



BERTAM ALLIANCE BERHAD

305530-A

Annual Report

2010

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Notice Of Seventeenth Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Seventeenth Annual General Meeting of the Company will be held at Utara 1, Level 2, Crystal Crown Hotel, No. 12, Lorong Utara A, Off Jalan Utara, 46200 Petaling Jaya, Selangor Darul Ehsan on **Friday, 3 June 2011 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 2010 and the Reports of Directors and Auditors thereon. *(Please refer to Explanatory Note 1)*
2. To re-elect Mr. Ng Chee Hua 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 Mr. Low Yew Hwa 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 2011 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 RM 210,000 for the financial year ended 31 December 2010. *(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)

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

PROPOSED RENEWAL OF 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

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Notice Of Seventeenth Annual General Meeting (Cont'd)

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 12 May 2011 ("the Related Party") provided that such transactions 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")

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 the authority is renewed by a resolution passed at the next AGM;
- (b) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 143(1) of the Companies Act ("the 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 resolution passed by shareholders in a general meeting,

whichever is the earliest;

AND THAT the Directors of the Company be 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)

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

PROPOSED RENEWAL OF 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 12 May 2011 ("the Related Party") provided that such transactions 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")

Notice Of Seventeenth Annual General Meeting (Cont'd)

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 the authority is renewed by a resolution passed at the next AGM;
- (b) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 143(1) of the Companies Act (“the 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 resolution passed by shareholders in a general meeting,

whichever is the earliest;

AND THAT the Directors of the Company be 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 Ordinary Resolution, with or without modifications:

PROPOSED ADDITIONAL 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(c) of the Circular to Shareholders dated 12 May 2011 (“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”)

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

Notice Of Seventeenth Annual General Meeting (Cont'd)

- (c) revoked or varied by a resolution passed by the shareholders of the Company in a general meeting;

whichever is the earliest;

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 8)

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

LIM LEE KUAN (MAICSA 7017753)

KUAN HUI FANG (MIA 16876)

Secretaries

Kuala Lumpur

Date: 12 May 2011

Notes:

- i. 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.
- ii. 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.
- iii. 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., Wednesday, 1 June 2011.

Explanatory Notes on Ordinary and 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 2010.
3. **Ordinary Resolution 5**
The proposed resolution, if passed, will give flexibility to the 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 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.

The purpose of this general mandate is for possible fund raising exercises including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, repayment of borrowings and/or acquisitions.
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 12 May 2011.
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 12 May 2011.
6. **Ordinary Resolution 8**
The proposed ordinary resolution, if passed, will allow the Group to enter into additional 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 12 May 2011.

Corporate Information

BOARD OF DIRECTORS

NG SING HWA	<i>Executive Chairman</i>
TAN AI TONG	<i>Managing Director</i>
NG CHEE HUA	<i>Non-Executive Director</i>
LOW YEW HWA	<i>Non-Executive Director</i>
LOONG FOO CHING	<i>Independent Non-Executive Director</i>
HAJI HAMDAN BIN YAHYA	<i>Independent Non-Executive Director</i>

AUDIT COMMITTEE

LOONG FOO CHING	<i>Chairman</i>
HAJI HAMDAN BIN YAHYA	<i>Member</i>
LOW YEW HWA	<i>Member</i>

NOMINATION COMMITTEE

LOONG FOO CHING	<i>Chairman</i>
HAJI HAMDAN BIN YAHYA	<i>Member</i>
NG CHEE HUA	<i>Member</i>

REMUNERATION COMMITTEE

LOONG FOO CHING	<i>Chairman</i>
NG CHEE HUA	<i>Member</i>
LOW YEW HWA	<i>Member</i>

COMPANY SECRETARIES

LIM LEE KUAN	MAICSA 7017753
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
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
C.K.Lim, Tenh & Chong
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 31 December, 2010.

”



Financial Performance

For the year under review, the Group achieved more than a threefold jump in the after tax profit of RM15,270,151 as against the after tax profit of RM4,213,764 recorded in 2009. This was made possible because of the increase in the revenue from that of RM39,759,750 recorded in 2009 to that of RM60,274,321 achieved in 2010.

Dividend

Your Board of Directors approved payment of a single-tier interim dividend of 1.5 sen per share for the year under review as compared to 1.3 sen (single-tier) per share paid in 2009. The dividend for the financial year ended 31 December, 2010 amounting to RM3,101,347.40 was paid to Shareholders on 28 December, 2010. Your Board of Directors do not intend to propose a final dividend for the year under review as substantial working capital is required to undertake a few new projects in the years ahead with the view to maintain the profit momentum of the Group.

Executive Chairman's Statement (Cont'd)

Outlook

The Malaysian economy is projected to record a growth rate of 5.4% in 2011. With buoyant commodity prices such as palm oil hitting more than RM3,400.00 per tonne and natural rubber latex at all time high of RM10.00 per kg, and a supportive banking sector, the property and construction sectors are expected to be the main growth engine of the Malaysian economy in the years ahead. Operating within this backdrop of optimism, your Directors are confident that the Group is able to achieve yet another profitable year for the current financial year.

Corporate Social Responsibilities

Having successfully established the Employee Study Loan Fund for the employees of the Group, your Directors are now looking at other social welfare programmes to assist the needy.

Acknowledgment

On behalf of the Board of Directors, I would like to say thank you, once again, 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 are also very much appreciated indeed.

NG SING HWA

Executive Chairman



Managing Director's Statement

The year 2010 marked the beginning of the Group's foray into the high-end segment of the landed property market in Klang Valley and the result has been very rewarding. This is reflected in better revenue and profit after tax of RM60,274,321 and RM15,270,151 respectively for the year ended 31 December 2010, as compared to the financial results for the preceding year, where there is an increase of 51.6% in revenue and 262% in profit after tax.

2010

Besides continuing with traditional dwellings in Seremban and Langkawi, Bertam undertook the development on a turnkey basis of a high-end gated and guarded bungalow project known as Casabella @ Kota Damansara. The 72 units of bungalow were offered for sale beginning in March 2010 and the response was overwhelming. Construction is progressing on schedule and the project is scheduled to be completed by early 2012. The Group will continue to strengthen its footing in the niche high-end development.

In Langkawi, the Group completed Phase 2 & 3 of Taman Bukit Indah. The terrace houses and semi detached houses were fully sold.

2011

Moving forward, the Group will take a multi-prong approach to achieve higher growth in the near future.

Klang Valley

Property development in the Klang Valley will continue to be vibrant on the favourable demand-supply dynamics and various government-led economic initiatives including new Mass Rapid Transit ("MRT") lines. The Group is poised to continuously ride the current property boom with the acquisition of a piece of land in Cheras, which is within walking distance to a proposed MRT station.

Following the successful undertaking of the Casabella @ Kota Damansara development, the Group is planning to undertake a larger gated and guarded bungalow development project on similar turnkey basis in Setiawangsa, overlooking the skyline of Kuala Lumpur.

Both the Cheras and Setiawangsa development will keep Bertam busy for the next 3 years.

Unlock Values

Bertam is collaborating with a prominent developer in the southern region to develop its 270 acre land in Muar, Johor into a mixed development. The joint development will allow the Group to unlock value from this land without the need to incur further capital outlay. This project will contribute positively to the Group's earning and cash flow over the next 6 years.

Continuity

Bertam will be launching the high-end bungalow development called Casabella@Langkawi in Phase 4 of Taman Bukit Indah soon. The project will incorporate contemporary designs taking advantage of the sea view from the elevated site.

Managing Director's Statement (Cont'd)

The Group will also launch a few affordable housing schemes in Shah Alam and Kota Damansara in Selangor and Tampin in Negeri Sembilan this year.

Outlook

The outlook for the local property development industry is exciting considering the favourable demographics (65% of the population under 35 years old) and high population growth rate, particularly in the Klang Valley. With the new economic initiatives being driven aggressively by the government, both the GDP growth and property development industry are expected to remain relatively strong.

We are confident that the strong financial result for the year under review is sustainable with the new strategies being adopted.

Tan Ai Tong
Managing Director

Profile Of The Board Of Directors

NG SING HWA

Executive Chairman

Aged 65, 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 list of Directors' shareholdings on page 100 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 99.

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 57, 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 list of Directors' shareholdings on page 100.

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 60, 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 list of Directors' shareholdings on page 100 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 99.

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

LOW YEOW HWA

Non-Executive Director

Aged 55, 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.

Save as disclosed above, 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 61, 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 62, 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 specialises 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)

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 and 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 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 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 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:

- i. have authority to investigate any matter within its terms of reference;
- ii. have the resources which are required to perform its duties;
- iii. have full and unrestricted access to any information pertaining to the Company;
- iv. have direct communication channels with the External Auditors and person(s) carrying out the internal audit function or activity (if any);
- v. be able to obtain independent professional or other advice; and
- vi. 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:

- i. Consider the appointment of the External Auditors, the audit fee and any question of resignation or dismissal;
- ii. Discuss with the External Auditors before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved;
- iii. 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.
- iv. Discuss problems and reservations arising from the interim and final audits, and any matter the Auditors may wish to discuss (in the absence of management where necessary);
- v. Review the External Auditors' management letter and management's response;

Audit Committee Report (Cont'd)

2. TERMS OF REFERENCE (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 cognisance 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 five (5) meetings. These meetings were attended by all Audit Committee members.

6. ACTIVITIES OF THE AUDIT COMMITTEE

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

- (a) Reviewed the External Auditors' management letter and 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 2009 audit;

Audit Committee Report (Cont'd)

6. ACTIVITIES OF THE AUDIT COMMITTEE (CONT'D)

- (d) Reviewed the External Auditors' plan for the year ended 31 December 2010;
- (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 two (2) 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 2009 annual report; and
- (i) Reviewed the quarterly status of recurrent related party transactions.

7. TRAINING

All Committee members attended one day training on "Tax and Corporate Seminar" during the financial year ended 31 December 2010.

8. INTERNAL AUDIT FUNCTION

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

The Group had established an internal audit function upon listing. This function is outsourced to an internal audit services company and functionally, they 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 Management for further action.

The cost incurred for the internal audit function in respect of the financial year ended 31 December 2010 was RM 39,268 (2009: RM36,032)

Statement On Corporate Governance

The Malaysian Code on Corporate Governance- Revised 2007 (“the 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 of Bursa Malaysia Securities Berhad (“Bursa Securities”), the Board is pleased to present herewith its statement on how it has applied the principles of the 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 two (2) Executive Directors, two (2) Non-Executive Directors and two (2) Independent Non-Executive Directors. All Board members have extensive professional and business experience relevant to the property development business of the Group. Essentially, this meets the pre-requisites of an effective board where the intimate knowledge of business of the Executive Directors is combined with the broader views and objectivity that Non-Executive Directors bring into the Board’s deliberation and decision-making process.

The roles and responsibilities of the Executive Chairman and Managing Director are separated and assumed by different Directors. While all Executive Directors are responsible for the running of the Group’s business, the Executive Chairman is also responsible for managing and ensuring:

- i. the working of the Board;
- ii. the balance of membership, subject to the Board and shareholders’ approval;
- iii. the relevant issue are on the Board agenda; and
- iv. all Board members receive timely and relevant information tailored to their needs and that they are properly briefed on issues arising at board meeting.

Despite the roles of the Executive Chairman and Managing Director are separated, the Best Practices suggest that the Board should identify a Senior Independent Non-Executive Director in their annual report. On this note, 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 11 to 13.

Schedule of Board and Audit Committee meetings are determined in advance before the new financial year. This enables 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. 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 Secretaries, 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 and controlled. Presently, the function of defining the strategic plan comes from the management committee. This management committee makes up of members of executive directors and heads of department. The significant issues and actions deliberated and decided in the management committee are tabled in the Board for review and approval. Progressively, the performance of the Group’s strategic plan is reviewed by the Board in consideration of the quarterly financial results and explanations provided by Management as a benchmark of management’s performance.

During the financial year, five (5) Board meetings were held and these meetings were fully attended by all Board members.

All Board members have access to the advice and service of the Company Secretaries. The Company Secretaries had attended all the Board and Board Committees meetings held during the financial year. Primarily, the Company Secretaries administer, attend, prepare minutes of the Board and Board Committees meetings; ensure that board procedures are followed; and advise the Board in respect of compliance issues.

Statement On Corporate Governance (Cont'd)

The Board of Directors (cont'd)

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 Chairman of the respective Board Committees would report to the Board during the Board meetings on significant matters and salient matters deliberated in the Committees.

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 Committee is as follows:

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

The 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 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.

During the financial year, the Nomination Committee conducted a meeting to assess the effectiveness of the Board as a whole, the Board Committees and the contribution of each individual director conducts appraisal on individual director, board committees and the Board. In line with the Best Practices these appraisals were documented.

Directors' Training

Continuous learning and training are part of Directors' development programmes. The Directors recognise the needs 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 review the directors' performance and 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.

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 Directors' 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.

During the financial year, the Remuneration Committee had conducted a meeting to review the remunerations of the Executive Directors.

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

Remuneration Bands	Executive Directors	Non-Executive Directors
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*	Salaries	Bonuses	EPF	Benefit-in-kind/ Allowance	Total
	(RM)	(RM)	(RM)	(RM)	(RM)	(RM)
Executive Directors	70,000	535,200	44,600	51,168	9,700	710,668
Non-Executive Directors	140,000	Nil	Nil	Nil	12,300	152,300

*The Directors' fees paid are related to financial year 2009.

Statement On Corporate Governance (Cont'd)

Directors' Remuneration (cont'd)

The Board suggests Directors' fee of RM 70,000 for Executive Directors and RM 140,000 for Non- Executive Directors payable for financial year 2010 subject to shareholders' approval at the forthcoming AGM.

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, the corporate information is disseminated through various disclosures and announcements made to Bursa Securities. This information is electronically published at Bursa Securities website at <http://www.bursamalaysia.com>. Apart from that, the Company also maintains its own website at <http://www.bertamalliance.com>. This website contains the essential corporate information, public announcements, key financial highlights and analysis of share price movements.

The AGM remains as the principal forum for dialogue with all shareholders while the Extraordinary General Meeting would be held as and when required. During the financial year, the Sixteenth AGM was held on 26 May 2010. 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 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 financial statements and quarterly announcements of its results, the Board assures that the Group 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 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 23.

Audit Committee

The Audit Committee establishes 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 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 two (2) 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 was invited to attend the management committee meetings 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 board committees' 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 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 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 2010, 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 2010 or entered into since the end of the previous financial year involving Directors' and Major Shareholders' interest.

Revaluation Policy

The Group and the Company does not carry out revaluation of Land on a yearly basis.

Statement On Internal Control

Pursuant to paragraph 15.26(b) of the Main Market Listing Requirements, the Board of Directors of Bertam Alliance Berhad is pleased to provide the following statement on the state of internal control of the Company and its subsidiaries (“the Group”). This Statement is made in accordance with the “Statement on Internal Control - Guidance for Directors of Public Listed Companies” issued by the Institute of Internal Auditors Malaysia and endorsed by Bursa Securities.

BOARD RESPONSIBILITIES

The Board of Directors acknowledges the importance of the system of internal control and recognises that it is their responsibility to maintain a sound system of internal control to safeguard the Group’s interests. The Board understands the principal risks of the business that the Group is engaged in and accepts that business decisions require the incurrence of risk and the ultimate objective is to balance risk and potential reward to the shareholders. With the assistance of Management in identification and assessment of risk and designing and monitoring of internal controls, the Board implements appropriate risk management processes to mitigate and manage risks.

RISK MANAGEMENT

The Group continuously embeds the risk management processes in identifying, evaluating and managing significant risks facing the organisation as part of its operating and business processes. Functionally, these processes form the responsibility of all Executive Directors and Management team members. The principal risks of the Group are risks associated with the acquisition and disposal of lands, sales and promotions of properties, project management and financial resource planning. Presently, Management Committee makes up of members of Executive Directors and heads of department, assists the Board to review these principal risks. The significant issues and actions deliberated and decided in this Management Committee are tabled in the Board for review and approval.

THE REVIEW MECHANISM

The key processes that the Group has implemented in reviewing the effectiveness of the system of internal control are as follows:

- i. The Board collectively oversees and reviews the conduct of the Group’s business while the Executive Chairman, Managing Director and Management execute business strategy and controls to ensure that risks are effectively managed. Professionally, all the Board members and the senior management possess extensive experience in property development. With the experience and the risk management processes the Group is assured that risks are appropriately identified, considered and managed.
- ii. The Executive Directors conduct regular management meetings with the senior management members. The Audit Committee Chairman and Non-Executive Directors were also invited to attend these meetings. Broadly, the agenda of these meetings covers the progress of projects undertaken, the financial management and new business opportunities and ventures. In these meetings, issues and risks are identified and actions are strategised 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.

Statement On Internal Control (Cont'd)

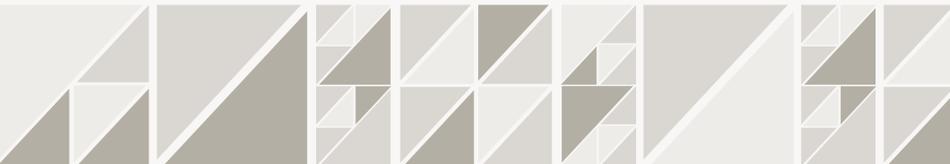
- iii. The independent reviews performed by the Audit Committee. The presence of the internal audit function supports this review by reviewing and reporting the status of management control procedures to the Audit Committee. Besides reviewing the system of internal control, the Audit Committee also reviews the financial information and reports produced by Management. In this case, the Audit Committee in consultation with 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.

The Board feels that the existing level of system of internal control is reasonable to enable the Group to achieve its business objectives. Nonetheless, the Board recognises that the system of internal control should be continuously improved in line with the evolving business development. It should also be noted that all risk management system and system of internal control could only manage rather than eliminate risks of failure to achieve business objectives. Therefore, the system 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 Directors dated 26 April 2011 .



FINANCIAL STATEMENTS



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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 2010.

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 16 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/(loss), net of tax	15,270,151	(2,695,841)
Profit/(loss) attributable to :		
Owners of the parent	14,809,883	(2,695,841)
Minority interests	460,268	-
	15,270,151	(2,695,841)

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 other than the effects arising from the changes in accounting policies due to the adoption of FRS 139 Financial Instruments: Recognition and Measurement which has resulted in a decrease in the Company's loss net of tax by RM2,217,706 as disclosed in Note 2.2 to the financial statements.

DIVIDENDS

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.

A single-tier interim dividend in respect of the financial year ended 31 December 2010 of 1.50 sen per share on 206,756,497 ordinary shares, amounting to a dividend payable of RM3,101,347, was approved by the Board of Directors and paid on 28 December 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 10 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 he is a member, or with a company in which he 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 director	Number of ordinary shares of RM1 each			
	1.1.2010	Acquired	Sold	31.12.2010
Direct Interest:				
Ordinary shares of the Company				
Ng Sing Hwa	2,125,000	-	-	2,125,000
Ng Chee Hua	7,254,000	-	-	7,254,000
Deemed Interest:				
Ordinary shares of the Company				
Ng Sing Hwa*	42,515,266	-	(10,000,000)	32,515,266
Ng Chee Hua**	42,240,478	-	(10,000,000)	32,240,478
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.

None of the other directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

Directors' Report (Cont'd)

OTHER STATUTORY INFORMATION

- (a) Before the statements of comprehensive income and statements of financial position 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 had 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 EVENT

Significant event during the year is disclosed in Note 35 to the financial statements.

SUBSEQUENT EVENTS

Subsequent events are disclosed in Note 36 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 29 April 2011.

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 33 to 95 are 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 2010 and of their financial performance and cash flows for the year then ended.

Supplementary information-breakdown of accumulated losses into realised and unrealised.

Further to the statement by directors pursuant to Section 169(15) of the Companies Act, 1965, the information set out in Note 39 on page 95 to the financial statements has been prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the directors dated 29 April 2011.

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 33 to 95 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 Kuala Lumpur
in the Federal Territory
on 29 April 2011

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 statements of financial position as at 31 December 2010 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows 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 33 to 95.

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 2010 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 of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 16 to the financial statements, being financial statements that have been included in the consolidated financial statements.
- (c) We are satisfied that the financial statements 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 financial statements of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

OTHER MATTERS

The supplementary information set out in Note 39 on page 95 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants "MIA Guidance" and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

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

Loke Siew Heng
No. 2871/07/11(J)
Chartered Accountant

Kuala Lumpur, Malaysia
29 April 2011

Statements Of Comprehensive Income

For The Financial Year Ended 31 December 2010

	Note	Group		Company	
		2010 RM	2009 RM	2010 RM	2009 RM
Revenue	4	60,274,321	39,759,750	764,000	4,157,500
Cost of sales	5	(43,289,223)	(30,513,308)	-	-
Gross profit		16,985,098	9,246,442	764,000	4,157,500
Other income	6	8,651,779	707,805	9,933,109	-
Other items of expense					
Administrative expenses		(7,718,674)	(5,222,791)	(13,377,985)	(1,419,124)
Finance costs	7	(530,065)	(543,360)	-	-
Profit/(loss) before tax	8	17,388,138	4,188,096	(2,680,876)	2,738,376
Income tax (expense)/benefit	11	(2,117,987)	25,668	(14,965)	-
Profit/(loss) net of tax, representing total comprehensive income for the year		15,270,151	4,213,764	(2,695,841)	2,738,376
Profit/(loss) attributable to:					
Owners of the parent		14,809,883	4,268,781	(2,695,841)	2,738,376
Minority interests		460,268	(55,017)	-	-
		15,270,151	4,213,764	(2,695,841)	2,738,376
Earnings per share attributable to owners of the parent (sen per share)					
Basic	12	7.16	2.06		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements Of Financial Position

As At 31 December 2010

	Note	2010 RM	Group 2009 RM (restated)	2009 RM	Company 2010 RM	2009 RM
Assets						
Non-current assets						
Plant and equipment	13	677,131	665,069	665,069	38,278	33,834
Land held for property development	14	26,058,616	80,933,307	80,379,865	-	-
Goodwill on consolidation	15	-	9,597	9,597	-	-
Investment in subsidiaries	16	-	-	-	109,353,920	96,298,998
Club memberships	17	86,000	81,000	81,000	-	-
Trade and other receivables	19	-	3,997,479	3,997,479	28,308,365	-
		26,821,747	85,686,452	85,133,010	137,700,563	96,332,832
Current assets						
Property development costs	14	73,879,403	66,666,384	92,847,886	-	-
Inventories	18	5,370,268	7,791,943	7,791,943	-	-
Trade and other receivables	19	62,197,221	25,738,459	20,188,357	5,810,995	53,385,925
Other current assets	20	2,249,514	7,659,737	-	-	-
Tax recoverable		867,047	768,221	-	741,400	604,946
Cash and bank balances	22	14,119,192	2,626,293	2,626,293	20,844	53,122
		158,682,645	111,251,037	123,454,479	6,573,239	54,043,993
Total assets		185,504,392	196,937,489	208,587,489	144,273,802	150,376,825
Equity and liabilities						
Current liabilities						
Loans and borrowings	23	3,954,424	1,009,814	1,009,814	-	-
Trade and other payables	24	17,422,315	44,063,563	55,713,563	15,539,346	15,845,181
Other current liabilities	25	245,210	-	-	-	-
Income tax payable		1,341,436	154,444	154,444	-	-
		22,963,385	45,227,821	56,877,821	15,539,346	15,845,181
Net current assets/(liabilities)		135,719,260	66,023,216	66,576,658	(8,966,107)	38,198,812
Non-current liabilities						
Deferred tax liabilities	26	6,197,840	6,257,090	6,257,090	-	-
Loans and borrowings	23	2,992,458	4,016,866	4,016,866	-	-
		9,190,298	10,273,956	10,273,956	-	-
Total liabilities		32,153,683	55,501,777	67,151,777	15,539,346	15,845,181
Net assets		153,350,709	141,435,712	141,435,712	128,734,456	134,531,644
Equity attributable to owners of the parent						
Share capital	27	206,756,497	206,756,497	206,756,497	206,756,497	206,756,497
Accumulated losses		(54,047,922)	(65,756,458)	(65,756,458)	(78,022,041)	(72,224,853)
		152,708,575	141,000,039	141,000,039	128,734,456	134,531,644
Minority interests		642,134	435,673	435,673	-	-
Total equity		153,350,709	141,435,712	141,435,712	128,734,456	134,531,644
Total equity and liabilities		185,504,392	196,937,489	208,587,489	144,273,802	150,376,825

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statement Of Changes In Equity

For The Financial Year Ended 31 December 2010

	Note	Attributable to owners of the parent			Minority interests RM	Total equity RM
		Share capital RM	Accumulated losses RM	Total RM		
Group						
At 1 January 2010		206,756,497	(65,756,458)	141,000,039	435,673	141,435,712
Total comprehensive income		-	14,809,883	14,809,883	460,268	15,270,151
Transactions with owners						
Dividends on ordinary shares	34	-	(3,101,347)	(3,101,347)	-	(3,101,347)
Disposal of minority interests	16(b)	-	-	-	(253,807)	(253,807)
At 31 December 2010		206,756,497	(54,047,922)	152,708,575	642,134	153,350,709
At 1 January 2009						
At 1 January 2009		206,756,497	(67,316,729)	139,439,768	-	139,439,768
Total comprehensive income/(loss)		-	4,268,781	4,268,781	(55,017)	4,213,764
Transactions with owners						
Dividends on ordinary shares	34	-	(2,708,510)	(2,708,510)	-	(2,708,510)
Acquisition of minority interests		-	-	-	490,690	490,690
At 31 December 2009		206,756,497	(65,756,458)	141,000,039	435,673	141,435,712

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statement Of Changes In Equity

For The Financial Year Ended 31 December 2010 (Cont'd)

	Note	Share capital RM	Accumulated losses RM	Total equity RM
2010				
Company				
At 1 January 2010		206,756,497	(72,224,853)	134,531,644
Total comprehensive loss		-	(2,695,841)	(2,695,841)
Transactions with owners				
Dividends on ordinary shares	34	-	(3,101,347)	(3,101,347)
At 31 December 2010		206,756,497	(78,022,041)	128,734,456
2009				
At 1 January 2009		206,756,497	(72,254,719)	134,501,778
Total comprehensive income		-	2,738,376	2,738,376
Transactions with owners				
Dividends on ordinary shares	34	-	(2,708,510)	(2,708,510)
At 31 December 2009		206,756,497	(72,224,853)	134,531,644

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements Of Cash Flows

For The Financial Year Ended 31 December 2010

	Group		Company	
	2010 RM	2009 RM (restated)	2010 RM	2009 RM
Cash flows from operating activities				
Profit/(loss) before tax	17,388,138	4,188,096	(2,680,876)	2,738,376
Adjustments for:				
Interest expense	530,065	543,360	-	-
Interest income	(502,910)	(400,740)	-	-
Plant and equipment written off	247	1,040	-	488
Gross dividends received	-	-	-	(3,382,500)
Depreciation of property, plant and equipment	250,648	324,299	13,408	16,152
Bad debts written off	-	280,000	-	-
Waiver of debts	(39,886)	-	-	-
Deposits written off	1,000	21,800	1,000	-
Property development cost written off	801,568	-	-	-
Land related expenses written off	711,376	-	-	-
Goodwill on consolidation written off	6,382	-	-	-
Gain on disposal of:				
- a subsidiary	(7,939,792)	-	(7,700,000)	-
- land held for development	-	(1,988,478)	-	-
Gain on disposal of plant and equipment	(17,056)	(15,000)	(15,403)	-
Interest income on amount due from subsidiaries	-	-	(2,217,706)	-
Impairment loss on:				
- trade receivables	156,224	19,636	-	-
- other receivables	75,298	-	-	-
- property development cost	-	300,000	-	-
- goodwill on consolidation	3,215	65	-	-
- amount due from subsidiaries	-	-	10,112,215	-
- investment in subsidiaries	-	-	1,817,815	-
Operating cash flows before changes in working capital	11,424,517	3,274,078	(669,547)	(627,484)
Changes in working capital				
Decrease in inventories	2,421,675	2,233,147	-	-
Decrease in development property	12,199,261	11,774,926	-	-
(Increase)/decrease in trade and other receivables	(30,478,751)	14,346,457	(6,613,135)	(1,248,659)
Decrease/(increase) in other current assets	2,511,474	(6,543,211)	-	-
Increase/(decrease) in other current liabilities	245,210	(336,810)	-	-
(Decrease)/increase in trade and other payables	(6,631,822)	(6,884,990)	2,402,675	5,783,872
Cash generated from/(used in) operating activities	(8,308,436)	17,863,597	(4,880,007)	3,907,729
Income taxes paid	(222,024)	(1,346,462)	(14,965)	-
Net cash flows generated from/(used in) operating activities	(8,530,460)	16,517,135	(4,894,972)	3,907,729

Statements Of Cash Flows

For The Financial Year Ended 31 December 2010 (Cont'd)

	Group		Company	
	2010 RM	2009 RM (restated)	2010 RM	2009 RM
Cash flows from investing activities				
Purchase of:				
- plant and equipment (Note b)	(122,901)	(77,316)	(22,448)	(3,105)
- land held for property development (Note a)	(3,042,738)	(10,670,119)	-	-
- club memberships	(5,000)	(5,000)	-	-
Proceeds from disposal of:				
- plant and equipment	27,000	15,000	19,999	-
- land held for property development	-	2,500,000	-	-
Net cash inflow on disposal of a subsidiary (Note 16(b))	6,449,230	-	10,675,000	-
Acquisition of subsidiaries	-	452,442	-	(550,000)
Subscription of Redeemable Preference Shares ("RPS") issued by a subsidiary company	-	-	-	(990,000)
Interest received	169,578	11,466	-	-
Net cash flows (used in)/ generating from investing activities	3,475,169	(7,773,527)	10,672,551	(1,543,105)
Cash flows from financing activities				
Repayment of hire purchase payables	(190,867)	(144,054)	-	-
Proceeds from loans and borrowings	21,117,910	-	-	-
Repayment of loans and borrowings	(873,253)	(9,519,199)	-	-
Dividends paid on ordinary shares	(5,809,857)	(2,326,011)	(5,809,857)	(2,326,011)
Interest paid	(530,065)	(543,360)	-	-
Net cash flows generating from/(used in) financing activities	13,713,868	(12,532,624)	(5,809,857)	(2,326,011)
Net increase/(decrease) in cash and cash equivalents	8,658,577	(3,789,016)	(32,278)	38,613
Cash and cash equivalents at beginning of year	2,626,293	6,415,309	53,122	14,509
Cash and cash equivalents at end of year (Note 22)	11,284,870	2,626,293	20,844	53,122

Statement Of Cash Flow

For The Financial Year Ended 31 December 2010 (Cont'd)

Note a

	2010 RM	Group 2009 RM
Land held for property development were acquired by way of:		
Deferred payment terms	-	30,348,068
Cash	3,042,738	10,670,119
	3,042,738	41,018,187

Note b

Acquisitions of plant and equipment during the financial year were made by way of the following arrangements:

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Hire purchase	150,000	-	-	-
Cash	122,901	77,316	22,448	3,105
	272,901	77,316	22,448	3,105

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2010

1. CORPORATE INFORMATION

Bertam Alliance Berhad (“the Company”) is a public limited liability company incorporated and domiciled in Malaysia, and is listed on 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 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 16.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. At the beginning of the current financial year, the Group and the Company adopted new and revised FRS which are mandatory for financial periods beginning on or after 1 January 2010 as described fully in Note 2.2.

The financial statements have been prepared on the historical cost basis, except as disclosed in the accounting policies below.

The financial statements are presented in Ringgit Malaysia (RM).

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 January 2010, the Group and the Company adopted the following new and amended FRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2010.

- FRS 7 Financial Instruments: Disclosures
- FRS 8 Operating Segments
- FRS 101 Presentation of Financial Statements (Revised)
- FRS 123 Borrowing Costs
- FRS 139 Financial Instruments: Recognition and Measurement
- Amendments to FRS 1 First-time Adoption of Financial Reporting Standards and FRS 127 Consolidated and Separate Financial Statements: Cost of and 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 Financial Instruments: Recognition and Measurement, FRS 7 Financial Instruments: Disclosures and IC Interpretation 9 Reassessment of Embedded Derivatives
- Improvements to FRS issued in 2009
- IC Interpretation 9 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

Notes To The Financial Statements

For The Financial Year Ended 31 December 2010 (Cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Changes in accounting policies (cont'd)

FRS 4 Insurance Contracts and TR i-3 Presentation of Financial Statements of Islamic Financial Institutions will also be effective for annual periods beginning on or after 1 January 2010. These FRS are, however, not applicable to the Group or the Company.

Adoption of the above standards and interpretations did not have any effect on the financial performance or position of the Group and the Company except for those discussed below:

FRS 7 Financial Instruments: Disclosures

Prior to 1 January 2010, information about financial instruments was disclosed in accordance with the requirements of FRS 132 Financial Instruments: Disclosure and Presentation. FRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk.

The Group and the Company have applied FRS 7 prospectively in accordance with the transitional provisions. Hence, the new disclosures have not been applied to the comparatives. The new disclosures are included throughout the Group's and the Company's financial statements for the year ended 31 December 2010.

FRS 8 Operating Segments

FRS 8, which replaces FRS 114 Segment Reporting, specifies how an entity should report information about its operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purposes of allocating resources to the segments and assessing their performance. The Standard also requires the disclosure of information about the products and services provided by the segments, the geographical areas in which the Group operates, and revenue from the Group's major customers. The Group concluded that the reportable operating segments determined in accordance with FRS 8 are the same as the business segments previously identified under FRS 114. The Group has adopted FRS 8 retrospectively. These revised disclosures, including the related revised comparative information, are shown in Note 33 to the financial statements.

FRS 101 Presentation of Financial Statements (Revised)

The revised FRS 101 introduces changes in the presentation and disclosures of financial statements. The revised Standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented as a single line. The Standard also introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group and the Company have elected to present this statement as one single statement.

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 classification of items in the financial statements.

The revised FRS 101 also requires the Group to make new disclosures to enable users of the financial statements to evaluate the Group's objectives, policies and processes for managing capital (see Note 32).

The revised FRS 101 was adopted retrospectively by the Group and the Company.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2010 (Cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Changes in accounting policies (cont'd)

FRS 139 Financial Instruments: Recognition and Measurement

FRS 139 establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. The Group and the Company have adopted FRS 139 prospectively on 1 January 2010 in accordance with the transitional provisions. The effects arising from the adoption of this Standard has been accounted for by adjusting the opening balance of retained earnings as at 1 January 2010. Comparatives are not restated. The details of the changes in accounting policies and the effects arising from the adoption of FRS 139 are discussed below:

- **Other non-current investments**

Prior to 1 January 2010, the Group classified its other non-current investments which were held for non-trading purposes as non-current investments. Such investments were carried at cost less impairment losses. Other non-current investments whose fair value cannot be reliably measured amounting to RM81,000 at 1 January 2010 continued to be carried at cost less impairment losses.

- **Impairment of trade receivables**

Prior to 1 January 2010, provision for doubtful debts was recognised when it was considered uncollectible. Upon the adoption of FRS 139, an impairment loss is recognised when there is objective evidence that an impairment loss has been incurred. The amount of the loss is measured as the difference between the receivable's carrying amount and the present value of the estimated future cash flows discounted at the receivable's original effective interest rate. As at 1 January 2010, the Group has remeasured the allowance for impairment losses as at that date in accordance with FRS 139 in respect of amount due from subsidiaries which are not materiality different from the carrying amount as at 31 December 2009.

- **Financial guarantee contracts**

During the current and prior years, the Company provided financial guarantees to banks in connection with bank loans and other banking facilities granted to its subsidiaries. Prior to 1 January 2010, the Company did not provide for such guarantees unless it was more likely than not that the guarantees would be called upon. The guarantees were disclosed as contingent liabilities. Upon the adoption of FRS 139, all unexpired financial guarantees issued by the Company are recognised as financial liabilities and are measured at their initial fair value less accumulated amortisation as at 1 January 2010. There is no effect on the financial performance or position of the Group and of the Company.

- **Inter-company balances**

During the current and prior year, the Company granted interest-free or interest bearing advances to its subsidiaries. Prior to 1 January 2010, the advances were recorded at cost in the Company's financial statements. Upon the adoption of FRS139, the interest-free or interest bearing advances are recorded initially at a fair value that is lower than cost. The difference between the fair value and cost of the advance is recognised as an additional investment in subsidiary. Subsequent to initial recognition, the advances are measured at amortised cost. As at 1 January 2010, the Company has remeasured such advances and their fair value adjustments on initial recognition amounted to RM16,412,737.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2010 (Cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Changes in accounting policies (cont'd)

The following are effects arising from the above changes in accounting policies:

	Increase/(decrease)	
	As at 31 December 2010 RM	As at 1 January 2010 RM
Statements of financial position		
Company		
Investment in subsidiaries	-	16,412,737
Other receivables		
- amount due from subsidiaries	2,217,706	(16,412,737)
Accumulated losses	(2,217,706)	-

	Increase/(decrease) 2010 RM
Company	
Statements of comprehensive income	
Interest income	2,217,706
Loss before tax	(2,217,706)
Loss, net of tax	(2,217,706)

2.3 Standards issued but not yet effective

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
FRS 1 First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 3 Business Combinations (Revised)	1 July 2010
Amendments to FRS 2 Share-based Payment	1 July 2010
Amendments to FRS 5 Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
Amendments to FRS 127 Consolidated and Separate Financial Statements	1 July 2010
Amendments to FRS 138 Intangible Assets	1 July 2010
Amendments to IC Interpretation 9 Reassessment of Embedded Derivatives	1 July 2010
IC Interpretation 12 Service Concession Arrangements	1 July 2010
IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation	1 July 2010

Notes To The Financial Statements

For The Financial Year Ended 31 December 2010 (Cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

Description	<u>Effective for annual periods beginning on or after</u>
IC Interpretation 17 Distributions of Non-cash Assets to Owners	1 July 2010
Amendments to FRS 132: Classification of Rights Issues	1 March 2010
Amendments to FRS 1: Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters	1 January 2011
Amendments to FRS 1: First-time Adoption of Financing Reporting Standards [Improvements to FRSs (2010)]	1 January 2011
Amendments to FRS 2: Group Cash-settled Share-based Payment Transactions	1 January 2011
Amendments to FRS 3: Business Combinations [Improvements to FRSs (2010)]	1 January 2011
Amendments to FRS 7: Improving Disclosures about Financial Instruments	1 January 2011
Amendments to FRS 7: Financial Instruments - Disclosures [Improvements to FRSs (2010)]	1 January 2011
Amendments to FRS 101: Presentation of Financial Statements [Improvements to FRSs (2010)]	1 January 2011
Amendments to FRS 132: Financial Instruments: Presentation [Improvements to FRSs (2010)]	1 January 2011
Amendments to FRS 134: Interim Financial Reporting [Improvements to FRSs (2010)]	1 January 2011
Amendments to FRS 139: Financial Instruments: Recognition and Measurement [Improvements to FRSs (2010)]	1 January 2011
IC Interpretation 4: Determining whether an Arrangement contains a Lease	1 January 2011
IC Interpretation 18: Transfers of Assets from Customers	1 January 2011
IC Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
FRS 124: Related Party Disclosures (Revised)	1 January 2012
IC Interpretation 15: Agreements for the Construction of Real Estate	1 January 2012

Except for the changes in accounting policies arising from the adoption of the revised FRS 3, the amendments to FRS 127 and IC Interpretation 15, as well as the new disclosures required under the Amendments to FRS 7, the directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of the revised FRS 3, the amendments to FRS 127 and IC Interpretation 15 are described below.

Revised FRS 3 Business Combinations and Amendments to FRS 127 Consolidated and Separate Financial Statements

The revised standards are effective for annual periods beginning on or after 1 July 2010. The revised FRS 3 introduces a number of changes in the accounting for business combinations occurring after 1 July 2010. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. The Amendments to FRS 127 require that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction. Therefore, such transactions will no longer give rise to goodwill, nor will they give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Other consequential amendments have been made to FRS 107 Statement of Cash Flows, FRS 112 Income Taxes, FRS 121 The Effects of Changes in Foreign Exchange Rates, FRS 128 Investments in Associates and FRS 131 Interests in Joint Ventures. The changes from revised FRS 3 and Amendments to FRS 127 will affect future acquisitions or loss of control and transactions with minority interests. The standards may be early adopted. However, the Group does not intend to early adopt.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2010 (Cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

IC Interpretation 15 Agreements for the Construction of Real Estate

This Interpretation 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.

The Group currently recognises revenue arising from property development projects using the stage of completion method. Upon the adoption of IC Interpretation 15, the Group may be required to change its accounting policy to recognise such revenues at completion, or upon or after delivery. The Group is in the process of making an assessment of the impact of this Interpretation.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Acquisitions of subsidiaries are accounted for by applying the purchase method. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in other comprehensive income. The cost of a business combination 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 business combination. Any excess of the cost of business combination over the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities is recorded as goodwill on the statement of financial position. The accounting policy for goodwill is set out in Note 2.7(a). Any excess of the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised as income in profit or loss on the date of acquisition. When the Group acquires a business, embedded derivatives separated from the host contract by the acquiree are reassessed on acquisition unless the business combination results in a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required under the contract.

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.

2.5 Transactions with minority interests

Minority interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in profit or loss of the Group and within equity in the consolidated statements of financial position, separately from parent shareholders' equity. Transactions with minority interests are accounted for using the entity concept method, whereby, transactions with minority interests are accounted for as transactions with owners. On acquisition of minority interests, the difference between the consideration and book value of the share of the net assets acquired is recognised directly in equity. Gain or loss on disposal to minority interests is recognised directly in equity.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2010 (Cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Plant and equipment

All items of plant and equipment are initially recorded at cost. The cost of an item of plant and equipment is recognised as an asset if, and only if, 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.

Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

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%
Fixture, fittings and office equipment	8% - 12%
Motor vehicles	20%
Renovation	10%

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

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. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

2.7 Intangible assets

Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2010 (Cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Intangible assets (cont'd)

Goodwill (cont'd)

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

2.8 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments 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 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 groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss in the period in which it arises.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed 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. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

2.9 Subsidiaries

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2010 (Cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

(a) Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that is held primarily for trading purposes are presented as current whereas financial assets that is not held primarily for trading purposes are presented as current or non-current based on the settlement date.

The Group and the Company have not designated any financial assets as at fair value through profit or loss.

(b) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

(c) Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold the investment to maturity.

Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2010 (Cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Financial assets (cont'd)

(c) Held-to-maturity investments (cont'd)

Held-to-maturity investments are classified as non-current assets, except for those having maturity within 12 months after the reporting date which are classified as current.

The Group and the Company does not have any financial assets classified as held-to-maturity investments.

(d) Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are designated as available for sale or are not classified in any of the three preceding categories.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group and the Company's right to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

The Group and the Company does not have any financial assets classified as available-for-sale financial assets.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

2.11 Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2010 (Cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 Impairment of financial assets (cont'd)

Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2.12 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and deposits at call which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

2.13 Construction contracts

Where the outcome of a construction contract can be reliably estimated, contract revenue and contract costs are recognised as revenue and expenses respectively by using the stage of completion method. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are likely to be recoverable. Contract costs are recognised as expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

When the total of costs incurred on construction contracts plus recognised profits (less recognised losses) exceeds progress billings, the balance is classified as amount due from customers on contracts. When progress billings exceed costs incurred plus, recognised profits (less recognised losses), the balance is classified as amount due to customers on contracts.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2010 (Cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 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 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

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 profit or loss 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.

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 profit or loss over billings to purchasers is classified as accrued billings within trade receivables and the excess of billings to purchasers over revenue recognised in profit or loss is classified as progress billings within trade payables.

2.15 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.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2010 (Cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.16 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If 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. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.17 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of FRS 139, are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

(a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

The Group and the Company have not designated any financial liabilities as at fair value through profit or loss.

(b) Other financial liabilities

The Group's and the Company's other financial liabilities include trade payables, other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2010 (Cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.17 Financial liabilities (cont'd)

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.18 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

2.19 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

2.20 Employee benefits

(a) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. The Malaysian companies in the Group make contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

2.21 Leases

(a) As lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2010 (Cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.21 Leases (cont'd)

(a) As lessee (cont'd)

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. 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.

(b) As lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.22(f).

2.22 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

(a) Construction revenue

Revenue from construction contracts is accounted for by the stage of completion method as described in Note 2.13.

(b) Sales of properties

Revenue from sale of properties is accounted for by the stage of completion method as described in Note 2.14(ii).

Revenue from sale of completed property units is recognised upon the transfer of risk and rewards.

(c) 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.

(d) Dividend income

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

(e) Interest income

Interest income is recognised using the effective interest method.

(f) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2010 (Cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.23 Income taxes

(a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2010 (Cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.23 Income taxes (cont'd)

(b) Deferred tax (cont'd)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.24 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 33, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.25 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.26 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2010 (Cont'd)

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

3.1 Judgements made in applying accounting policies

There are no critical judgements made by management in the process of applying the Group's accounting that may have significant effect on the amounts recognised in the financial statements.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Useful lives of property, plant and equipment

The Group estimates the useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property, 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 property, 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 property, plant and equipment would increase the recorded expenses and decrease the non-current assets.

(b) Impairment of receivables

The Group and the Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's and of the Company's receivable at the reporting date is disclosed in Note 19. If the present value of estimated future cash flows varies by 10% from management's estimates, the Group's allowance for impairment will vary by RM1,908,072 (2009: decrease by RM1,892,450).

Notes To The Financial Statements

For The Financial Year Ended 31 December 2010 (Cont'd)

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

3.2 Key sources of estimation uncertainty (cont'd)

(c) Property development

The Group recognises property development revenue and expenses in the statement of comprehensive income 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 property development costs. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

The carrying amounts of assets and liabilities of the Group arising from property development activities are disclosed in Note 14. A 10% difference in the estimated total property development revenue or costs would result in approximately 3% (2009: 10%) variance in the Group's revenue and 3% (2009: 10%) variance in the Group's cost of sales.

(d) Construction contracts

The Group recognises contract revenue by reference to the stage of completion of the contract activity at the balance sheet date, when the outcome of a construction contract can be estimated reliably. The stage of completion is measured by reference to the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs. Significant assumptions are required to estimate the total contract costs and the recoverable variation works that will affect the stage of completion.

In making these estimates, management has relied on past experience and the work of specialists. The carrying amounts of assets and liabilities arising from construction contracts at the balance sheet date are disclosed in Note 21 to the financial statements.

(e) Income taxes

Significant estimation is involved in determining the 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 and the Company 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. Details of income tax expenses are disclosed in Note 11.

(f) Deferred taxation

Deferred tax assets are recognised for all unutilised tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses, capital allowances and other deductible 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 contained in Note 26.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2010 (Cont'd)

4. REVENUE

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Construction revenue	44,350,301	-	-	-
Sale of properties	15,924,020	39,711,750	-	-
Management fee from third party	-	48,000	-	-
Support service fees	-	-	764,000	775,000
Gross dividend income from subsidiaries	-	-	-	3,382,500
	60,274,321	39,759,750	764,000	4,157,500

5. COST OF SALES

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

6. OTHER INCOME

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Interest income from:				
- amount due from subsidiaries	-	-	2,217,706	-
- short term deposits	169,578	2,062	-	-
Rental income	61,162	89,825	-	-
Gain on disposal of plant and equipment	17,056	15,000	15,403	-
Deposits forfeited	-	73,600	-	-
Waiver of debts	39,886	-	-	-
Interest earned on sales of land	-	194,857	-	-
Interest earned on sales of properties	333,332	200,000	-	-
Gain on disposal of a subsidiary (Note 16(b))	7,939,792	-	7,700,000	-
Administrative and accounting income	31,620	52,042	-	-
Staff secondment income	36,000	54,000	-	-
Miscellaneous	23,353	26,419	-	-
	8,651,779	707,805	9,933,109	-

Notes To The Financial Statements

For The Financial Year Ended 31 December 2010 (Cont'd)

7. FINANCE COSTS

	Group	
	2010 RM	2009 RM
Interest expense on:		
- Bank loans and bank overdrafts	503,420	514,379
- Hire purchase	26,645	28,981
	<u>530,065</u>	<u>543,360</u>

8. PROFIT/(LOSS) BEFORE TAX

The following items have been included in arriving at profit/(loss) before tax:

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Auditors' remuneration:				
- Group auditors				
- current	94,300	84,000	48,000	40,000
- Other auditors				
- current	39,400	38,300	-	-
Impairment loss on financial assets:				
- trade receivables (Note 19)	156,224	19,636	-	-
- other receivables (Note 19)	75,298	-	-	-
- amount due from subsidiaries (Note 19)	-	-	10,112,215	-
- goodwill on consolidation (Note 15)	3,215	65	-	-
- property development cost (Note 14b)	-	300,000	-	-
- investment in subsidiaries	-	-	1,817,815	-
Depreciation of property, plant and equipment (Note 13)	250,648	324,299	13,408	16,152
Plant and equipment written off	247	1,040	-	488
Rental of buildings	179,235	214,980	64,800	64,800
Employee benefits expense (Note 9)	2,025,557	2,058,943	989,042	1,037,657
Non-executive directors' remuneration (Note 10)	172,300	153,500	152,300	153,500
Property development costs written off (Note 14b)	801,568	-	-	-
Deposits written off	1,000	21,800	1,000	-
Goodwill on consolidation written off (Note 15)	6,382	-	-	-
Bad debts written off	-	280,000	-	-
Land related expenses written off (Note 14a)	711,376	-	-	-

Notes To The Financial Statements

For The Financial Year Ended 31 December 2010 (Cont'd)

9. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Wages and salaries	1,784,921	1,859,725	914,516	963,266
Social security contributions	8,556	7,817	1,112	602
Contributions to defined contribution plans	169,813	172,289	66,102	71,813
Gratuity	35,000	-	-	-
Other benefits	27,267	19,112	7,312	1,976
	2,025,557	2,058,943	989,042	1,037,657

Included in employee benefits expense of the Group and the Company are executive directors' remuneration amounting to RM735,668 (2009: RM735,668) and RM710,668 (2009: RM710,668) respectively.

10. DIRECTORS' REMUNERATION

The details of remuneration receivable by directors of the Group and the Company during the year are as follows:

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Directors of the Company				
<i>Executive:</i>				
Salaries and other emoluments	535,200	535,200	535,200	535,200
Fees	70,000	70,000	70,000	70,000
Bonus	44,600	44,600	44,600	44,600
Defined contribution plan	51,168	51,168	51,168	51,168
Total executive directors' remuneration (excluding benefits-in-kind)	700,968	700,968	700,968	700,968
Estimated money value of benefits-in-kind	34,700	34,700	9,700	9,700
Total executive directors' remuneration (including benefits-in-kind) (Note 9)	735,668	735,668	710,668	710,668
<i>Non-Executive:</i>				
Fees	140,000	140,000	140,000	140,000
Allowances	12,300	13,500	12,300	13,500
Total non-executive directors' remuneration (Note 8)	152,300	153,500	152,300	153,500

Notes To The Financial Statements

For The Financial Year Ended 31 December 2010 (Cont'd)

10. DIRECTORS' REMUNERATION (CONT'D)

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Directors of Subsidiaries				
<i>Executive:</i>				
Salaries and other emoluments	206,694	209,406	-	-
Defined contribution plan	24,681	23,898	-	-
Total executive directors' remuneration (excluding benefits-in-kind)	231,375	233,304	-	-
Estimated money value of benefits-in-kind	5,300	7,000	-	-
Total executive directors' remuneration (including benefits-in-kind)	236,675	240,304	-	-
<i>Non-Executive:</i>				
Salaries and other emoluments	20,000	-	-	-
Total non-Executive directors' remuneration (Note 8)	20,000	-	-	-
Total directors' remuneration	1,144,643	1,129,472	862,968	864,168

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

	Number of directors	
	2010	2009
Executive directors		
RM300,001-RM350,000	1	1
RM350,001-RM400,000	1	1
Non-Executive directors		
RM50,000 and below	4	4

Notes To The Financial Statements

For The Financial Year Ended 31 December 2010 (Cont'd)

11. INCOME TAX

Major components of income tax expense/(benefit)

The major components of income tax expense/(benefit) for the years ended 31 December 2010 and 2009 are:

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Statement of comprehensive income:				
Current income tax:				
- Malaysian income tax	2,249,930	129,609	-	-
- (Over)/under provision in respect of previous years	(72,693)	19,500	14,965	-
	2,177,237	149,109	14,965	-
Deferred income tax (Note 26):				
- Origination and reversal of temporary differences	(59,250)	(174,777)	-	-
	(59,250)	(174,777)	-	-
Income tax expense/(benefit) recognised in profit or loss	2,117,987	(25,668)	14,965	-

Reconciliation between tax expense and accounting profit

The reconciliation between tax expense/(benefit) and the product of accounting profit/(loss) multiplied by the applicable corporate tax rate for the years ended 31 December 2010 and 2009 are as follows:

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Profit/(loss) before tax	17,388,138	4,188,096	(2,680,876)	2,738,376
Tax at Malaysian statutory tax rate of 25% (2009: 25%)	4,347,035	1,047,024	(670,219)	684,594
Adjustments:				
Non-deductible expenses	926,150	514,197	503,603	31,941
Income not subject to taxation	(2,199,008)	-	(2,479,427)	(845,625)
Utilisation of previously unrecognised tax losses	(920,993)	(1,803,430)	-	-
Deferred tax assets not recognised	37,496	197,041	2,646,043	129,090
(Over)/under provision of income tax in respect of previous years	(72,693)	19,500	14,965	-
Income tax expense/(benefit) recognised in profit or loss	2,117,987	(25,668)	14,965	-

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2009: 25%) of the estimated assessable profit for the year.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2010 (Cont'd)

11. INCOME TAX (CONT'D)

Tax savings during the financial year arising from:

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Utilisation of current year tax losses	249,144	3,408,111	196,000	-
Utilisation of previously unrecognised tax losses	3,683,971	3,805,609	-	516,360

12. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing profit for the year, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year.

The following tables reflect the profit and share data used in the computation of basic earnings per share for the years ended 31 December:

	Group	
	2010	2009
Profit net of tax attributable to owners of the parent (RM)	14,809,883	4,268,781
Weighted average number of ordinary shares for basic earnings per share computation	206,756,497	206,756,497
Basic earnings per share (Sen)	7.16	2.06

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

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2010 (Cont'd)

13. PROPERTY, PLANT AND EQUIPMENT

	Plant and machinery RM	Furniture, fittings and office equipment RM	Motor vehicles RM	Renovation RM	Total RM
Group					
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
Written off	-	(3,154)	-	-	(3,154)
Disposals	-	-	(38,000)	-	(38,000)
At 31 December 2009 and 1 January 2010	74,830	693,222	1,631,538	362,836	2,762,426
Additions	-	20,298	186,954	65,649	272,901
Written off	-	(1,099)	-	-	(1,099)
Disposals	(1,806)	(76,765)	(43,018)	-	121,589
At 31 December 2010	73,024	635,656	1,775,474	428,485	2,912,639
Accumulated depreciation:					
At 1 January 2009	40,522	591,830	875,754	305,066	1,813,172
Depreciation charge for the year (Note 8)	7,181	33,122	255,630	28,366	324,299
Written off	-	(2,114)	-	-	(2,114)
Disposals	-	-	(38,000)	-	38,000
At 31 December 2009 and 1 January 2010	47,703	622,838	1,093,384	333,432	2,097,357
Depreciation charge for the year (Note 8)	7,045	25,632	207,560	10,411	250,648
Written off	-	(852)	-	-	(852)
Disposals	(1,557)	(72,003)	(38,085)	-	(111,645)
At 31 December 2010	53,191	575,615	1,262,859	343,843	2,235,508
Net carrying amount:					
At 31 December 2009	27,127	70,384	538,154	29,404	665,069
At 31 December 2010	19,833	60,041	512,615	84,642	677,131

Assets held under finance lease

The carrying amount of motor vehicles of the Group acquired under hire purchase agreements are RM505,193 (2009: RM525,209). Leased assets are pledged as security for the related finance lease liabilities (Note 23).

Notes To The Financial Statements

For The Financial Year Ended 31 December 2010 (Cont'd)

13. PLANT AND EQUIPMENT (CONT'D)

	Furniture, fittings and office equipment RM	Motor vehicles RM	Renovation RM	Total RM
Company				
Cost:				
At 1 January 2009	49,693	101,755	31,836	183,284
Additions	450	-	2,655	3,105
Written off	(1,720)	-	-	(1,720)
At 31 December 2009 and 1 January 2010	48,423	101,755	34,491	184,669
Additions	4,208	-	18,240	22,448
Disposals	-	(38,980)	-	(38,980)
At 31 December 2010	52,631	62,775	52,731	168,137
Accumulated depreciation:				
At 1 January 2009	30,651	85,465	19,799	135,915
Depreciation charge for the year (Note 8)	4,952	7,796	3,404	16,152
Written off	(1,232)	-	-	(1,232)
At 31 December 2009 and 1 January 2010	34,371	93,261	23,203	150,835
Depreciation charge for the year (Note 8)	4,947	3,898	4,563	13,408
Disposals	-	(34,384)	-	(34,384)
At 31 December 2010	39,318	62,775	27,766	129,859
Net carrying amount:				
At 31 December 2009	14,052	8,494	11,288	33,834
At 31 December 2010	13,313	-	24,965	38,278

Notes To The Financial Statements

For The Financial Year Ended 31 December 2010 (Cont'd)

14. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS

(a) Land held for property development

	Freehold land RM	Leasehold land RM	Total RM
Cost:			
At 1 January 2010 (restated)	14,409,946	66,523,361	80,933,307
Additions	-	3,042,738	3,042,738
Transfer to property development costs (Note 14(b))	(13,876,397)	-	(13,876,397)
Reversal of land transaction *	-	(8,981,588)	(8,981,588)
Land related expenses written off (Note 8)	(24,050)	(687,326)	(711,376)
Disposal of a subsidiary (Note 16(b))	-	(34,348,068)	(34,348,068)
At 31 December 2010	509,499	25,549,117	26,058,616
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)
As previously stated, 31 December 2009	13,856,504	66,523,361	80,379,865
Reclassification	553,442	-	553,442
At 31 December 2009 (restated)	14,409,946	66,523,361	80,933,307

The land under development with carrying value of RM46,833,702 (2009: RM52,998,632) has been pledged as security for banking facilities (Note 23).

* During the financial year, a 51% owned subsidiary of the Company Sunrise Teamtrade Sdn Bhd had received a sum of RM 8,981,588 from the authority as refund of land acquisition costs.

(b) Property development costs

	Land RM	Development costs RM	Total RM
Group			
At 31 December 2010			
Cumulative property development costs			
At 1 January 2010 (restated)	61,986,535	36,691,978	98,678,513
Costs incurred during the year	2,442,000	4,123,701	6,565,701
Disposal of a subsidiary (Note 16(b))	-	(2,644,137)	(2,644,137)
Transfer from land held for property developments (Note 14(a))	9,188,847	4,687,550	13,876,397
Reversal of completed projects	(8,847,743)	(29,882,744)	(38,730,487)
At 31 December 2010	64,769,639	12,976,348	77,745,987

Notes To The Financial Statements

For The Financial Year Ended 31 December 2010 (Cont'd)

14. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS (CONT'D)

(b) Property development costs (cont'd)

	land RM	Development costs RM	Total RM
Group			
Cumulative costs recognised in profit or loss			
At 1 January 2010			(32,234,028)
Recognised during the year			(9,561,475)
Property development costs written off (Note 8)			(801,568)
Reversal of completed projects			38,730,487
At 31 December 2010			(3,866,584)
Property development costs at 31 December 2010	64,769,639	12,976,348	73,879,403
At 31 December 2009			
Cumulative property development costs			
At 1 January 2009	62,346,950	35,484,850	97,831,800
Costs incurred during the year	270	42,853,397	42,853,667
Transfer to inventories	-	(442,961)	(442,961)
Reversal of completed projects	-	(15,160,592)	(15,160,592)
As previously stated, 31 December 2009	62,347,220	62,734,694	125,081,914
Reclassifications	(138,786)	(26,042,716)	(26,181,502)
At 31 December 2009 (restated)	62,208,434	36,691,978	98,900,412
Cumulative costs recognised in profit or loss			
At 1 January 2009			(18,840,930)
Recognised during the year			(28,253,690)
Impairment loss on property development cost (Note 8)			(300,000)
Reversal of completed projects			15,160,592
At 31 December 2009			(32,234,028)
Property development costs at 31 December 2009 (restated)	62,208,434	36,691,978	66,666,384

In the opinion of the directors, there is no reasonable basis to allocate the property development costs recognised in the statement of comprehensive income to the land and development cost, accordingly these have been disclosed in total.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2010 (Cont'd)

15. GOODWILL ON CONSOLIDATION

	Group	
	2010 RM	2009 RM
Cost		
At 1 January	9,662	65
Acquisition of subsidiaries	-	9,597
Written off (Note 8)	(6,382)	-
At 31 December	3,280	9,662
Accumulated impairment		
At 1 January	65	-
Impairment loss (Note 8)	3,215	65
At 31 December	3,280	65
Net carrying amount	-	9,597

16. INVESTMENT IN SUBSIDIARIES

	Company	
	2010 RM	2009 RM
Unquoted shares, at costs	111,506,990	113,046,990
Impairment loss	(18,565,807)	(16,747,992)
	92,941,183	96,298,998
Discount on loans to subsidiaries	16,412,737	-
	109,353,920	96,298,998

Details of the subsidiaries are as follows:

Name	Principal activities	Country of incorporation	Proportion (%) of ownership interest	
			2010	2009
Held by the Company:				
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

Notes To The Financial Statements

For The Financial Year Ended 31 December 2010 (Cont'd)

16. INVESTMENT IN SUBSIDIARIES (CONT'D)

Name	Principal activities	Country of incorporation	Proportion (%) of ownership interest	
			2010	2009
+ Bertam Development Sdn. Bhd.	Property development, investment holding and general contractors	Malaysia	100	100
+ Budaya Identiti Sdn. Bhd.	Property development	Malaysia	100	100
Syarikat Sungei Buan Sdn. Bhd.	Property development	Malaysia	100	100
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 (KL) 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	90
+ Sunrise Teamtrade Sdn. Bhd.	Property development	Malaysia	51	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
Subsidiaries 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

For The Financial Year Ended 31 December 2010 (Cont'd)

16. INVESTMENT IN SUBSIDIARIES (CONT'D)

(a) Acquisition of subsidiaries

In the previous financial year, 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.

In the previous financial year, 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.

A goodwill of RM9,597 arose from the above acquisitions, representing the excess of the Group's share of interest in the fair values of the net assets of the subsidiaries attributable to the acquisition over the cost of acquisition, has been recognised in the consolidated comprehensive income for the year ended 31 December 2009.

In 2010, the Company disposed its entire equity interest in CSSB as disclosed in Note 16(b) below.

(b) Disposal of a subsidiary

The Company disposed of its entire 55% equity interest in Cabaran Subang Sdn. Bhd. ("CSSB") on 30 April 2010 for a total consideration of RM9,240,000 net of commission payable of RM1,435,000.

The disposal had the following effects on the financial position of the Group as at the end of the year:

	2010 RM
Other receivables	149,980
Land held for development (Note 14(a))	34,348,068
Property development costs (Note 14(b))	2,644,137
Cash and cash equivalents	(139,609)
Trade and other creditors	(14,330,651)
Borrowings	(21,117,910)
Fair value of net identifiable assets	1,554,015
Less: Minority interests	(253,807)
Group's interest in fair value of net identifiable assets	1,300,208
Total disposal proceed, net	(9,240,000)
Gain on disposal to the Group (Note 6)	7,939,792
Disposal proceeds settled by:	
Cash	6,309,621
Deferred payment	2,930,379
	9,240,000

Notes To The Financial Statements

For The Financial Year Ended 31 December 2010 (Cont'd)

16. INVESTMENT IN SUBSIDIARIES (CONT'D)

(b) Disposal of a subsidiary (cont'd)

	2010 RM
Cash inflow arising on disposal:	
Cash consideration	6,309,621
Cash and cash equivalents of subsidiary disposed	139,609
Net cash inflow to the Group	6,449,230
The disposal had the following effects on the financial results of the Company:	
Total disposal proceeds	9,240,000
Less: Cost of investment in subsidiary	(1,540,000)
Gain on disposal to the Company (Note 6)	7,700,000

17. CLUB MEMBERSHIPS

	Group	
	2010 RM	2009 RM
Investment in club memberships, at cost	86,000	81,000

The investment in club memberships is unquoted and the management are of the view that under such circumstances, it is not possible to disclose the range estimates within which a fair value is likely to ascertain.

18. INVENTORIES

	Group	
	2010 RM	2009 RM
Cost		
Properties held for sale	3,811,223	5,008,206
Net realisable value		
Properties held for sale	1,559,045	2,783,737
	5,370,268	7,791,943

Notes To The Financial Statements

For The Financial Year Ended 31 December 2010 (Cont'd)

19. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2010 RM	2009 RM (restated)	2010 RM	2009 RM
Current				
Trade receivables				
Third parties	52,869,358	30,174,484	-	-
Less: Allowance for impairment	(19,080,721)	(18,771,976)	-	-
Trade receivables, net	33,788,637	11,402,508	-	-
Other receivables				
Sundry receivables	27,522,855	13,192,281	5,210,029	4,200
Amount due from subsidiaries	-	-	59,210,341	101,878,485
Others	7,719	-	600	-
Refundable deposits	953,308	1,143,670	400	1,400
	28,483,882	14,335,951	64,421,370	101,884,085
Less: Allowance for impairment				
Sundry receivables	(75,298)	-	-	-
Amount due from subsidiaries	-	-	(58,610,375)	(48,498,160)
	(75,298)	-	(58,610,375)	(48,498,160)
Other receivables, net	28,408,584	14,335,951	5,810,995	53,385,925
	62,197,221	25,738,459	5,810,995	53,385,925
Non-current				
Trade receivables				
Third parties	-	4,500,000	-	-
Less: Interest-in-suspense	-	(350,000)	-	-
Less: Allowance for impairment	-	(152,521)	-	-
Trade receivables, net	-	3,997,479	-	-
Other receivables				
Amount due from subsidiaries	-	-	28,308,365	-
	-	3,997,479	28,308,365	-
Total trade and other receivables (current and non-current)	62,197,221	29,735,938	34,119,360	53,385,925
Add: Cash and bank balances (Note 22)	11,284,870	2,626,293	20,844	53,122
Total loans and receivables	73,482,091	32,362,231	34,140,204	53,439,047

Notes To The Financial Statements

For The Financial Year Ended 31 December 2010 (Cont'd)

19. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade receivables

Trade receivables are non-interest bearing and the Group generally allows a credit period of 14 to 90 days (2009: 14 to 90 days) to property purchasers and other customers. They are recognised at their original invoice amounts which represent their values on initial recognition.

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	2010	2009
	RM	RM
Neither past due nor impaired	6,544,840	-
1 to 30 days past due not impaired	3,663,119	1,647,031
31 to 60 days past due not impaired	11,373,238	1,441,343
61 to 90 days past due not impaired	1,708,059	831,352
91 to 120 days past due not impaired	21,269	540,445
More than 121 days past due not impaired	10,478,112	10,939,816
Impaired	27,243,797	15,399,987
	19,080,721	18,924,497
	52,869,358	34,324,484

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. More than 50% (2009: Nil) of the Group's trade receivables arise from customers with more than a year of experience with the Group and losses have occurred infrequently.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM27,243,797 (2009: RM15,399,987) that are past due at the reporting date but not impaired.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2010 (Cont'd)

19. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade receivables (current) (cont'd)

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Group	
	Individually impaired 2010	2009
	RM	RM
Trade receivables - nominal amounts	19,080,721	18,924,497
Less: Allowance for impairment	(19,080,721)	(18,924,497)
	-	-

There are no balances that are collectively determined to be impaired.

Movement in allowance accounts:

	Group	
	2010	2009
	RM	RM
At 1 January	18,924,497	18,904,861
Charged for the year (Note 8)	156,224	19,636
At 31 December	19,080,721	18,924,497

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

Including in trade receivables of the Group are:

- (i) Outstanding amount totaling 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.

On 24 March 2011, the abovementioned Purchaser and a subsidiary of the Group entered into a Sale and Purchase Agreement ("SPA"), pursuant to which the Purchaser agreed to sell the freehold land which has been approved for high density development to the subsidiary for a consideration of RM24,300,000.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2010 (Cont'd)

19. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade receivables (current) (cont'd)

- (i) The Amount owing by the Vendor to the Purchaser of RM 2,790,857 (2009: RM2,790,857) pursuant to the DA will be set off against the consideration.

Details of the transactions are set out in the Company's announcements dated 29 March 2011.

The Directors of the Company are confident that the outstanding amount is fully recoverable as the vendor is financially sound to fully repay the outstanding balance.

- (ii) An amount of RM1,917,042 (2009: RM1,917,042) due by a property buyer which is currently under legal proceedings. Concentration of credit risk with respect to trade receivables of property buyers is limited by withholding legal ownership before the full consideration is received.

The Directors has assessed the situation and no provision is to be made.

- (iii) An amount of RMNil (2009: RM135,575) relating to the disposal of lands which has been fully provided for as doubtful debts.
- (iv) Allowance for impairment amounting to RM18,144,866 (2009: RM18,144,866) in respect of trade receivables of the manufacturing division which ceased operations in 2004.

(b) Amounts due from subsidiaries

Amounts due from subsidiaries are unsecured and repayable on demand, except for non-current position which are not expected to be recovered within 12 months.

(c) Sundry receivables (Current)

Included in other receivables of the Group is stakeholders' sum of RM12,322 (2009: RM952,749) which represents retention sums held by solicitors upon handing over of vacant possession to individual purchasers of development properties. This amount will be released from 6 to 18 months after the delivery of vacant possession together with interest earned.

Other receivables that are impaired

At the reporting date, the Company has provided an allowance of RM58,610,375 (2009: RM48,498,160) for impairment of the unsecured amount due from subsidiaries company with a nominal amount of RM59,210,341 (2009: RM53,380,325).

Movement in allowance accounts:

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
At 1 January	-	-	48,498,160	48,498,160
Charged for the year				
- other receivables (Note 8)	75,298	-	-	-
- amount due from subsidiaries (Note 8)	-	-	10,112,215	-
At 31 December	75,298	-	58,610,375	48,498,160

Notes To The Financial Statements

For The Financial Year Ended 31 December 2010 (Cont'd)

19. TRADE AND OTHER RECEIVABLES (CONT'D)

(d) Trade receivables (Non-current)

In previous financial year, 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 was completed during the financial year ended 31 December 2007.

20. OTHER CURRENT ASSETS

	Group	
	2010 RM	2009 RM
Prepaid operating expenses	650,000	650,000
Accrued billings in respect of property development costs	-	2,898,749
Amount due from customers for contract work in progress (Note 21)	1,599,514	4,110,988
	<u>2,249,514</u>	<u>7,659,737</u>

21. GROSS AMOUNT DUE FROM CUSTOMERS FOR CONTRACT WORK-IN-PROGRESS

	Group	
	2010 RM	2009 RM
Construction contract costs incurred to date	26,660,255	4,110,988
Attributable profits	14,365,636	-
	<u>41,025,891</u>	<u>4,110,988</u>
Less: Progress billings	(39,426,377)	-
	<u>1,599,514</u>	<u>4,110,988</u>
<i>Presented as:</i>		
Gross amount due from customers for contract work in progress (Note 20)	1,599,514	4,110,988

Notes To The Financial Statements

For The Financial Year Ended 31 December 2010 (Cont'd)

22. CASH AND BANK BALANCES

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Cash at bank and on hand	4,827,980	2,426,293	20,844	53,122
Short term deposits with:				
Licensed banks	9,291,212	200,000	-	-
Cash and bank balances	14,119,192	2,626,293	20,844	53,122

Included in cash at banks of the Group are amounts of RM229,219 (2009: RM806,462) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1965 and are restricted from use in other operations.

Included in deposits with licensed banks of the Group are deposits amounting to RM200,000 (2009: RM200,000) which are pledged as security for bank guarantees granted in favour of authorities in connection with property development and construction contracts activities.

Short-term deposits are made for varying periods of between one day and 14 days depending on the immediate cash requirements of the Group and the Company, and earn interests at the respective short-term deposit fixed rates. The weighted average interest rates during the financial year and the average maturities of deposits as at 31 December 2010 were as follows:

	Group	
	2010	2009
License banks		
Weighted average interest rates (%)	2.60	3.20
Average maturities (days)	14	365

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following at the reporting date:

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Cash and short term deposits	14,119,192	2,626,293	20,844	53,122
Bank overdrafts (Note 23)	(2,834,322)	-	-	-
Cash and cash equivalents	11,284,870	2,626,293	20,844	53,122

Notes To The Financial Statements

For The Financial Year Ended 31 December 2010 (Cont'd)

23. LOANS AND BORROWINGS

	Maturity	2010 RM	Group 2009 RM
Current			
Secured:			
Term loan at BLR + 2.0% p.a	2011	925,964	831,291
Bank overdrafts at BLR + 1.5% to 2.0% p.a	On demand	2,834,322	-
Hire purchase payables (Note 29)	2011	194,138	178,523
		3,954,424	1,009,814
Non-current			
Secured:			
Term loan at BLR + 2.0% p.a	2014	2,686,880	3,654,806
Hire purchase payables (Note 29)	2011 - 2015	305,578	362,060
		2,992,458	4,016,866
Total loans and borrowings			
Secured:			
Term loan at BLR + 2.0% p.a	2014	3,612,844	4,486,097
Bank overdrafts at BLR + 1.5% to 2.0% p.a	On demand	2,834,322	-
Hire purchase payables (Note 29)	2011 - 2015	499,716	540,583
		6,946,882	5,026,680

The remaining maturities of the loans and borrowings as at 31 December 2010 are as follows:

	2010 RM	Group 2009 RM
On demand or within one year	3,954,424	1,009,814
More than 1 year and less than 2 years	1,229,482	2,184,762
More than 2 years and less than 5 years	1,762,976	1,827,090
5 years or more	-	5,014
	6,946,882	5,026,680

Notes To The Financial Statements

For The Financial Year Ended 31 December 2010 (Cont'd)

23. LOANS AND BORROWINGS (CONT'D)

Term loan at BLR + 2.0% p.a

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

- (i) Legal charges over certain land under development of the Group as disclosed in Note 14 to the financial statements;
- (ii) Jointly and severally guaranteed by certain directors of the Group; and
- (iii) Corporate guarantee of the Company.

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

Bank overdrafts at BLR + 1.5% to 2.0% p.a

Bank overdrafts are denominated in RM, bear interest at BLR + 1.5% to 2.0% p.a. These overdraft facilities were taken by Bertam Development Sdn Bhd., a wholly owned subsidiary of the Group, secured by legal charged over few pieces of lands owned by a subsidiary company, joint and several guarantees by directors of the Group and corporate guarantees by the Company (Note 30).

Hire purchase payables

These obligations are secured by a charge over the leased assets (Note 13). The average discount rate implicit in the leases is 2.20% to 4.00% (2009: 2.20% to 3.50%) per annum.

24. TRADE AND OTHER PAYABLES

	Group		Company	
	2010 RM	2009 RM (restated)	2010 RM	2009 RM
Current				
Trade payables				
Third parties	4,686,412	32,185,756	-	-
Retention sums	1,693,994	2,459,116	-	-
	6,380,406	34,644,872	-	-
Other payables				
Accruals	695,083	433,420	396,625	257,217
Other payables	10,346,826	6,274,261	585,000	602
Amount due to directors	-	2,500	-	-
Dividend payable	-	2,708,510	-	2,708,510
Amount due to related companies	-	-	14,557,721	12,878,852
	11,041,909	9,418,691	15,539,346	15,845,181
Total trade and other payables	17,422,315	44,063,563	15,539,346	15,845,181
Add: Loans and borrowings (Note 23)	6,946,882	5,026,680	-	-
Total financial liabilities	24,369,197	49,090,243	15,539,346	15,845,181

Notes To The Financial Statements

For The Financial Year Ended 31 December 2010 (Cont'd)

24. TRADE AND OTHER PAYABLES (CONT'D)

(a) Trade payables

These amounts are non-interest bearing. The normal trade credit term granted to the Group ranges from 14 days to 90 days (2009: 14 days to 90 days).

Included in trade payables of the Group are as follows:

- (i) RMNil (2009: RM64,810) 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:

	Group	
	2010 RM	2009 RM
Within one year	827,544	2,459,116
More than 1 year and less than 2 years	447,551	-
More than 2 years and less than 5 years	418,899	-
	<u>1,693,994</u>	<u>2,459,116</u>

(b) Other payables

These amounts are non-interest bearing and the normal trade credit term granted to the Group ranges from 14 to 90 days (2009: 14 to 90 days).

Included in accruals of the Group and of the Company are provision for directors fees of RMNil (2009: RM210,000).

Included in other payables of the Group are as follows:

- (i) RM1,516,570 (2009: RM1,516,570) owing to Brem Development Sdn. Bhd. a shareholder of the Company.
- (ii) RMNil (2009: RM9,726) 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.
- (iii) RM6,516,613 (2009: RM Nil) owing to Purplestar Land (M) Sdn Bhd in relation to landowner's entitlement.

(c) Amount due to subsidiaries

These amounts are unsecured, non-interest bearing and are repayable on demand.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2010 (Cont'd)

25. OTHER CURRENT LIABILITIES

	Group 2010 RM	2009 RM
Progress billings in respect of property development costs	245,210	-

26. DEFERRED TAX

Deferred income tax as at 31 December relates to the following:

Group

	As at 1 January 2009 RM	Recognised in profit or loss RM (Note 11)	As at 31 December 2009 RM	Recognised in profit or loss RM (Note 11)	As at 31 December 2010 RM
Deferred tax liabilities:					
Plant and equipment	6,431,867	(174,777)	6,257,090	(55,500)	6,201,590
Revaluation surplus of land held for property development	7,723	(2,477)	5,246	3,022	8,268
	6,439,590	(177,254)	6,262,336	(52,478)	6,209,858
Deferred tax assets:					
Tax losses and unabsorbed capital allowances	(7,723)	(7,523)	(15,246)	6,978	(8,268)
Others	-	10,000	10,000	(13,750)	(3,750)
	(7,723)	2,477	(5,246)	(6,772)	(12,018)
	6,431,867	(174,777)	6,257,090	(59,250)	6,197,840
Company					
Deferred tax liabilities:					
Plant and equipment	-	5,476	5,476	(2,424)	3,052
Deferred tax assets:					
Tax losses and unabsorbed capital allowances	-	(15,476)	(15,476)	12,424	(3,052)
Others	-	10,000	10,000	(10,000)	-
	-	-	-	-	-

Notes To The Financial Statements

For The Financial Year Ended 31 December 2010 (Cont'd)

26. DEFERRED TAX (CONT'D)

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Presented after appropriate offsetting as follows:				
Deferred tax assets	(12,018)	(5,246)	(3,052)	(5,476)
Deferred tax liabilities	6,209,858	6,262,336	3,052	5,476
	6,197,840	6,257,090	-	-

Deferred tax assets not recognised are as follows:

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Unabsorbed capital allowances	3,353,306	3,231,079	120,720	-
Unutilised tax losses	31,193,490	34,302,677	434,785	-
Other temporarily differences	48,069,759	48,616,788	58,658,375	48,629,708
	82,616,555	86,150,544	59,213,880	48,629,708

The unabsorbed capital allowances and unutilised tax losses of the Group and of the Company are available for offset against future taxable profit subject to guidelines issued by the tax authority.

Deferred tax assets have not been recognised in respect of the above items as it is not probable that future taxable profit will be available against which they may be utilised.

27. SHARE CAPITAL

	Number of shares of RM1 each		Amount	
	2010 RM	2009 RM	2010 RM	2009 RM
Authorised				
At 1 January/31 December	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Issues 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.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2010 (Cont'd)

28. SIGNIFICANT RELATED PARTY TRANSACTIONS

		Company	
		2010 RM	2009 RM
(a)	Transactions with subsidiaries:		
	Support service fees	764,000	775,000
		2010 RM	Group 2009 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	64,800
(d)	Transaction with a company in which a non executive director has a interest		
	Tabur Bakti Sdn Bhd		
	Office rental	800	-

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.

(e) Compensation of key management personnel

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

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Short-term employee benefits	420,639	249,463	90,174	139,152
Defined contribution plans	44,470	29,455	9,360	16,459
	465,109	278,918	99,534	155,611

Notes To The Financial Statements

For The Financial Year Ended 31 December 2010 (Cont'd)

29. COMMITMENTS

Finance lease commitments

The Group have finance leases for motor vehicles as disclosed in Note 13 to the financial statement.

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	Group	
	2010	2009
	RM	RM
Minimum hire purchase payments:		
Not later than 1 year	216,055	199,512
Later than 1 year and not later than 2 years	239,290	99,900
Later than 2 years and not later than 5 years	89,551	274,522
Later than 5 years	-	8,474
Total minimum lease payments	544,896	582,408
Less: Future finance charges	(45,180)	(41,825)
Present value of minimum lease payments	499,716	540,583
Present value of payments:		
Not later than 1 year	194,138	178,523
Later than 1 year and not later than 2 years	219,669	182,418
Later than 2 years and not later than 5 years	85,909	171,279
Later than 5 years	-	8,363
Present value of minimum lease payments	499,716	540,583
Less: Amount due within 12 months (Note 23)	(194,138)	(178,523)
Amount due after 12 months (Note 23)	305,578	362,060

Notes To The Financial Statements

For The Financial Year Ended 31 December 2010 (Cont'd)

30. CONTINGENCIES

Contingent liabilities

Guarantees

There are no terms and conditions attached to the financial guarantees contracts that would have a material effect on the amount, timing and uncertainty on the Company's future cashflows.

The Company has provided the following guarantees at the reporting date:

	Company	
	2010 RM	2009 RM
Unsecured:		
(a) Guarantees to financial institution for facilities granted to subsidiary companies	2,500,000	9,000,000
(b) Guarantees to a third party as security for performance of a subsidiary's undertakings, covenants, duties and obligations contained in the signed agreement	8,000,000	-
(c) Guarantees to financial institutions for banking facilities granted to finance the working capital and construction of projects undertaken by a subsidiary company	12,000,000	-
	<u>22,500,000</u>	<u>9,000,000</u>

The banking facilities utilised as at 31 December 2010 amounted to RM6,444,543 (2009: 4,486,097) for guarantees provided.

The directors consider that the fair value these guarantees at the date of inception was minimal and understand the repayment was on schedule and in the case of default on payments, the net realisable value of the related properties can cover the repayment of the outstanding loan principals together with the accrued interest and penalties. Therefore, no provision has been made in the financial statements for the guarantees.

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and interest rate risk.

The Board of Directors reviews and agrees on policies and procedures for the management of these risks. The audit committee provides independent oversight to the effectiveness of the risk management process.

It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2010 (Cont'd)

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Investments are acquired after assessing the quality of the relevant investments. Cash and cash equivalent are placed with reliable financial institutions.

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by:

- The carrying amount of each class of financial assets recognised in the statements of financial position.
- A nominal amount of RM22,500,000 (2009: RM9,000,000) relating to corporate guarantees to financial institutions for banking facilities granted to a subsidiary company.

Information regarding credit enhancements for trade and other receivables is disclosed in Note 19.

Credit risk concentration profile

The Group determines concentration of credit risk by monitoring the business segments of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's and the Company's trade receivables at the reporting date is as follows:

	Group			
	2010 RM	% of total	2009 RM	% of total
By business segments:				
Property development	17,048,978	50%	15,399,987	100%
Construction	16,739,659	50%	-	-
	33,788,637	100%	15,399,987	100%

At the reporting date, approximately 80% (2009: 52%) of the Group's trade receivables were due from 4 (2009: 3) major customers of property development segment and construction segment.

The concentration of credit risk of these land purchasers is mitigated by the terms of the sale and purchase agreements in which the land titles will only be transferred to the purchasers upon full settlement of the whole amounts due as well as the right of the Group in seeking specific performance for the purchasers to complete the sale.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2010 (Cont'd)

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Credit risk (cont'd)

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 19. Deposits with banks and other financial institutions that are neither past due nor impaired are placed with or entered into with reputable financial institutions.

Information regarding financial assets that are either past due or impaired is disclosed in Note 19.

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	← 2010 →		
	On demand or within one year RM	One to five years RM	Total RM
Group			
Finance liabilities:			
Trade and other payables	17,422,315	-	17,422,315
Loan and borrowings	3,947,347	2,971,742	6,919,089
Total undiscounted financial liabilities	21,369,662	2,971,742	24,341,404
Company			
Finance liabilities:			
Trade and other payables	15,539,346	-	15,539,346
Total undiscounted financial liabilities	15,539,346	-	15,539,346

Notes To The Financial Statements

For The Financial Year Ended 31 December 2010 (Cont'd)

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As the Group has no significant interest-bearing financial assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest-bearing financial assets are mainly short-term in nature and have been mostly placed in fixed deposits.

Details of interest rates are disclosed in the respective notes.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 10 basis points lower/higher, with all other variables held constant, the Group's profit net of tax would have been RM36,581 higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(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.

(f) Fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	<u>Note</u>
Trade and other receivables	19
Trade and other payables	24

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to their short-term nature.

The methods and assumptions used by management to determine fair values of financial instruments other than those whose carrying amounts reasonably approximate their fair values are as follows:

(i) Trade and other receivables (non-current) and loans and borrowings

Fair value has been determined using discounted estimated cash flows. The discount rates used are the current market incremental lending rates for similar types of lending and borrowings.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2010 (Cont'd)

32. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the years ended 31 December 2010 and 31 December 2009.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio to an acceptable limit. The Group includes within net debt, loans and borrowings and trade and other payables, less cash and bank balances. Capital includes equity attributable to the owners of the parent.

	Note	Group		Company	
		2010 RM	2009 RM	2010 RM	2009 RM
Loans and borrowings	23	6,946,882	5,026,680	-	-
Trade and other payables	24	17,422,315	44,063,563	15,539,346	15,845,181
Less: Cash and bank balances	22	(14,119,192)	(2,626,293)	(20,844)	(53,122)
Aggregated indebtedness		10,250,005	46,463,950	15,518,502	15,792,059
Equity attributable to the owners of the parent, representing total capital		152,708,575	141,000,039	128,734,456	134,531,644
Capital and net debt		162,958,580	187,463,989	144,252,958	150,323,703
Gearing ratio		6%	25%	11%	11%

33. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services, and has three reportable operating segments as follows:

- I. Property development - develop property for sale and/or holds properties for its own investment purposes.
- II. Construction - construction of residential, additions and alterations, refurbishment and restoration of buildings.
- III. Corporate and others - holding of investments and provision of management services to the companies within the Group.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

No segmental information is provided on a geographical basis as there is no overseas operation within the Group.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2010 (Cont'd)

33. SEGMENT INFORMATION (CONT'D)

	Property development		Construction		Corporate and others		Eliminations		Per consolidated financial statements	
	2010 RM	2009 RM	2010 RM	2009 RM	2010 RM	2009 RM	2010 RM	2009 RM	2010 RM	2009 RM
Revenue:										
External sales	19,526,228	42,339,750	44,350,301	-	764,000	775,000	(4,366,208)	(3,355,000)	60,274,321	39,759,750
Inter-segment dividends	-	-	-	-	-	3,382,500	-	(3,382,500)	-	-
Total revenue	19,526,228	42,339,750	44,350,301	-	764,000	4,157,500	(4,366,208)	(6,737,500)	60,274,321	39,759,750
Results:										
Segment profit/(loss)	14,570,927	7,464,646	8,910,963	(152,415)	7,445,747	2,757,633	(11,003,723)	(4,092,608)	19,923,914	5,977,256
Other non-cash expenses	(1,744,466)	(621,436)	-	-	(10,113,215)	-	10,105,833	-	(1,751,848)	(621,436)
Depreciation	(237,160)	(308,147)	(80)	-	(13,408)	(16,152)	-	-	(250,648)	(324,299)
Impairment of non-financial assets	-	(300,000)	-	-	-	-	(3,215)	(65)	(3,215)	(300,065)
Finance cost	(477,957)	(542,796)	(52,108)	(564)	-	-	-	-	(530,065)	(543,360)
Profit/(loss) before tax	12,111,344	5,692,267	8,858,775	(152,979)	(2,680,876)	2,741,481	(901,105)	(4,092,673)	17,388,138	4,188,096
Income tax expense/(benefit)	82,138	(149,109)	(2,240,660)	-	(14,965)	-	55,500	174,777	(2,117,987)	25,668
Profit/(loss), net of tax	12,193,482	5,543,158	6,618,115	(152,979)	(2,695,841)	2,741,481	(845,605)	(3,917,896)	15,270,151	4,213,764
Assets:										
Additions to non-current assets	3,297,231	41,097,398	960	-	22,448	3,105	-	-	3,320,639	41,100,503
Segment assets	159,922,785	215,319,688	37,560,615	14,405,138	145,539,354	96,000,290	(160,815,295)	(169,888,130)	182,207,459	155,836,986
Total assets	163,220,016	256,417,086	37,561,575	14,405,138	145,561,802	96,003,395	(160,815,295)	(169,888,130)	185,528,098	196,937,489
Liabilities										
Segment liabilities representing total liabilities	149,387,161	186,945,442	31,140,608	14,602,286	16,827,346	15,845,181	(165,177,726)	(161,891,132)	32,177,389	55,501,777

Notes To The Financial Statements

For The Financial Year Ended 31 December 2010 (Cont'd)

33. SEGMENT INFORMATION (CONT'D)

A Inter-segment revenues are eliminated on consolidation.

B The following items are added to/(deducted from) segment profit to arrive at "Profit/(loss) before tax" presented in the consolidated statements of comprehensive income:

	2010 RM	2009 RM
Dividend income from subsidiaries	-	(3,382,500)
Profit from inter-segment sales	222,000	(699,108)
Gain on disposal of a subsidiary	(239,792)	-
Interest on amount due from subsidiaries	2,217,706	-
Impairment loss on:		
- investment in subsidiaries	(1,817,815)	-
- amount due from subsidiaries	(11,392,204)	-
Goodwill on consolidation written off	6,382	-
Reversal of impairment loss on amounts due from subsidiaries	-	(11,000)
	<u>(11,003,723)</u>	<u>(4,092,608)</u>

C Other material non-cash expenses consist of the following items as presented in the respective notes to the financial statements:

	Note	2010 RM	2009 RM
Impairment loss on:			
- trade receivables	19	156,224	19,636
- other receivables	19	75,298	-
- property development costs	14b	-	300,000
Property development costs written off	14b	801,568	-
Deposits written off	8	1,000	21,800
Goodwill on consolidation written off	15	6,382	-
Bad debts written off	8	-	280,000
Land related expenses written off	14a	711,376	-
		<u>1,751,848</u>	<u>621,436</u>

D Additions to non-current assets consist of:

	2010 RM	2009 RM
Property, plant and equipment	272,901	77,316
Land held for property development	3,042,738	41,018,187
Club memberships	5,000	5,000
	<u>5,453,289</u>	<u>41,100,503</u>

Notes To The Financial Statements

For The Financial Year Ended 31 December 2010 (Cont'd)

33. SEGMENT INFORMATION (CONT'D)

- E The following items are deducted from segment assets to arrive at total assets reported in the consolidated statements of financial position:

	2010 RM	2009 RM
Inter-segment assets	(160,815,295)	(169,888,130)

- F The following items are deducted from segment liabilities to arrive at total liabilities reported in the consolidated statements of financial position:

	2010 RM	2009 RM
Inter-segment liabilities	(165,177,726)	(161,891,132)

Information about a major customer

Revenue from one major customer amount to RM44,350,301 (2009: RMNil), arising from sales by the construction segment.

34. DIVIDENDS

	Dividends recognised in year	
	2010 RM	2009 RM
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
In respect of financial year ended 31 December 2010		
Single-tier interim dividend of 1.50 sen on 206,756,497 ordinary shares paid on 28 December 2010	3,101,347	-
	3,101,347	2,708,510

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

Notes To The Financial Statements

For The Financial Year Ended 31 December 2010 (Cont'd)

35. SIGNIFICANT EVENT DURING THE YEAR

Disposal of a subsidiary

On 30 April 2010, the Company entered into a Share Sale Agreement to dispose of its entire 55% shareholdings in Cabaran Subang Sdn Bhd to Koperasi Pendidikan Islam Malaysia Berhad and Peak Landmark Sdn Bhd for a total consideration of RM9,240,000 net of commission payable of RM1,435,000 as detailed in Note 16(b).

36. SUBSEQUENT EVENTS

(a) Increase in issued and paid up capital by a subsidiary

On 1 March 2011, a wholly owned subsidiary of Company, MV Properties Sdn Bhd increased its authorised share capital divided into 100,000 ordinary shares of RM1.00 each to 1,000,000 ordinary shares of RM1.00 each and issued 499,998 units of RM1.00 ordinary shares to increase its issued and paid up capital from RM2.00 to RM500,000. The increased in issued and paid up capital does not result in any changes in the Company's shareholdings in the Group.

(b) Disposal of shares in a subsidiary

On 1 March 2011, a wholly owned subsidiary of the Company, Syarikat Sungei Buan Sdn Bhd entered into a Share Sale Agreement to dispose of 30% of its shareholdings in a wholly owned subsidiary of the Company, MV Properties Sdn Bhd for a cash consideration of RM150,000 to Miramas Development Sdn Bhd who is a substantial shareholders of the Company.

(c) Acquisition a piece of freehold development land

On 29 March 2011, the Company announced that its subsidiary of the Company, MV Properties Sdn Bhd entered into Sales and Purchase Agreement with KEMJ Engineering Sdn Bhd to acquire a piece of freehold development land with planning approval held under G.M. 563 Lot No. 809 Mukim of Cheras, District of Hulu Langat Negeri Selangor measuring approximately 364,100.62 square foot ("Land") for a total cash consideration of RM 24,300,000.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2010 (Cont'd)

37. COMPARATIVES

The presentation and classification of items in the current year financial statements have been consistent with the previous financial year except that certain comparative amounts have been reclassified to conform with current year's presentation.

	As previously stated RM	As Adjustments RM	restated RM
Group			
Statements of financial position			
Non-current asset			
Land held for property development	80,379,865	553,442	80,933,307
Current assets			
Property development costs	92,847,886	(26,181,502)	66,666,384
Trade and other receivables	20,188,357	5,550,102	25,738,459
Other current assets	-	7,659,737	7,659,737
Tax recoverable	-	768,221	768,221
Current liabilities			
Trade and other payables	(55,713,563)	11,650,000	(44,063,563)

38. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements were authorised for issue in accordance with a resolution of the directors on 29 April 2011.

39. SUPPLEMENTARY EXPLANATORY NOTE ON DISCLOSURE OF REALISED AND UNREALISED LOSSES

The breakdown of the accumulated losses of the Group and of the Company as at 31 December 2010 into realised and unrealised losses is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group RM	Company RM
Total accumulated losses of the Group and of the Company		
- Realised	64,836,227	78,022,041
- Unrealised	(3,750)	-
	64,832,477	78,022,041
Less: Consolidation adjustments	(10,784,555)	-
Accumulated losses as per financial statements	54,047,922	78,022,041

The determination of realised and unrealised losses above is solely for complying with the disclosure requirements as stipulated in the directive of Bursa Malaysia Securities Berhad and should not be applied for any other purposes.

List Of Properties

Properties & Locations	Description	Area/ (Built-Up)	Tenure	Age Of Building	Net Book Value As At 31 December 2010 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
HS(D) 16097,PT 7886 Mukim Gemencheh Daerah Tampin Negeri Sembilan	Vacant development land	500.14 acres	Leasehold (expiring on 18/12/2106)	-	7,664	30/12/2009
PT 5856-5870 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

Analysis Of Shareholdings

As At 6 April 2011

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	10	508	0.00
100	1,000	401	374,638	0.18
1,001	10,000	536	2,677,176	1.30
10,001	100,000	252	9,405,315	4.55
100,001	10,337,823 (*)	93	91,242,877	44.13
10,337,824	and above (**)	2	103,055,983	49.84
TOTAL :		1,294	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	68,000,000	32.888
2	HDM Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Bond Resources Sdn. Bhd. (M01)	35,055,983	16.955
3	ECML Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Cheong Yoon Hoe @ Cheong Jon Ho (001)	8,438,000	4.081
4	ECML Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ong King Soon	7,671,800	3.710
5	Ishtihar Properties & Development Sdn. Bhd.	7,119,000	3.443
6	Teh Kim Teck	6,542,000	3.164
7	Public Invest Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Er Ka Wei (M)	3,639,800	1.760
8	Goy Ah Moy	3,634,300	1.757
9	EB Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Miramas Development Sdn. Bhd.	3,300,000	1.596
10	Public Invest Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Lee Kau (M)	2,868,000	1.387

Analysis Of Shareholdings

As At 6 April 2011 (Cont'd)

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

No	Name of Shareholders	Number of Shares Held	%
11	CIMB Group Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for V.A Trading Sdn. Bhd. (49876 PDZM)	2,400,000	1.160
12	Ng Chee Hua	2,184,000	1.056
13	V.A. Trading Sdn. Bhd.	1,862,000	0.900
14	Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ng Chee Hua (8039520)	1,650,000	0.798
15	Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ng Chee Hua (8061794)	1,600,000	0.773
16	Wei Han Sdn. Bhd.	1,579,000	0.763
17	Brem Development Sdn. Bhd.	1,507,000	0.728
18	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Beh Poh Sim (E-KLC)	1,400,000	0.677
19	RHB Capital Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Gan Chin Yap (MLK/SS)	1,341,000	0.648
20	Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Chong Thin Choy (8039518)	1,320,100	0.638
21	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ng Chee Hua (KLC/HDB)	1,200,000	0.580
22	Classical Glory Sdn. Bhd.	1,189,900	0.575
23	SJ Sec Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Boon Seng (SMT)	1,180,600	0.571
24	Ng Sing Hwa	1,175,000	0.568
25	RHB Capital Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Er Ka Wei	1,160,000	0.561
26	Cheong Yoon Hoe @ Cheong Jon Ho	1,107,500	0.535
27	Wong Swee Yee	1,050,000	0.507
28	Dynamic Enterprises Sdn. Bhd.	1,044,788	0.505
29	Idaman Ikhlas Sdn. Bhd.	980,500	0.474
30	Citigroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ng Sing Hwa (474130)	950,000	0.459
	Total	174,150,271	84.229

98 Bertam Alliance Berhad (305530-A)

Analysis Of Shareholdings

As At 6 April 2011 (Cont'd)

LIST OF SUBSTANTIAL SHAREHOLDERS AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 6 APRIL 2011

Name	Nature of Interest		No. of shares held of RM1.00 each	
	Direct	%	Indirect	%
1. Brem Holding Berhad	68,000,000	32.89	-	-
2. Khoo Chai Kaa	-	-	68,000,000 ^(a)	32.89
3. Lee Lei Choo	-	-	68,000,000 ^(b)	32.89
4. Miramas Development Sdn. Bhd.	3,301,478	1.60	7,119,000 ^(c)	3.44
5. Ng Sing Hwa	2,125,000	1.03	12,415,266 ^(d)	6.00
6. Ng Chee Hua	7,254,000	3.51	12,240,478 ^(e)	5.92
7. Ng Wei Wei	-	-	10,420,478 ^(f)	5.04
8. Ng Eu Jin	-	-	10,420,478 ^(g)	5.04
9. Bond Resources Sdn. Bhd.	35,055,983	16.96	-	-
10. Gan See Hing	-	-	35,055,983 ^(h)	16.96

Note:

- (a) Deemed interest by virtue of his interest in Brem Holding Berhad in pursuance of Section 6A(4) of the Companies Act, 1965, ("the Act").
- (b) Deemed interest by virtue of her interest in Brem Holding Berhad in pursuance of Section 6A(4) of the Act.
- (c) Deemed interest by virtue of its interest in Ishtihar Properties & Development Sdn. Bhd. (7,119,000) in pursuance of Section 6A(4) of the Act.
- (d) Deemed interest by virtue of his interest in Miramas Development Sdn. Bhd. (3,301,478), Ishtihar Properties & Development Sdn. Bhd. (7,119,000), Dynamic Enterprises Sdn. Bhd. (944,788) and through shares held by his spouse (1,050,000) in pursuance of Section 6A(4) of the Act.
- (e) Deemed interest by virtue of his interest in Miramas Development Sdn. Bhd. (3,301,478), Ishtihar Properties & Development Sdn. Bhd. (7,119,000) and through shares held by his spouse (1,820,000) in pursuance of Section 6A(4) of the Act.
- (f) Deemed interest by virtue of her interest in Miramas Development Sdn. Bhd. (3,301,478) and Ishtihar Properties & Development Sdn. Bhd. (7,119,000) in pursuance of Section 6A(4) of the Act.
- (g) Deemed interest by virtue of her interest in Miramas Development Sdn. Bhd. (3,301,478) and Ishtihar Properties & Development Sdn. Bhd. (7,119,000) in pursuance of Section 6A(4) of the Act.
- (h) Deemed interest by virtue of his interest in Bond Resources Sdn. Bhd. in pursuance of Section 6A(4) of the Act.

Analysis Of Shareholdings

As At 6 April 2011 (Cont'd)

LIST OF DIRECTORS' SHAREHOLDINGS AS PER THE REGISTER OF DIRECTORS' SHAREHOLDINGS AS AT 6 APRIL 2011

Name	No. of Shares		No. of Shares	
	Direct	%	Indirect	%
1. Ng Sing Hwa (Executive Chairman)	2,125,000	1.03	12,415,266 ^(a)	6.00
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	12,240,478 ^(c)	5.92
5. Loong Foo Ching (Independent & Non-Executive Director)	-	-	-	-
6. Haji Hamdan bin Yahya (Independent & Non-Executive Director)	-	-	-	-

Note:

(a) Deemed interest by virtue of his interest in Miramas Development Sdn. Bhd. (3,301,478), Ishtihar Properties & Development Sdn. Bhd. (7,119,000), Dynamic Enterprises Sdn. Bhd. (944,788) and through shares held by his spouse (1,050,000) in pursuance of Section 6A(4) of the Act.

(b) Deemed interest by virtue of his interest in VA Trading Sdn. Bhd. in pursuance of Section 6A(4) of the Act.

(c) Deemed interest by virtue of his interest in Miramas Development Sdn. Bhd. (3,301,478), Ishtihar Properties & Development Sdn. Bhd. (7,119,000) and through shares held by his spouse (1,820,000) in pursuance of Section 6A(4) of the Act.

FORM OF PROXY

BERTAM ALLIANCE BERHAD (305530-A) (Incorporated in Malaysia)

I/We _____ of NRIC No./ Passport No./ Company No: _____
(Full Name in Capital Letters)

of _____
(Full Address)

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

I/We _____ of NRIC No./ Passport No. _____
(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 Seventeenth Annual General Meeting of the Company to be held at Utara 1, Level 2, Crystal Crown Hotel, No. 12, Lorong Utara A, Off Jalan Utara, 46200 Petaling Jaya, Selangor Darul Ehsan on Friday, 3 June 2011 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 2010 and the Reports of Directors and Auditors thereon.			
		Resolution	FOR	AGAINST
2.	To re-elect Mr. Ng Chee Hua 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 Mr. Low Yew Hwa 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 2011 and to authorise the Directors to fix the Auditors' remuneration.	Ordinary Resolution 3		
Special Business				
5.	To approve the payment of Directors' Fees of RM 210,000 for the financial year ended 31 December 2010.	Ordinary Resolution 4		
6.	Authority to Issue Shares.	Ordinary Resolution 5		
7.	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.	Ordinary Resolution 6		
8.	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.	Ordinary Resolution 7		
9.	Proposed Additional Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.	Ordinary Resolution 8		

Signed this _____ day of _____ 2011

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

**Signature
Shareholder or Common Seal**

Notes:-

- i. 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.
- ii. 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.
- iii. 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., Wednesday, 1 June 2011.

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

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BERTAM ALLIANCE BERHAD 305530-A

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