

BERTAM ALLIANCE BERHAD

305530-A



ANNUAL REPORT 2011



CONTENTS

02	Notice of Eighteenth Annual General Meeting
07	Corporate Information
08	Chairman's Statement
10	Managing Director's Statement
11	Profile of the Board of Directors
14	Group Financial Highlights
15	Group Financial Indicators
16	Audit Committee Report
19	Statement on Corporate Governance
25	Statement on Internal Control
27	Financial Statements
102	Supplementary Explanatory Note on Disclosure of Realised and Unrealised Losses
103	List of Properties
105	Analysis of Shareholdings
	Annexure A
	Form of Proxy

NOTICE OF EIGHTEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Eighteenth Annual General Meeting of the Company will be held at Crown Hall 1, Level 1, Crystal Crown Hotel, No. 12, Lorong Utara A, Off Jalan Utara, 46200 Petaling Jaya, Selangor Darul Ehsan on Friday, **8 June 2012 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 2011 and the Reports of Directors and Auditors thereon. *(Please refer Explanatory Note 1)*
2. To re-elect Mr. Loong Foo Ching 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 Ms. Khoo Hui Giok as a Director of the Company pursuant to Article 96 of the Company's Articles of Association. *(Ordinary Resolution 2)*
4. To consider and if thought fit, to pass the following Ordinary Resolution, with or without modifications: *(Ordinary Resolution 3)*

"THAT Messrs. Styl Associates be and are hereby appointed as Auditors of the Company in place of the retiring Auditors, Messrs. Ernst & Young and to hold office until the conclusion of the next Annual General Meeting and that authority be and is hereby given to the Directors to determine their remuneration."

AS SPECIAL BUSINESS:

5. To approve the payment of Directors' Fees of RM210,000 for the financial year ended 31 December 2011. *(Ordinary Resolution 4)*
6. To consider and if thought fit, to pass the following Ordinary Resolution, with or without modifications:

AUTHORITY TO ISSUE SHARES

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

(Ordinary Resolution 5)

NOTICE OF EIGHTEENTH ANNUAL GENERAL MEETING (CONT'D)

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 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 17 May 2012 ("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) is revoked or varied by resolution passed by shareholders in a general meeting,

whichever is earlier.

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 17 May 2012 ("the Related Party") provided that such transactions are:-

NOTICE OF EIGHTEENTH ANNUAL GENERAL MEETING (CONT'D)

- (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) is revoked or varied by resolution passed by shareholders in a general meeting,

whichever is earlier.

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 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(c) of the Circular to Shareholders dated 17 May 2012 ("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;

NOTICE OF EIGHTEENTH ANNUAL GENERAL MEETING (CONT'D)

- (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) is revoked or varied by resolution passed by shareholders in a general meeting,

whichever is earlier.

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 8)

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

CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR

“THAT subject to the passing of Ordinary Resolution 1, authority be and is hereby given to Mr. Loong Foo Ching who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue act as an Independent Non-Executive Director of the Company.”

(Ordinary Resolution 9)

- 11. 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: 17 May 2012

Notes:

- i. For the purpose of determining a member who shall be entitled to attend this Eighteenth Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Article 68(i) of the Company’s Articles of Association and Section 34(l) of the Securities Industry (Central Depositories) Act 1991 of Malaysia to issue a General Meeting Record of Depositors as at 31 May 2012. Only a depositor whose name appears on the Record of Depositors as at 31 May 2012 shall be entitled to attend the said meeting and to speak or vote thereat.
- ii. A member entitled to attend and vote at this meeting is entitled to appoint a proxy / proxies to attend and vote instead of him. A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
- iii. A member may appoint two (2) or more proxies to attend the same meeting. Where a member appoints two (2) or more proxies, the appointment shall be invalid unless he specifies the proportion of his holding(s) to be represented by each proxy.
- iv. Where a Member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- v. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“**omnibus account**”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

NOTICE OF EIGHTEENTH ANNUAL GENERAL MEETING (CONT'D)

- vi. *The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing, or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.*
- vii. *The instrument appointing a proxy must be deposited at the registered office of the Company, Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.*

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 3

The Notice of Nomination from a shareholder pursuant to Section 172(11) of the Companies Act, 1965, a copy of which is annexed hereto and marked "Annexure A" has been received by the Company for the nomination of Messrs. Styl Associates, who have given their consent to act, for appointment as Auditors.

3. 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 2011.

4. 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.

5. 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 17 May 2012.

6. 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 17 May 2012.

7. Ordinary Resolution 8

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 17 May 2012.

8. Ordinary Resolution 9

The Nomination Committee has assessed the independence of Mr. Loong Foo Ching, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, and recommended him to continue act as an Independent Non-Executive Director of the Company based on the following justifications:-

- a. *he fulfilled the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and thus, he would be able to function as a check and balance, bring an element of objectivity to the Board;*
- b. *his vast experience in the banking and finance industry and legal background would enable him to provide the Board with a diverse set of experience, expertise and independent judgement to better manage and run the Group;*
- c. *he has been with the Company for more than 9 years and was familiar with the Company's business operations and the property development market;*
- d. *he has devoted sufficient time and attention to his professional obligations for informed and balanced decision making; and*
- e. *he has exercised his due care during his tenure as an Independent Non-Executive Director of the Company and carried out his professional duties in the interest of the Company and shareholders.*

CORPORATE INFORMATION

BOARD OF DIRECTORS

LOONG FOO CHING	<i>Acting Chairman/Independent Non-Executive Director</i>
TAN AI TONG	<i>Managing Director</i>
LOW YEW HWA	<i>Executive Director</i>
KHOO HUI GIOK	<i>Non-Independent Non-Executive Director</i>
HAJI HAMDAN BIN YAHYA	<i>Independent Non-Executive Director</i>

AUDIT COMMITTEE

LOONG FOO CHING	Chairman
HAJI HAMDAN BIN YAHYA	Member
KHOO HUI GIOK	Member

NOMINATION COMMITTEE

LOONG FOO CHING	Chairman
HAJI HAMDAN BIN YAHYA	Member
KHOO HUI GIOK	Member

REMUNERATION COMMITTEE

LOONG FOO CHING	Chairman
LOW YEW HWA	Member
KHOO HUI GIOK	Member

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

SHARE 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 3, 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
HONG LEONG BANK BERHAD
MALAYAN BANKING BERHAD
PUBLIC BANK BERHAD
UNITED OVERSEAS BANK (MALAYSIA) BERHAD

SOLICITORS

CHEAH, TEH & SU
PUSPANATHAN SELLAM
SOO THIEN MING & NASHRAH
TH MOI & ASSOCIATES

STOCK EXCHANGE LISTING

BURSA MALAYSIA SECURITIES BERHAD
Main Market
Stock Code : 9814

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 2011.

FINANCIAL PERFORMANCE

For the financial year ended 31 December 2011, the Group recorded Revenue of RM72,308,825 (2010: RM60,274,321) and Profit Before Tax of RM19,965,433 (2010: RM17,388,138). Despite better Revenue and Profit Before Tax as compared to year 2010, the Group incurred higher taxation and increased profit attribution to Non-Controlling Interests that resulted in a lower Profit After Taxation of RM14,162,869 (2010: RM15,270,151) and Profit After Taxation and Non-Controlling Interests of RM12,626,951 (2010: RM14,809,883). The higher taxation is due to profit generated from a turnkey project, Casabella @ Kota Damansara, which is subject to income tax of 25% and attributable to Non-Controlling Interests of 10%.

DIVIDEND

Your Board of Directors approved payment of a single-tier interim dividend of 1.0 sen per share for the year under review as compared to 1.5 sen (single-tier) per share paid in 2010. The dividend for the financial year ended 31 December 2011 amounting to RM2,067,564.97 was paid to Shareholders on 30 December 2011. Your Board of Directors did not 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.

OUTLOOK

Bank Negara Malaysia, amidst the more challenging external environment, has projected the economy to grow at a steady pace of 4 - 5% in 2012 (2011: 5.1%). Economic growth will be anchored by sustained expansion in domestic demand which is expected to remain resilient and continues to be the key driver of growth as it has been over the past few years and will be accelerated by the ongoing implementation of projects under the Economic Transformation Programme.

Economic growth for 2012 is expected to see the construction sector stronger and leading with projected growth of 6.6% (2011: 3.5%), due primarily to implementation of major infrastructure projects and the Special Stimulus Package announced in the 2012 Budget.

CHAIRMAN'S STATEMENT (CONT'D)

Going forward, despite concerns on the risks of a deterioration in the Eurozone sovereign debt crisis, a much slower growth in Malaysia's major trading partners and fragility of the global economy, the Malaysian economy is projected to continue growing close to its potential. This is attributable mainly to the country's sound macroeconomic fundamentals, more resilient economic structure, stronger and more developed financial system, and the efficacy and flexibility of its macroeconomic policies.

With growing consumer confidence, firm commodity prices, moderate inflation and accommodative fiscal and monetary policies, the property market is expected to remain bullish with strong demand for property in key favourite locations, particularly in greater Kuala Lumpur and the Klang Valley.

The Group noted that over the last 5 to 7 years, rubber has gained renewed interest among the major world plantation players. Many players are making serious investment in the cultivation and also acquisitions of rubber plantations in South-East Asia and Africa.

In Malaysia, apart from the initiative taken by the private sector plantation companies, the Government has pledged some RM275mil investment showing its seriousness to bolster up the industry under the Rubber National Key Economic Area. Currently, 94% of the total rubber production in Malaysia is contributed by smallholders with the remaining 6% from the estate sector. The Government is also actively promoting replanting programmes and beefing up rubber-growing zones.

In 2011, the Group has tapped into the potential of rubber by developing the Group's existing land in Negeri Sembilan with rubber trees.

The Group will continue to identify and undertake business proposals that will be both viable and in the best interest of the Group and the shareholders. Your Directors are confident that barring any unforeseen circumstances, the Group is able to achieve another profitable year for 2012.

CORPORATE SOCIAL RESPONSIBILITIES

The Group is committed to ensuring that its actions not only benefit its shareholders but also its employees, the community and environment. In addition to its Employee Study Loan Fund, the Group continues to make contributions both in cash and in-kind to deserving NGOs and will further identify such other NGOs to advance its social responsibilities.

ACKNOWLEDGMENT

On behalf of the Board of Directors, I wish to express my sincere appreciation to our valued investors, shareholders, business associates and purchasers for their continued support, assistance and confidence in the Group. I would also like to thank my colleagues on the Board for their wise counsel and guidance and the very dedicated Management and Staff for their unwavering commitment, resourcefulness and dedication in carrying out their tasks professionally. Last but not least, the Board of Directors would also like to record a big thank you to Mr. Ng Sing Hwa and Mr. Ng Chee Hua who have both resigned from the Board on 01 March 2012 as Executive Chairman and Non-Executive Director respectively for their contribution, guidance and efforts during their tenure on the Board and wish them well in their other undertakings.

LOONG FOO CHING
Acting Chairman

MANAGING DIRECTOR'S STATEMENT

End 2011 to early 2012 saw the property market consolidating in tandem with the implementation of macroeconomic measures particularly the 70% Loan-To-Value mortgage cap and the reintroduction of the 5 – 10% RPGT on properties disposed of within five years of purchase. They were fortunately (or unfortunately) implemented at a time when Europe was deeply entrenched in the Eurozone Debt Crisis and the global economy was facing a forecast (now realised) of slower GDP growth in China, the world's second largest economy. Naturally, these factors have exerted some downward pressure on Malaysia's property market.

However, residential properties in established locations are still in demand although prices, whilst remaining strong, may experience a slower rate of growth. This year, Bertam intends to unveil a high-end, sea-view bungalow development in the burgeoning affluent business community of Langkawi as well as a high-end hill-view bungalow development in Setiawangsa within the Klang Valley. These developments will be constructed over the next three years and continues from the Casabella @ Kota Damansara project which is due to be completed and handed over in mid-2012.

The much anticipated and publicised construction of the Mass Rapid Transit (MRT) rail network will spur growth of new area along the MRT route. The development of Cheras land was impacted by the expansion of this network, however, this has resulted in a positive effect overall due to the proximity of the network to the land. The Group will endeavour to launch this development in 2012.

The Group has also entered into an agreement to jointly develop an industrial land in Sungai Buaya, Selangor constructing thereon 131 factory units. The development is strategically located, about 15 minutes drive away from the Sungai Buloh Industrial Area via the currently being constructed interchange linking Sungai Buaya to the North-South Expressway.

The Group has started construction of affordable 5-storey 80-unit apartments in Batu Tiga, Shah Alam, Selangor on the Build-Then-Sell concept taking cognisance of the Government's call. The Group also launched 74 units of single terrace houses in Tampin, Negeri Sembilan in early 2012 and the sales have been encouraging. In addition, pending approval from the authorities, 200 apartment units are in planning for Kota Damansara, Selangor.

Apart from property development, the Group has also invested in establishing a rubber plantation on land in Gemencheh. Clearing and earthworks on the land was started in mid-2011 in preparation for planting which commenced in September 2011, and the 485 acres will be fully planted in mid-2012. The Group believes that there is potential in this sector due to availability of fertile soil and year-round sunny weather as well as abundant rainfall, characteristic of the Malaysian climate. There are therefore intentions to acquire more land for this purpose, with the view of making rubber cultivation another core business of the Group.

The property market outlook for 2012 – 2013 is expected to remain strong and resilient primarily due to the opportune intervention in the country's economic policy, with two-thirds (2/3) of Malaysians being under 35 years of age, and the government's supportive Economic Transforming Programme that encompasses the MRT and Greater KL projects. On the back of increasing construction costs and land prices, the future challenges to the Group will be its capability to structure and construct value-for-money, affordable, lifestyle-enhancing and environmentally-sustainable homes to its selected market segment. It is going to be challenging but exciting. And we are committed to exercise prudent cost and cashflow management with the shareholders' interests in mind and are confident that we will continue to register good performance.

TAN AI TONG

Managing Director

PROFILE OF THE BOARD OF DIRECTORS

LOONG FOO CHING

Acting Chairman/Independent Non-Executive Director

LOONG FOO CHING, aged 62, is a Malaysian 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.

On 1 March 2012, he was appointed as Acting Chairman of the Company.

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 has served a total of 25 years in the banking and finance industry initially with HSBC Group and later with Sabah Development Bank Group.

He is also an Independent Non-Executive Director of Integrax Berhad.

TAN AI TONG

Managing Director

TAN AI TONG, aged 58, is a Malaysian and was appointed to the Board on 23 July 2002. He is the Managing Director of Bertam Alliance Berhad and 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 experience in business and property development. He also sits on the Board of several other private limited companies.

He does not hold directorship in other public listed companies.

PROFILE OF THE BOARD OF DIRECTORS (CONT'D)

LOW YEW HWA

Executive Director

LOW YEW HWA, aged 56, is a Malaysian and was appointed to the Board as a Non-Independent Non-Executive Director on 23 July 2002. He is also a member of Remuneration Committee.

On 8 May 2012, he was re-designated from Non-Independent Non-Executive Director to Executive Director of the Company.

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 a Non-Independent Non-Executive Director of Brem Holding Berhad. He also sits on the Board of several other private limited companies.

He is deemed interested in certain recurrent related party transactions. Details pertaining to these transactions are disclosed in Note 28 to the financial statements.

HAJI HAMDAN BIN YAHYA

Independent Non-Executive Director

HAJI HAMDAN BIN YAHYA, aged 63, is a Malaysian 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 join the private sector.

He has over 25 years of 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 also sits on the Board of Olympia Industries Berhad.

PROFILE OF THE BOARD OF DIRECTORS (CONT'D)

KHOO HUI GIOK

Non-Independent Non-Executive Director

KHOO HUI GIOK, aged 34, is a Malaysian and was appointed to the Board as a Non-Independent Non-Executive Director on 1 March 2012. She is also a member of the Audit Committee, Nomination Committee and Remuneration Committee.

She holds a Bachelor of Business Accounting from Charles Sturt University. She is a certified practicing accountant of CPA Australia and a member of the Malaysian Institute of Accountants.

She has over 10 years of experience in financial management. Currently, she is a financial controller of a chain of hotels in Malaysia. She is also a Non-Independent Non-Executive Director of Brem Holding Berhad.

She is deemed interested in certain recurrent related party transactions. Details pertaining to these transactions are disclosed in Note 28 to the financial statements.

She does not have any family relationship with other Directors. She is a daughter of Dato' Khoo Chai Kaa and Datin Lee Lei Choo, the major shareholders of the Company.

Other Information on Directors

1. None of the Directors has any family relationship with any Director and/or major shareholder of the Company other than those as stated above.
2. None of the Directors has any conflict of interest with the Company other than those as stated above.
3. None of the Directors has been convicted for offences within the past ten (10) years other than traffic offences.
4. All Directors had attended all the five (5) Board meetings of the Company held during the financial year ended 31 December 2011 except for Ms. Khoo Hui Giok who was appointed to the Board on 1 March 2012.

GROUP FINANCIAL HIGHLIGHTS

Statements of Comprehensive Income (Financial Year Ended 31 December)	2011 RM'000	2010 RM'000	2009 RM'000	2008 RM'000	2007 RM'000
Revenue	72,309	60,274	39,760	45,182	52,962
Earnings before interest, tax, depreciation and amortisation	20,541	18,169	5,056	7,446	4,759
Profit before tax	19,965	17,388	4,188	5,788	3,610
Income tax (expense)/benefit	(5,802)	(2,118)	26	(284)	682
Profit net of tax, representing total comprehensive income for the year	14,163	15,270	4,214	5,504	4,292
Profit attributable to:					
Shareholders of the Company	12,627	14,810	4,269	5,504	4,292
Non-controlling interests	1,536	460	(55)	-	-
	14,163	15,270	4,214	5,504	4,292

Statements of Financial Position (As At 31 December)	2011 RM'000	2010 RM'000	2009 RM'000	2008 RM'000	2007 RM'000
Total assets:					
Non-current assets	64,613	26,022	85,687	44,660	44,222
Current assets	162,497	159,482	111,251	131,882	137,689
	227,110	185,504	196,938	176,542	181,911
Total liabilities:					
Current liabilities	35,338	22,097	45,228	25,413	26,658
Non-current liabilities	26,776	10,056	10,274	11,689	16,697
	62,114	32,153	55,502	37,102	43,355
Net assets	164,996	153,351	141,436	139,440	138,556
Equity attributable to Shareholders of the Company:					
Share capital	206,756	206,756	206,756	206,756	206,756
Accumulated losses	(43,481)	(54,047)	(65,756)	(67,316)	(68,200)
	163,275	152,709	141,000	139,440	138,556
Non-controlling interests	1,721	642	436	-	-
Total equity	164,996	153,351	141,436	139,440	138,556
Loans and borrowings:					
Current	4,415	3,954	1,010	9,521	12,745
Non current	18,900	2,993	4,017	5,257	9,674
	23,315	6,947	5,027	14,778	22,419

GROUP FINANCIAL INDICATORS

Profitability ratio (Financial Year Ended 31 December)		2011	2010	2009	2008	2007
Gross profit margin	(%)	30.32	28.18	23.26	21.47	14.37
Net profit margin	(%)	17.46	24.57	10.74	12.18	8.11
Return on assets	(%)	5.56	7.98	2.17	3.12	2.36
Return on equity	(%)	7.73	9.70	3.03	3.95	3.10

Market value ratio (Financial Year Ended 31 December)		2011	2010	2009	2008	2007
Earnings per share	(Sen)	6.11	7.16	2.06	2.66	2.08
Net asset per share	(Sen)	0.79	0.74	0.68	0.67	0.67
Price earning (P/E) ratio	(Times)	8.18	8.94	11.65	7.52	19.23
Gross dividend per share	(Sen)	1.00	1.50	1.31	1.50	1.50
Gross dividend yield	(%)	2.00	2.34	5.46	7.50	3.75
*Share price as at financial year end	(Sen)	50	64	24	20	40

Solvency ratio (Financial Year Ended 31 December)		2011	2010	2009	2008	2007
Gearing ratio	(Times)	0.14	0.05	0.04	0.11	0.16
Interest cover	(Times)	56.91	33.80	8.71	5.48	5.02

AUDIT COMMITTEE REPORT

1. COMPOSITION OF AUDIT COMMITTEE

Loong Foo Ching

Chairman

(Independent Non-Executive Director)

Low Yew Hwa

Member

(Resigned on 8 May 2012 when re-designated as Executive Director)

Haji Hamdan Bin Yahya

Member

(Independent Non-Executive Director)

Khoo Hui Giok

Member

(Non-Independent Non-Executive Director) (Appointed on 8 May 2012)

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 the Malaysian Institute of Accountants (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 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 Audit Committee should engage on a continuous basis with senior management, the Head of Internal Audit and the External Auditors in order to be kept informed of matters affecting the Company.

- **RIGHTS**

The Committee shall:

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

- **FUNCTIONS**

The Audit Committee shall review and report to the Board on the following key matters:

- To review the appointment, resignation, conduct and audit plans of the Internal and External Auditors;
- To review the assistance given by the employees of the Company to the External Auditors and the Internal Auditors;
- To review the quarterly results and year end financial statements, prior to the approval by the Board;
- To review any related party transactions and conflict of interest situations that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;
- To review and report to the board of the state of the systems of internal control of the Group; and
- To review the adequacy of the scope, functions, competency and resources of the internal audit function, and the internal audit programme and results of the internal audit process to ensure that appropriate actions are taken on the recommendations of the internal audit function.

AUDIT COMMITTEE REPORT (CONT'D)

3. AUDIT COMMITTEE MEETINGS ATTENDANCE

During the financial year, the Audit Committee conducted five (5) meetings. These meetings were attended by all Audit Committee members.

4. 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 Auditor's management letter and the management's response to the letter;
- (b) Reviewed the unaudited quarterly financial results, cash flows and financial positions for each financial quarter prior to submission to the Board for consideration and approval for announcement to the public;
- (c) Reviewed the annual audited financial statement, Directors' and Auditors' Reports and other significant accounting issues arising from the financial year ended 31 December 2010 audit;
- (d) Reviewed the External Auditors' plan for the year ended 31 December 2011;
- (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 2010 annual report; and
- (i) Reviewed the quarterly status of recurrent related party transactions.

5. INTERNAL AUDIT FUNCTION

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

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

The cost incurred for the internal audit function in respect of the financial year ended 31 December 2011 was RM39,260 (2010: RM39,268).

STATEMENT ON CORPORATE GOVERNANCE

The Malaysian Code on Corporate Governance (“the Code”) sets out the 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 Board is comprised of two (2) Executive Directors, one (1) Non-Independent Non-Executive Director 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. The Board reviews the composition of the Board members annually and ensures that the current composition of the Board functions competently. In addition, with the presence of the Independent Non-Executive Directors, the Board ensures that broader views and objectivity are brought into the Board’s deliberation and decision making processes.

On 1 March 2012, Mr Ng Sing Hwa and Mr Ng Chee Hua resigned as Executive Chairman and Non-Independent Non-Executive Director respectively, and Ms Khoo Hui Giok was appointed as a Non-Independent Non-Executive Director. On the same day, Mr Loong Foo Ching was appointed as Acting Chairman.

The roles and responsibilities of the Chairman and Managing Director are separated and assumed by different Directors. 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 Board Committees 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 strategic business actions and plans are recommended by 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 discussed in the Board for review and approval. Progressively, the performance of the Group’s strategic actions are 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.

STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

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.

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. The composition of the Nomination Committee is as follows:

Chairman	:	Loong Foo Ching (<i>Independent Non-Executive Director</i>)
Member	:	Haji Hamdan Bin Yahya (<i>Independent Non-Executive Director</i>)
Member	:	Ng Chee Hua (<i>Non-Independent Non-Executive Director</i>) (<i>Resigned on 1 March 2012</i>)
Member	:	Khoo Hui Giok (<i>Non-Independent Non-Executive Director</i>) (<i>Appointed on 23 April 2012</i>)

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. 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 the one day "7th Tricor Tax and Corporate Seminar" and Mr Loong Foo Ching has also attended a one-day seminar on "Understanding Related Party & Conflict of Interest Transactions Reporting Compliance".

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 who are appointed by the Board during the financial period before the AGM are subject to re-election by the shareholders at the next AGM to be held following their appointments.

STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

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 (*Executive Director*)
- Member : Ng Chee Hua (*Non-Independent Non-Executive Director*) (*Resigned on 1 March 2012*)
- Member : Khoo Hui Giok (*Non-Independent Non-Executive Director*) (*Appointed on 23 April 2012*)

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 two (2) meetings 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
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	8,400	709,368
Non-Executive Directors	140,000	-	-	-	13,200	153,200

* The Directors' fees paid are related to financial year 2010.

The Board suggests Directors' fee of RM70,000 for Executive Directors and RM140,000 for Non-Executive Directors payable for financial year 2011 subject to shareholders' approval at the forthcoming AGM.

STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

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 Meetings would be held as and when required. During the financial year, the Seventeenth AGM was held on 3 June 2011. 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 pages 25 to 26.

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.

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.

The composition, terms of reference, key functions and activities of the Audit Committee are explained on Audit Committee Report on pages 16 to 18 of the Annual Report.

STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

COMPLIANCE WITH THE BEST PRACTICES

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 Main Market Listing Requirements so as to give a true and fair view of the state of affairs of the Group and the Company for the financial year, and
- II. Proper accounting and other records are kept which enable the preparation of the financial statements with reasonable accuracy and taking reasonable steps to ensure that appropriate systems are in place to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

In the preparation of the financial statements for the financial year ended 31 December 2011, 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.

ADDITIONAL COMPLIANCE INFORMATION

Share Buy-Backs

There were no share buy-backs during the financial year.

Options or Convertibles Securities

There were no options or convertible securities issued during the financial year.

Depository Receipt Programme

There were no depository receipt programmes sponsored by the Company during the financial year.

Sanctions and/or Penalties

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or Management by the relevant regulatory bodies during the financial year.

Non-audit Fees

There were no non-audit fees paid to External Auditors during the financial year.

STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

Variation in results

There was no material variances between the result for the financial year and unaudited result previously announced.

Profit Guarantees

There were no profit guarantees given by the Company during the financial year.

Material Contracts

There were no material contracts entered into by the Company and its subsidiaries which involved directors' and major shareholders' interest subsisting as at end of the financial year ended 31 December 2011 other than those disclosed under notes to the financial statements.

Recurrent Related Party Transactions ("RRPT")

On 3 June 2011, the Company obtained approval from the shareholders of the Company to enter into RRPT of a revenue or trading nature with persons who are considered to be a "Related Party" as defined in Chapter 10 of the Listing Requirements.

There was no transaction has been entered into between Bertam Group and the Related Parties during the financial year.

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 systems of internal control and recognises that it is their responsibility to maintain a sound system of internal control to safeguard the Group’s interests. 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.

The Group’s interests are served through representations on the boards of the respective companies (in which the Company has investments in) and receipt and review of management accounts, and enquiries thereon. These representations also provide the Board with information and timely decision-making on the continuity of the Group’s investments based on the performance of the subsidiaries and associate companies.

RISK MANAGEMENT

The Group embeds the risk management processes in identifying, evaluating and managing significant risks facing the organisation in its operating, business procedures and decision making procedures. Primarily, the risk management functions are the responsibility of all Executive Directors and the management team members. The principal risks of the Group are risks associated with the acquisition and disposal of lands, business joint ventures, sales and promotions of properties, project management and financial resource planning. Presently, the management committee comprising 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 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 relevant to property development. With the experience and the present risk management processes the Group is assured that risks are appropriately identified, considered and managed.

STATEMENT ON INTERNAL CONTROL (CONT'D)

- 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.
- iii. The independent reviews are performed by the Audit Committee. The presence of the internal audit functions supports this review by reviewing and reporting the status of management control procedures to the Audit Committee. Besides reviewing the systems of internal control, the Audit Committee also reviews the financial information and reports produced by Management. In this case, the Audit Committee in consultation with Management 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 systems of internal control is effective to enable the Group to achieve its business objectives. Nonetheless, the Board recognises that the systems of internal control should be continuously improved in line with the evolving business development. It should also be noted that all risk management systems and systems of internal control could only manage rather than eliminate risks of failure to achieve business objectives. Therefore, the systems of internal control and risk management in the Group can only provide reasonable but not absolute assurance against material misstatements, frauds and losses.

REVIEW OF STATEMENT ON INTERNAL CONTROL BY EXTERNAL AUDITORS

The External Auditors have reviewed this Statement on Internal Control for inclusion in this annual report for the year ended 31 December 2011 and have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the processes the Board has adopted in the review of the adequacy and integrity of the systems of internal control of the Group.



FINANCIAL STATEMENTS

28	Directors' Report
32	Statement by Directors
32	Statutory Declaration
33	Independent Auditors' Report
35	Statements of Comprehensive Income
36	Statements of Financial Position
38	Statement of Changes In Equity
40	Statements of Cash Flow
42	Notes to the Financial Statements

DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2011.

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 net of tax	14,162,869	6,338,084
Profit attributable to:		
Shareholders of the Company	12,626,951	6,338,084
Non-controlling interests	1,535,918	-
	14,162,869	6,338,084

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 as disclosed in the financial statements.

DIVIDEND

A single-tier interim dividend in respect of the financial year ended 31 December 2011 of 1 sen per share on 206,756,497 ordinary shares, amounting to a dividend payable of RM2,067,565, was approved by the Board of Directors and paid on 30 December 2011.

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:

Tan Ai Tong	
Low Yew Hwa	
Loong Foo Ching	
Haji Hamdan bin Yahya	
Khoo Hui Giok	<i>(Appointed on 1 March 2012)</i>
Ng Sing Hwa	<i>(Resigned on 1 March 2012)</i>
Ng Chee Hua	<i>(Resigned on 1 March 2012)</i>

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			As at 31.12.2011
	As at 1.1.2011	During the year		
		Acquired	Sold	
Direct Interest:				
Ordinary shares of the Company				
Ng Sing Hwa	2,125,000	-	(2,000,000)	125,000
Ng Chee Hua	7,254,000	10,000	(4,700,000)	2,564,000
Deemed Interest:				
Ordinary shares of the Company				
Ng Sing Hwa*	32,515,266	-	(23,450,000)	9,065,266
Ng Chee Hua**	32,240,478	-	(23,300,000)	8,940,478
Tan Ai Tong+	4,262,000	-	-	4,262,000

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

** Deemed interest through his spouse, 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.

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 allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance 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 allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and
 - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the directors:
- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

DIRECTORS' REPORT (CONT'D)

SIGNIFICANT EVENTS

Significant events during the year are disclosed in Note 34 to the financial statements.

SUBSEQUENT EVENT

Subsequent event is disclosed in Note 35 to the financial statements.

Signed on behalf of the Board in accordance with a resolution of the directors dated 25 April 2012.

Low Yew Hwa

Tan Ai Tong

STATEMENT BY DIRECTORS

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

We, Low Yew 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 35 to 102 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 2011 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 38 on page 102 to the financial statements have 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 25 April 2012.

Low Yew Hwa

Tan Ai Tong

STATUTORY DECLARATION

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

I, Tan Ai Tong, 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 35 to 102 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 Tan Ai Tong
at Kuala Lumpur in the Federal
Territory on 25 April 2012.

Tan Ai Tong

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 2011 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 35 to 102.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 about 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 judgment, 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 Company's preparation of financial statements that give a true and fair view 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 company'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 2011 and of their financial performance and cash flows for the year then ended.

INDEPENDENT AUDITORS' REPORT (CONT'D)

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

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 38 on page 102 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.2871/07/13(J)
Chartered Accountant

Kuala Lumpur, Malaysia
25 April 2012

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

	Note	Group		Company	
		2011 RM	2010 RM	2011 RM	2010 RM
Revenue	4	72,308,825	60,274,321	6,107,785	764,000
Cost of sales	5	(50,385,571)	(43,289,223)	-	-
Gross profit		21,923,254	16,985,098	6,107,785	764,000
Other income	6	2,703,967	8,651,779	2,450,211	9,933,109
Other items of expense					
Administrative expenses		(4,304,707)	(7,718,674)	(1,901,022)	(13,377,985)
Finance costs	7	(357,081)	(530,065)	-	-
Profit/(loss) before tax	8	19,965,433	17,388,138	6,656,974	(2,680,876)
Income tax expense	11	(5,802,564)	(2,117,987)	(318,890)	(14,965)
Profit/(loss) net of tax, representing total comprehensive income/(loss) for the year		14,162,869	15,270,151	6,338,084	(2,695,841)
Profit/(loss) attributable to:					
Shareholders of the Company		12,626,951	14,809,883	6,338,084	(2,695,841)
Non-controlling interests		1,535,918	460,268	-	-
		14,162,869	15,270,151	6,338,084	(2,695,841)
Earnings per share attributable to shareholders of the Company (sen per share)					
Basic	12	6.11	7.16		

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2011

	Note	2011 RM	Group 2010 RM (restated)	2010 RM	Company 2011 RM	2010 RM
Assets						
Non-current assets						
Plant and equipment	13	468,168	677,131	677,131	28,589	38,278
Land held for property development	14	64,058,580	25,259,078	26,058,616	-	-
Goodwill on consolidation	15	-	-	-	-	-
Investment in subsidiaries	16	-	-	-	109,353,920	109,353,920
Club memberships	17	86,000	86,000	86,000	-	-
Trade and other receivables	19	-	-	-	30,686,182	28,308,365
		64,612,748	26,022,209	26,821,747	140,068,691	137,700,563
Current assets						
Property development costs	14	67,208,754	74,678,941	73,879,403	-	-
Inventories	18	2,621,580	5,370,268	5,370,268	-	-
Trade and other receivables	19	90,060,052	62,197,221	62,197,221	3,215,294	5,810,995
Other current assets	20	-	2,249,514	2,249,514	-	-
Tax recoverable		278,636	867,047	867,047	586,946	741,400
Cash and bank balances	22	2,328,177	14,119,192	14,119,192	5,696	20,844
		162,497,199	159,482,183	158,682,645	3,807,936	6,573,239
Total assets		227,109,947	185,504,392	185,504,392	143,876,627	144,273,802
Equity and liabilities						
Current liabilities						
Loans and borrowings	23	4,415,037	3,954,424	3,954,424	-	-
Trade and other payables	24	23,038,450	16,555,865	17,422,315	10,871,652	15,539,346
Other current liabilities	25	5,695,805	245,210	245,210	-	-
Income tax payable		2,189,023	1,341,436	1,341,436	-	-
		35,338,315	22,096,935	22,963,385	10,871,652	15,539,346

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

STATEMENTS OF FINANCIAL POSITION (CONT'D)

AS AT 31 DECEMBER 2011

	Note	2011 RM	Group 2010 RM (restated)	2010 RM	Company 2011 RM	2010 RM
Net current assets/(liabilities)		127,158,884	137,385,248	135,719,260	(7,063,716)	(8,966,107)
Non-current liabilities						
Loans and borrowings	23	18,899,621	2,992,458	2,992,458	-	-
Trade and other payables	24	1,999,561	866,450	-	-	-
Deferred tax liabilities	26	5,876,437	6,197,840	6,197,840	-	-
		26,775,619	10,056,748	9,190,298	-	-
Total liabilities		62,113,934	32,153,683	32,153,683	10,871,652	15,539,346
Net assets		164,996,013	153,350,709	153,350,709	133,004,975	128,734,456
Equity attributable to shareholders of the Company						
Share capital	27	206,756,497	206,756,497	206,756,497	206,756,497	206,756,497
Accumulated losses		(43,480,990)	(54,047,922)	(54,047,922)	(73,751,522)	(78,022,041)
		163,275,507	152,708,575	152,708,575	133,004,975	128,734,456
Non-controlling interests		1,720,506	642,134	642,134	-	-
Total equity		164,996,013	153,350,709	153,350,709	133,004,975	128,734,456
Total equity and liabilities		227,109,947	185,504,392	185,504,392	143,876,627	144,273,802

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

STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 31 December 2011

	Note	Attributable to shareholders of the Company			Non- controlling interests RM	Total equity RM
		Share capital RM	Accumulated losses RM	Total RM		
Group						
At 1 January 2011		206,756,497	(54,047,922)	152,708,575	642,134	153,350,709
Total comprehensive income		-	12,626,951	12,626,951	1,535,918	14,162,869
Transactions with owners						
Dividends paid to shareholders of the Company	33	-	(2,067,565)	(2,067,565)	-	(2,067,565)
Dividends paid to non-controlling interests		-	-	-	(600,000)	(600,000)
Partial disposal of investment in a subsidiary		-	7,546	7,546	(7,546)	-
Issue of shares		-	-	-	150,000	150,000
At 31 December 2011		206,756,497	(43,480,990)	163,275,507	1,720,506	164,996,013
At 1 January 2010						
Total comprehensive income		-	14,809,883	14,809,883	460,268	15,270,151
Transactions with owners						
Dividends on ordinary shares	33	-	(3,101,347)	(3,101,347)	-	(3,101,347)
Acquisition of non-controlling interests		-	-	-	(253,807)	(253,807)
At 31 December 2010		206,756,497	(54,047,922)	152,708,575	642,134	153,350,709

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

STATEMENTS OF CHANGES IN EQUITY (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

	Note	Share capital RM	Accumulated losses RM	Total equity RM
Company				
At 1 January 2011		206,756,497	(78,022,041)	128,734,456
Total comprehensive income		-	6,338,084	6,338,084
Transactions with owners				
Dividends on ordinary shares	33	-	(2,067,565)	(2,067,565)
At 31 December 2011		206,756,497	(73,751,522)	133,004,975
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	33	-	(3,101,347)	(3,101,347)
At 31 December 2010		206,756,497	(78,022,041)	128,734,456

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 2011

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Cash flows from operating activities				
Profit/(loss) before tax	19,965,433	17,388,138	6,656,974	(2,680,876)
Adjustments for:				
Interest expense	357,081	530,065	-	-
Interest income	(328,940)	(502,910)	-	-
Gain on sales of assignment of rights	(43,003)	-	-	-
Plant and equipment written off	1,545	247	-	-
Depreciation of plant and equipment	219,409	250,648	10,589	13,408
Bad debts written off	237,855	-	-	-
Reversal of impairment loss on trade receivables	(184)	-	-	-
Bad debts recovered	(31,997)	-	-	-
Waiver of debts	-	(39,886)	-	-
Deposits written off	-	1,000	-	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 subsidiaries (Note 16(a))	(1,023)	(7,939,792)	-	(7,700,000)
Gain on disposal of plant and equipment	(22,274)	(17,056)	(16,000)	(15,403)
Gross dividend from a subsidiary	-	-	(5,000,000)	-
Interest income on amounts due from subsidiaries	-	-	(2,406,211)	(2,217,706)
Impairment loss on:				
- trade receivables	-	156,224	-	-
- other receivables	12,322	75,298	-	-
- property development cost	289,560	-	-	-
- goodwill on consolidation	-	3,215	-	-
- amounts due from subsidiaries	-	-	49,457	10,112,215
- investment in subsidiaries	-	-	-	1,817,815
Operating cash flows before changes in working capital	20,655,784	11,424,517	(705,191)	(669,547)
Changes in working capital				
Decrease in inventories	2,748,688	2,421,675	-	-
Decrease in development property	7,180,627	12,199,261	-	-
(Increase)/decrease in trade and other receivables	(27,851,649)	(30,478,751)	7,574,638	(6,613,135)
Decrease in other current assets	2,249,514	2,511,474	-	-
Increase in other current liabilities	5,450,595	245,210	-	-
Increase/(decrease) in trade and other payables	7,615,696	(6,631,822)	(4,667,694)	2,402,675
Cash generated from/(used in) operating activities	18,049,255	(8,308,436)	2,201,753	(4,880,007)
Income taxes paid	(4,687,969)	(222,024)	(164,436)	(14,965)
Net cash flows generated from/(used in) operating activities	13,361,286	(8,530,460)	2,037,317	(4,894,972)

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

STATEMENTS OF CASH FLOWS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Cash flows from investing activities				
Purchase of:				
- plant and equipment (Note a)	(12,867)	(122,901)	(900)	(22,448)
- land held for property development	(38,799,502)	(3,042,738)	-	-
- club memberships	-	(5,000)	-	-
Proceeds from disposal of plant and equipment	23,150	27,000	16,000	19,999
Net cash inflow on disposal of subsidiaries (Note 16(a))	1,023	6,449,230	-	10,675,000
Interest received	142,765	169,578	-	-
Net cash flows (used in)/generated from investing activities	(38,645,431)	3,475,169	15,100	10,672,551
Cash flows from financing activities				
Repayment of hire purchase payables	(29,894)	(190,867)	-	-
Proceeds from loans and borrowings	17,000,000	21,117,910	-	-
Repayment of loans and borrowings	(1,097,516)	(873,253)	-	-
Dividends paid to shareholders	(2,067,565)	(5,809,857)	(2,067,565)	(5,809,857)
Dividends paid to non-controlling interests	(600,000)	-	-	-
Interest paid	(357,081)	(530,065)	-	-
Issue of shares in a subsidiary to non-controlling interests	150,000	-	-	-
Net cash flows generated from/ (used in) financing activities	12,997,944	13,713,868	(2,067,565)	(5,809,857)
Net (decrease)/increase in cash and cash equivalents	(12,286,201)	8,658,577	(15,148)	(32,278)
Cash and cash equivalents at beginning of year	11,284,870	2,626,293	20,844	53,122
Cash and cash equivalents at end of year (Note 22)	(1,001,331)	11,284,870	5,696	20,844

Note a

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

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Hire purchase	-	150,000	-	-
Cash	12,867	122,901	900	22,448
	12,867	272,901	900	22,448

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 2011

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 March 2010, 1 July 2010 and 1 January 2011 as described fully in Note 2.2 to the financial statements.

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 in the current financial year, the Group and the Company adopted the following new and amended FRS and IC Interpretation mandatory for annual financial periods beginning on or after 1 March 2010, 1 July 2010 and 1 January 2011.

- FRS 1: First-time Adoption of Financial Reporting Standards
- FRS 3: Business Combinations
- FRS 7: Financial Instruments: Disclosures
- FRS 127: Consolidated and Separate Financial Statements
- Amendments to FRS 1: Additional Exemptions for First-time Adopters
- Amendments to FRS 1: Limited Exemptions for First-time Adopters
- Amendments to FRS 2: Share-based Payment
- Amendments to FRS 2: Group Cash-settled Share-based Payment Transactions
- Amendments to FRS 5: Non-current Assets Held for Sale and Discontinued Operations
- Amendments to FRS 7: Improving Disclosures about Financial Instruments
- Amendments to FRS 132: Classification of Rights Issues
- Amendments to FRS 138: Intangible Assets
- Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives
- IC Interpretation 4: Determining Whether an Arrangement contains a Lease
- IC Interpretation 12: Service Concession Arrangements
- IC Interpretation 16: Hedges of a Net Investment in a Foreign Operation
- IC Interpretation 17: Distributions of Non-cash Assets to Owners
- IC Interpretation 18: Transfers of Assets from Customers
- Improvements to FRS issued in 2010

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

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

2.2 Changes in accounting policies (cont'd)

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:

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. These changes impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results.

The revised FRS 3 continues to apply the acquisition method to business combinations but with some significant changes. All payments to purchase a business are recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently remeasured through the statement of comprehensive income. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs are expensed.

Under the revised FRS127, minority interest is referred to as non-controlling interest.

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 a change in goodwill, nor will they give rise to a gain or loss. Further, losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance. Prior to 1 January 2011, the allocation of such losses to non-controlling interests would cease when the carrying amount of the non-controlling interests is nil. The subsequent profits attributable to the non-controlling interests would not be added to the carrying amount of the non-controlling interest until all the previous losses have been made good.

Following the prospective application of the revised FRS127:

- Changes in the Company's interest in a subsidiary did not give rise to a gain or loss in the income statement, and have not resulted in a reduction in the shareholders' equity. The current year's changes in the Company's interest in a subsidiary did not give rise to a significant impact to the Group's financial statements.

Amendments to FRS 7: Improving Disclosures about Financial Instruments

The amended standard requires enhanced disclosure about fair value measurement and liquidity risk. Fair value measurements related to items recorded at fair value are to be disclosed by source of inputs using a three level fair value hierarchy (Level 1, Level 2 and Level 3), by class, for all financial instruments recognised at fair value. A reconciliation between the beginning and ending balance for Level 3 fair value measurements is required. Any significant transfers between levels of the fair value hierarchy and the reasons for those transfers need to be disclosed. The amendments also clarify the requirements for liquidity risk disclosures with respect to derivative transactions and assets used for liquidity management. The fair value measurement disclosures and liquidity risk disclosures are not significantly impacted by the amendments.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

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

2.2 Changes in accounting policies (cont'd)

Presentation of Segment Information

The Group's segment information has been presented under three operating segments namely, property development, construction and corporate and others.

2.3 Standards and interpretations issued but not yet effective

At the date of authorisation of these financial statements, new and amended FRS and IC Interpretations which were issued but not yet effective, for which the Group and the Company have not early adopted are as follows:

Effective for financial periods beginning on or after 1 July 2011:

- Amendments to IC Interpretation 14: Prepayments of a Minimum Funding Requirement
- IC Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments

Effective for financial periods beginning on or after 1 January 2012:

- Amendments to FRS 1: Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
- Amendments to FRS 7: Transfers of Financial Assets
- Amendments to FRS 112: Deferred Tax: Recovery of Underlying Assets
- FRS 124: Related Party Disclosure

Effective for financial periods beginning on or after 1 July 2012:

- Amendments to FRS 101: Presentation of Items of Other Comprehensive Income

Effective for financial periods beginning on or after 1 January 2013:

- FRS 9: Financial Instruments
- FRS 10: Consolidated Financial Statements
- FRS 11: Joint Arrangements
- FRS 12: Disclosure of interests in Other Entities
- FRS 13: Fair Value Measurement
- Amendments to FRS 119: Employee Benefits
- Amendments to FRS 127: Separate Financial Statements
- Amendments to FRS 128: Interest in Associates and Joint Ventures
- IC Interpretations 20 Stripping Costs in the Production Phase of a Surface Mine
- Amendments to FRS 7: Disclosures - Offsetting Financial Assets and Financial Liabilities

Effective for financial periods beginning on or after 1 January 2014:

- Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities

Effective for financial periods beginning on or after 1 January 2015:

- FRS 9 Financial Instruments

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

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

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

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, except as disclosed below:

Amendments to FRS 7: Transfers of Financial Assets

The amendments require additional disclosure about financial assets that have been transferred but not derecognised to enable the user of the Group's financial statements to understand the relationship with those assets that have not been derecognised and their associated liabilities. In addition, the amendments requires disclosures about continuing involvement in derecognised assets to enable the user to evaluate the nature of, and risks associated with, the entity's continuing involvement in those derecognised assets. The amendment affects disclosure only and has no impact on the Group's financial position or performance.

Amendments to FRS 112: Deferred Tax: Recovery of Underlying Assets

The amendments clarified the determination of deferred tax on investment property measured at fair value. The amendment introduces a rebuttable presumption that deferred tax on investment property measured using the fair value model in FRS 140 should be determined on the basis that its carrying amount will be recovered through sale. Furthermore, it introduces the requirement that deferred tax on non-depreciable assets that are measured using the revaluation model in FRS 116 to be always measured on a sale basis of that asset.

Amendments to FRS 101: Presentation of Items of Other Comprehensive Income

The amendments to FRS 101 change the grouping of items presented in Other Comprehensive Income. Items that could be reclassified (or "recycled") to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items that will never be reclassified. The amendment affects presentation only and has no impact on the Group's financial position or performance.

FRS 9 Financial Instruments

FRS 9 reflects the first phase of work on the replacement of FRS 139 and applies to classification and measurement of financial assets and financial liabilities as defined in FRS 139. The adoption of this first phase of FRS 9 will have an effect on the classification and measurement of the Group's financial assets but will potentially have no impact on classification and measurements of financial liabilities. The Group is in the process of making an assessment of the impact of adoption of FRS 9.

FRS 10 Consolidated financial statements

FRS 10 replaces the portion of FRS 127 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. FRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by FRS 10 will require management to exercise significant judgement to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in FRS 127.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

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

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

FRS 12 Disclosure of Interests in Other Entities

FRS 12 includes all disclosure requirements for interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are required. This standard affects disclosures only and has no impact on the Group's financial position or performance.

FRS 13 Fair Value Measurement

FRS 13 establishes a single source of guidance under FRS for all fair value measurements. FRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under FRS when fair value is required or permitted. The Group is currently assessing the impact of adoption of FRS 13.

FRS 127 Separate Financial Statements

As a consequence of the new FRS 10 and FRS 12, FRS 127 is limited to accounting for subsidiaries, jointly controlled entities and associates in separate financial statements.

Amendments to FRS 7: Disclosures - Offsetting Financial Assets and Financial Liabilities

The amendments require additional information to be disclosed to enable users of financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. The amendment affects disclosure only and has no impact on the Group's financial position or performance.

Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities

The amendments to FRS 132 clarified that a legally enforceable right to set off is a right of set off that must not be contingent on a future event; and must be legally enforceable in the normal course of business, the event of default and the event of insolvency or bankruptcy of the entity and all of the counterparties. The amendments further clarified that an entity will meet the net settlement criterion as provided in FRS 132 if the entity can settle amounts in a manner that the outcome is, in effect, equivalent to net settlement.

Malaysian Financial Reporting Standards (MFRS Framework)

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called 'Transitioning Entities').

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional one year. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2013.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

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

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

Malaysian Financial Reporting Standards (MFRS Framework) (cont'd)

The Group falls within the scope definition of Transitioning Entities and have opted to defer adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2013. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The Group has established a project team to plan and manage the adoption of the MFRS Framework.

At the date of these financial statements, the Group has not completed its quantification of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework due to the ongoing assessment by the project team. Accordingly, the consolidated financial performance and financial position as disclosed in these financial statements for the year ended 31 December 2011 could be different if prepared under the MFRS Framework.

The Group considers that it is achieving its scheduled milestones and expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 December 2013.

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.

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

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less any impairment charges. Dividends received from subsidiaries are recorded as a component of revenue in the Company's separate financial statement.

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.

Acquisitions of subsidiaries are accounted for using the acquisition method of accounting. The identifiable assets acquired and the liabilities assumed are measured at their fair values at the acquisition date. Acquisition costs incurred are expensed and included in administrative expenses. The difference between these fair values and the fair value of the consideration (including the fair value of any pre-existing investment in the acquiree) is goodwill or a discount on acquisition. The accounting policy for goodwill is set out in Note 2.7. Discount on acquisition which represents negative goodwill is recognised immediately as income in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

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

2.4 Basis of consolidation (cont'd)

In business combinations achieved in stages, previously held equity interest in the acquiree is remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree at the acquisition date either at fair value or at the proportionate share of the acquiree's identifiable net assets.

2.5 Transactions with non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to the owners of the Company, and are presented separately in the consolidated income statement and within equity in the consolidated statement of financial position, separately from shareholders' equity. Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their respective interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in shareholders' equity.

If the Group loses control over a subsidiary, at the date the Group loses control, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their respective carrying amounts;
- Derecognises the carrying amount of any non-controlling interest;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration or distribution received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss; and
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

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

2.6 Plant and equipment (cont'd)

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

Plant and machinery	10%-12%
Furniture, 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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

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

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

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

2.10 Financial assets (cont'd)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

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

2.10 Financial assets (cont'd)

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

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

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

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

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

2.13 Construction contracts (cont'd)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

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

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

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

2.17 Financial liabilities (cont'd)

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

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

2.20 Employee benefits

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

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

2.22 Revenue (cont'd)

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

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

2.23 Income taxes (cont'd)

(b) Deferred tax (cont'd)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

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

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 32, 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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

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

3.2 Key sources of estimation uncertainty (cont'd)

(a) Useful lives of plant and equipment

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

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

(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 RM1,908,054 (2010: decrease by RM1,908,072).

(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 2% (2010: 3%) variance in the Group's revenue and 2% (2010: 3%) variance in the Group's cost of sales.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

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

3.2 Key sources of estimation uncertainty (cont'd)

(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 to the financial statements.

(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 to the financial statements.

4. REVENUE

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Construction revenue	60,970,822	44,350,301	-	-
Sale of properties	11,338,003	15,924,020	-	-
Management fee	-	-	491,285	-
Support service fees	-	-	616,500	764,000
Gross dividend income from a subsidiary	-	-	5,000,000	-
	72,308,825	60,274,321	6,107,785	764,000

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

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	
	2011 RM	2010 RM	2011 RM	2010 RM
Interest income from:				
- amounts due from subsidiaries	-	-	2,406,211	2,217,706
- short term deposits	142,765	169,578	-	-
Rental income	44,306	61,162	-	-
Gain on disposal of plant and equipment	22,274	17,056	16,000	15,403
Waiver of debts	-	39,886	-	-
Interest earned on sales of properties	186,175	333,332	-	-
Gain on disposal of a subsidiary (Note 16(a))	1,023	7,939,792	-	7,700,000
Administrative income	2,024,500	31,620	-	-
Staff secondment income	36,000	36,000	-	-
Interest earned on retention sums	80,735	-	-	-
Reversal of overprovision of prior year tax penalties	40,068	-	-	-
Gain on sales of assignment of rights	43,003	-	-	-
Reversal of impairment loss on trade receivables (Note 19)	184	-	-	-
Bad debt recovered	31,997	-	-	-
Miscellaneous	50,937	23,353	28,000	-
	2,703,967	8,651,779	2,450,211	9,933,109

7. FINANCE COSTS

	Group	
	2011 RM	2010 RM
Interest expense on:		
- bank loans and overdrafts	335,111	503,420
- hire purchase	21,970	26,645
	357,081	530,065

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

8. PROFIT/(LOSS) BEFORE TAX

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

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Auditors' remuneration:				
- Group auditors				
- current	103,500	94,300	48,000	48,000
- Other auditors				
- current	37,402	39,400	-	-
Depreciation of plant and equipment (Note 13)	219,409	250,648	10,589	13,408
Plant and equipment written off	1,545	247	-	-
Rental of buildings	158,760	179,235	64,800	64,800
Impairment loss on financial assets:				
- trade receivables (Note 19)	-	156,224	-	-
- other receivables (Note 19)	12,322	75,298	-	-
- property development cost (Note 14(b))	289,560	-	-	-
- amounts due from subsidiaries (Note 19)	-	-	49,457	10,112,215
- goodwill on consolidation (Note 15)	-	3,215	-	-
- investment in subsidiaries	-	-	-	1,817,815
Employee benefits expense (Note 9)	1,998,303	2,025,557	1,412,889	989,042
Non-executive directors' remuneration (Note 10)	153,200	172,300	153,200	152,300
Property development costs written off (Note 14(b))	-	801,568	-	-
Deposits written off	-	1,000	-	1,000
Goodwill on consolidation written off (Note 15)	-	6,382	-	-
Bad debts written off	237,855	-	-	-
Land related expenses written off (Note 14(a))	-	711,376	-	-

9. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Wages and salaries	1,758,965	1,784,921	1,263,961	914,516
Social security contributions	8,428	8,556	4,504	1,112
Contributions to defined contribution plans	168,591	169,813	108,165	66,102
Gratuity	18,650	35,000	2,000	-
Other benefits	43,669	27,267	34,259	7,312
	1,998,303	2,025,557	1,412,889	989,042

Included in employee benefits expense of the Group and the Company are executive directors' remuneration amounting to RM709,368 (2010: RM735,668) and RM709,368 (2010: RM710,668) respectively.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

10. DIRECTORS' REMUNERATION

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

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 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 plans	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	8,400	34,700	8,400	9,700
Total executive directors' remuneration (including benefits-in-kind) (Note 9)	709,368	735,668	709,368	710,668
<i>Non-executive:</i>				
Fees	140,000	140,000	140,000	140,000
Allowances	13,200	12,300	13,200	12,300
Total non-executive directors' remuneration (Note 8)	153,200	152,300	153,200	152,300
Directors of Subsidiaries				
<i>Executive:</i>				
Salaries and other emoluments	135,498	206,694	-	-
Defined contribution plans	14,906	24,681	-	-
Total executive directors' remuneration (excluding benefits-in-kind)	150,404	231,375	-	-
Estimated money value of benefits-in-kind	1,752	5,300	-	-
Total executive directors' remuneration (including benefits-in-kind)	152,156	236,675	-	-
<i>Non-executive:</i>				
Salaries and other emoluments	-	20,000	-	-
Total non-executive directors' remuneration (Note 8)	-	20,000	-	-
Total directors' remuneration	1,014,724	1,144,643	862,568	862,968

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

10. DIRECTORS' REMUNERATION (CONT'D)

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	
	2011	2010
Executive directors		
RM300,001-RM350,000	1	1
RM350,001-RM400,000	1	1
Non-executive directors		
RM50,000 and below	4	4

11. INCOME TAX

Major components of income tax expense

The major components of income tax expense for the years ended 31 December 2011 and 2010 are:

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Statement of comprehensive income:				
Current income tax:				
- Malaysian income tax	5,932,696	2,249,930	150,000	-
- Under/(over) provision in respect of previous years	191,271	(72,693)	168,890	14,965
	6,123,967	2,177,237	318,890	14,965
Deferred income tax (Note 26):				
- Origination and reversal of temporary differences	(321,403)	(59,250)	-	-
	(321,403)	(59,250)	-	-
Income tax expense recognised in profit or loss	5,802,564	2,117,987	318,890	14,965

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

11. INCOME TAX (CONT'D)

Reconciliation between tax expense and accounting profit

The reconciliation between tax expense and the product of accounting profit/(loss) multiplied by the applicable corporate tax rate for the years ended 31 December 2011 and 2010 are as follows:

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Profit/(loss) before tax	19,965,433	17,388,138	6,656,974	(2,680,876)
Tax at Malaysian statutory tax rate of 25% (2010: 25%)	4,991,358	4,347,035	1,664,244	(670,219)
Adjustments:				
Non-deductible expenses	638,960	926,150	38,100	503,603
Income not subject to taxation	(59,291)	(2,199,008)	(1,910,480)	(2,479,427)
Utilisation of previously unrecognised tax losses	(67,973)	(920,993)	-	-
Deferred tax assets not recognised	108,239	37,496	358,136	2,646,043
Under/(over) provision of income tax in respect of previous years	191,271	(72,693)	168,890	14,965
Income tax expense recognised in profit or loss	5,802,564	2,117,987	318,890	14,965

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2010: 25%) of the estimated assessable profit/(loss) for the year.

Tax savings during the financial year arising from:

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Utilisation of current year tax losses	72,763	249,144	-	196,000
Utilisation of previously unrecognised tax losses	271,892	3,683,971	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

12. EARNINGS PER SHARE

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

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

	Group	
	2011	2010
Profit net of tax attributable to shareholders of the Company (RM)	12,626,951	14,809,883
Weighted average number of ordinary shares for basic earnings per share computation	206,756,497	206,756,497
Basic earnings per share (Sen)	6.11	7.16

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.

13. 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 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 and 1 January 2011	73,024	635,656	1,775,474	428,485	2,912,639
Additions	-	11,967	-	900	12,867
Written off	(3,025)	(287,871)	(6,200)	(78,465)	(375,561)
Disposals	-	(1,460)	(108,775)	(219,610)	(329,845)
At 31 December 2011	69,999	358,292	1,660,499	131,310	2,220,100

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

13. PLANT AND EQUIPMENT (CONT'D)

	Plant and machinery RM	Furniture, fittings and office equipment RM	Motor vehicles RM	Renovation RM	Total RM
Group					
Accumulated depreciation:					
At 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 and 1 January 2011	53,191	575,615	1,262,859	343,843	2,235,508
Depreciation charge for the year (Note 8)	7,000	929	198,418	13,062	219,409
Written off	-	(289,358)	(6,198)	(78,460)	(374,016)
Disposals	-	(584)	(108,775)	(219,610)	(328,969)
At 31 December 2011	60,191	286,602	1,346,304	58,835	1,751,932
Net carrying amount:					
At 31 December 2010	19,833	60,041	512,615	84,642	677,131
At 31 December 2011	9,808	71,690	314,195	72,475	468,168

Assets held under finance lease

The carrying amount of motor vehicles of the Group acquired under hire purchase agreements are RM309,404 (2010: RM505,193). Leased assets are pledged as security for the related finance lease liabilities (Note 23).

	Furniture, fittings and office equipment RM	Motor vehicles RM	Renovation RM	Total RM
Company				
Cost:				
At 1 January 2010	48,423	101,755	34,491	184,669
Additions	4,208	-	18,240	22,448
Disposals	-	(38,980)	-	(38,980)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

13. PLANT AND EQUIPMENT (CONT'D)

	Furniture, fittings and office equipment RM	Motor vehicles RM	Renovation RM	Total RM
At 31 December 2010 and 1 January 2011	52,631	62,775	52,731	168,137
Additions	-	-	900	900
Disposals	-	(62,775)	-	(62,775)
At 31 December 2011	52,631	-	53,631	106,262
Accumulated depreciation:				
At 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 and 1 January 2011	39,318	62,775	27,766	129,859
Depreciation charge for the year (Note 8)	5,263	-	5,326	10,589
Disposals	-	(62,775)	-	(62,775)
At 31 December 2011	44,581	-	33,092	77,673
Net carrying amount:				
At 31 December 2010	13,313	-	24,965	38,278
At 31 December 2011	8,050	-	20,539	28,589

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 2011 (restated)	-	25,259,078	25,259,078
Additions	2,500,000	36,299,502	38,799,502
At 31 December 2011	2,500,000	61,558,580	64,058,580

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

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

(a) Land held for property development (cont'd)

	Freehold land RM	Leasehold land RM	Total RM
At 1 January 2010	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(a))	-	(34,348,068)	(34,348,068)
As previously stated, 31 December 2010	509,499	25,549,117	26,058,616
Reclassification	(509,499)	(290,039)	(799,538)
At 31 December 2010 (restated)	-	25,259,078	25,259,078

The land under development with carrying value of RM35,992,064 (2010: RMNil) has been pledged as security for banking facilities (Note 23).

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

(b) Property development costs

	Land RM	Development costs RM	Total RM
Group			
At 31 December 2011			
Cumulative property development costs			
At 1 January 2011 (restated)	64,769,639	12,674,318	77,443,957
Costs incurred during the year	-	2,283,820	2,283,820
Impairment loss on property development cost (Note 8)	-	(289,560)	(289,560)
At 31 December 2011	64,769,639	14,668,578	79,438,217
Cumulative costs recognised in profit or loss			
At 1 January 2011 (restated)			(2,765,016)
Recognised during the year			(9,464,447)
At 31 December 2011			(12,229,463)
Property development costs at 31 December 2011			67,208,754

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

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			
At 31 December 2010			
Cumulative property development costs			
At 1 January 2010	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(a))	-	(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)
As previously stated, 31 December 2010	64,769,639	12,976,348	77,745,987
Reclassification	-	(302,030)	(302,030)
At 31 December 2010 (restated)	64,769,639	12,674,318	77,443,957
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
As previously stated, 31 December 2010			(3,866,584)
Reclassification			1,101,568
At 31 December 2010 (restated)			(2,765,016)
Property development costs at 31 December 2010 (restated)			74,678,941

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 costs, accordingly these have been disclosed in total.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

15. GOODWILL ON CONSOLIDATION

	Group	
	2011 RM	2010 RM
Cost		
At 1 January	3,280	9,662
Written off (Note 8)	-	(6,382)
At 31 December	3,280	3,280
Accumulated impairment		
At 1 January	3,280	65
Impairment loss (Note 8)	-	3,215
At 31 December	3,280	3,280
Net carrying amount	-	-

16. INVESTMENT IN SUBSIDIARIES

	Company	
	2011 RM	2010 RM
Unquoted shares, at costs	111,506,990	111,506,990
Impairment loss	(18,565,807)	(18,565,807)
Discount on loans to subsidiaries	92,941,183 16,412,737	92,941,183 16,412,737
	109,353,920	109,353,920

Details of the subsidiaries are as follows:

Name	Principal activities	Country of incorporation	Proportion (%) of ownership interest	
			2011	2010
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 (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

16. INVESTMENT IN SUBSIDIARIES (CONT'D)

Name	Principal activities	Country of incorporation	Proportion (%) of ownership interest	
			2011	2010
Held by the Company: (cont'd)				
+ Bertam Development Sdn. Bhd.	Property development, investment holding and general contractors	Malaysia	100	100
+ Budaya Identiti Sdn. Bhd.	Property and plantation 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.	Property development	Malaysia	100	100
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 and general contractors	Malaysia	90	90
+ Sunrise Teamtrade Sdn. Bhd.	Property development	Malaysia	51	51

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

16. INVESTMENT IN SUBSIDIARIES (CONT'D)

Name	Principal activities	Country of incorporation	Proportion (%) of ownership interest	
			2011	2010
Subsidiaries of Antara Megah Sdn. Bhd.:				
+ Perikatan Progresif Sdn. Bhd.	Dormant	Malaysia	-	100
+ Tabur Bakti Sdn. Bhd.	Property development	Malaysia	100	100
+ Suria Pertiwi Sdn. Bhd.	Property development	Malaysia	100	100
Subsidiary of Syarikat Sungei Buan Sdn. Bhd.:				
MV Properties Sdn. Bhd.	Property development	Malaysia	70	100

+ Not audited by member firms of Ernst & Young Global

(a) Disposal of subsidiaries

- (i) In previous financial year, 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 and had resulted a gain of RM7,939,792 and RM7,700,000 to the Group and to the Company respectively.

The disposal had the following effects on the financial position of the Group as at year 2010.

	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: Non-controlling 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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

16. INVESTMENT IN SUBSIDIARIES (CONT'D)

(a) Disposal of subsidiaries (cont'd)

(i) The disposal had the following effects on the financial position of the Group as at year 2010. (cont'd)

	2010 RM
Disposal proceeds settled by:	
Cash	6,309,621
Deferred payment	2,930,379
	9,240,000
Cash inflow arising on disposal:	
Cash consideration	6,309,621
Cash and cash equivalents of subsidiary disposed	139,609
	6,449,230
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)
	7,700,000
Gain on disposal to the Company (Note 6)	7,700,000

(ii) The Group disposed of its entire 100% equity interest in Perikatan Progresif Sdn. Bhd. ("PPSB") on 18 October 2011 for a total cash consideration of RM48,000.

The disposal had the following effects on the financial position of the Group as at year 2011.

	2011 RM
Cash and cash equivalents representing fair value of net identifiable assets	46,977
Less: Non-controlling interests	-
	46,977
Group's interest in fair value of net identifiable assets	46,977
Total disposal proceed, net	(48,000)
	1,023
Gain on disposal to the Group (Note 6)	1,023
Disposal proceeds settled by:	
Cash	48,000
Deferred payment	-
	48,000

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

16. Investment in subsidiaries (cont'd)

(a) Disposal of subsidiaries (cont'd)

(ii) The disposal had the following effects on the financial position of the Group as at year 2011. (cont'd)

	2011 RM
Cash inflow arising on disposal:	
Cash consideration	48,000
Cash and cash equivalents of subsidiary disposed	(46,977)
Net cash inflow to the Group	1,023

(b) Partial disposal of investment 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 Group, MV Properties Sdn. Bhd. for a cash consideration of RM150,000 to Miramas Development Sdn. Bhd. who is a shareholders of the Company. Upon the completion, the Group's equity interests in MV Properties Sdn. Bhd. was reduced from 100% to 70%. The financial effect of this disposal resulted in a transfer of RM7,546 from shareholders equity to non-controlling interests.

17. CLUB MEMBERSHIPS

	2011 RM	Group 2010 RM
Investment in club memberships, at cost	86,000	86,000

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

	2011 RM	Group 2010 RM
Cost		
Properties held for sale	1,294,580	3,811,223
Net realisable value		
Properties held for sale	1,327,000	1,559,045
	2,621,580	5,370,268

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

19. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Current				
Trade receivables				
Third parties	86,167,382	52,869,358	-	-
Less: Allowance for impairment	(19,080,537)	(19,080,721)	-	-
Trade receivables, net	67,086,845	33,788,637	-	-
Other receivables				
Sundry receivables	19,303,289	27,553,269	2,128,114	5,210,029
Amounts due from subsidiaries	-	-	59,746,612	59,210,341
Others	-	7,719	-	600
Refundable deposits	3,787,952	953,308	400	400
	23,091,241	28,514,296	61,875,126	64,421,370
Less: Allowance for impairment				
Sundry receivables	(118,034)	(105,712)	-	-
Amounts due from subsidiaries	-	-	(58,659,832)	(58,610,375)
	(118,034)	(105,712)	(58,659,832)	(58,610,375)
Other receivables, net	22,973,207	28,408,584	3,215,294	5,810,995
	90,060,052	62,197,221	3,215,294	5,810,995
Non-current				
Other receivables				
Amounts due from subsidiaries	-	-	30,686,182	28,308,365
	-	-	30,686,182	28,308,365
Total trade and other receivables (current and non-current)	90,060,052	62,197,221	33,901,476	34,119,360
Add: Cash and bank balances (Note 22)	2,328,177	14,119,192	5,696	20,844
Total loans and receivables	92,388,229	76,316,413	33,907,172	34,140,204

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

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 (2010: 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	
	2011 RM	2010 RM
Neither past due nor impaired	14,108,478	6,544,840
1 to 30 days past due not impaired	1,989,908	3,663,119
31 to 60 days past due not impaired	2,368,938	11,373,238
61 to 90 days past due not impaired	3,979,817	1,708,059
91 to 120 days past due not impaired	5,685,452	21,269
More than 121 days past due not impaired	38,954,252	10,478,112
	52,978,367	27,243,797
Impaired	19,080,537	19,080,721
	86,167,382	52,869,358

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 56% (2010: 50%) 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 RM52,978,367 (2010: RM27,243,797) that are past due at the reporting date but not impaired. These balances mainly relate to customers that have good track records with the Group and are closely monitored by the management.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

19. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade receivables (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	
	2011 RM	2010 RM
Trade receivables - nominal amounts	24,891,305	19,080,721
Less: Allowance for impairment	(19,080,537)	(19,080,721)
	5,810,768	-

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

Movement in allowance accounts:

	Group	
	2011 RM	2010 RM
At 1 January	19,080,721	18,924,497
Charge for the year (Note 8)	-	156,224
Reversal for the year (Note 6)	(184)	-
At 31 December	19,080,537	19,080,721

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) In previous financial year, an outstanding amount totaling RM2,790,857 arising from 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. 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. The outstanding amount was set off against the consideration payable by the subsidiary.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

19. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade receivables (cont'd)

Including in trade receivables of the Group are: (cont'd)

- (ii) An amount of RM1,317,516 (2010: RM1,317,516) due from 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 status and of the opinion that no impairment allowance is required.

- (iii) Allowance for impairment amounting to RM18,144,866 (2010: 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, interest-free 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 sundry receivables of the Group is stakeholders' sum of RM12,322 (2010: RM12,322) which represents retention sums held by solicitors upon handling 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 RM58,659,832 (2010: RM58,610,375) for impairment of the unsecured amounts due from subsidiaries with a nominal amount of RM59,746,612 (2010: RM59,210,341).

Movement in allowance accounts:

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
At 1 January	105,712	30,414	58,610,375	48,498,160
Charge for the year				
- other receivables (Note 8)	12,322	75,298	-	-
- amounts due from subsidiaries (Note 8)	-	-	49,457	10,112,215
At 31 December	118,034	105,712	58,659,832	58,610,375

(d) Refundable deposits

Included in refundable deposits is deposit paid of RM3,177,000 (2010: RMNil) to the landowner before the landowner's entitlement crystallises in relation to the agreement entered into between the Group and the landowner to develop properties on land belonging to the landowner.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

20. OTHER CURRENT ASSETS

	Group	
	2011 RM	2010 RM
Prepaid operating expenses	-	650,000
Amount due from customers for contract work in progress (Note 21)	-	1,599,514
	-	2,249,514

21. GROSS AMOUNT DUE FROM/(TO) CUSTOMERS FOR CONTRACT WORK IN PROGRESS

	Group	
	2011 RM	2010 RM
Construction contract costs incurred to date	60,676,291	26,660,255
Attributable profits	37,529,794	14,365,636
	98,206,085	41,025,891
Less: Progress billings	(103,671,986)	(39,426,377)
	(5,465,901)	1,599,514
<i>Presented as:</i>		
Gross amount due from customers for contract work in progress (Note 20)	-	1,599,514
Gross amount due to customers for contract work in progress (Note 25)	(5,465,901)	-
	(5,465,901)	1,599,514

22. CASH AND BANK BALANCES

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Cash at banks and on hand	2,097,082	4,827,980	5,696	20,844
Short term deposits with: licensed banks	231,095	9,291,212	-	-
Cash and bank balances	2,328,177	14,119,192	5,696	20,844

Included in cash at banks of the Group are amounts of RM50,449 (2010: RM229,219) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1965 and are restricted from use in other operations.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

22. CASH AND BANK BALANCES (CONT'D)

Included in deposits with licensed banks of the Group are deposits amounting to RM205,000 (2010: 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 2011 were as follows:

	Group	
	2011	2010
License banks		
Weighted average interest rates (%)	3.00	2.60
Average maturities (days)	365	14

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

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Cash and short term deposits	2,328,177	14,119,192	5,696	20,844
Bank overdrafts (Note 23)	(3,329,508)	(2,834,322)	-	-
Cash and cash equivalents	(1,001,331)	11,284,870	5,696	20,844

23. LOANS AND BORROWINGS

	Maturity	Group	
		2011 RM	2010 RM
Current			
Secured:			
Term loans at BLR + 0.5% to 2.0% p.a	2012	921,284	925,964
Bank overdrafts at BLR + 1.5% to 2.0% p.a	On demand	3,329,508	2,834,322
Hire purchase payables (Note 29)	2012	164,245	194,138
		4,415,037	3,954,424
Non-current			
Secured:			
Term loans at BLR + 0.5% to 2.0% p.a	2014	18,758,288	2,686,880
Hire purchase payables (Note 29)	2013 - 2015	141,333	305,578
		18,899,621	2,992,458

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

23. LOANS AND BORROWINGS (CONT'D)

	Maturity	Group	
		2011 RM	2010 RM
Total loans and borrowings			
Secured:			
Term loans at BLR + 0.5% to 2.0% p.a	2014	19,679,572	3,612,844
Bank overdrafts at BLR + 1.5% to 2.0% p.a	On demand	3,329,508	2,834,322
Hire purchase payables (Note 29)	2012 - 2015	305,578	499,716
		23,314,658	6,946,882

The remaining maturities of the loans and borrowings as at 31 December 2011 are as follows:

	Group	
	2011 RM	2010 RM
On demand or within one year	4,415,037	3,954,424
More than 1 year and less than 2 years	1,822,011	1,229,482
More than 2 years and less than 5 years	17,077,610	1,762,976
	23,314,658	6,946,882

Term loans at BLR + 0.5% to 2.0% p.a

The term loans were taken by Group 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;
- (iii) Corporate guarantee from certain subsidiaries of the Group; and
- (iv) Specific debenture incorporating first fixed and floating charges over all assets in relation to the Project.

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 charge over few pieces of lands owned by a wholly owned 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% (2010: 2.20% to 4.00%) per annum.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

24. TRADE AND OTHER PAYABLES

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Current				
Trade payables				
Third parties	4,812,878	4,686,412	-	-
Retention sums	587,999	827,544	-	-
	5,400,877	5,513,956	-	-
Other payables				
Accruals	1,138,908	695,083	434,258	396,625
Other payables	13,945,735	10,346,826	-	585,000
Deposit received	2,552,930	-	-	-
Amounts due to subsidiaries companies	-	-	10,437,394	14,557,721
	17,637,573	11,041,909	10,871,652	15,539,346
Total current payables	23,038,450	16,555,865	10,871,652	15,539,346
Non-current				
Trade payables				
Retention sums	1,999,561	866,450	-	-
Total trade and other payables	25,038,011	17,422,315	10,871,652	15,539,346
Add: Loans and borrowings (Note 23)	23,314,658	6,946,882	-	-
Total financial liabilities	48,352,669	24,369,197	10,871,652	15,539,346

(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 (2010: 14 days to 90 days).

Included in trade payables of the Group are as follows:

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	
	2011 RM	2010 RM
Within one year	587,999	827,544
More than 1 year and less than 2 years	-	447,551
More than 2 years and less than 5 years	1,999,561	418,899
	2,587,560	1,693,994

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

24. TRADE AND OTHER PAYABLES (CONT'D)

(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 (2010: 14 to 90 days).

Included in other payables of the Group are as follows:

- (i) RM1,516,570 (2010: RM1,516,570) owing to Brem Development Sdn. Bhd. a shareholder of the Company.
- (ii) RM2,421,341 (2010: RM6,516,613) owing to Purplestar Land (M) Sdn. Bhd. in relation to landowner's entitlement.
- (iii) RM3,536,924 (2010: RMNil) owing to Miramas Development Sdn. Bhd. a shareholder of the Company in relation to advance given for the purchase of land.

(c) Amounts due to subsidiaries

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

(d) Deposit received

Included in deposit received of the Group is deposit from a developer of RM2,300,000 (2010: RMNil) pursuant to the agreement entered into between the Group and the developer to develop properties on land belonging to the Group.

25. OTHER CURRENT LIABILITIES

	2011 RM	Group 2010 RM
Progress billings in respect of property development costs	229,904	245,210
Amount due to customers for contract work in progress (Note 21)	5,465,901	-
	5,695,805	245,210

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

26. DEFERRED TAX

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

Group

	As at 1 January 2010 RM	Recognised in profit or loss RM (Note 11)	As at 31 December 2010 RM	Recognised in profit or loss RM (Note 11)	As at 31 December 2011 RM
Deferred tax liabilities:					
Plant and equipment	5,246	3,022	8,268	32,447	40,715
Revaluation surplus of land held for property development	6,257,090	(55,500)	6,201,590	(355,153)	5,846,437
	6,262,336	(52,478)	6,209,858	(322,706)	5,887,152
Deferred tax assets:					
Tax losses and unabsorbed capital allowances	(15,246)	6,978	(8,268)	(2,447)	(10,715)
Others	10,000	(13,750)	(3,750)	3,750	-
	(5,246)	(6,772)	(12,018)	1,303	(10,715)
	6,257,090	(59,250)	6,197,840	(321,403)	5,876,437
Company					
Deferred tax liabilities:					
Plant and equipment	5,476	(2,424)	3,052	1,197	4,249
Deferred tax assets:					
Tax losses and unabsorbed capital allowances	(15,476)	12,424	(3,052)	(1,197)	(4,249)
Others	10,000	(10,000)	-	-	-
	(5,476)	2,424	(3,052)	(1,197)	(4,249)
	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

26. DEFERRED TAX (CONT'D)

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Presented after appropriate offsetting as follows:				
Deferred tax assets	(10,715)	(12,018)	(4,249)	(3,052)
Deferred tax liabilities	5,887,152	6,209,858	4,249	3,052
	5,876,437	6,197,840	-	-

Deferred tax assets not recognised are as follows:

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Unabsorbed capital allowances	155,527	2,021,067	-	-
Unutilised tax losses	31,007,895	28,996,291	1,367,904	-
Other temporarily differences	15,000	-	58,659,832	58,595,192
	31,178,422	31,017,358	60,027,736	58,595,192

The unabsorbed capital allowances and unutilised tax losses of the Group and of the Company are available for offset against future taxable profits 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 profits will be available against which they may be utilised.

27. SHARE CAPITAL

	Number of shares of RM1 each		Amount	
	2011	2010	2011 RM	2010 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 (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

28. SIGNIFICANT RELATED PARTY TRANSACTIONS

	Company	
	2011 RM	2010 RM
(a) Transactions with subsidiaries:		
Management fees	491,285	-
Support service fees	616,500	764,000

	Group	
	2011 RM	2010 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.		
Office rental	64,800	64,800
(d) Transaction with a company in which a non-executive director has an 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	
	2011 RM	2010 RM	2011 RM	2010 RM
Short-term employee benefits	234,299	208,645	189,731	90,174
Defined contribution plans	31,590	21,680	24,469	9,360
	265,889	230,325	214,200	99,534

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

29. COMMITMENTS

Finance lease commitments

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

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

	Group	
	2011 RM	2010 RM
Minimum hire purchase payments:		
Not later than 1 year	177,264	216,055
Later than 1 year and not later than 2 years	84,943	239,290
Later than 2 years and not later than 5 years	66,634	89,551
Total minimum lease payments	328,841	544,896
Less: Future finance charges	(23,263)	(45,180)
Present value of minimum lease payments	305,578	499,716
Present value of payments:		
Not later than 1 year	164,245	194,138
Later than 1 year and not later than 2 years	63,723	219,669
Later than 2 years and not later than 5 years	77,610	85,909
Present value of minimum lease payments (Note 23)	305,578	499,716
Less: Amount due within 12 months (Note 23)	(164,245)	(194,138)
Amount due after 12 months (Note 23)	141,333	305,578

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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 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 (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

30. 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 is placed with reliable financial institution.

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 RM49,520,000 (2010: RM22,500,000) relating to corporate guarantees to financial institutions for banking facilities granted to certain subsidiaries.

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

	Company	
	2011 RM	2010 RM
Unsecured:		
(a) Guarantees to financial institution for facilities granted to subsidiary companies	2,500,000	2,500,000
(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	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	39,020,000	12,000,000
	49,520,000	22,500,000

The banking facilities utilised as at 31 December 2011 amounted to RM24,065,481 (2010: RM6,444,543) for guarantees provided.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

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

(a) Credit risk (cont'd)

The directors consider that the fair value of 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.

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

Credit risk concentration profile

The Group determines concentrations 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 are as follows:

	← Group →			
	2011 RM	% of total	2010 RM	% of total
By business segments:				
Property development	13,956,020	21%	17,048,978	50%
Construction	53,130,825	79%	16,739,659	50%
	67,086,845	100%	33,788,637	100%

At the reporting date, approximately 95% (2010: 80%) of the Group's trade receivables were due from 4 (2010: 4) 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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

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

(b) Liquidity risk (cont'd)

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.

	On demand or within one year RM	One to five years RM	Total RM
	← 2011 →		
Group			
Finance liabilities:			
Trade and other payables (Note 24)	25,038,011	-	25,038,011
Loan and borrowings	4,405,984	18,887,958	23,293,942
Total undiscounted financial liabilities	29,443,995	18,887,958	48,331,953
Company			
Finance liabilities:			
Trade and other payables (Note 24)	10,871,652	-	10,871,652
Total undiscounted financial liabilities	10,871,652	-	10,871,652
	← 2010 →		
Group			
Finance liabilities:			
Trade and other payables (Note 24)	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 (Note 24)	15,539,346	-	15,539,346
Total undiscounted financial liabilities	15,539,346	-	15,539,346

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

30. 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 RM23,009 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.

(e) 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 (non-current)

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 (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

31. CAPITAL MANAGEMENT

The primary objectives 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 2011 and 31 December 2010.

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 at 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 shareholders of the Company.

	Note	Group		Company	
		2011 RM	2010 RM	2011 RM	2010 RM
Loans and borrowings	23	23,314,658	6,946,882	-	-
Trade and other payables	24	25,038,011	17,422,315	10,871,652	15,539,346
Less: Cash and bank balances	22	(2,328,177)	(14,119,192)	(5,696)	(20,844)
Aggregated indebtedness		46,024,492	10,250,005	10,865,956	15,518,502
Equity attributable to the shareholders of the Company, representing total capital		163,275,507	152,708,575	133,004,975	128,734,456
Capital and net debt		209,299,999	162,958,580	143,870,931	144,252,958
Gearing ratio		22%	6%	8%	11%

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

32. 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 operations 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 (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

32. SEGMENT INFORMATION (CONT'D)

	Property development		Construction		Corporate and others		Eliminations		Per consolidated financial statements	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Revenue:										
External sales	11,338,003	19,526,228	60,970,822	44,350,301	2,580,785	764,000	(2,580,785)	(4,366,208)	72,308,825	60,274,321
Inter-segment dividends	5,400,000	-	-	-	7,755,000	-	(13,155,000)	-	-	-
Total revenue	16,738,003	19,526,228	60,970,822	44,350,301	10,335,785	764,000	(15,735,785)	(4,366,208)	72,308,825	60,274,321
Results:										
Segment profit/(loss)	10,771,382	7,271,122	20,573,601	8,910,963	6,667,563	(2,666,468)	(16,929,341)	6,401,915	21,083,205	19,917,532
Other non-cash expenses	(541,282)	(1,744,466)	-	-	-	(1,000)	-	-	(541,282)	(1,745,466)
Depreciation	(208,724)	(237,160)	(96)	(80)	(10,589)	(13,408)	-	-	(219,409)	(250,648)
Impairment of non-financial assets	-	-	-	-	-	-	-	(3,215)	-	(3,215)
Finance costs	(357,081)	(477,957)	-	(52,108)	-	-	-	-	(357,081)	(530,065)
Profit/(loss) before tax	9,664,295	4,811,539	20,573,505	8,858,775	6,656,974	(2,680,876)	(16,929,341)	6,398,700	19,965,433	17,388,138
Income tax (expense)/benefit	(656,355)	82,138	(5,182,472)	(2,240,660)	(318,890)	(14,965)	355,153	55,500	(5,802,564)	(2,117,987)
Profit/(loss), net of tax	9,007,940	4,893,677	15,391,033	6,618,115	6,338,084	(2,695,841)	(16,574,188)	6,454,200	14,162,869	15,270,151

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

32. SEGMENT INFORMATION (CONT'D)

	Property development		Construction		Corporate and others		Eliminations		Per consolidated financial statements	
	2011 RM	2010 RM	2011 RM	2010 RM	2011 RM	2010 RM	2011 RM	2010 RM	2011 RM	2010 RM
Assets:										
Additions to non-current assets	38,811,469	3,297,231	-	960	900	22,448	-	-	38,812,369	3,320,639
Segment assets	221,828,316	159,922,785	68,948,181	37,560,615	143,875,727	145,539,354	(246,354,646)	(160,839,001)	188,297,578	182,183,753
Total assets	260,639,785	163,220,016	68,948,181	37,561,575	143,876,627	145,561,802	(246,354,646)	(160,839,001)	227,109,947	185,504,392
Liabilities										
Segment liabilities representing total liabilities	229,476,168	149,387,161	53,136,181	31,140,608	10,871,652	16,827,346	(231,370,067)	(165,201,432)	62,113,934	32,153,683

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

32. 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 before tax" presented in the consolidated statement of comprehensive income:

	2011 RM	2010 RM
Dividend income from subsidiaries	(13,155,000)	(11,085,497)
Profit from inter-segment sales	(1,420,610)	(222,000)
Gain/(loss) on disposal of subsidiaries	3,023	239,792
Interest on amount due from subsidiaries	(2,406,211)	(2,217,706)
Impairment loss on:		
- investment in subsidiaries	-	8,301,504
- amount due from subsidiaries	49,457	11,392,204
Goodwill on consolidation written off	-	(6,382)
	<u>(16,929,341)</u>	<u>6,401,915</u>

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

	Note	2011 RM	2010 RM
Impairment loss on:			
- trade receivables	19	-	156,224
- other receivables	19	12,322	75,298
Property development costs written off	14b	289,560	801,568
Deposits written off	8	-	1,000
Bad debts written off	8	237,855	-
Plant and equipment written off	8	1,545	-
Land related expenses written off	14a	-	711,376
		<u>541,282</u>	<u>1,745,466</u>

D Additions to non-current assets consist of:

	2011 RM	2010 RM
Plant and equipment	12,867	272,901
Land held for property development	38,799,502	3,042,738
Club memberships	-	5,000
	<u>38,812,369</u>	<u>3,320,639</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

32. 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:

	2011 RM	2010 RM
Inter-segment assets	(246,354,646)	(160,839,001)

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

	2011 RM	2010 RM
Inter-segment liabilities	(231,370,067)	(165,201,432)

Information about a major customer

Revenue from one major customer amount to RM60,970,822 (2010: RM44,350,301), arising from sales by the construction segment.

33. DIVIDENDS

	Dividends recognised in year	
	2011 RM	2010 RM
In respect of financial year ended 31 December 2011		
Single-tier interim dividend of 1 sen on 206,756,497 ordinary shares paid on 30 December 2011	2,067,565	-
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
	2,067,565	3,101,347

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

34. SIGNIFICANT EVENTS DURING THE YEAR

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

On 1 March 2011, a wholly owned subsidiary of the Company, MV Properties Sdn. Bhd. increased its authorised share from 100,000 ordinary shares of RM1 each to 1,000,000 ordinary shares of RM1 each and issued 499,998 ordinary shares of RM1 each to increase its issued and paid up capital from RM2 to RM500,000. The increased in issued and paid up capital did not result in any changes in the Company's shareholdings in the subsidiary. The new ordinary shares issued during the year rank pari passu in all respect with the existing shares of the subsidiary.

(b) Disposal of shares in subsidiaries

- (i) 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 Group, MV Properties Sdn. Bhd. for a cash consideration of RM150,000 to Miramas Development Sdn. Bhd., a shareholder of the Company. The financial effect of this disposal resulted in a transfer of RM7,546 from shareholders' equity to non-controlling interests.
- (ii) On 18 October 2011, a wholly owned subsidiary of the Company, Antara Megah Sdn. Bhd. disposed of its entire 100% shareholdings in Perikatan Progresif Sdn. Bhd. ("PPSB") for a total cash consideration of RM48,000 as detailed in Note 16(a)(ii). The disposal which was satisfied in cash and has no material impact on the financial statement of the Group. Upon completion of the disposal, PPSB ceased to be a subsidiary of the Group.

(c) Acquisition of two pieces of freehold development lands

On 29 March 2011 and 24 August 2011, the Company announced that its subsidiary, MV Properties Sdn. Bhd. entered into Sales and Purchase Agreement to acquire two pieces of freehold development lands held under G.M. 563 Lot No. 809 and Lot 810 Mukim of Cheras, District of Hulu Langat Negeri Selangor measuring approximately 364,101 and 118,428 square foot for total cash considerations of RM 24,300,000 and RM9,474,000 respectively. These land acquisitions were completed in the financial year ended 31 December 2011.

(d) Joint Development

On 9 May 2011, a wholly owned subsidiary of the Company, UH Capital Sdn Bhd ("UHC" or "Landowner"), entered into a Joint Development Agreement with GJH Development Sdn. Bhd. ("GJH" or "Developer"), for the joint development of the land located at Mukim Serom, Daerah Ledang, Johor measuring approximately 270 acres into a mixed development project.

35. SUBSEQUENT EVENT

Joint Development

On 23 February 2012, a wholly owned subsidiary of the Company, Bertam Minetech Sdn Bhd ("BMSB" or "Developer"), entered into a Joint Development Agreement ("JDA") with Padang Dinamik Sdn. Bhd. ("PDSB" or "Landowner"), to develop a piece of leasehold land measuring approximately 91.17 acres into an industrial project.

As the date of this report, BMSB has paid a deposit of RM3,200,000 to PDSB. The proposed development is subject to the approvals of the relevant authorities and planning approval is expected to be obtained in the financial year ending 31 December 2012.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

36. 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	Adjustments RM	As restated RM
Group			
Statement of financial position			
Non-current asset			
Land held for property development	26,058,616	(799,538)	25,259,078
Current asset			
Property development costs	73,879,403	799,538	74,678,941
Non-current liability			
Trade and other payables	17,422,315	(866,450)	16,555,865
Current liability			
Trade and other payables	-	866,450	866,450

37. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements were authorised for issue in accordance with a resolution of the directors on 25 April 2012.

38. 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 2011 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	55,085,743	73,751,522
- Unrealised	-	-
	55,085,743	73,751,522
Less: Consolidation adjustments	(11,604,753)	-
Accumulated losses as per financial statements	43,480,990	73,751,522

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

No.	Properties & Locations	Description	Area/Built-Up	Tenure	Age of Building	Net Book Value As At 31 December 2011 (RM'000)	Date of Acquisition or Last Revaluation
1.	PT 3199 ~ PT 3213 Mukim of Jimah District of Port Dickson Negeri Sembilan Darul Khusus	Vacant development land	0.62 acres	Leasehold (expiring on 28/05/2097)	N/A	139	31/12/1993
2.	Lot No. 811 ~ 845, 848 ~ 850 & 853 ~ 862 Mukim Kuah District of Langkawi Kedah Darul Aman	Vacant development land	8.7 acres	Freehold	N/A	1,978	04/01/2001
3.	Lot 11340 & Lot 34173 Mukim Seremban District of Seremban Negeri Sembilan Darul Khusus	Vacant development land	2.37 acres	Freehold	N/A	224	30/09/2000 & 12/07/2001
4.	GRN 24697, 52430,97219 GRN 327, 5833, 5834 GRN 60082, 60247 LOT 186, 2734, 10725 LOT 11613, 5492, 5493 LOT 14129, 8111 Mukim Serom District of Muar Johor Darul Takzim	Vacant development land	270.31 acres	Freehold	N/A	43,100	29/08/2002
5.	PT 32, Batu Tiga Pekan Batu Tiga District of Petaling Selangor Darul Ehsan	Vacant development land	1.18 acres	Freehold	N/A	871	15/12/2005

LIST OF PROPERTIES (CONT'D)

No.	Properties & Locations	Description	Area/Built-Up	Tenure	Age of Building	Net Book Value As At 31 December 2011 (RM'000)	Date of Acquisition or Last Revaluation
6.	Lot 1413 ~ 1418 Mukim Rasah District of Seremban Negeri Sembilan Darul Khusus	Property under development	49.42 acres	Freehold	N/A	3,586	10/09/1997
7.	Lot 8735 ~ Lot 8786, PT 7218 & Lot 8788 ~ Lot 8808 Mukim Tampin Tengah District of Tampin Negeri Sembilan Darul Khusus	Property under development	14 acres	Leasehold (expiring on 11/07/2099)	N/A	4,417	12/03/2010
8.	Lot 809 & 810, Batu 8 Jalan Cheras Mukim Cheras District of Hulu Langat Selangor Darul Ehsan	Vacant development land	11.08 acres	Freehold	N/A	33,774	24/03/2011 & 24/08/2011
9.	PT 1346 Mukim Sungai Karang District of Kuantan Pahang Darul Makmur	Vacant development land	2.5 acre	Freehold	N/A	2,500	27/12/2011
10.	PT 7886 (Formerly PT 4800) Mukim Gemencheh District of Tampin Negeri Sembilan Darul Khusus	Property under development	485.06 acres	Leasehold (expiring on 18/12/2106)	N/A	7,173	09/05/1995

ANALYSIS OF SHAREHOLDINGS

AS AT 12 APRIL 2012

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 to 99	10	421	0.000
100 to 1,000	375	346,235	0.167
1,001 to 10,000	596	3,125,566	1.512
10,001 to 100,000	273	9,561,515	4.625
100,001 to 10,337,823 (*)	88	73,376,777	35.489
10,337,824 and above (**)	3	120,345,983	58.207
TOTAL	1,345	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

Name of Shareholders	Number of Shares Held	%
1 Brem Holding Berhad	68,000,000	32.889
2 HDM Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Bond Resources Sdn. Bhd. (M01)</i>	40,345,983	19.514
3 Bond Resources Sdn. Bhd.	12,000,000	5.804
4 HDM Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Yau Kim Hian (M01)</i>	7,845,200	3.794
5 ECML Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Cheong Yoon Hoe @ Cheong Jon Ho (001)</i>	7,305,500	3.533
6 Tan Lee Kau	6,999,600	3.385
7 Teh Kim Teck	6,542,000	3.164
8 Tradema Holdings Sdn. Bhd.	4,000,000	1.935
9 ECML Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Ong King Soon</i>	2,908,100	1.407
10 CIMB Group Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for V.A Trading Sdn. Bhd. (49876 PDZM)</i>	2,400,000	1.161

ANALYSIS OF SHAREHOLDINGS (CONT'D)

AS AT 12 APRIL 2012

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

Name of Shareholders	Number of Shares Held	%
11 HDM Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Classical Glory Sdn. Bhd. (M03)</i>	2,000,000	0.967
12 RHB Capital Nominees (Tempatan) Sdn. Bhd. <i>Pledge Securities Account for Er Ka Wei</i>	2,000,000	0.967
13 V.A. Trading Sdn. Bhd.	1,862,000	0.901
14 Wooi Kar Boon	1,857,500	0.898
15 Wei Han Sdn. Bhd.	1,579,000	0.764
16 Brem Development Sdn. Bhd.	1,507,000	0.729
17 Classical Glory Sdn. Bhd.	1,189,900	0.576
18 Kenanga Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Tan Boon Seng</i>	927,600	0.449
19 Tan Boon Seng	857,500	0.415
20 Khoo Poh Giok	857,000	0.414
21 Dynamic Enterprises Sdn. Bhd.	794,788	0.384
22 Idaman Ikhlas Sdn. Bhd.	790,500	0.382
23 Public Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Beh Poh Sim (E-KLC)</i>	779,000	0.377
24 Amsec Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Tan Boon Seng</i>	747,000	0.361
25 Kenanga Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Kee Song Seng</i>	731,000	0.354
26 S'ng Soo Eng	727,000	0.352
27 Soh Teck Ghee	645,999	0.312
28 SJ Sec Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Tan Bee Hong (SMT)</i>	609,000	0.295
29 Ng Tan Moi	604,000	0.292
30 Affin Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Tan Cheng Hoy (TAN6469C)</i>	586,700	0.284
Total	179,998,870	87.058

ANALYSIS OF SHAREHOLDINGS (CONT'D)

AS AT 12 APRIL 2012

LIST OF SUBSTANTIAL SHAREHOLDERS AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 12 APRIL 2012

Name	No. of shares held of RM1.00 each		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. Bond Resources Sdn. Bhd.	52,345,983	25.32	-	-
5. Gan See Hing	-	-	52,345,983 (c)	25.32

Note:

- (a) Deemed interest by virtue of his interest in Brem Holding Berhad in pursuance of Section 6A(4) of the Companies Act, 1965.
- (b) Deemed interest by virtue of her interest in Brem Holding Berhad in pursuance of Section 6A(4) of the Companies Act, 1965.
- (c) Deemed interest by virtue of his interest in Bond Resources Sdn. Bhd. in pursuance of Section 6A(4) of the Companies Act, 1965.

LIST OF DIRECTORS' SHAREHOLDINGS AS PER THE REGISTER OF DIRECTORS' SHAREHOLDINGS AS AT 12 APRIL 2012

Name	No. of Shares		No. of Shares	
	Direct	%	Indirect	%
1. Loong Foo Ching	-	-	-	-
2. Tan Ai Tong	-	-	4,262,000 (a)	2.06
3. Low Yew Hwa	-	-	-	-
4. Haji Hamdan bin Yahya	-	-	-	-
5. Khoo Hui Giok	-	-	-	-

Note:

- (a) Deemed interest by virtue of his interest in VA Trading Sdn. Bhd. in pursuance of Section 6A(4) of the Companies Act, 1965.

ANNEXURE A

TEH SITT MENG

10D-02-03-05 Sri Ledang Condominium
Wangsa Maju, Section 10
53300 Kuala Lumpur

Date : 20 April 2012

The Board of Directors

BERTAM ALLIANCE BERHAD

Level 18, The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

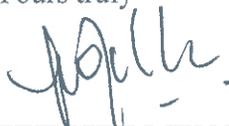
Dear Sirs

NOTICE OF NOMINATION OF AUDITORS

Pursuant to Section 172(11) of the Companies Act, 1965, I, being a shareholder of the Company, hereby give notice of my intention to nominate Messrs. Styl Associates (AF: 1929) for appointment as auditors of the Company and to propose the following as an ordinary resolution to be tabled at the forthcoming Annual General Meeting of the Company, to replace the retiring auditors, Messrs Ernst & Young:-

“That Messrs. Styl Associates be and are hereby appointed as Auditors of the Company in place of the retiring Auditors, Messrs Ernst & Young, and to hold office until the conclusion of the next Annual General Meeting at a remuneration to be determined by the Directors.”

Yours truly



TEH SITT MENG

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 Eighteenth Annual General Meeting of the Company to be held at Crown Hall 1, Level 1, Crystal Crown Hotel, No. 12, Lorong Utara A, Off Jalan Utara, 46200 Petaling Jaya, Selangor Darul Ehsan on Friday, 8 June 2012 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 2011 and the Reports of Directors and Auditors thereon.			
		Resolution	FOR	AGAINST
2.	To re-elect Mr. Loong Foo Ching 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 Ms. Khoo Hui Giok as a Director of the Company pursuant to Article 96 of the Company's Articles of Association.	Ordinary Resolution 2		
4.	To appoint the Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.	Ordinary Resolution 3		
Special Business				
5.	To approve the payment of Directors' Fees of RM210,000 for the financial year ended 31 December 2011.	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 Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.	Ordinary Resolution 8		
10.	Continuing in Office for Mr. Loong Foo Ching as an Independent Non-Executive Director.	Ordinary Resolution 9		

Signed this day of 2012.

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

Signature
Shareholder or Common Seal

Notes:-

- i. For the purpose of determining a member who shall be entitled to attend this Eighteenth Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Article 68(l) of the Company's Articles of Association and Section 34(l) of the Securities Industry (Central Depositories) Act 1991 of Malaysia to issue a General Meeting Record of Depositors as at 31 May 2012. Only a depositor whose name appears on the Record of Depositors as at 31 May 2012 shall be entitled to attend the said meeting and to speak or vote thereat.
- ii. A member entitled to attend and vote at this meeting is entitled to appoint a proxy / proxies to attend and vote instead of him. A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
- iii. A member may appoint two (2) or more proxies to attend the same meeting. Where a member appoints two (2) or more proxies, the appointment shall be invalid unless he specifies the proportion of his holding(s) to be represented by each proxy.
- iv. Where a Member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- v. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- vi. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing, or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
- vii. The instrument appointing a proxy must be deposited at the registered office of the Company, Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.

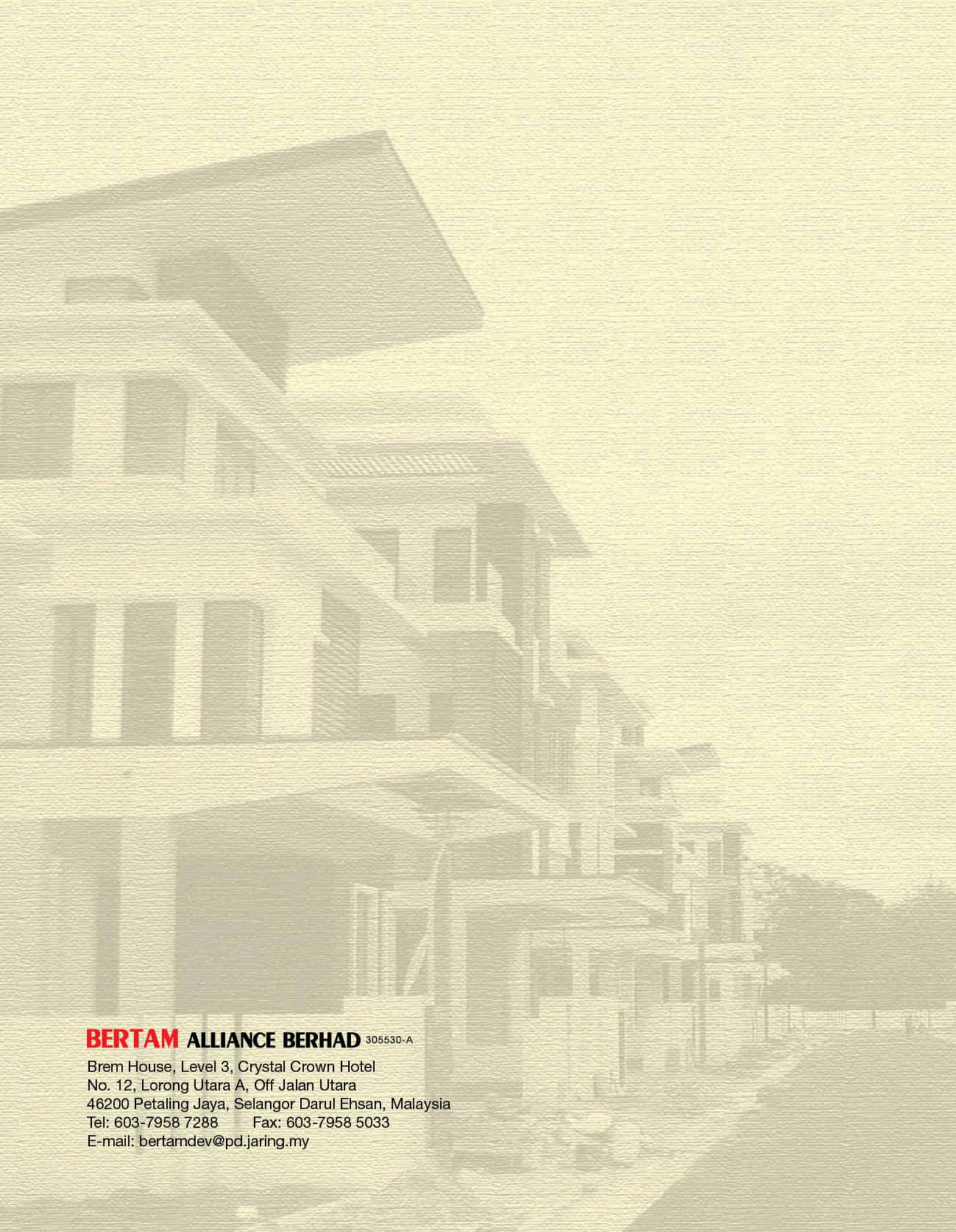
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The Secretary
Bertam Alliance Berhad (305530-A)
Level 18, The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur.

Affix Stamp
Here

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BERTAM ALLIANCE BERHAD 305530-A

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