 100% completed development activities. There will also be no impact to the cash flows to the Group arising from this change.

However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed. In particular, the directors will be considering the extent to which information is available for retrospective application.

2.4 Significant accounting judgements and estimates

(a) Critical judgements made in applying accounting policies

There were no significant judgements made by the management in the process of applying the Group's accounting policies which may have significant effects on the amounts recognised in the financial statements.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that may have significant risks of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Property development

The Group recognises property development revenue and expenses in the income statement by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Significant judgement is required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the development projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Significant accounting judgements and estimates (cont'd)

(b) Key sources of estimation uncertainty (cont'd)

(ii) Provision for doubtful debts

The Group makes a provision for doubtful debts based on an assessment of the recoverability of receivables. Provisions are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. In assessing the extent of irrecoverable debts, the management has given due consideration to all pertinent information relating to the ability of the debtors to settle the debts. Where the expectation is different from the original estimate, such difference will impact the carrying value of the receivables. Further details are given in Note 17.

(iii) Useful lives of plant and equipment

The Group estimates the useful lives of plant and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the relevant assets. A reduction in the estimated useful lives of the plant and equipment would increase the recorded expenses and decrease the non-current assets.

In addition, the estimation of the useful lives of plant and equipment are based on the internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timings of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the plant and equipment would increase the recorded expenses and decrease the non-current assets.

(iv) Income taxes

Significant estimation is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(v) Deferred tax assets

Deferred tax assets are recognised for all temporary differences to the extent that it is probable that taxable profits will be available against which the temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details are provided in Note 22.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009 (CONT'D)

3. REVENUE

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Sale of properties	39,711,750	45,155,155	-	-
Support service fees	-	-	775,000	774,000
Gross dividend from subsidiaries	-	-	3,382,500	3,775,235
Management fee from third party	48,000	26,981	-	-
	39,759,750	45,182,136	4,157,500	4,549,235

4. COST OF SALES

Cost of sales of the Group represents cost of inventories sold, cost of services provided, and development properties sold in proportion to the stage of development properties.

5. FINANCE COSTS, NET

	Group	
	2009 RM	2008 RM
Interest expense on:		
- Bank charges	2,968	69,200
- Bank borrowings	511,411	1,569,957
- Hire purchase	28,981	32,791
	543,360	1,671,948
Less: Interest expense capitalised in property development costs (Note 15)	-	(381,079)
	543,360	1,290,869

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009 (CONT'D)

6. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Auditors' remuneration:				
- Group auditors				
- current	84,000	77,000	40,000	36,000
- Other auditors				
- current	38,300	34,300	-	-
Provision for doubtful debts	19,636	529,052	-	-
Depreciation of plant and equipment (Note 9)	324,299	367,139	16,152	15,949
Plant and equipment written off	1,040	406	488	-
Impairment loss of goodwill on consolidation	65	-	-	-
Impairment loss on property development costs	300,000	-	-	-
Rental of buildings	214,980	216,000	64,800	65,790
Staff costs (Note a)	2,058,943	2,119,732	1,037,657	1,036,124
Non-executive directors' remuneration (Note b)	153,500	153,200	153,500	153,200
Rental income	(89,825)	(95,930)	-	-
Gain on disposal of plant and equipment	(15,000)	(15,794)	-	-
Interest income	(400,740)	(1,663,516)	-	-
Deposits forfeited	(73,600)	(5,370)	-	-
Deposits written off	21,800	-	-	-
Bad debts written off	280,000	-	-	-
Gain on disposal of land held for development	(1,988,478)	-	-	-
Property development costs written off	-	25,290	-	-

(a) Staff costs

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Wages and salaries	1,859,725	1,890,592	963,266	959,803
Social security contributions	7,817	8,885	602	692
Short term accumulating compensated absences	-	(3,193)	-	-
Contributions to defined contribution plan	172,289	176,975	71,813	68,429
Other benefits	19,112	46,473	1,976	7,200
	2,058,943	2,119,732	1,037,657	1,036,124

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009 (CONT'D)

6. PROFIT BEFORE TAXATION (CONT'D)

Included in staff costs of the Group and of the Company are executive directors' remuneration amounting to RM735,668 (2008: RM735,680) and RM710,668 (2008: RM710,680) respectively as further disclosed in Note 6(b).

(b) Directors' remuneration

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Directors of the Company				
<i>Executive:</i>				
Salaries and other emoluments	535,200	536,600	535,200	536,600
Fees	70,000	70,000	70,000	70,000
Bonus	44,600	46,000	44,600	46,000
Contributions to defined contribution plan	51,168	48,380	51,168	48,380
Benefits-in-kind	34,700	34,700	9,700	9,700
	735,668	735,680	710,668	710,680
<i>Non-Executive:</i>				
Fees	140,000	140,000	140,000	140,000
Allowances	13,500	13,200	13,500	13,200
	153,500	153,200	153,500	153,200
Directors of Subsidiaries				
<i>Executive:</i>				
Salaries and other emoluments	209,406	221,956	-	-
Contributions to defined contribution plan	23,898	23,628	-	-
Benefits-in-kind	7,000	7,000	-	-
	240,304	252,584	-	-
Grand total	1,129,472	1,141,464	864,168	863,880
Analysis excluding benefits-in-kind:				
Total executive directors' remuneration	934,272	946,564	700,968	700,980
Total non-executive directors' remuneration	153,500	153,200	153,500	153,200
Total directors' remuneration excluding benefits-in-kind	1,087,772	1,099,764	854,468	854,180

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009 (CONT'D)

6. PROFIT BEFORE TAXATION (CONT'D)

(b) Directors' remuneration (cont'd)

The number of directors of the Group whose total remuneration during the year fell within the following bands is analysed below:

	Number of Directors			
	2009		2008	
	Executive Directors	Non-Executive Directors	Executive Directors	Non-Executive Directors
Directors of the Company				
RM50,000 and below	-	4	-	4
RM50,001-RM100,000	-	-	-	-
RM100,001-RM150,000	-	-	-	-
RM150,001-RM200,000	-	-	-	-
RM200,001-RM250,000	-	-	-	-
RM250,001-RM300,000	-	-	-	-
RM300,001-RM350,000	1	-	1	-
RM350,001-RM400,000	1	-	1	-

	Number of Directors			
	2009		2008	
	Executive Directors	Non-Executive Directors	Executive Directors	Non-Executive Directors
Other Directors				
RM50,000 and below	1	-	1	-
RM50,001-RM100,000	-	-	-	-
RM100,001-RM150,000	-	-	-	-
RM150,001-RM200,000	-	-	-	-
RM200,000-RM250,000	1	-	1	-

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009 (CONT'D)

7. TAXATION

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Income tax:				
Malaysian income tax	129,609	1,116,297	-	71,561
Under/(over)provision in prior years	19,500	(241,823)	-	(250,000)
	149,109	874,474	-	(178,439)
Deferred tax: (Note 22)				
Relating to origination and reversal of temporary differences	(174,777)	(70,366)	-	-
Relating to changes in tax rates	-	(520,178)	-	-
	(174,777)	(590,544)	-	-
Total income tax (benefit)/expense	(25,668)	283,930	-	(178,439)

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2008: 26%) of the estimated assessable profit for the year.

In the previous financial year, the income tax rate of 20% was applicable to subsidiaries incorporated in Malaysia with paid-up capital of RM2.5 million and below on chargeable income of up to RM500,000. For chargeable income in excess of RM500,000, the corporate tax rate of 26% was applicable.

Paragraph 2B, Schedule 1 of Income Tax Act 1967 was introduced with effect from the year of assessment 2009 to change the definition of companies that qualified for the above preferential tax rates. As the subsidiaries do not meet the conditions laid down in the Income Tax Act 1967, they will no longer be taxed at the lower tax rate of 20% on their first RM500,000 chargeable income commencing from the year of assessment 2009.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009 (CONT'D)

7. TAXATION (CONT'D)

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	Group	
	2009 RM	2008 RM
Profit before taxation	4,188,096	5,788,401
Taxation at Malaysian statutory tax rate of 25% (2008: 26%)	1,047,024	1,504,984
Effect of different tax rate for small and medium scale company	-	(3,973)
Deferred tax recognised at different tax rates	-	(520,178)
Expenses not deductible for tax purposes	514,197	345,031
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	(1,803,430)	(1,310,411)
Deferred tax assets not recognised during the year	197,041	510,300
Under/(over)provision of income tax in prior years	19,500	(241,823)
Tax (benefit)/expense for the year	(25,668)	283,930

	Company	
	2009 RM	2008 RM
Profit before taxation	2,738,376	3,139,198
Taxation at Malaysian statutory tax rate of 25% (2008: 26%)	684,594	816,191
Income not subject to tax	(845,625)	(910,000)
Expenses not deductible for tax purposes	31,941	25,357
Deferred tax assets not recognised during the year	129,090	140,013
Overprovision of income tax in prior years	-	(250,000)
Tax benefit for the year	-	(178,439)

Tax savings during the financial year arising from:

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Utilisation of current year tax losses	3,408,111	36,308	-	-
Utilisation of tax losses brought forward from previous year	3,805,609	5,091,077	516,360	-

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009 (CONT'D)

7. TAXATION (CONT'D)

Deferred tax assets not recognised are as follows:

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Unabsorbed capital allowances	6,097,434	6,238,766	67,588	58,972
Unutilised tax losses	33,405,347	39,693,771	507,744	-
Other temporary differences	14,150	9,950	-	-
	39,516,931	45,942,487	575,332	58,972

The unabsorbed capital allowances and unutilised tax losses are available indefinitely for offset against future taxable profit of the Company and its respective subsidiaries. The availability of the unabsorbed capital allowances and unutilised tax losses against future taxable profits of the respective subsidiary companies are subject to no substantial changes in shareholdings under Income Tax Act 1967 and guidelines issued by the tax authority.

8. EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit for the year attributable to ordinary equity holders of the Company with the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2009	2008
Profit attributable to ordinary equity holders of the Company (RM)	4,268,781	5,504,471
Weighted average number of ordinary shares in issue	206,756,497	206,756,497
Basic earnings per share (sen)	2.06	2.66

(b) Diluted

The calculation of the diluted earnings per share is not applicable.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009 (CONT'D)

9. PLANT AND EQUIPMENT

Group	Plant and machinery RM	Fixtures, fittings and office equipment RM	Motor vehicles RM	Renovation RM	Total RM
At 31 December 2009					
At cost					
At 1 January 2009	74,830	680,570	1,610,683	360,181	2,726,264
Additions	-	15,806	58,855	2,655	77,316
Write offs	-	(3,154)	-	-	(3,154)
Disposals	-	-	(38,000)	-	(38,000)
	74,830	693,222	1,631,538	362,836	2,762,426
Accumulated depreciation					
At 1 January 2009	40,522	591,830	875,754	305,066	1,813,172
Depreciation for the year	7,181	33,122	255,630	28,366	324,299
Write offs	-	(2,114)	-	-	(2,114)
Disposals	-	-	(38,000)	-	(38,000)
	47,703	622,838	1,093,384	333,432	2,097,357
Net carrying amount					
At 31 December 2009	27,127	70,384	538,154	29,404	665,069
At 31 December 2008					
At cost					
At 1 January 2008	74,830	677,185	988,706	360,181	2,100,902
Additions	-	3,865	742,829	-	746,694
Write offs	-	(480)	(550)	-	(1,030)
Disposals	-	-	(120,302)	-	(120,302)
	74,830	680,570	1,610,683	360,181	2,726,264
Accumulated depreciation					
At 1 January 2008	33,342	558,348	697,095	276,894	1,565,679
Depreciation for the year	7,180	33,558	298,229	28,172	367,139
Write offs	-	(76)	(548)	-	(624)
Disposals	-	-	(119,022)	-	(119,022)
	40,522	591,830	875,754	305,066	1,813,172
Net carrying amount					
At 31 December 2008	34,308	88,740	734,929	55,115	913,092

The carrying amount of motor vehicles of the Group acquired under hire purchase agreements are RM525,209 (2008: RM642,892).

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009 (CONT'D)

9. PLANT AND EQUIPMENT (CONT'D)

Company	Motor vehicles RM	Fixtures, fittings and office equipment RM	Renovation RM	Total RM
At 31 December 2009				
At cost				
At 1 January 2009	101,755	49,693	31,836	183,284
Additions	-	450	2,655	3,105
Write offs	-	(1,720)	-	(1,720)
	101,755	48,423	34,491	184,669
Accumulated depreciation				
At 1 January 2009	85,465	30,651	19,799	135,915
Depreciation for the year	7,796	4,952	3,404	16,152
Write offs	-	(1,232)	-	(1,232)
	93,261	34,371	23,203	150,835
Net carrying amount				
At 31 December 2009	8,494	14,052	11,288	33,834
At 31 December 2008				
At cost				
At 1 January/31 December 2008	101,755	49,693	31,836	183,284
Accumulated depreciation				
At 1 January 2008	77,669	25,682	16,615	119,966
Depreciation for the year	7,796	4,969	3,184	15,949
	85,465	30,651	19,799	135,915
Net carrying amount				
At 31 December 2008	16,290	19,042	12,037	47,369

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009 (CONT'D)

10. LAND HELD FOR PROPERTY DEVELOPMENT

Group	Freehold land RM	Leasehold land RM	Total RM
At cost:			
At 1 January 2009	14,368,026	25,505,174	39,873,200
Additions	-	41,018,187	41,018,187
Disposals	(511,522)	-	(511,522)
At 31 December 2009	13,856,504	66,523,361	80,379,865
At cost:			
At 1 January 2008	14,360,800	25,504,823	39,865,623
Additions	7,226	351	7,577
At 31 December 2008	14,368,026	25,505,174	39,873,200

Leasehold land

- (a) On 9 May 1995, a wholly owned subsidiary of the Company had entered into an agreement to develop a piece of land, which is held at a carrying value of RM25,505,174 (2008: RM25,505,174). Subsequently, on 24 July 2003 and 8 September 2003, the agreement was restructured under which the subsidiary shall pay RM500,000 (previously RM2.2 million) plus 15% (previously 10%) net profit for the first year only from the development.

The subsidiary had on 8 February 2007 made the payment of RM500,000.

- (b) On 16 January 2009, a 55% owned subsidiary of the Company had entered into various sale and purchase agreements to acquire lands for a total purchase consideration of RM34,348,068. The acquisition of the lands was completed during the financial year.

These lands are in the process of being transferred to the name of the subsidiary. Subsequent to the balance sheet date, these lands were charged as security for banking facilities granted to the subsidiary.

As at balance sheet date, the subsidiary has not commenced any development activities on these lands pending approval from relevant authorities.

- (c) On 11 March 2009, a 51% owned subsidiary of the Group had entered into a joint venture agreement to develop few pieces of land. Approval for the application of land titles and subdivision of land lots are subject to full settlement of the land acquisition compensation of approximately RM8.9 million of which RM6.5 million had been paid during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009 (CONT'D)

11. INVESTMENT IN SUBSIDIARIES

	Company	
	2009 RM	2008 RM
Unquoted investment, at cost	113,046,990	111,506,990
Less: Accumulated impairment losses	(16,747,992)	(16,747,992)
	96,298,998	94,758,998
Amount due from subsidiaries	101,878,485	100,392,742
Less: Provision for doubtful debts	(48,498,160)	(48,498,160)
	53,380,325	51,894,582
Amount due to subsidiaries	12,878,852	10,247,759

During the year, the Company subscribed for a total of RM990,000 (2008: RMNil) Redeemable Preference Shares ("RPS") issued by a subsidiary company namely, Cabaran Subang Sdn. Bhd.. This fund in turn was used for the acquisition of the leasehold land as disclosed in Note 10.

The amounts due from/(to) subsidiaries are unsecured, interest-free and have no fixed terms of repayment.

The Company conducted a review of its recoverable amount of its investment in certain subsidiary companies of which cost of investments exceeded its share of net assets in the respective subsidiary companies at the balance sheet date. The directors are of the opinion that no impairment losses need to be provided for these investments as the land held for property development by the subsidiaries are recorded at carrying amount below its current market value. Besides that, the subsidiaries are exploring on-going and new profitable development projects which would place these subsidiaries on a profitable footing. As such, the directors believe that there is no impairment in value of these investments.

Details of the subsidiaries are as follows:

Name of company	Principal activities	Country of incorporation	Effective equity interest	
			2009 %	2008 %
UH Industries & Development Sdn. Bhd.	Property development and provision of project management and administrative services	Malaysia	100	100
UH Capital Sdn. Bhd.	Property development	Malaysia	100	100
+ Bertam Development Sdn. Bhd.	Property development, investment holding and general contractors	Malaysia	100	100
+ Budaya Identiti Sdn. Bhd.	Property development	Malaysia	100	100
Syarikat Sungai Buan Sdn. Bhd.	Property development	Malaysia	100	100

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009 (CONT'D)

11. INVESTMENT IN SUBSIDIARIES (CONT'D)

Name of company	Principal activities	Country of incorporation	Effective equity interest	
			2009 %	2008 %
Dove Industries Sdn. Bhd.	Temporarily ceased operations	Malaysia	100	100
UH Trading (Johore) Sdn. Bhd.	Temporarily ceased operations	Malaysia	100	100
UH Trading (Melaka) Sdn. Bhd.	Temporarily ceased operations	Malaysia	100	100
UH Trading (K.L.) Sdn. Bhd.	Temporarily ceased operations	Malaysia	100	100
Bertam Minetech Sdn. Bhd.	Temporarily ceased operations	Malaysia	100	100
Cabaran Subang Sdn. Bhd.	Property development	Malaysia	55	-
Subsidiaries of Bertam Development Sdn. Bhd.:				
+ Sunrise Avenue Sdn. Bhd.	Property development	Malaysia	100	100
+ Sepakat Heights Sdn. Bhd.	Property development	Malaysia	100	100
+ Gunung Jaya Sdn. Bhd.	Property development	Malaysia	100	100
+ Antara Megah Sdn. Bhd.	Property development	Malaysia	100	100
+ Bintang Urusjuta (M) Sdn. Bhd.	Property development	Malaysia	100	100
+ Legacy Mega Development Sdn. Bhd.	Property development	Malaysia	100	100
+ Budi Halus Sdn. Bhd.	Property development, investment holding and general contractors	Malaysia	90	65
+ Sunrise Teamtrade Sdn. Bhd.	Property development	Malaysia	51	-
Subsidiaries of Antara Megah Sdn. Bhd.:				
+ Perikatan Progresif Sdn. Bhd.	Dormant	Malaysia	100	100
+ Tabur Bakti Sdn. Bhd.	Property development	Malaysia	100	100
+ Suria Pertiwi Sdn. Bhd.	Property development	Malaysia	100	100
Subsidiary of Syarikat Sungei Buan Sdn. Bhd.:				
MV Properties Sdn. Bhd.	Property development	Malaysia	100	100

+ Not audited by member firms of Ernst & Young Global.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009 (CONT'D)

11. INVESTMENT IN SUBSIDIARIES (CONT'D)

(a) Acquisition of subsidiaries

On 2 January 2009, the Company subscribed for a total of 550,000 ordinary shares of RM1.00 each in Cabaran Subang Sdn. Bhd. ("CSSB") representing a 55% equity interest in the issued and paid-up share capital of CSSB for a total cash consideration of RM550,000.

On 10 February 2009, a wholly-owned subsidiary of Company, Bertam Development Sdn. Bhd. had acquired a total of 51,000 ordinary shares of RM1.00 each in Sunrise Teamtrade Sdn. Bhd. ("STSB") representing a 51% equity interest in the issued and paid-up share capital of STSB for a total cash consideration of RM51,000.

The acquired subsidiaries have contributed the following results to the Group:

	2009 RM
Revenue	-
Loss for the year	(117,658)

The assets and liabilities assumed from the acquisition were as follows:

	Fair value recognised on acquisition RM	2009 Carrying amount RM
Other receivables	452,145	452,145
Cash and bank balances	1,053,442	1,053,442
Other payables	(423,494)	(423,494)
Fair value of total net assets	1,082,093	1,082,093
Less: Minority interests	(490,690)	
Group's share of net assets	591,403	
Goodwill on acquisition (Note 14)	9,597	
Total cost of acquisition	601,000	
Purchase consideration satisfied by cash	601,000	
Net cash inflow arising on acquisition:		
Cash consideration	601,000	
Cash and cash equivalents of subsidiaries acquired	(1,053,442)	
Net cash inflow of the Group	(452,442)	

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009 (CONT'D)

12. OTHER INVESTMENT

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Club membership, at cost	81,000	76,000	-	-

13. NON-CURRENT TRADE RECEIVABLE

The non-current trade receivable relates to the balance of the sale proceeds receivable from Sanubari Sejahtera Sdn. Bhd. arising from a disposal of lands. Sale proceeds totaling RM10,251,863 are payable by three installments within 21 months from the date of the Sale and Purchase Agreement dated 5 December 2006 while the balance of RM4,500,000 is payable within 60 months from the date of the Sale and Purchase Agreement.

The disposal which was subject to the transfer of consent approval from the state authority was completed during the financial year ended 31 December 2007.

The non-current trade receivable is accounted for in the balance sheet of the Group as follows:

	Group	
	2009 RM	2008 RM
Balance of sale proceeds	4,500,000	4,500,000
Less: Interest-in-suspense	(350,000)	(550,000)
Less: Provision for doubtful debts	(152,521)	(152,521)
	3,997,479	3,797,479
Interest income recognised during the financial year in income statement	200,000	200,000

Interest income of the non-current trade receivable is calculated on the effective yield basis of 5% per annum.

Other than as mentioned in Note 26(c), the Group and the Company do not have any significant concentration of credit risk to single debtor or to group of debtors.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009 (CONT'D)

14. GOODWILL ON CONSOLIDATION

	Group	
	2009 RM	2008 RM
Cost		
At 1 January	65	65
Acquisition of subsidiaries (Note 11 (a))	9,597	-
At 31 December	9,662	65
Accumulated impairment		
At 1 January	-	-
Impairment loss	65	-
At 31 December	65	-
Net carrying amount	9,597	65

15. PROPERTY DEVELOPMENT COSTS

	Group	
	2009 RM	2008 RM
Property development costs at 1 January		
Land	62,347,051	70,221,723
Development costs	35,484,850	40,896,216
	97,831,901	111,117,939
Costs incurred during the year		
Land	270	270
Development costs	42,853,296	18,986,918
	42,853,566	18,987,188
Reversal of completed projects		
Land	-	(7,175,564)
Development costs	(15,160,592)	(24,370,682)
	(15,160,592)	(31,546,246)
Cost recognised in income statement		
As at 1 January	18,840,930	28,973,842
Recognised during the year	28,253,690	21,413,334
Impairment loss on property development costs	300,000	-
Reversal of completed projects	(15,160,592)	(31,546,246)
As at 31 December	32,234,028	18,840,930
Transfers to inventories	(442,961)	(423,199)
Property development costs at 31 December	92,847,886	79,294,752

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009 (CONT'D)

15. PROPERTY DEVELOPMENT COSTS (CONT'D)

A 90% owned subsidiary of the Group has entered into an agreement as the Main Contractor to implement the design, construction and completion on a piece of land situated at Jalan Teknologi 3/7, Mukim Damansara, Negeri Sembilan measuring approximately 14.307 acres.

The carrying amounts for approximately RM52,998,632 (2008: RM68,044,987) of lands are subject for security for borrowings taken by a subsidiary which restrict their disposals or transfers. Further details on the borrowings are disclosed in Note 20.

Included in the property development costs incurred during the year were the following expenses:

	Group	
	2009 RM	2008 RM
Interest expense (Note 5)	-	381,079
Hire of equipment	-	2,025
	-	383,104

16. INVENTORIES

	Group	
	2009 RM	2008 RM
Cost		
Properties held for sale	5,008,206	6,917,817
Net realisable value		
Properties held for sale	2,783,737	3,107,273
	7,791,943	10,025,090

17. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Trade receivables	30,174,484	44,273,650	-	-
Accrued billings in respect of property development costs	2,898,749	466,526	-	-
	33,073,233	44,740,176	-	-
Less: Provision for doubtful debts	(18,771,976)	(18,752,340)	-	-
	14,301,257	25,987,836	-	-
Other receivables and prepayments	5,118,879	9,376,551	5,600	15,000
Tax recoverable	768,221	693,930	604,946	604,946
	20,188,357	36,058,317	610,546	619,946

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009 (CONT'D)

17. TRADE AND OTHER RECEIVABLES (CONT'D)

The Group's normal trade credit term ranges from 14 to 90 days. Other credit terms are assessed and approved on a case-by-case basis.

Included in trade receivables and other receivables of the Group are:

- (i) Outstanding amount totalling RM2,790,857

Outstanding amount totalling RM2,790,857 is relating to a disposal of a piece of freehold land by a wholly owned subsidiary of the Group. The disposal took place following a Development Agreement ("DA") entered by the purchaser and Syarikat Perumahan Negara Berhad ("SPNB"), a company wholly owned by the Ministry of Finance for a proposed residential development. The delay in the settlement of the amount owing by the purchaser is due to certain proposed changes to the original DA which are still pending approval from SPNB.

The directors of the Company are confident that the outstanding amount is fully recoverable as the land title is pending transfer and the purchaser is financially sound to fully repay the outstanding balance.

- (ii) An amount of RM135,575 (2008: RM135,575) relating to the disposal of lands as disclosed in Note 13 which has been fully provided for as doubtful debts.
- (iii) Provision for doubtful debts amounting to RM18,144,866 (2008: RM18,144,866) in respect of trade receivables of the manufacturing division which ceased operations in 2004.

Included in other receivables and prepayments of the Group are:

- (i) Prepayment sum of RMNil (2008: RM2,400,000) paid to Purplestar Land (M) Sdn. Bhd. pursuant to the agreement entered as disclosed in Note 15.
- (ii) Prepayment sum of RM650,000 (2008: RMNil) paid to a developer for a proposed residential development, whereby a wholly owned subsidiary of the Company will be engaged as the Main Contractor.
- (iii) Stakeholders' sum of RM952,749 (2008: RM1,494,487) which represents retention sums held by solicitors upon handling over of vacant possession to individual purchasers of development properties. This amount will be reimbursed from 6 to 18 months after the delivery of vacant possession together with interest earned.

Other than mentioned in Note 26(c), the Group and the Company do not have any significant concentration of credit risk to a single debtor or to group of debtors.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009 (CONT'D)

18. CASH AND CASH EQUIVALENTS

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Cash and bank balances (Note a)	2,426,293	2,563,447	53,122	14,509
Deposits with licensed banks (Note b)	200,000	3,940,000	-	-
	2,626,293	6,503,447	53,122	14,509
Bank overdrafts (Note 20)	-	(88,138)	-	-
Cash and cash equivalents	2,626,293	6,415,309	53,122	14,509

(a) Included in cash and bank balances for the Group is an amount of RM806,462 (2008: RM2,236,935) pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966 and therefore, restricted from use in other operations.

(b) The weighted average interest rates during the financial year and the average maturities of deposits as at 31 December 2009 were as follows:

	Group	
	2009	2008
Licensed banks		
Weighted average interest rates (%)	3.20	3.20
Average maturities (days)	365	10

19. TRADE AND OTHER PAYABLES

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Trade payables	32,185,756	6,162,909	-	-
Retention sums	2,459,116	1,386,459	-	-
Progress billings in respect of property development costs	-	336,810	-	-
Accruals	433,420	420,749	257,217	254,871
Amount due to directors	2,500	2,500	-	-
Dividend payable	2,708,510	2,326,011	2,708,510	2,326,011
Other payables	17,924,261	3,978,792	602	4,985
	55,713,563	14,614,230	2,966,329	2,585,867

The normal trade credit term granted to the Group ranges from 14 days to 90 days.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009 (CONT'D)

19. TRADE AND OTHER PAYABLES (CONT'D)

Included in trade payables of the Group are RM64,810 (2008: RM181) owing to Brem Holding Berhad, a substantial shareholder of the Company.

Retention sums for property development contracts are payable upon the expiry of the defects liability period of the respective property development contracts. Retention sums are unsecured, interest-free and are expected to be paid as follows:

	2009 RM	Group 2008 RM
Current	2,459,116	1,084,577
1 - 2 years	-	301,882
	2,459,116	1,386,459

Included in accruals of the Group and of the Company are provision for directors fees of RM210,000 (2008: RM210,000).

Included in other payables of the Group are as follows:

- (i) RM1,516,570 (2008: RM1,516,570) owing to Brem Development Sdn. Bhd. a shareholder of the Company.
- (ii) RM9,726 (2008: RM138,726) owing to Hamdy Bin Abdul Basek in relation to the acquisition of six (6) pieces of land located in Mukim Sungai Karang, Daerah Kuantan, Pahang.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009 (CONT'D)

20. BORROWINGS

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Short term borrowings				
Secured:				
Term loans	831,291	9,250,292	-	-
Bank overdrafts	-	88,138	-	-
Hire purchase payables	178,523	182,792	-	-
	1,009,814	9,521,222	-	-
Long term borrowings				
Secured:				
Term loans	3,654,806	4,755,004	-	-
Hire purchase payables	362,060	501,845	-	-
	4,016,866	5,256,849	-	-
Total borrowings				
Secured:				
Term loans	4,486,097	14,005,296	-	-
Bank overdrafts (Note 18)	-	88,138	-	-
Hire purchase payables	540,583	684,637	-	-
	5,026,680	14,778,071	-	-
Maturity of borrowings (excluding hire purchase payables):				
Within one year	831,291	9,338,430	-	-
More than 1 year and less than 2 years	2,006,239	2,789,096	-	-
More than 2 years and less than 5 years	1,648,567	1,965,908	-	-
	4,486,097	14,093,434	-	-

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009 (CONT'D)

20. BORROWINGS (CONT'D)

The weighted average effective interest rates at the balance sheet date for borrowings, excluding hire purchase payables, were as follows:

	Group	
	2009 %	2008 %
Bank overdrafts	8.25 - 8.75	8.25 - 8.75
Term loans	8.50 - 9.00	8.50 - 9.00

(a) The term loans taken by Bertam Development Sdn. Bhd., a wholly-owned subsidiary of the Company are secured as follows:

- (i) Legal charges over certain land under development of the Group as disclosed in Note 15 to the financial statements;
- (ii) Jointly and severally guaranteed by certain directors of the Group;
- (iii) Corporate guarantee of the Company; and

The term loans are repayable on demand, otherwise by sale proceeds from project or by redemption of units, whichever is first available.

(b) The term loans are repayable in equal monthly installments of RM103,187 each commencing 31 July 2007.

(c) Hire purchase payables

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Minimum hire purchase payments:				
Not later than 1 year	199,512	209,983	-	-
Later than 1 year and not later than 2 years	99,900	189,396	-	-
Later than 2 years and not later than 5 years	274,522	325,322	-	-
Later than 5 years	8,474	23,066	-	-
	582,408	747,767	-	-
Less: Future finance charges	(41,825)	(63,130)	-	-
	540,583	684,637	-	-
Analysed as:				
Due within 12 months	178,523	182,792	-	-
Due after 12 months	362,060	501,845	-	-
	540,583	684,637	-	-

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009 (CONT'D)

21. SHARE CAPITAL

	Number of Ordinary shares of RM1.00 each		Amount	
	2009	2008	2009 RM	2008 RM
Authorised				
At 1 January/31 December	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Issued and fully paid				
At 1 January/31 December	206,756,497	206,756,497	206,756,497	206,756,497

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

22. DEFERRED TAXATION

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
At 1 January	6,431,867	7,022,411	-	-
Transfer to income statement (Note 7)	(174,777)	(590,544)	-	-
At 31 December	6,257,090	6,431,867	-	-
Presented after appropriate offsetting as follows:				
Deferred tax assets	(5,246)	(7,723)	(5,476)	-
Deferred tax liabilities	6,262,336	6,439,590	5,476	-
	6,257,090	6,431,867	-	-

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009 (CONT'D)

22. DEFERRED TAXATION (CONT'D)

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Deferred tax liabilities of the Group:

	Revaluation surplus of land held for property development RM	Plant and equipment RM	Total RM
As at 1 January 2009	6,431,867	7,723	6,439,590
Recognised in income statement	(174,777)	(2,477)	(177,254)
As at 31 December 2009	6,257,090	5,246	6,262,336
As at 1 January 2008	7,022,411	-	7,022,411
Recognised in income statement	(590,544)	7,723	(582,821)
As at 31 December 2008	6,431,867	7,723	6,439,590

Deferred tax assets of the Group:

	Tax losses and unabsorbed capital allowances RM	Others RM	Total RM
As at 1 January 2009	(7,723)	-	(7,723)
Recognised in income statement	(7,523)	10,000	2,477
As at 31 December 2009	(15,246)	10,000	(5,246)
As at 1 January 2008	(19,064)	19,064	-
Recognised in income statement	11,341	(19,064)	(7,723)
As at 31 December 2008	(7,723)	-	(7,723)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009 (CONT'D)

22. DEFERRED TAXATION (CONT'D)

Deferred tax liability of the Company:

	Plant and equipment RM
As at 1 January 2009	-
Recognised in income statement	5,476
As at 31 December 2009	5,476
As at 1 January 2008	-
Recognised in income statement	-
As at 31 December 2008	-

Deferred tax assets of the Company:

	Tax losses and unabsorbed capital allowances RM	Others RM	Total RM
As at 1 January 2009	-	-	-
Recognised in income statement	(15,476)	10,000	(5,476)
As at 31 December 2009	(15,476)	10,000	(5,476)
As at 1 January 2008	-	-	-
Recognised in income statement	-	-	-
As at 31 December 2008	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009 (CONT'D)

23. DIVIDENDS

	Dividends Recognised in Year	
	2009 RM	2008 RM
In respect of financial year ended 31 December 2007 Final dividend of 1.50 sen less 26% taxation on 206,756,497 ordinary shares paid on 30 June 2008	-	2,294,997
In respect of financial year ended 31 December 2008 Interim dividend of 1.50 sen less 25% taxation on 206,756,497 ordinary shares paid on 27 March 2009	-	2,326,011
In respect of financial year ended 31 December 2009 Single-tier interim dividend of 1.31 sen on 206,756,497 ordinary shares paid on 31 March 2010	2,708,510	-
	2,708,510	4,621,008

The directors do not recommend any payment of final dividend in respect of the current financial year.

24. CONTINGENT LIABILITIES AND MATERIAL LITIGATION

Contingent Liabilities

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Unsecured:				
(a) Guarantees to financial institutions for borrowings of subsidiary companies (Note i)	-	-	9,000,000	20,000,000

Note:

- (i) The banking facilities utilised as at 31 December 2009 amounted to RM4,486,097 (2008: RM14,093,434) for guarantees provided.

Material Litigation

- (b) Kuala Lumpur High Court Suit No. S6-22-280-2001

The claims filed by Linear Harvest Sdn. Bhd. ("LHSB") and Ong Tai Chin ("OTC") against Bertam Development Sdn. Bhd. ("BDSB"), a wholly owned subsidiary of the Company, have reached an amicable settlement on the matter and all court action is discontinued.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009 (CONT'D)

25. SIGNIFICANT EVENTS DURING THE YEAR

(a) Acquisition of subsidiaries

(i) Cabaran Subang Sdn. Bhd.

On 2 January 2009, the Company subscribed for a total of 550,000 ordinary shares of RM1.00 each in Cabaran Subang Sdn. Bhd. ("CSSB") representing a 55% equity interest in the issued and paid-up share capital of CSSB for a total consideration of RM550,000.

In addition, the Company had also subscribed for a total of 4,950,000 Redeemable Preference Shares ("RPS") of RM1.00 each in CSSB for a total consideration of RM990,000 comprising 4,950,000 RPS subscribed in CSSB partially paid at RM0.20 per RPS and the balance will be called upon as and when needed.

The subscription was satisfied by cash and was accounted for by the acquisition method of accounting in the financial year ended 31 December 2009.

(ii) Sunrise Teamtrade Sdn. Bhd.

On 10 February 2009, a wholly-owned subsidiary of Company, Bertam Development Sdn. Bhd. had acquired a total of 51,000 ordinary shares of RM1.00 each in Sunrise Teamtrade Sdn. Bhd. ("STSB") representing a 51% equity interest in the issued and paid-up share capital of STSB for a total consideration of RM51,000.

The acquisition was satisfied by cash and was accounted for by the acquisition method of accounting in the financial year ended 31 December 2009.

(b) Acquisition of development properties

On 16 January 2009, a 55% owned subsidiary of the Company, Cabaran Subang Sdn. Bhd. had entered into various sale and purchase agreements with various parties to acquire sixty (60) pieces of leasehold land of ninety-nine (99) years expiring on 24/1/2104 held under HS (D) No. 216393 to 216407, PT No. 88 to 102, HS (D) No. 216427 to 216441, PT No. 122 to 136 and HS (D) No. 216561 to 216590, PT No. 256 to 285 all located in Mukim of Pekan Penaga, Daerah Petaling, Negeri Selangor for a total purchase consideration of RM34,348,068.

The acquisition of the land was completed in the financial year ended 31 December 2009.

26. FINANCIAL INSTRUMENTS

(a) Financial risk management objectives and policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its credit, foreign exchange, interest rate and liquidity risks. The Group operates within clearly defined guidelines and it is the Group's policy not to engage in speculative transactions.

(b) Liquidity risk

The Group actively manages its operating cash flows and the availability of funding so as to ensure that all funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements in addition to maintaining available banking facilities, to meet any immediate operating cash flow requirements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009 (CONT'D)

26. FINANCIAL INSTRUMENTS (CONT'D)

(c) Credit risk

Credit risks, or the risk of counterparties defaulting, are controlled by application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored by strictly limiting the Group's associations to customers with high creditworthiness. Trade receivables are monitored on an ongoing basis via Group management reporting procedures. The Group through its directors and management, reviews all significant exposure to individual customers and counterparties and reviews any major concentration of credit risk related to any debtor.

The Group has risk management procedures in place to manage these risks to ensure that all the procedures and principles relating to risk management are adhered to.

As at 31 December 2009, certain trade receivables of the Group have exceeded its normal trade credit terms. The directors have considered all available information with regards to the recoverability of these debts. Notwithstanding that these debts are long outstanding, the directors are of the view that these debts can be realised in full.

Other than the balance consideration receivable of RM2,790,857 (2008: RM12,926,176) and RM3,997,479 (2008: RM3,797,479) as disclosed in Note 17 and Note 13, the Group does not have any significant concentration of credit risk pertaining to a single debtor or to groups of debtors.

(d) Foreign exchange risk

The Group is not exposed to any foreign exchange risk as it operates in Malaysia and all transactions, monetary assets and liabilities are denominated in Ringgit Malaysia.

(e) Interest rate risk

The Group's primary interest rate risk relates to interest-bearing debts as the Group has no long-term interest bearing assets as at 31 December 2009. The investments in financial assets are mainly short term in nature and they are not held for speculative purposes but have been mostly placed in fixed deposits with licensed financial institutions.

The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. The Group actively reviews its debt portfolio, taking into account the level and nature of borrowings. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes.

(f) Fair values

It is not practical to estimate the fair values of non-trade amounts due from/(to) related companies principally because of lack of fixed repayment terms entered by the parties involved and without incurring excessive costs. However, the Company does not anticipate the carrying amounts recorded at the balance sheet date to be significantly different from the values that would eventually be received or settled.

The fair values of all other financial assets and liabilities of the Group and the Company as at 31 December 2009 are not materially different from their carrying values.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009 (CONT'D)

27. SEGMENTAL REPORTING

Business segments

The Group is organised into following main business segments:

- (i) Property development - the development of residential properties.
- (ii) Corporate and others - investment holding and provision of management services.

The directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

	Property development		Corporate and others		Eliminations*		Consolidated	
	2009 RM	2008 RM	2009 RM	2008 RM	2009 RM	2008 RM	2009 RM	2008 RM
Revenue								
External sales	39,759,750	45,182,136	775,000	774,000	(775,000)	(774,000)	39,759,750	45,182,136
Dividend income	-	-	3,382,500	3,775,235	(3,382,500)	(3,775,235)	-	-
Total revenue	39,759,750	45,182,136	4,157,500	4,549,235	(4,157,500)	(4,549,235)	39,759,750	45,182,136
Results								
Segment profit/(loss) from operations	6,085,687	7,997,457	2,738,376	3,139,198	(4,092,607)	(4,057,385)	4,731,456	7,079,270
Finance costs, net							(543,360)	(1,290,869)
Taxation							25,668	(283,930)
Profit for the year							4,213,764	5,504,471
Assets and liabilities								
Segment assets/ consolidated total assets	183,235,097	150,511,503	96,006,500	95,440,822	(70,654,108)	(69,410,883)	208,587,489	176,541,442
Segment liabilities/ consolidated total liabilities	74,369,208	44,535,790	2,966,329	2,585,867	(10,183,760)	(10,019,983)	67,151,777	37,101,674
Other information								
Capital expenditure	74,211	746,694	3,105	-	-	-	77,316	746,694
Depreciation of plant and equipment	308,147	351,190	16,152	15,949	-	-	324,299	367,139
Impairment loss on goodwill	65	-	-	-	-	-	65	-
Provision for doubtful debts	30,636	508,735	-	20,317	(11,000)	-	19,636	529,052

* Eliminations are principally inter company and Group adjustments.

No information is prepared on the geographical segments as the Group principally operates within Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009 (CONT'D)

28. SIGNIFICANT RELATED PARTY TRANSACTIONS

	Company	
	2009 RM	2008 RM
(a) Transactions with subsidiaries:		
Support service fees	775,000	774,000
	Group	
	2009 RM	2008 RM
(b) Transactions with a corporate shareholder which has a substantial interest in the Company:		
Brem Holding Berhad		
Office rental	84,000	84,000
(c) Transaction with a company in which persons connected to a substantial shareholder have substantial controlling interest:		
Nikmat Maju Development Sdn. Bhd.		
Other rental	64,800	65,790

The directors are of the opinion that the above transactions have been entered in the normal course of business and have been established under terms that are mutually agreed between the parties.

(d) Compensation of key management personnel

The remuneration of members of key management other than directors during the year was as follows:

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Short term employee benefits	249,463	235,127	139,152	124,433
Defined contribution plan	29,455	27,384	16,459	14,688
	278,918	262,511	155,611	139,121

LIST OF PROPERTIES

Properties & Locations	Description	Area/ (Built-up)	Tenure	Age of Building	Net Book Value As At 31 Dec 2009 RM'000	Date of Acquisition or (Last Revaluation)
GRN 24697, 52430, 97219 GRN 327, 5833, 5834 GRN 60082, 60247 Lot 186, 2734, 10725 Lot 11613, 5492, 5493 Lot 14129, 8111 Mukim Serom Daerah Muar Johore	Vacant development land	270.31 acres	Freehold	-	43,100	29/08/2002
Lot 1413-1418 Mukim of Rasah District of Seremban Negeri Sembilan	Vacant development land	49.42 acres	Freehold	-	9,189	10/09/1997
HS(D) 10517, PT4800 Mukim Gemencheh Daerah Tampin Negeri Sembilan	Vacant development land	500.14 acres	Leasehold (expiring on 15/01/2096)	-	6,765	09/05/1995
PT 3199-3213 Mukim of Jimah District of Port Dickson Negeri Sembilan	Vacant development land	0.72 acres	Leasehold (expiring on 28/05/2097)	-	139	31/12/1993
HS(D) 216393-216407, PT No. 88-102, HS(D) 216427-216441, PT No. 122-136 and HS(D) 216561-216590, PT No. 256-285 Mukim of Pekan Penaga Daerah Petaling Negeri Selangor	Vacant development land	9.56 acres	Leasehold (expiring on 24/01/2104)	-	34,348	16/01/2009

ANALYSIS OF SHAREHOLDINGS

AS AT 1 APRIL 2010

Authorised Share Capital : RM1,000,000,000.00
Issued and Paid-Up Capital : RM206,756,497.00 COMPRISING 206,756,497 Ordinary Shares of RM1.00 each
Class of Shares : Ordinary Shares of RM1.00 each
Voting Rights : One vote per ordinary share

Category		Number of Holders	%	Number of Shares Held	%
1	99	6	0.30	339	0.00
100	1,000	449	22.82	417,110	0.20
1,001	10,000	812	41.26	4,372,448	2.11
10,001	100,000	579	29.42	22,499,475	10.88
100,001	10,337,823 (*)	119	6.05	90,789,542	43.91
10,337,824	and above (**)	3	0.15	88,677,583	42.89
TOTAL :		1,968	100.00	206,756,497	100.00

* Less than 5% of issued shares

** 5% and above of issued shares

THIRTY LARGEST SHAREHOLDERS AS PER RECORD OF DEPOSITORS

No	Name of Shareholders	Number of Shares Held	%
1	Brem Holding Berhad	50,843,000	24.59
2	UOBM Nominees (Tempatan) Sdn. Bhd. Golden Touch Asset Management Sdn. Bhd. for Loke Kim Wan	19,434,583	9.40
3	AllianceGroup Nominees (Tempatan) Sdn. Bhd. Pledged securities account for Miramas Development Sdn. Bhd.	18,400,000	8.90
4	EB Nominees (Tempatan) Sendirian Berhad Pledged securities account for Miramas Development Sdn. Bhd. (KLM)	7,224,000	3.49
5	EB Nominees (Tempatan) Sendirian Berhad Pledged securities account for Ishtihar Propertes & Development Sdn. Bhd. (BPK)	7,000,000	3.39
6	CIMB Group Nominees (Tempatan) Sdn. Bhd. Miramas Development Sdn. Bhd. for Ishtihar Properties & Development Sdn. Bhd. (49523 PDZM)	6,719,000	3.25
7	Teh Kim Teck	6,542,000	3.16
8	HDM Nominees (Tempatan) Sdn. Bhd. Pledged securities account for Bond Resources Sdn Berhad (M01)	4,880,500	2.36
9	Goy Ah Moy	3,634,300	1.76
10	CIMB Group Nominees (Tempatan) Sdn. Bhd. Pledged securities account for V.A. Trading Sdn. Bhd. (49876 PDZM)	2,400,000	1.16
11	EB Nominees (Tempatan) Sendirian Berhad Pledged securities account for Ng Chee Hua (SFC)	2,184,000	1.06

ANALYSIS OF SHAREHOLDINGS

AS AT 1 APRIL 2010 (CONT'D)

THIRTY LARGEST SHAEHOLDERS AS PER RECORD OF DEPOSITORS (CONT'D)

No	Name of Shareholders	Number of Shares Held	%
12	AllianceGroup Nominees (Tempatan) Sdn. Bhd. Pledged securities account for Ng Chee Hua (8039520)	2,050,000	0.99
13	AllianceGroup Nominees (Tempatan) Sdn. Bhd. Pledged securities account for Chong Thin Choy (8039518)	1,955,600	0.95
14	V.A. Trading Sdn. Bhd.	1,862,000	0.90
15	Wei Han Sdn. Bhd.	1,579,000	0.76
16	Brem Development Sdn. Bhd.	1,507,000	0.73
17	Public Nominees (Tempatan) Sdn. Bhd. Pledged securities account for Beh Poh Sim (E-KLC)	1,400,000	0.68
18	RHB Capital Nominees (Tempatan) Sdn. Bhd. Pledged securities account for Gan Chin Yap (MLK/SS)	1,341,000	0.65
19	AllianceGroup Nominees (Tempatan) Sdn. Bhd. Pledged securities account for Ng Chee Hua (8038804)	1,200,000	0.58
20	Public Nominees (Tempatan) Sdn. Bhd. Pledged securities account for Ng Chee Hua (KLC/HLG)	1,200,000	0.58
21	Ng Sing Hwa	1,175,000	0.57
22	HDM Nominees (Tempatan) Sdn. Bhd. Pledged securities account for Lim Lee Ling (M01)	1,172,900	0.57
23	Khoo Poh Giok	1,100,000	0.53
24	Wong Swee Yee	1,050,000	0.51
25	Dynamic Enterprises Sdn. Bhd.	1,044,788	0.51
26	CIMB Group Nominees (Tempatan) Sdn. Bhd. Miramas Development Sdn. Bhd. for Miramas Realty Sdn. Bhd. (49523 PDZM)	1,000,000	0.48
27	Public Nominees (Tempatan) Sdn. Bhd. Pledged securities account for Tan Pek Hooi (KLC/KAF)	990,000	0.48
28	Idaman Ikhlas Sdn. Bhd.	980,500	0.47
29	CitiGroup Nominees (Tempatan) Sdn. Bhd. Pledged securities account for Ng Sing Hwa (474130)	950,000	0.46
30	HDM Nominees (Asing) Sdn. Bhd. DBS Vickers Secs (S) Pte Ltd for Life Planning Associates Pte Ltd	897,000	0.43
Total		153,716,171	74.35

ANALYSIS OF SHAREHOLDINGS

AS AT 1 APRIL 2010 (CONT'D)

LIST OF SUBSTANTIAL SHAREHOLDERS AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 1 APRIL 2010

Name	Nature of Interest		No. of shares held of RM1.00 each	
	Direct	%	Indirect	%
1. Brem Holding Berhad	50,843,000	24.59	-	-
2. Khoo Chai Kaa	-	-	50,843,000 (a)	24.59
3. Lee Lei Choo	-	-	50,843,000 (b)	24.59
4. Ishtihar Properties & Development Sdn. Bhd.	13,719,000	6.64	-	-
5. Miramas Development Sdn. Bhd.	25,701,478	12.43	14,719,000 (c)	7.12
6. Ng Sing Hwa	2,125,000	1.03	42,515,266 (d)	20.56
7. Ng Chee Hua	7,254,000	3.51	42,240,478 (e)	20.43
8. Ng Wei Wei	-	-	40,420,478 (f)	19.55
9. Ng Eu Jin	-	-	40,420,478 (g)	19.55
10. Loke Kim Wan	19,234,583	9.40	-	-

Note :

- (a) Deemed interest by virtue of his interest in Brem Holding Berhad in pursuance of Section 6A(4) of the Companies Act, 1965.
- (b) Deemed interest by virtue of her interest in Brem Holding Berhad in pursuance of Section 6A(4) of the Companies Act, 1965.
- (c) Deemed interest by virtue of its interest in Miramas Realty Sdn. Bhd. (1,000,000) and Ishtihar Properties & Development Sdn. Bhd. (13,719,000) in pursuance of Section 6A(4) of the Companies Act, 1965.
- (d) Deemed interest by virtue of his interest in Miramas Realty Sdn. Bhd. (1,000,000), Miramas Development Sdn. Bhd. (25,701,478), Ishtihar Properties & Development Sdn. Bhd. (13,719,000), Dynamic Enterprises Sdn. Bhd. (1,044,788) and through shares held by his spouse (1,050,000) in pursuance of Section 6A(4) of the Companies Act, 1965.
- (e) Deemed interest by virtue of his interest in Miramas Realty Sdn. Bhd. (1,000,000), Miramas Development Sdn. Bhd. (25,701,478), Ishtihar Properties & Development Sdn. Bhd. (13,719,000) and through shares held by his spouse (1,820,000) in pursuance of Section 6A(4) of the Companies Act, 1965.
- (f) Deemed interest by virtue of her interest in Miramas Realty Sdn. Bhd. (1,000,000), Miramas Development Sdn. Bhd. (25,701,478) and Ishtihar Properties & Development Sdn. Bhd. (13,719,000) in pursuance of Section 6A(4) of the Companies Act, 1965.
- (g) Deemed interest by virtue of his interest in Miramas Realty Sdn. Bhd. (1,000,000), Miramas Development Sdn. Bhd. (25,701,478) and Ishtihar Properties & Development Sdn. Bhd. (13,719,000) in pursuance of Section 6A(4) of the Companies Act, 1965.

ANALYSIS OF SHAREHOLDINGS

AS AT 1 APRIL 2010 (CONT'D)

LIST OF DIRECTORS' SHAREHOLDINGS AS PER THE REGISTER OF DIRECTORS' SHAREHOLDINGS AS AT 1 APRIL 2010

Name	No. of Shares		No. of Shares	
	Direct	%	Indirect	%
1. Ng Sing Hwa (Executive Chairman)	2,125,000	1.03	42,515,266 (a)	20.56
2. Tan Ai Tong (Managing Director)	-	-	4,262,000 (b)	2.06
3. Low Yew Hwa (Non-Executive Director)	-	-	-	-
4. Ng Chee Hua (Non-Executive Director)	7,254,000	3.51	42,240,478 (c)	20.43
5. Loong Foo Ching (Independent & Non-Executive Director)	-	-	-	-
6. Tuan Haji Hamdan bin Yahya (Independent & Non-Executive Director)	-	-	-	-

Note:

- (a) Deemed interest by virtue of his interest in Miramas Realty Sdn. Bhd. (1,000,000), Miramas Development Sdn. Bhd. (25,701,478), Ishtihar Properties & Development Sdn. Bhd. (13,719,000), Dynamic Enterprises Sdn. Bhd. (1,044,788) and through shares held by his spouse (1,050,000) in pursuance of Section 6A(4) of the Companies Act, 1965.
- (b) Deemed interest by virtue of his interest in VA Trading Sdn. Bhd. in pursuance of Section 6A(4) of the Companies Act, 1965.
- (c) Deemed interest by virtue of his interest in Miramas Realty Sdn. Bhd. (1,000,000), Miramas Development Sdn. Bhd. (25,701,478), Ishtihar Properties & Development Sdn. Bhd. (13,719,000) and through shares held by his spouse (1,820,000) in pursuance of Section 6A(4) of the Companies Act, 1965.



APPENDIX 1

DETAILS OF THE PROPOSED AMENDMENTS TO THE
ARTICLES OF ASSOCIATION

APPENDIX 1

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

ARTICLE	EXISTING PROVISIONS	AMENDED PROVISIONS	RATIONALE
To amend Article 85	The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised. A proxy may but need not be a member of the Company. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll. Section 149(1) (b) of the Companies Act, 1965 shall not apply to the Company.	The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised. A proxy may but need not be a member of the Company. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll. Section 149(1) (b) of the Companies Act, 1965 shall not apply to the Company. A member shall not be precluded from attending and voting in person at any general meeting after lodging the form of proxy but however such attendance shall automatically revoke the proxy's authority.	To enable the shareholders to attend and vote at the general meeting after lodging the proxy form.
To amend Article 111	A Director shall not vote in respect of any contract or proposed contract or arrangement with the Company in which he is directly or indirectly interested, or any matter arising thereout, and if he does so vote his vote shall not be counted.	Every Director shall declare his interest in the Company and his interest in any contract or proposed contract with the Company as may be required by law. Subject to the Act, a Director shall not participate in any discussion or vote in respect of any contract or proposed contract or arrangement in which he has directly or indirectly an interest and if he shall do so his vote shall not be counted. A Director shall, notwithstanding his interest, be counted in the quorum for any meeting where a decision is to be taken upon any contract or proposed contract or arrangement in which he is any way interested.	To reflect the provisions of Section 131A of the Companies Act, 1965.

APPENDIX 1

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION (CONT'D)

ARTICLE	EXISTING PROVISIONS	AMENDED PROVISIONS	RATIONALE
To amend Article 120	A resolution in writing, signed by all the Directors present in Malaysia for the time being entitled to receive notice of a meeting of the Directors, shall be as valid and effectual as if it had been passed at a meeting of the Directors duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more Directors.	A resolution in writing, signed by all the Directors present in Malaysia for the time being entitled to receive notice of a meeting of the Directors, shall be as valid and effectual as if it had been passed at a meeting of the Directors duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more Directors. The expressions “in writing” or “signed” include approval by legible confirmed transmission by facsimile, telex, cable, telegram or other forms of electronic communications.	To facilitate approval by written electronic communication such as e-mail.
To insert new Article 124A immediately after Article 124		The office of the Secretary shall be vacated if the secretary resigns by notice in writing to the Company, left at the registered office and copies sent to all the Directors for the time being at their last known residential addresses. Where a Secretary gives notice of resignation to the Directors, the Secretary shall cease to act as Secretary with immediate effect, and unless provided in the terms of engagement, within the stipulated time.	To provide for the resignation of secretary by notice in writing to the Company.
To amend Article 132	The Directors may, before recommending any dividends, set aside out of profits of the Company such sums as they think proper as reserves which shall, at the discretion of the Directors, be applicable for any purpose to which the profits of the Company may be properly applied, and pending any such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares in the Company) as the Directors may from time to time think fit. The Directors may also without placing the same to reserve carry forward any profits which they may think prudent not to divide.	The Directors may, before recommending any dividends, set aside out of profits of the Company such sums as they think proper as reserves which shall, at the discretion of the Directors, be applicable for any purpose to which the profits of the Company may be properly applied, and pending any such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments as the Directors may from time to time think fit. The Directors may also without placing the same to reserve carry forward any profits which they may think prudent not to divide.	To enable the Company's reserves to be used for share buy-back.

APPENDIX 1

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION (CONT'D)

ARTICLE	EXISTING PROVISIONS	AMENDED PROVISIONS	RATIONALE
To amend Article 136	Any dividend, interest or other money payable in cash in respect of shares may be paid by cheque or warrant and sent through the post direct to the registered address of the holder. The payment of any such cheque or warrant shall operate as a good discharge to the Company in respect of the dividend represented thereby, notwithstanding that it may subsequently appear that the same has been stolen or the endorsement thereon has been forged. Every such cheque or warrant shall be sent at the risk of the person entitled to the money thereby represented.	Any dividend, interest or other money payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder who is named on the Register or Record of Depositors or to such person and to such address as the holder may in writing direct or by way of telegraphic transfer or electronic transfer or remittance to such account as designated by such holder or the person entitled to such payment. Every such cheque or warrant or telegraphic transfer or electronic transfer or remittance shall be made payable to the order of the person to whom it is sent and the payment of any such cheque or warrant or telegraphic transfer or electronic transfer or remittance shall operate as a good and full discharge to the Company in respect of the payment represented thereby, notwithstanding that in the case of payment by cheque or warrant, it may subsequently appear that the same has been stolen or that the endorsement thereon has been forged. Every such cheque or warrant or telegraphic transfer or electronic transfer or remittance shall be sent at the risk of the person entitled to the money thereby represented.	To enable the Company to implement the Electronic Dividend payment to comply with the directive of Bursa Malaysia Securities Berhad dated 19 February 2010.

FORM OF PROXY

BERTAM ALLIANCE BERHAD 305530-A (Incorporated in Malaysia)

I/We _____ NRIC No. _____
(Full Name in Capital Letters)

of _____
(Full Address)

being a member(s) of **BERTAM ALLIANCE BERHAD** (Company No.: 305530-A) hereby appoint _____
(Full Name in Capital Letters)

of _____
(Full Address)

or failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us and on my/our behalf at the Sixteenth Annual General Meeting of the Company to be held at Level 1, Crown Hall 1, Crystal Crown Hotel, No. 12, Lorong Utara A, Off Jalan Utara, 46200 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 26 May 2010 at 10.30 a.m. and at any adjournment thereof. The proxy is to vote in the manner indicated below, with an "X" in the appropriate spaces. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.

ITEM	AGENDA			
1.	To receive the Audited Financial Statements for the financial year ended 31 December 2009 and the Reports of Directors and Auditors thereon.			
		RESOLUTION	FOR	AGAINST
2.	To re-elect Mr Tan Ai Tong who retires by rotation as a Director of the Company pursuant to Article 91 of the Company's Articles of Association.	Ordinary Resolution 1		
3.	To re-elect Haji Hamdan bin Yahya who retires by rotation as a Director of the Company pursuant to Article 91 of the Company's Articles of Association.	Ordinary Resolution 2		
4.	To re-appoint Ernst & Young as Auditors of the Company for the financial year ending 31 December 2010 and to authorise the Directors to fix the Auditors' remuneration.	Ordinary Resolution 3		
Special Business				
5.	To approve the payment of Directors' Fees of RM210,000 for the financial year ended 31 December 2009.	Ordinary Resolution 4		
6.	Authority to Issue Shares.	Ordinary Resolution 5		
7.	Proposed Shareholders' Mandate for Recurrent Related Party Transactions of A Revenue or Trading Nature.	Ordinary Resolution 6		
8.	Proposed Shareholders' Mandate for Recurrent Related Party Transactions of A Revenue or Trading Nature.	Ordinary Resolution 7		
9.	Amendment to the Articles of Association.	Special Resolution 1		

Signed this _____ day of _____ 2010.

Number of shares held:	
CDS account no.:	
Telephone no. (during office hours):	

Signature
Shareholder or Common Seal

Notes:-

- A member entitled to attend and vote at this meeting is entitled to appoint one or more proxies to attend and vote in his stead and the holder shall specify the proportion of his shareholding to be represented by each proxy; a proxy need not be a member and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply.
- Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of an officer or its attorney duly authorised.
- The instrument appointing a proxy must be deposited at the registered office of the Company at Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting, i.e. on or before 10.30 a.m., Monday, 24 May 2010.

Please fold here

Affix Stamp
Here

The Secretary
Bertam Alliance Berhad (305530-A)
Level 18, The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur.

Please fold here

Please fold here

BERTAM ALLIANCE BERHAD 305530-A

Brem House, Level 3A, Crystal Crown Hotel
No. 12, Lorong Utara A, Off Jalan Utara
46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia
Tel: 603-7958 7288 Fax: 603-7958 5033
E-mail: bertamdev@pd.jaring.my