

BERTAM ALLIANCE BERHAD

305530-A



ANNUAL REPORT **2012**



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NOTICE OF NINETEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Nineteenth 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, 14 June 2013** at **11.00 a.m.**, to transact the following businesses:

AS ORDINARY BUSINESS:

1. To receive the Audited Financial Statements for the financial year ended 31 December 2012 and the Reports of Directors and Auditors thereon. *(Please refer Explanatory Note 1)*
2. To re-elect the following Directors who retire pursuant to Article 91 of the Company's Articles of Association:-
 - (i) Tan Ai Tong *(Ordinary Resolution 1)*
 - (ii) Hamdan bin Yahya *(Ordinary Resolution 2)*

AS SPECIAL BUSINESS:

3. To approve the payment of Directors' Fees of RM180,833.33 for the financial year ended 31 December 2012. *(Ordinary Resolution 3)*
4. To re-appoint Messrs Styl Associates as Auditors of the Company for the financial year ending 31 December 2013 and authorise the Directors to fix their remuneration. *(Ordinary Resolution 4)*
5. 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 NINETEENTH ANNUAL GENERAL MEETING (CONT'D)



6. 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 23 May 2013 ("the Related Parties") provided that such transactions are:-

(Ordinary Resolution 6)

- (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 Parties 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."

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(b) of the

(Ordinary Resolution 7)

NOTICE OF NINETEENTH ANNUAL GENERAL MEETING (CONT'D)

Circular to Shareholders dated 23 May 2013 (“the Related Parties”) 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 Parties 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.”

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(c) of the Circular to Shareholders dated 23 May 2013 (“the Related Parties”) provided that such transactions are:-

(Ordinary Resolution 8)

- (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 Parties than those generally available to the public; and
- (c) are not prejudicial to the minority shareholders of the Company

(“the Shareholders’ Mandate”).

NOTICE OF NINETEENTH ANNUAL GENERAL MEETING (CONT'D)



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

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

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

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY

“THAT the proposed amendments to the Articles of Association of the Company as contained in the Appendix I be hereby approved.” *(Special Resolution)*

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

By Order of the Board
KUAN HUI FANG (MIA 16876)
WONG WAI FOONG (MAICSA 7001358)
Secretaries
Kuala Lumpur
23 May 2013

Notes:

- i. For the purpose of determining a member who shall be entitled to attend this Nineteenth 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 10 June 2013. Only a member whose name appears on the Record of Depositors as at 10 June 2013 shall be entitled to attend the meeting or appoint a proxy to attend, speak or vote on his behalf.
- ii. A member entitled to attend and vote at this meeting is entitled to appoint proxy/proxies to attend and vote in his stead. 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.

NOTICE OF NINETEENTH ANNUAL GENERAL MEETING (CONT'D)

- 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.

Explanatory Notes:

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 2**

Hamdan bin Yahya is standing for re-election as Director of the Company and being eligible, has offered himself for re-election at this Nineteenth Annual General Meeting. The Board has conducted an assessment on the independence of Hamdan bin Yahya and is satisfied that he has complied with the independence criteria applied by the Company.

3. **Ordinary Resolution 3**

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 2012.

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 a 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 23 May 2013.

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 23 May 2013.

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 23 May 2013.

8. **Special Resolution**

The proposed Resolution, if passed, will bring the Company’s Articles of Association in line with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and facilitate some administrative matters.

APPENDIX I



PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

EXISTING ARTICLES

69. All business shall be special that is transacted at an Extraordinary General Meeting, and also all that is transacted at an Annual General Meeting, with the exception of declaring a dividend, the consideration of accounts, balance-sheets, and report of the directors and auditors, the election of Directors in place of those retiring, and the appointment and fixing of the remuneration of the Auditors.
- 3(ii) Subject to the Act and to the conditions restrictions and limitations expressed in these Articles, the directors may allot, grant options over or otherwise dispose of the unissued share capital of the Company to such persons, at such time and on such terms as they think proper, PROVIDED ALWAYS THAT:-
- (a) no shares shall be issued at a discount except in compliance with the provision of the Act;
 - (b) no shares of shall be issued which shall have the effect of transferring a controlling interest in the Company without the prior approval of the members in general meeting;
 - (c) in the case of shares other than ordinary shares, no special rights shall be attached until the same have been expressed in these Articles;
 - (d) every issue of shares or options to employees and/or directors under the Employee Share Option Scheme, shall be approved by the members in general meeting and such approval shall specifically detail the amount of shares or options to be issued to such director.
85. The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointer or of his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised. A proxy may but need not be a member of the company. The instrument appointing a proxy shall be deemed to confer authority to demand or

PROPOSED AMENDMENTS TO THE ARTICLES

69. All business shall be special that is transacted at an Extraordinary General Meeting, and also all that is transacted at an Annual General Meeting, with the exception of declaring a dividend, the consideration of accounts, balance-sheets, and report of the directors and auditors, the election of Directors in place of those retiring, **fixing of fees of Directors** and the appointment and fixing of the remuneration of the Auditors.
- 3(ii) Subject to the Act and to the conditions restrictions and limitations expressed in these Articles, the directors may allot, grant options over or otherwise dispose of the unissued share capital of the Company to such persons, at such time and on such terms as they think proper, PROVIDED ALWAYS THAT:-
- (a) no shares shall be issued at a discount except in compliance with the provision of the Act;
 - (b) no shares of shall be issued which shall have the effect of transferring a controlling interest in the Company without the prior approval of the members in general meeting;
 - (c) in the case of shares other than ordinary shares, no special rights shall be attached until the same have been expressed in these Articles;
 - (d) **no Director shall participate in a scheme involving a new issuance of shares to employees unless shareholders in a general meeting have approved the specific allotment to be made to such Director.**
85. The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointer or of his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised. A proxy may but need not be a member of the company. **A proxy appointed to attend and vote at a meeting of the Company shall have the same**

APPENDIX I

(CONT'D)

EXISTING ARTICLES

join in demanding a poll. Section 149(1) (b) of the Companies Act, 1965 shall not apply to the company. A member shall not be precluded from attending and voting in person at any general meeting after lodging the form of proxy but however such attendance shall automatically revoke the proxy's authority.

89. A holder may appoint more than two proxies to attend at the same meeting. Where a member of the Company is an authorised nominee as defined under the Central Depositories Act, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. Where a holder appoints two or more proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.

PROPOSED AMENDMENTS TO THE ARTICLES

rights as the member to speak at the meeting. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll. Section 149(1) (b) of the Companies Act, 1965 shall not apply to the company. A member shall not be precluded from attending and voting in person at any general meeting after lodging the form of proxy but however such attendance shall automatically revoke the proxy's authority.

89. (i) **A member of the Company who is entitled to attend and vote at a meeting of the Company, or at a meeting of any class of members of the Company, may appoint not more than two (2) proxies to attend, vote and speak in his stead.**
- (ii) **Where a member of the Company is an authorised nominee as defined in the Depositories Act, it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.**
- (iii) **Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) 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.**

An exempt authorised nominee refers to an authorised nominee defined under the Depositories Act which is exempted from compliance with the provisions of subsection 25A (1) of the Depositories Act.

Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

APPENDIX I

(CONT'D)



EXISTING ARTICLES

98. The Directors shall be paid by way of remuneration for their services and such remuneration shall be divided among the Directors in such proportions and manner as the Directors may determine, AND THAT:-
- (a) the fees payable to the Directors shall from time to time be determined by a resolution of the Company in general meeting, PROVIDED ALWAYS that such fees shall not be increased except pursuant to an ordinary resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting;
 - (b) save as provided in Article 98(a) and subject to Article 98(d) hereof, an executive Director shall, subject to the terms of any agreement (if any), entered into in any particular case, receive such remuneration (whether by way of salary, commission or participation in profits, or partly in one way and partly in another) as the Directors may determine. All remuneration, other than the fees provided for in Article 93(a) hereof, payable to non-executive Directors shall be determined by an ordinary resolution passed at a general meeting of the Company;
 - (c) fees payable to non-executive Directors shall be a fixed sum, and not by a commission on or percentage of profits or turnover;
 - (d) salaries payable to executive Directors may not include a commission on or percentage of turnover; and
 - (e) any fee paid to an Alternate Director shall be such as shall be agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

PROPOSED AMENDMENTS TO THE ARTICLES

98. The Directors shall be paid by way of remuneration for their services and such remuneration shall be divided among the Directors in such proportions and manner as the Directors may determine, AND THAT:-
- (a) the fees payable to the Directors shall from time to time be determined by a resolution of the Company in general meeting, PROVIDED ALWAYS that such fees shall not be increased except pursuant to an ordinary resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting;
 - (b) save as provided in Article 98(a) and subject to Article 98(d) hereof, an executive Director shall, subject to the terms of any agreement (if any), entered into in any particular case, receive such remuneration (whether by way of salary, commission or participation in profits, or partly in one way and partly in another) as the Directors may determine. All remuneration, other than the fees provided for in Article **98(a)** hereof, payable to non-executive Directors shall be determined by an ordinary resolution passed at a general meeting of the Company;
 - (c) fees payable to non-executive Directors shall be a fixed sum, and not by a commission on or percentage of profits or turnover;
 - (d) salaries payable to executive Directors may not include a commission on or percentage of turnover; and
 - (e) any fee paid to an Alternate Director shall be such as shall be agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

CORPORATE INFORMATION

BOARD OF DIRECTORS

LOONG FOO CHING	<i>Acting Chairman/ Senior 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>
HAMDAN BIN YAHYA	<i>Independent Non-Executive Director</i>

AUDIT COMMITTEE

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

NOMINATION COMMITTEE

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

REMUNERATION COMMITTEE

LOONG FOO CHING	Chairman
LOW YEW HWA	Member
KHOO HUI GIOK	Member
HAMDAN BIN YAHYA	Member

COMPANY SECRETARIES

KUAN HUI FANG	MIA 16876
WONG WAI FOONG	MAICSA 7001358

REGISTERED OFFICE

Level 18, The Gardens North Tower
Mid Valley City
Lingkar 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
Lingkar Syed Putra
59200 Kuala Lumpur, Malaysia
Telephone : 603-2264 3883
Facsimile : 603-2282 1886

AUDITORS

STYL ASSOCIATES
Chartered Accountants
107-B, Jalan Aminuddin Baki
Taman Tun Dr. Ismail
60000 Kuala Lumpur

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 : 603-7955 4520
Website : ir.chartnexus.com/bertamalliance/

PRINCIPAL BANKERS

CIMB BANK BERHAD
HONG LEONG BANK BERHAD
MALAYAN BANKING BERHAD
PUBLIC BANK BERHAD
UNITED OVERSEAS BANK (M) BERHAD

SOLICITORS

CHEAH, TEH & SU
PUSPANATHAN SELLAM
SOO THIEN MING & NASHRAH
TH MOI & ASSOCIATES
CK OON & CO.

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 2012.

FINANCIAL PERFORMANCE

For the financial year ended 31 December 2012, the Group recorded Revenue of RM41,301,519 (2011: RM72,308,825) and Profit Before Tax of RM15,206,672 (2011: RM19,965,433). Compared to year 2011, the Group recorded lower Revenue and Profit Before Tax mainly due to lower activities from development projects and construction work. These had resulted in lower Profit After Taxation of RM11,691,424 (2011: RM14,162,869) and Profit After Taxation and Non-Controlling Interests of RM10,596,892 (2011: RM12,626,951). Net Assets per share attributable to shareholders of the Company as at 31 December 2012 was RM0.82 (2011: RM0.79).

DIVIDEND

Your Board of Directors approved payment of a single-tier interim dividend of 2.0 sen per share for the financial year ended 31 December 2012 as compared to 1.0 sen (single-tier) per share paid in 2011. The dividend amounting to RM4,135,130 was paid to Shareholders on 8 November 2012. Your Board of Directors did not propose a final dividend for the year under review as substantial working capital is required for new acquisition of development land and to undertake a few new projects in the years ahead with the view to maintain the profit momentum of the Group.

OUTLOOK

Against the backdrop of the Malaysian economy which registered a better-than-expected 5.6% full-year growth

in 2012 despite a weaker global economic environment, Bank Negara Malaysia in its annual report 2012, projected a steady growth path with forecast of an expansion of 5 - 6% in 2013 (2012: 5.6%). Whilst inflation is expected to be higher in 2013 with an average 2-3% (2012: 1.6%), economic activity will be anchored by the continued resilience of domestic demand which remains as the key driver of growth in year 2013 and supported by a gradual improvement in the external sector.

In particular, growth in the construction sector is projected to remain strong with a double-digit growth of 15.9% in 2013 (2012: 18.5%). Besides being driven by the country's major infrastructure projects, the construction sector will also see contribution from the residential and non-residential sub-sectors by the construction of high-end residential properties, commercial, industrial and tourism projects, mainly in the Klang Valley, Penang and Johore.

Amidst a softening property market, stricter access to funding by financial institutions, increasing land cost and construction cost, property development business is even more challenging than before. However, the Group is certain that properties in key favourite locations with contemporary designs and affordable pricing, particularly in greater Kuala Lumpur and the Klang Valley, are still in great demand.

In the current year, key commodities are expected to see tougher market conditions to maintain their competitiveness, given unfavourable conditions such as high inventories, increasing production costs, on-going dynamic competition from overseas exporters and the slowdown in export demand from the overseas.

CHAIRMAN'S STATEMENT

(CONT'D)



Despite the bearish outlook, the rubber industry remains optimistic as the Government will take various corrective measures and implement several commodity-related policies to reposition itself in the international market. Under the Economic Transformation Programme, the Government had put in place a two Entry Point Project to increase the productivity of the upstream activities and to ensure the sustainability of the upstream rubber industry.

As reported last year, the Group had ventured into the rubber industry by developing the Group's existing land in Negeri Sembilan with rubber trees.

The Group will continue with its prudent strategy of cautious acquisitions to identify and undertake business proposals that would be both viable and in the best interest of the Group and the shareholders. Your Directors remain confident that barring any unforeseen circumstances, the Group's operations will continue to perform satisfactorily in the coming financial year.

CORPORATE SOCIAL RESPONSIBILITIES

The Group is committed to its actions and decisions made not only would benefit its shareholders but also its employees and the community at large. In addition to its Employee Study Loan Fund provided, 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.

CORPORATE GOVERNANCE

The Board is committed to uphold the principles and recommendations set out in the Malaysian Code of Corporate Governance 2012 in the conduct of activities of the Group with a view to enhance stakeholder value and increasing investors and customers' confidence. The Group's Statement of Corporate Governance pertaining to the implementation of the Code during the year under review can be found on pages 23 to 28 of this Annual Report.

ACKNOWLEDGEMENT

On behalf of the Board of Directors, I wish to express my sincere appreciation to our valued investors, business associates and customers for your continued support, assistance and confidence in the Group. I also would like to thank my colleagues on the Board for their wise counsel and guidance and a very dedicated Management team and Staff for their unwavering commitment, resourcefulness and dedication in carrying out their tasks professionally.

LOONG FOO CHING

Acting Chairman

MANAGING DIRECTOR'S STATEMENT



Budget 2013 as announced on the 28 September 2012 contained a few measures that have positive impact on the property development sector. To encourage home ownership, particularly among the younger generation, the government has granted 50% stamp duty waiver for residential properties of up to RM400,000.00, allocated RM1.98 billion for construction of affordable homes and increased the income limit to RM5,000 per month for individual and RM10,000 per month for married couples to be entitled to the My First Home Schemes.

The outlook for the global economy is expected to remain sanguine with modest growth and lower unemployment in most regions. Despite the slow recovery of the global economy, domestic demand continues to drive the Malaysia economy underpinned by multiple measures and fiscal policies introduced by the Malaysia Government. It is expected to expand at 5% to 6%, similar to the 5.6% growth achieved in 2012.

Bertam is well positioned to benefit from the budget announcement and positive economic environment. Construction of the affordable 5-storey 80 units of apartment in Batu Tiga, Shah Alam is near completion. These units shall be sold on the Build-Then-Sell concept. In addition, in late 2012, the Group commenced construction of another 120-unit of affordable apartments in Kota Damansara, Selangor, another Build-Then-Sell product.

The Group is also poised to benefit from the current upgrading of the transportation infrastructure in Klang Valley. It is in the midst of applying for Planning Approval to develop a piece of 10.74 acre land in Cheras which is within walking distance from the proposed Taman Suntex Station of the Mass Rapid Transit (MRT) currently under

construction. This development shall consist of service apartments of contemporary design and facilities with a fascinating view of the Kuala Lumpur city.

In view of the success of the recently completed Casabella @ Kota Damansara, a 72-unit high-end bungalow project, the Group plans to launch a high-end, sea-view bungalow development in the burgeoning affluent business community of Langkawi, Kedah as well as a high-end hill-view bungalow development in Setiawangsa, Kuala Lumpur.

Apart from property development, the Group has also invested in establishing a rubber plantation on the 485 acre land in Gemencheh, Negeri Sembilan. Clearing and earthworks have been completed and planting of rubber seedlings is almost complete. The Group believes that the potential of the land would be unlocked, taking the advantage of strong commodity prices expected once the global economy recovers fully.

The year 2013 would be another exciting and challenging year, in view of the economic uncertainties. The Management believes, with prudent strategy and the Government measures in place to stimulate the economy, the property industry and Bertam will continue to do well.

TAN AI TONG
Managing Director



PROFILE OF THE BOARD OF DIRECTORS

LOONG FOO CHING

Acting Chairman/Senior 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 and ELK-Desa Resources 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.

HAMDAN BIN YAHYA

Independent Non-Executive Director

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, Nomination Committee and Remuneration 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 2012 except for Khoo Hui Giok attended four (4) Board meetings after her appointment to the Board on 1 March 2012.

GROUP FINANCIAL HIGHLIGHTS



Statements of Comprehensive Income (Financial Year Ended 31 December)	2012 RM'000	2011 RM'000	2010 RM'000	2009 RM'000	2008 RM'000
Revenue	41,302	72,309	60,274	39,760	45,182
Earnings before interest, tax, depreciation and amortisation	15,669	20,541	18,169	5,056	7,446
Profit before tax	15,206	19,965	17,388	4,188	5,788
Income tax (expense)/benefit	(3,515)	(5,802)	(2,118)	26	(284)
Profit net of tax, representing total comprehensive income for the year	11,691	14,163	15,270	4,214	5,504
Profit attributable to:					
Shareholders of the Company	10,597	12,627	14,810	4,269	5,504
Non-controlling interests	1,094	1,536	460	(55)	-
	11,691	14,163	15,270	4,214	5,504

Statements of Financial Position (As At 31 December)	2012 RM'000	2011 RM'000	2010 RM'000	2009 RM'000	2008 RM'000
Total assets:					
Non-current assets	67,638	64,613	26,022	85,687	44,660
Current assets	161,595	162,497	159,482	111,251	131,882
	229,233	227,110	185,504	196,938	176,542
Total liabilities:					
Current liabilities	29,921	35,338	22,097	45,228	25,413
Non-current liabilities	29,860	26,776	10,056	10,274	11,689
	59,781	62,114	32,153	55,502	37,102
Net assets	169,452	164,996	153,351	141,436	139,440
Equity attributable to Shareholders of the Company					
Share capital	206,756	206,756	206,756	206,756	206,756
Accumulated losses	(37,425)	(43,481)	(54,047)	(65,756)	(67,316)
	169,331	163,275	152,709	141,000	139,440
Non-controlling interests	121	1,721	642	436	-
Total equity	169,452	164,996	153,351	141,436	139,440
Loans and borrowings:					
Current	6,539	4,415	3,954	1,010	9,521
Non-current	22,102	18,900	2,993	4,017	5,257
	28,641	23,315	6,947	5,027	14,778

GROUP FINANCIAL INDICATORS

Profitability ratio (Financial Year Ended 31 December)		2012	2011	2010	2009	2008
Gross profit margin	(%)	42.45	30.32	28.18	23.26	21.47
Net profit margin	(%)	25.66	17.46	24.57	10.74	12.18
Return on assets	(%)	4.62	5.56	7.98	2.17	3.12
Return on equity	(%)	6.26	7.73	9.70	3.03	3.95

Market value ratio (Financial Year Ended 31 December)		2012	2011	2010	2009	2008
Earnings per share	(Sen)	5.13	6.11	7.16	2.06	2.66
Net asset per share	(Sen)	0.82	0.79	0.74	0.68	0.67
Price earning (P/E) ratio	(Times)	11.31	8.18	8.94	11.65	7.52
Gross dividend per share	(Sen)	2.00	1.00	1.50	1.31	1.50
Gross dividend yield	(%)	3.45	2.00	2.34	5.46	7.50
*Share price as at financial year end	(Sen)	58	50	64	24	20

Solvency ratio (Financial Year Ended 31 December)		2012	2011	2010	2009	2008
Gearing ratio	(Times)	0.17	0.14	0.05	0.04	0.11
Interest cover	(Times)	48.04	56.91	33.80	8.71	5.48

AUDIT COMMITTEE REPORT



1. COMPOSITION OF AUDIT COMMITTEE

Loong Foo Ching

Chairman

(Senior Independent Non-Executive Director)

Low Yew Hwa

Member

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

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)

- **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, six (6) meetings were held. The attendance by the Committee members during their tenure of office is as below.

Director	No. of Meetings Attended/ No. of Meetings Held during their Tenure of Office
Loong Foo Ching	6/6
Low Yew Hwa (<i>Resigned on 8 May 2012 when redesignated as Executive Director</i>)	2/2
Hamdan Bin Yahya	6/6
Khoo Hui Giok (<i>Appointed on 8 May 2012</i>)	4/4

4. ACTIVITIES OF THE AUDIT COMMITTEE

The principal activities undertaken by the Audit Committee during the financial year 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 2011 audit;
- (d) Reviewed the retirement of existing External Auditors and appointment of new External Auditors;
- (e) Reviewed the External Auditors' plan for the year ended 31 December 2012;
- (f) Considered the performance and effectiveness of the Internal Auditors;
- (g) Conducted two (2) meetings with the External Auditors without the presence of the Executive Directors and employees of the Group;
- (h) Reviewed the internal audit plan and reports presented by the Internal Auditors;
- (i) 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 2011 annual report;
- (j) Reviewed the quarterly status of recurrent related party transactions; and
- (k) Reviewed the circular to shareholders in relation to the proposed renewal of shareholders' mandate for recurrent related party transaction.

AUDIT COMMITTEE REPORT

(CONT'D)

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 the Management for further action.

The cost incurred for the internal audit function in respect of the financial year ended 31 December 2012 was RM39,198 (2011: RM39,260).

STATEMENT ON CORPORATE GOVERNANCE



The Board of Directors (“the Board”) of Bertam Alliance Berhad is pleased to report that for the financial year under review, the Board has continued to apply good governance practices in managing and directing the business of the Group by adopting the principles and the best practices prescribed in the latest Malaysian Code on Corporate Governance (“the Code”) released by the Securities Commission Malaysia in March 2012.

The Board has conducted a review of its current practices and proceedings against the principles and recommendations in the Code. The result of this review has been used as the basis for the Board in describing the application of the Principles and the extent of compliance with the Best Practices advocated therein in compliance with the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

BOARD ROLES AND RESPONSIBILITIES

The objective of the principles stated in the Code is to set out the fundamental structures for effective functioning of the board.

The Board has the overall governance responsibilities to lead and control the Group. The Board reviews and plans the business direction, development and control of the Group and has taken initiatives to embrace their fiduciary responsibilities in discharging its stewardship duties. When implementing the business plan, the Executive Directors are responsible for making and implementing operational and corporate decisions while the Non-Executive Directors play an important role in providing independent views, advice and judgment in safeguarding the interests of the shareholders.

The Board has retained its authority of approval on significant matters covering such as the corporate exercises, shareholders’ and corporate communication and governance matters, award of contract, acquisition and disposal of significant assets.

The Board recognises the importance of 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.

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.

The Board has full access to all information, management and the advice and services of the Company Secretary. Subject to the Board’s approval, all board members could seek independent professional advices when necessary in furtherance their responsibilities.

Going forward, the Board intends to strengthen its roles and responsibilities by:

- i. formalising the Board’s schedule of reserved matters to the Board;
- ii. defining the code of conduct that stipulates the sound principles to provide guidance to stakeholders on the ethical behaviours to be expected from the Group;
- iii. defining its business sustainability policy and ensuring its current business decision making process incorporate the elements of Environment, Social and Governance (“ESG”) within its value chain in the business processes; and
- iv. formalising the above actions into its board charter and creating a new page on corporate governance in the present corporate website to keep the public and shareholder informed of its progress and status of the above actions.

STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

BOARD COMPOSITION

Similar with the previous code, the Code continues to emphasize the importance of right board composition in bringing value to the Board deliberation and transparency of policies and procedures in selection and evaluation of board members.

The Board is supportive of the gender diversity policy. The Board gives due consideration in balancing its gender composition in the board vis-a-vis the Group business portfolio. As reported previously, Ng Sing Hwa and Ng Chee Hua resigned as Executive Chairman and Non-Independent Non-Executive Director respectively on 1st March 2012. On the same day, Khoo Hui Giok was appointed as a Non-Independent Non-Executive Director while Loong Foo Ching was appointed as Acting Chairman. Therefore, presently, the Board is made up of two (2) Executive Directors, two (2) Independent Non-Executive Directors and a female (1) Non-Independent Non-Executive Director constituting majority Non-Executive Directors in the Board.

All Board members have extensive professional and business experiences relevant to the property development and management of the Group. Their knowledge and expertise in their respective fields bring perspectives from other businesses, thereby enhancing the effectiveness of the Board and Board Committees. When there are changes in the regulatory requirements and resignation and retirement of directors, the Board would through the Nomination Committee reviews the composition of the Board members accordingly.

In order to ensure that the selection and evaluation of board members are done objectively, the Nomination Committee consists of mainly independent board members and the Committee is chaired by the Senior Independent Director.

Functionally, the Nomination Committee is responsible for reviewing and making recommendation for any appointments to the Board considering the size of the Board, the mix of skills and experience, other qualities director and his or her independence (for appointment of independent director) should bring to the Board. New nomination is assessed and recommended to the full Board for appointment.

Two (2) meetings were held during the financial period by the Nomination Committee. In line with the Best Practices, the appraisals of individual director, Board Committees and the Board were documented.

BOARD REMUNERATION

Executive Directors are remunerated based on 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. The application of this policy is overseen by the Remuneration Committee.

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

Remuneration Bands	Executive Directors	Non-Executive Directors
RM50,000 and below	-	4
RM50,001-RM100,000	1	1
RM200,001-RM250,000	1	-
RM300,001-RM350,000	1	-

STATEMENT ON CORPORATE GOVERNANCE (CONT'D)



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

	Fees* (RM)	Salaries (RM)	Bonuses (RM)	EPF (RM)	Benefit- in-kind/ Allowance (RM)	Total (RM)
Executive Directors	75,833	499,200	44,600	35,982	2,830	658,445
Non-Executive Directors	105,000	-	-	-	32,300	137,300

*The Directors' fees are related to financial year 2012.

The Board suggests Directors' fee of RM75,833.33 for Executive Directors and RM105,000 for Non-Executive Directors to be payable for financial year 2012 which shall be subject to shareholders' approval at the forthcoming AGM.

BOARD INDEPENDENCE

Independence is important for ensuring objectivity and fairness in board's decision making.

The roles and responsibilities of the Chairman and Managing Director continue to be separated and the Chairman of the Board is an independent director.

The Board had identified Loong Foo Ching to act as the Senior Independent Director to provide shareholders with an alternative to convey their concerns and seek clarifications from the Board. The email address of Loong Foo Ching is loongfc@bertamalliance.com.

Going forward, in order to uphold independence of Independent Directors, the Board has adopted the following recommendation of the Code as Board's policies:

- i. The Board to undertake an annual assessment of independence of its independent directors focusing on events that would affect the ability of independent directors to continue bringing independent and objective judgment to board deliberation instead of mere compliance of regulatory definition of independent directors; and
- ii. Subject to Board justification and shareholders' approval, tenure of independent directors should not exceed a cumulative nine (9) years.

Guided by the above principles and notwithstanding that the Board through the recent annual assessment exercise has satisfied itself with the level of independence of both the two independent directors. Loong Foo Ching who has served as an Independent Non-Executive Director for more than a cumulative term of 9 years has decided not to continue in office after the conclusion of the forthcoming Nineteenth Annual General Meeting. In view thereof, the Board will not seek shareholders' approval to retain Loong Foo Ching as an independent director.

BOARD COMMITMENT

The underlying factors of directors' commitment to the Group are devotion of time and continuous improvement of knowledge and skillsets.

The Board meets at least every quarter and on other occasions, as and when necessary, to inter-alia review and approve quarterly financial results, statutory financial statements, the Annual Report, business ventures as well as to review the performance of the company and its operating subsidiaries, governance matters and other business development matters. Board papers are circulated to the Board members so as to provide the Directors with relevant and timely information to enable them to have proper deliberation on issues raised during Board meetings.

STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

During the financial year, five (5) Board meetings were held. The details of attendance by the Board members during their tenure of office is as below.

Director	No. of Meetings Attended/ No. of Meeting Held during Directors' Tenure of Office
Loong Foo Ching	5/5
Tan Ai Tong	5/5
Low Yew Hwa	5/5
Hamdan bin Yahya	5/5
Khoo Hui Giok (<i>Appointed on 1 March 2012</i>)	4/4
Ng Sing Hwa (<i>Resigned on 1 March 2012</i>)	1/1
Ng Chee Hua (<i>Resigned on 1 March 2012</i>)	1/1

Directors recognise the needs to attend trainings to enable the directors to discharge their duties effectively. The training needs of each director are identified and proposed by the individual directors and Nomination Committee annually upon completion of director performance appraisals.

During the year, the Directors have participated in relevant training programmes to enhance their skills and knowledge and to keep abreast with the relevant change in laws, regulations and business environment. The trainings attended by Directors during the financial year are as below:

Director	Training Attended
Loong Foo Ching	Director and Senior Executives Compensation Seminar 2012 IFRS Conference
Tan Ai Tong	8th Tricor Tax & Corporate Seminar
Low Yew Hwa	8th Tricor Tax & Corporate Seminar
Hamdan bin Yahya	8th Tricor Tax & Corporate Seminar
Khoo Hui Giok	8th Tricor Tax & Corporate Seminar Management By Leadership

FINANCIAL REPORTING

The Audit Committee has the responsibility to ensure the Group's financial statements comply with applicable financial reporting standards. However, the risk of irregular financial reporting are influenced by the competency, quality and integrity of the management in charge of the preparation of financial reports and the competency, suitability and independence of external auditors.

As part of the Audit Committee review processes, the Audit Committee has obtained written assurance from the External auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

Annually, the Audit Committee also reviews the appointment, performance and remuneration of the External Auditors before recommending them to the shareholders for re-appointment in the AGM.

STATEMENT ON CORPORATE GOVERNANCE (CONT'D)



RISK MANAGEMENT

Board acknowledges that risk management is an integral part of good governance. Risk is inherent in all business activities. It is however, not the Group's objective to eliminate risk totally but to provide structural means to identify, prioritize and manage the risks involved in all the Group's activities and to balance between the cost of managing and treating risks, and the anticipated benefits that will be derived from.

Further details of the Group's systems of risk management and internal control and the function of the internal auditors are reported in the Statement on Risk Management and Internal Control on pages 29 to 30.

CORPORATE DISCLOSURE

Corporate disclosure and information are important for investors and shareholders. The Board is advised by the management, the Company Secretary and the External and Internal Auditors on the contents and timing of disclosure requirements of the Bursa Malaysia Listing Requirements on the financial results and various announcements. The management is invited to attend the Board and Audit Committee meetings and to provide explanations to the Board on the operations of the Group.

The Group would leverage on its corporate website to communicate, disseminate and add depth to the governance reporting. Going forward, pursuant to Para 9.25 those principal and static governance information such as charter, board committees' terms of reference, policies and codes would be separately published in the website to avoid dilution of issues in the annual report.

SHAREHOLDERS' RIGHT

The Board recognises the need for transparency and accountability to the Company's shareholders and regular communication with its shareholders, stakeholders and investors on the performance and major developments in the Group. This is achieved through timely releases of quarterly financial results, circulars, Annual Reports, corporate announcement and press releases. In addition to the various announcements made during the period, information on the Company is available on the Company's website at <http://ir.chartnexus.com/bertamalliance/>.

General meetings are an important avenue through which shareholder can exercise their rights. Shareholders are reminded that they have the right to demand a poll vote at general meetings. The Board would ensure suitability of venue and timing of meeting and undertake other measures to encourage shareholders' participation in the meetings. Also, effective 1st June 2013, poll voting is mandated for related party transactions that require specific shareholders' approval.

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 system are in place to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

In the preparation of the financial statements for the financial year ended 31 December 2012, 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

1. Utilisation of proceeds

There were no corporate proposals announced at the date of this annual report.

2. Share Buybacks

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

3. Option, Warrants or Convertible Securities

There were no options, warrants or convertible securities issued by the Company during the financial year.

4. Depository Receipt Programme

During the financial year, the Company did not sponsor any Depository Receipt Programmes.

5. Sanctions/Penalties

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

6. Profits estimates, forecast or projection

There was no material variance between the results of the financial year and the unaudited results previously released by the Company. The Company did not release any profit estimate, forecast or projection during the financial year.

7. Profit guarantee

No profit guarantee was given by the Company during the financial year.

8. Material Contract

There were no material contracts entered into by the Company or its subsidiaries involving Directors or major shareholders' interests during the financial year, other than those disclosed under notes to the financial statements.

9. Employee Share Scheme

The Company does not have an Employee Share Scheme in existence.

10. Recurrent Related Party Transaction ("RRPT")

On 8 June 2012, the Company obtained approval from the shareholders of the Company to enter into RRPT of a revenue or trading nature with persons who are consideration to be a "Related Party" as defined in Chapter 10 of the Listing Requirements.

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

11. Non-audit Fees

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL



The Board of Directors (“the Board”) is pleased to present its Statement on Risk Management and Internal Control for the financial year ended 31 December 2012. This Statement is prepared pursuant to paragraph 15.26(b) of the Main Market Listing Requirements and guided by the latest “Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers” issued by the Task Force on Internal Control with the support and endorsement of the Bursa Malaysia Securities Berhad.

BOARD RESPONSIBILITIES

The Board acknowledges that risk management and systems of internal control are integral parts of corporate governance and believes that the focus on effective risk oversight is critical to set the right tone and culture towards effective risk management and internal control in the Group.

Principally, the responsibilities of the Board as provided in the Guideline for risk governance and controls are:

- Embed risk management in all aspects of the Group’s activities;
- Define and approve the Board’s acceptable risk appetite; and
- Review risk management framework, processes, responsibilities and assessing whether the present systems provide reasonable assurance that risks are managed within tolerable ranges.

The Board understands the principal risks of the business that the Group is engaged in and accepts that business decisions require the incurrence and balancing of risk and return in order to reward the shareholders. The Board implements and reviews the risk management processes with the assistance of Management in identification and assessment of risk as well as designing and monitoring of internal controls to mitigate and manage risks.

The Group’s interests are served through director representations on the Boards of the respective companies (in which the Group has investments in) and receipt and review of management accounts, and enquiries thereon. These representations also provide the Board with information and timely feedbacks on the continuity of the Group’s investments based on the performance of the subsidiary companies.

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORKS

As a developer, the Group faces challenges of land bank issues such as location, suitable right products, changes of government regulations, nonperformance of subcontractors, shortage of skilled construction workers and materials, price increase in construction materials, natural disaster, cost over-run which would lead to construction delays and cost overrun.

In order to address these issues, the Board ensures that the following considerations are taken into account when evaluating and managing risks:

- i. Diligent selection of land
- ii. Market research and feasibility study before introducing new projects;
- iii. Detailed financial and project planning and budgeting;
- iv. Sales promotion and launching;
- v. Costs and progress of on-going projects and contractor/subcontractor’s performance monitoring;
- vi. Safety and adoption of quality control procedures; and
- vii. Employee retention and reward systems.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

Presently, the operational risk management functions are led by the management committee comprising the Executive Directors and Heads of Department. The Management Committee assists the Board in considering and deliberating these principal risks before presenting them to the Board for review and approval.

The systems of internal control are independently reviewed by the Audit Committee. The presence of the internal audit functions supports this review by assessing 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. With the consultation with Management, the Board and Audit Committee deliberate the integrity of the financial results, annual report and audited financial statements before presenting to the shareholders and public investors.

MANAGEMENT RESPONSIBILITIES AND ASSURANCE

In accordance with Bursa's Guidelines, Management is responsible to the Board for identifying risks relevant to the business of the Group's objectives and strategies implementing, maintaining sound systems of risk management and internal control and monitoring and reporting to the Board of significant control deficiencies and changes in risks that could significantly affect the Group achievement of its objective and performance.

Before producing this Statement, the Board has received assurance from the Group Managing Director and Executive Director that, to the best of their knowledge, the Group's Risk Management and Internal Control Systems are operating adequately and effectively, in all material aspects.

BOARD ASSURANCE AND LIMITATION

The Board confirms that there is an ongoing process for identifying, evaluating and managing significant risks faced by the Group. For the financial year under review, the Board is satisfied that the existing level of systems of internal control and risk management are effective to enable the Group to achieve its business objectives and there were no material losses resulted from significant control problem that would require separate disclosure in the Annual Report. Nonetheless, the Board recognises that the risk management and 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, these 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 Risk Management and Internal Control for inclusion in this annual report for the year ended 31 December 2012 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 risk management and systems of internal control of the Group.

FINANCIAL STATEMENTS

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DIRECTORS' REPORT

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2012.

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.

FINANCIAL RESULTS

	GROUP RM	COMPANY RM
Profit net of tax	11,691,424	14,316,755
Profit attributable to:		
Shareholders of the Company	10,596,892	14,316,755
Non-controlling interests	1,094,532	-
	11,691,424	14,316,755

RESERVES AND PROVISIONS

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 2012 of 2 sen per share on 206,756,497 ordinary shares, amounting to a dividend payable of RM4,135,130, was approved by the Board of Directors and paid on 8 November 2012.

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

DIRECTORS' REPORT

(CONT'D)



ISSUE OF SHARES AND DEBENTURES

No shares or debentures were issued and no options to take up unissued shares were granted during the financial year, and at the end of the financial year, no options over unissued shares of the Company were outstanding.

DIRECTORS OF THE COMPANY

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	
HAMDAN BIN YAHYA	
KHOO HUI GIOK	(APPOINTED ON 01.03.2012)
NG SING HWA	(RESIGNED ON 01.03.2012)
NG CHEE HUA	(RESIGNED ON 01.03.2012)

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:

	Number of ordinary shares of RM1 each			As at 31.12.2012
	As at 1.1.2012	Acquired	Sold	
Deemed Interest:				
Ordinary shares of the Company				
TAN AI TONG *	4,262,000	-	-	4,262,000

* Deemed interest through VA Trading Sdn. Bhd.

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

DIRECTORS' REPORT

(CONT'D)

OTHER STATUTORY INFORMATION

- (a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of 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 EVENTS

Subsequent events are disclosed in Note 35 to the financial statements.

AUDITORS

The auditors, Messrs. STYL Associates, have indicated their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors,

TAN AI TONG

LOW YEW HWA

DATE: 23 April 2013

STATEMENT BY DIRECTORS

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

We, **TAN AI TONG** and **LOW YEW HWA**, 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 39 to 105 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2012 and of their financial performance and cash flows for the financial year then ended in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia.

The information set out in Note 37 to the financial statements on page 105 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,

TAN AI TONG

LOW YEW HWA

DATE: 23 April 2013

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 39 to 105, 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 }
this day of 23 April 2013 }
}

Before me:

TAN AI TONG

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BERTAM ALLIANCE BERHAD

(COMPANY NO. 305530-A) (INCORPORATED IN MALAYSIA)



REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of BERTAM ALLIANCE BERHAD which comprise the statements of comprehensive income of the Group and of the Company as at 31 December 2012, and the statements of financial position, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 39 to 105.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible 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 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 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 give a true and fair view of the financial position of the Group and of the Company as at 31 December 2012 and of their financial performance and cash flows for the financial year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BERTAM ALLIANCE BERHAD

(COMPANY NO. 305530-A) (INCORPORATED IN MALAYSIA) (CONT'D)

- b) we have considered the financial statements and the auditors' reports of all subsidiaries of which we have not acted as auditors, which are indicated in Note 16 to the financial statements.
- c) we are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group 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 did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 37 on page 105 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.

OTHER MATTERS

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

STYL ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM NO: AF-1929

KUALA LUMPUR
DATE: 23 APRIL 2013

LEOU THIAM LAI
APPROVED COMPANY AUDITOR
TREASURY APPROVAL NO.1269/6/14(J)

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2012



	Note	GROUP		COMPANY	
		2012 RM	2011 RM	2012 RM	2011 RM
Revenue	4	41,301,519	72,308,825	6,791,773	6,107,785
Cost of sales	5	(23,769,974)	(50,385,571)	-	-
Gross profit		17,531,545	21,923,254	6,791,773	6,107,785
Other income	6	1,369,166	2,703,967	9,249,938	2,450,211
Other items of expense					
Administrative expenses		(3,370,760)	(4,304,707)	(2,086,236)	(1,901,022)
Finance costs	7	(323,279)	(357,081)	-	-
Profit before tax	8	15,206,672	19,965,433	13,955,475	6,656,974
Income tax (expense)/benefit	11	(3,515,248)	(5,802,564)	361,280	(318,890)
Profit net of tax, representing total comprehensive income for the year		11,691,424	14,162,869	14,316,755	6,338,084
Profit attributable to:					
Shareholders of the Company		10,596,892	12,626,951	14,316,755	6,338,084
Non-controlling interests		1,094,532	1,535,918	-	-
		11,691,424	14,162,869	14,316,755	6,338,084
Earnings per share attributable to shareholders of the Company (sen per share)					
Basic	12	5.13	6.11		

The accompanying Notes form an integral part of the Financial Statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2012

	Note	GROUP		COMPANY	
		2012 RM	2011 RM	2012 RM	2011 RM
ASSETS					
Non-current assets					
Plant and equipment	13	783,686	468,168	7,770	28,589
Land held for property development	14	66,768,774	64,058,580	-	-
Goodwill on consolidation	15	-	-	-	-
Investment in subsidiaries	16	-	-	109,353,920	109,353,920
Club memberships	17	86,000	86,000	-	-
Trade and other receivables	19	-	-	33,287,100	30,686,182
Total non-current assets		67,638,460	64,612,748	142,648,790	140,068,691
Current assets					
Property development costs	14	66,895,586	67,208,754	-	-
Inventories	18	2,403,577	2,621,580	-	-
Trade and other receivables	19	33,133,810	90,060,052	2,149,068	3,215,294
Other current assets	20	1,691,777	-	-	-
Tax recoverable		195,764	278,636	68,000	586,946
Cash and bank balances	22	57,273,905	2,328,177	80,605	5,696
Total current assets		161,594,419	162,497,199	2,297,673	3,807,936
TOTAL ASSETS		229,232,879	227,109,947	144,946,463	143,876,627
EQUITY AND LIABILITIES					
Current liabilities					
Loans and borrowings	23	6,538,775	4,415,037	-	-
Trade and other payables	24	14,879,919	23,038,450	1,759,863	10,871,652
Other current liabilities	25	6,775,123	5,695,805	-	-
Income tax payable		1,727,226	2,189,023	-	-
Total current liabilities		29,921,043	35,338,315	1,759,863	10,871,652
Net current assets/(liabilities)		131,673,376	127,158,884	537,810	(7,063,716)

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2012 (CONT'D)

	Note	GROUP		COMPANY	
		2012 RM	2011 RM	2012 RM	2011 RM
Non-current liabilities					
Loans and borrowings	23	22,101,725	18,899,621	-	-
Trade and other payables	24	1,983,482	1,999,561	-	-
Deferred tax liabilities	26	5,774,322	5,876,437	-	-
Total non-current liabilities		29,859,529	26,775,619	-	-
TOTAL LIABILITIES		59,780,572	62,113,934	1,759,863	10,871,652
Equity attributable to shareholders of the Company					
Share capital	27	206,756,497	206,756,497	206,756,497	206,756,497
Accumulated losses		(37,424,884)	(43,480,990)	(63,569,897)	(73,751,522)
Non-controlling interests		169,331,613 120,694	163,275,507 1,720,506	143,186,600 -	133,004,975 -
TOTAL EQUITY		169,452,307	164,996,013	143,186,600	133,004,975
TOTAL EQUITY AND LIABILITIES		229,232,879	227,109,947	144,946,463	143,876,627

The accompanying Notes form an integral part of the Financial Statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2012

	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
Total comprehensive income		-	10,596,892	10,596,892	1,094,532	11,691,424
Transactions with owners						
Dividends paid to shareholders of the Company	33	-	(4,135,130)	(4,135,130)	-	(4,135,130)
Dividends paid to non-controlling interests		-	-	-	(2,600,000)	(2,600,000)
Acquisition of non-controlling interest		-	(405,656)	(405,656)	(94,344)	(500,000)
At 31 December 2012		206,756,497	(37,424,884)	169,331,613	120,694	169,452,307

The accompanying Notes form an integral part of the Financial Statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)



	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
Total comprehensive income		-	14,316,755	14,316,755
Transactions with owners				
Dividends on ordinary shares	33	-	(4,135,130)	(4,135,130)
At 31 December 2012		206,756,497	(63,569,897)	143,186,600

The accompanying Notes form an integral part of the Financial Statements.

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2012

	GROUP		COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
Cash flows from operating activities				
Profit before tax	15,206,672	19,965,433	13,955,475	6,656,974
Adjustments for:				
Bad debts written off	48,962	237,855	-	-
Bad debts recovered	(144,048)	(31,997)	-	-
Interest expense	323,279	357,081	-	-
Interest income	(1,084,778)	(328,940)	-	-
Deposits written off	7,730	-	-	-
Depreciation of plant and equipment	140,321	219,409	2,796	10,589
Gain on sales of assignment of rights	-	(43,003)	-	-
Plant and equipment written off	23,064	1,545	22,842	-
Impairment loss on financial assets:				
- trade receivables	5,641	-	-	-
- other receivables	-	12,322	-	-
- property development costs	-	289,560	-	-
- amounts due from subsidiaries	-	-	-	49,457
Interest income on amount due from subsidiaries	-	-	(2,610,738)	(2,406,211)
Gross dividend income from a subsidiary	-	-	(5,000,000)	(5,000,000)
Gain on disposal of plant and equipment	(35,809)	(22,274)	-	(16,000)
Gain on disposal of subsidiaries (Note 16(b))	-	(1,023)	-	-
Reversal of impairment loss on trade receivables	-	(184)	-	-
Reversal of impairment loss on amount due from a subsidiary	-	-	(6,639,200)	-
Operating cash flows before changes in working capital	14,491,034	20,655,784	(268,825)	(705,191)
Changes in working capital				
Inventories	218,003	2,748,688	-	-
Property development	313,168	7,180,627	-	-
Trade and other receivables	57,007,958	(27,851,649)	12,715,246	7,574,638
Other current assets	(1,691,777)	2,249,514	-	-
Other current liabilities	1,079,318	5,450,595	-	-
Trade and other payables	(8,174,610)	7,615,696	(9,111,789)	(4,667,694)
Net cash flows generated from operations	63,243,094	18,049,255	3,334,632	2,201,753
Income taxes paid, net of refunded	(3,996,288)	(4,687,969)	880,226	(164,436)
Net cash flows generated from operating activities	59,246,806	13,361,286	4,214,858	2,037,317

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)



	GROUP		COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
Cash flows from investing activities				
Purchase of:				
- plant and equipment (Note a)	(196,892)	(12,867)	(4,819)	(900)
- land held for property development	(2,710,194)	(38,799,502)	-	-
Proceeds from disposal of plant and equipment	153,798	23,150	-	16,000
Acquisition of a non-controlling interests subsidiary	(500,000)	-	-	-
Net cash inflow on disposal of subsidiaries (Note 16(b))	-	1,023	-	-
Interest received	1,084,778	142,765	-	-
Net cash flows (used in)/generated from investing activities	(2,168,510)	(38,645,431)	(4,819)	15,100
Cash flows from financing activities				
Repayment of hire purchase payables	(180,325)	(29,894)	-	-
Proceeds from loans and borrowings	5,000,000	17,000,000	-	-
Repayment of loans and borrowings	(1,985,576)	(1,097,516)	-	-
Dividends paid to shareholders	(4,135,130)	(2,067,565)	(4,135,130)	(2,067,565)
Dividends paid to non-controlling interests	(2,600,000)	(600,000)	-	-
Interest paid	(323,279)	(357,081)	-	-
Issue of shares in a subsidiary to non-controlling interests	-	150,000	-	-
Net cash flows (used in)/generated from financing activities	(4,224,310)	12,997,944	(4,135,130)	(2,067,565)
Net increase/(decrease) in cash and cash equivalents	52,853,986	(12,286,201)	74,909	(15,148)
Cash and cash equivalents at beginning of year	(1,001,331)	11,284,870	5,696	20,844
Cash and cash equivalents at end of year (Note 22)	51,852,655	(1,001,331)	80,605	5,696

Note a

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

	GROUP		COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
Hire purchase	400,000	-	-	-
Cash	196,892	12,867	4,819	900
	596,892	12,867	4,819	900

The accompanying Notes form an integral part of the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

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 3, 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 to the financial statements.

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

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards (“FRSs”) and the Companies Act, 1965 in Malaysia. At the beginning of the current financial year, the Group and the Company adopted new and revised FRSs which are mandatory for financial periods beginning on or after 1 July 2011 and 1 January 2012 as described below.

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).

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 FRSs and Issues Committee (“IC”) Interpretations mandatory for annual financial periods beginning on or after 1 July 2011 and 1 January 2012.

- Amendments to IC Interpretation 14: Prepayments of a Minimum Funding Requirement
- IC Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments
- Amendments to FRS 1: Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
- Amendments to FRS 7: Disclosures - Transfers of Financial Assets
- Amendments to FRS 9: Financial Instruments
- Amendments to FRS 112: Deferred Tax: Recovery of Underlying Assets
- FRS 124: Related Party Disclosures (Revised)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)



2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of preparation (cont'd)

Changes in accounting policies (cont'd)

The revised FRSs, amendments to FRSs and Interpretations above do not have significant impact on the financial statements and the accounting policies of the Group and the Company except for those discussed 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.

Standards and interpretations issued but not yet effective

At the date of authorisation of these financial statements, new and amended FRSs 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 2012:

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

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

- FRS 10: Consolidated Financial Statements
- FRS 11: Joint Arrangements
- FRS 12: Disclosure of Interests in Other Entities
- FRS 13: Fair Value Measurement
- FRS 119: Employee Benefits
- FRS 127: Separate Financial Statements
- RS 128: Investment in Associates and Joint Ventures
- Amendments to FRS 1: Government Loans
- Amendments to FRS 7: Disclosures - Offsetting Financial Assets and Financial Liabilities
- Amendments to FRS 10: Consolidated Financial Statements
- Amendments to FRS 11: Joint Arrangements
- Amendments to FRS 12: Disclosure of Interests in Other Entities
- IC Interpretation 20: Stripping Costs in the Production Phase of a Surface Mine
- Improvements to FRSs issued in 2012

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of preparation (cont'd)

Changes in accounting policies (cont'd)

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

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

- Amendments to FRS 10, FRS 12 and FRS 127: Investment Entities
- Amendments to FRS 132: Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities

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

- FRS 9: Financial Instruments

The Directors expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the period of initial application, except as disclosed below:

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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)



2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of preparation (cont'd)

Changes in accounting policies (cont'd)

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

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.

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: Financial Instruments: Presentation - 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.

Amendments to FRS 10, FRS 12 and FRS 127: Investment Entities

These amendments introduce an exception to consolidation for investment entities. Investment entities are entities whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both. The amendments require investment entities to measure particular subsidiaries at fair value through profit or loss in accordance with FRS 139 Financial Instruments: Recognition and Measurement instead of consolidating them. In addition, the amendments also introduce new disclosure requirements related to investment entities in FRS 12 Disclosure of Interests in Other Entities and FRS 127 Separate Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of preparation (cont'd)

Changes in accounting policies (cont'd)

Malaysian Financial Reporting Standards ("MFRSs Framework")

In conjunction with the planned convergence of FRSs with International Financial Reporting Standards as issued by the International Accounting Standards Board on 1 January 2012, the MASB had on 19 November 2011 issue a new MASB approved accounting standards, MFRSs ("MFRSs Framework") for application in the annual periods beginning on or after 1 January 2012.

The MFRSs Framework is mandatory for adoption by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities subject to the application of MFRS 141 Agriculture and/or IC Interpretation 15 Agreements for the Construction of Real Estate ("Transitioning Entities"). The Transitioning Entities are given an option to defer adoption of the MFRSs Framework to financial periods beginning on or after 1 January 2014. Transitioning Entities also includes those entities that consolidate or equity account or proportionately consolidate another entity that has chosen to continue to apply the FRSs framework for annual periods beginning on or after 1 January 2012.

Accordingly, the Group and the Company which are Transitioning Entities have chosen to defer the adoption of the MFRSs Framework to financial year beginning on 1 January 2014. The Group and the Company will prepare their first MFRSs financial statements using the MFRSs Framework for the financial year ending 31 December 2014.

As at 31 December 2012, all FRSs issued under the existing FRSs Framework are equivalent to the MFRSs issued under MFRSs Framework except for differences in relation to the transitional provisions, the adoption of MFRS 141 Agriculture and IC Interpretation 15 Agreements for the Construction of Real Estate as well as differences in effective dates contained in certain of the existing FRSs. As such, other than those as discussed below, there are no significant effects arising from the transition to the MFRSs Framework. The effect is based on the Group's and the Company's best estimates at the reporting date. The financial effect may change or additional effects may be identified, prior to the completion of the Group's and the Company's first MFRSs based financial statements.

Application of MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards ("MFRS 1")

MFRS 1 requires comparative information to be restated as if the requirements of MFRS effective for annual periods beginning on or after 1 January 2014 have always been applied, except when MFRS 1 allows certain elective exemptions from such full retrospective application or prohibits retrospective application of some aspects of MFRS. The Group and the Company are currently assessing the impact of adoption of MFRS 1, including identification of the differences in existing accounting policies as compared to the new MFRS and the use of optional exemptions as provided for in MFRS 1. As at the date of authorisation of issue of the financial statements, accounting policy decisions or elections have not been finalised. Thus, the impact of adoption of MFRS 1 cannot be determined and estimated reliably until the process is completed.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)



2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of preparation (cont'd)

Changes in accounting policies (cont'd)

Malaysian Financial Reporting Standards ("MFRSs Framework") (cont'd)

IC Interpretation 15 Agreements for the Construction of Real Estate

IC Interpretation 15 establishes that the developer will have to evaluate whether control and significant risks and rewards of the ownership of work in progress, can be transferred to the buyer as construction progresses before revenue can be recognised. The Group is currently assessing the impact of the adoption of this Interpretation.

(b) 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(e). Discount on acquisition which represents negative goodwill is recognised immediately as income in profit or loss.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) 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 comprehensive income 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. Profit and loss attributable to non-controlling interest for prior years is not restated.

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.

(d) Plant and equipment

All items of plant and equipment are initially recorded at cost. The cost of an item of plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively.

Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)



2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Plant and equipment (cont'd)

	Rate
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.

(e) 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

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) 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.

(g) 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.

(h) 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

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)



2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) 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.

(i) *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 are held primarily for trading purposes are presented as current whereas financial assets that are 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.

(ii) *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.

(iii) *Held-to-maturity investments*

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Financial assets (cont'd)

(iii) *Held-to-maturity investments (cont'd)*

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

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

(iv) *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 has designated investment in club memberships 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

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)



2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) 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.

(j) 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.

(k) 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

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) 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.

(l) 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

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)



2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) 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.

(n) 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.

(o) 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.

(i) *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

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Financial liabilities (cont'd)

(ii) *Other financial liabilities*

The Group's and the Company's other financial liabilities include trade and 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.

(p) 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.

(q) 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

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)



2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) 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.

(s) Leases

(i) *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.

(ii) *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 (t) (vi).

(t) 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.

(i) *Construction revenue*

Revenue from construction contracts is accounted for by the stage of completion method as described in Note 2(k).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(t) Revenue (cont'd)

(ii) Sales of properties

Revenue from sale of properties is accounted for by the stage of completion method as described in Note 2(l) (ii).

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

(iii) 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.

(iv) Dividend income

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

(v) Interest income

Interest income is recognised using the effective interest method.

(vi) 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.

(u) Income taxes

(i) 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.

(ii) Deferred tax

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)



2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(u) Income taxes (cont'd)

(ii) *Deferred tax (cont'd)*

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.

(v) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(w) 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.

(x) 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.

(i) 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.

(ii) Key Sources of Estimation Uncertainty

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

(a) Useful lives of 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)



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

(ii) Key Sources of Estimation Uncertainty (cont'd)

(a) Useful lives of plant and equipment (cont'd)

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.

(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.

(d) Construction contracts

The Group recognises contract revenue by reference to the stage of completion of the contract activity at the reporting 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 reporting date are disclosed in Note 21 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)

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

(ii) Key Sources of Estimation Uncertainty (cont'd)

(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	
	2012 RM	2011 RM	2012 RM	2011 RM
Construction revenue	29,789,577	60,970,822	-	-
Sale of properties	11,511,942	11,338,003	-	-
Administration fee	-	-	1,629,773	491,285
Support service fees	-	-	162,000	616,500
Gross dividend income from a subsidiary	-	-	5,000,000	5,000,000
	41,301,519	72,308,825	6,791,773	6,107,785

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)



6. OTHER INCOME

	GROUP		COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
Interest income from:				
- amount due from subsidiaries	-	-	2,610,738	2,406,211
- short term deposits	1,041,771	142,765	-	-
Rental income	42,400	44,306	-	-
Gain on disposal of plant and equipment	35,809	22,274	-	16,000
Interest earned on sales of properties	43,007	186,175	-	-
Gain on disposal of a subsidiary (Note 16(b))	-	1,023	-	-
Administrative income	43,257	2,024,500	-	-
Staff secondment income	-	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 amount due from a subsidiary (Note 19(c))	-	-	6,639,200	-
Reversal of impairment loss on trade receivables (Note 19(a))	-	184	-	-
Bad debts recovered	144,048	31,997	-	-
Miscellaneous income	18,874	50,937	-	28,000
	1,369,166	2,703,967	9,249,938	2,450,211

7. FINANCE COSTS

	GROUP	
	2012 RM	2011 RM
Interest expense on:		
- bank loans and overdrafts	306,694	335,111
- hire purchase	16,585	21,970
	323,279	357,081

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)

8. PROFIT BEFORE TAX

The following items have been included in arriving at profit before tax:

	GROUP		COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
Audit fee:				
- Group auditors				
- current	98,500	103,500	55,000	48,000
- underprovision in prior years	7,000	-	7,000	-
- Other auditors				
- current	37,100	37,402	-	-
Depreciation of plant and equipment (Note 13)	140,321	219,409	2,796	10,589
Plant and equipment written off	23,064	1,545	22,842	-
Rental of buildings	97,740	158,760	80,800	64,800
Impairment loss on financial assets:				
- trade receivables (Note 19(a))	5,641	-	-	-
- other receivables (Note 19(c))	-	12,322	-	-
- property development costs (Note 14(b))	-	289,560	-	-
- amounts due from subsidiaries (Note 19(c))	-	-	-	49,457
Employee benefits expense (Note 9)	1,535,600	1,998,303	1,502,377	1,412,889
Non-executive Directors' remuneration (Note 10)	137,300	153,200	137,300	153,200
Deposits written off	7,730	-	-	-
Bad debts written off	48,962	237,855	-	-

9. EMPLOYEE BENEFITS EXPENSE

	GROUP		COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
Wages, salaries and allowance	1,388,705	1,758,965	1,356,155	1,263,961
Social security contributions	7,031	8,428	7,031	4,504
Contributions to defined contribution plans	115,516	168,591	114,844	108,165
Gratuity	-	18,650	-	2,000
Other benefits	24,348	43,669	24,347	34,259
	1,535,600	1,998,303	1,502,377	1,412,889

Included in employee benefits expense of the Group and the Company are executive Directors' remuneration amounting to RM658,445 (2011 – RM861,524) and RM658,445 (2011 - RM709,368) respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)



10. DIRECTORS' REMUNERATION

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

	GROUP		COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
Directors of the Company				
<i>Executive:</i>				
Salaries and other emoluments	499,200	535,200	499,200	535,200
Fees	75,833	70,000	75,833	70,000
Bonus	44,600	44,600	44,600	44,600
Defined contribution plans	35,982	51,168	35,982	51,168
Total executive Directors' remuneration (excluding benefits-in-kind)	655,615	700,968	655,615	700,968
Estimated money value of benefits-in-kind	2,830	8,400	2,830	8,400
Total executive Directors' remuneration (including benefits-in-kind) (Note 9)	658,445	709,368	658,445	709,368
<i>Non-executive:</i>				
Fees	105,000	140,000	105,000	140,000
Allowances	32,300	13,200	32,300	13,200
Total non-executive Directors' remuneration (Note 8)	137,300	153,200	137,300	153,200
Directors of Subsidiaries				
<i>Executive:</i>				
Salaries and other emoluments	-	135,498	-	-
Defined contribution plans	-	14,906	-	-
Total executive Directors' remuneration (excluding benefits-in-kind)	-	150,404	-	-
Estimated money value of benefits-in-kind	-	1,752	-	-
Total executive Directors' remuneration (including benefits-in-kind)	-	152,156	-	-
Total Directors' remuneration	795,745	1,014,724	795,745	862,568

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)

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	
	2012	2011
Executive Directors		
RM50,001-RM100,000	1	-
RM200,000-RM250,000	1	-
RM300,001-RM350,000	1	1
RM350,001-RM400,000	-	1
Non-executive Directors		
RM50,000 and below	4	4
RM50,001-RM100,000	1	-

11. INCOME TAX EXPENSE/(BENEFIT)

Major components of income tax expense/(benefit)

The major components of income tax expense/(benefit) for the years ended 31 December 2012 and 2011 are:

	GROUP		COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
Statement of comprehensive income:				
Current income tax:				
- Malaysian income tax	3,917,014	5,932,696	-	150,000
- (Over)/Underprovision in respect of previous years	(299,651)	191,271	(361,280)	168,890
	3,617,363	6,123,967	(361,280)	318,890
Deferred income tax (Note 26):				
- Origination and reversal of temporary differences	(102,115)	(321,403)	-	-
Income tax expense/(benefit) recognised during the year	3,515,248	5,802,564	(361,280)	318,890

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)



11. INCOME TAX EXPENSE/(BENEFIT) (CONT'D)

Reconciliation between tax expense/(benefit) and accounting profit

The reconciliation between tax expense/(benefit) and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December 2012 and 2011 are as follows:

	GROUP		COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
Profit before tax	15,206,672	19,965,433	13,955,475	6,656,974
Tax at Malaysian statutory tax rate of 25% (2011 - 25%)	3,801,668	4,991,358	3,488,869	1,664,244
Adjustments:				
Non-deductible expenses	201,362	638,960	47,100	38,100
Income not subject to taxation	(253,240)	(59,291)	(3,562,484)	(1,910,480)
Utilisation of previously unrecognised tax losses	-	(67,973)	-	-
Deferred tax assets not recognised	54,104	108,239	26,515	358,136
(Over)/Underprovision of income tax in respect of previous years	(299,651)	191,271	(361,280)	168,890
Others	11,005	-	-	-
Income tax expense/(benefit) recognised during the year	3,515,248	5,802,564	(361,280)	318,890

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2011 - 25%) of the estimated assessable profit for the year.

Tax savings during the financial year arising from:

	GROUP		COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
Utilisation of current year tax losses	10,949	72,763	-	-
Utilisation of previously unrecognised tax losses	-	271,892	-	-
	10,949	344,655	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)

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	
	2012	2011
Profit net of tax attributable to shareholders of the Company (RM)	10,596,892	12,626,951
Weighted average number of ordinary shares for basic earnings per share computation	206,756,497	206,756,497
Basic earnings per share (Sen)	5.13	6.11

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 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 and 1 January 2012	69,999	358,292	1,660,499	131,310	2,220,100
Additions	-	10,473	586,419	-	596,892
Written off	-	(24,026)	-	(53,631)	(77,657)
Disposals	-	-	(793,091)	-	(793,091)
At 31 December 2012	69,999	344,739	1,453,827	77,679	1,946,244

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)



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 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 and 1 January 2012	60,191	286,602	1,346,304	58,835	1,751,932
Depreciation charge for the year (Note 8)	3,975	19,182	109,423	7,741	140,321
Written off	-	(21,502)	-	(33,091)	(54,593)
Disposals	-	-	(675,102)	-	(675,102)
At 31 December 2012	64,166	284,282	780,625	33,485	1,162,558
Net carrying amount:					
At 31 December 2011	9,808	71,690	314,195	72,475	468,168
At 31 December 2012	5,833	60,457	673,202	44,194	783,686

Assets held under finance lease

The carrying amount of motor vehicles of the Group acquired under hire purchase agreements are RM647,408 (2011 – RM309,404). Leased assets are pledged as security for the related finance lease liabilities (Note 23).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)

13. PLANT AND EQUIPMENT (CONT'D)

	Furniture, fittings and office equipment RM	Motor vehicles RM	Renovation RM	Total RM
Company				
Cost:				
At 1 January 2011	52,631	62,775	52,731	168,137
Additions	-	-	900	900
Disposals	-	(62,775)	-	(62,775)
At 31 December 2011 and 1 January 2012	52,631	-	53,631	106,262
Additions	4,819	-	-	4,819
Written off	(22,326)	-	(53,631)	(75,957)
At 31 December 2012	35,124	-	-	35,124
Accumulated depreciation:				
At 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 and 1 January 2012	44,581	-	33,092	77,673
Depreciation charge for the year (Note 8)	2,796	-	-	2,796
Written off	(20,023)	-	(33,092)	(53,115)
At 31 December 2012	27,354	-	-	27,354
Net carrying amount:				
At 31 December 2011	8,050	-	20,539	28,589
At 31 December 2012	7,770	-	-	7,770

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)



14. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS

(a) Land held for property development

	Freehold land RM	Leasehold land RM	Total RM
Group			
At 1 January 2012	2,500,000	61,558,580	64,058,580
Additions	2,607,873	1,679,057	4,286,930
Reclassification	35,992,064	(35,992,064)	-
Reversal of land transactions	(1,576,736)	-	(1,576,736)
At 31 December 2012	39,523,201	27,245,573	66,768,774
At 1 January 2011	-	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

The land under development with carrying value of RM45,874,941 (2011 - RM35,992,064) has been pledged as security for banking facilities granted to the Group (Note 23).

(b) Property development costs

	Freehold land RM	Development costs RM	Total RM
Group			
At 31 December 2012			
Cumulative property development costs			
At 1 January 2012	64,769,639	14,958,138	79,727,777
Costs incurred during the year	-	9,235,847	9,235,847
Impairment loss on property development cost	-	(289,560)	(289,560)
Reversal of completed projects	(9,188,847)	(4,655,550)	(13,844,397)
At 31 December 2012	55,580,792	19,248,875	74,829,667

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)

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

(b) Property development costs (cont'd)

	Freehold land RM	Development costs RM	Total RM
Group			
Cumulative costs recognised in profit or loss			
At 1 January 2012			(12,229,463)
Recognised during the year			(9,549,015)
Reversal of completed projects			13,844,397
At 31 December 2012			(7,934,081)
Property development costs at 31 December 2012			66,895,586
At 31 December 2011			
Cumulative property development costs			
At 1 January 2011	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			(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

The property development costs with carrying value of RM52,297,421 (2011 – RM49,826,319) has been pledged as security for banking facilities granted to the Group (Note 23).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)



15. GOODWILL ON CONSOLIDATION

	GROUP	
	2012 RM	2011 RM
Cost		
At 1 January/31 December	3,280	3,280
Accumulated impairment		
At 1 January/31 December	3,280	3,280
Net carrying amount	-	-

16. INVESTMENT IN SUBSIDIARIES

	COMPANY	
	2012 RM	2011 RM
Unquoted shares, at costs	111,506,990	111,506,990
Impairment loss	(18,565,807)	(18,565,807)
	92,941,183	92,941,183
Discount on loans to subsidiaries	16,412,737	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	
			2012	2011
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
+ Bertam Development Sdn. Bhd.	Property development, investment holding and general contractors	Malaysia	100	100

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)

16. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows: (Cont'd)

Name	Principal activities	Country of incorporation	Proportion (%) of ownership interest	
			2012	2011
Held by the Company: (Cont'd)				
+ 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.	Property development	Malaysia	100	100
UH Trading (Johore) Sdn. Bhd.	Temporarily ceased operations	Malaysia	100	100
UH Trading (Melaka) Sdn. Bhd.	Temporarily ceased operations	Malaysia	100	100
UH Trading (K.L.) Sdn. Bhd.	Temporarily ceased operations	Malaysia	100	100
Bertam Minetech Sdn. Bhd.	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	100	90
+ Sunrise Teamtrade Sdn. Bhd.	Property development	Malaysia	51	51

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)



16. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows: (Cont'd)

Name	Principal activities	Country of incorporation	Proportion (%) of ownership interest	
			2012	2011
Subsidiaries of Antara Megah Sdn. Bhd.:				
+ 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	70

+ Not audited by STYL Associates

(a) Acquisition of a non-controlling interests subsidiary

On 31 December 2012, a wholly owned subsidiary of the Company, Bertam Development Sdn. Bhd. has subscribed an additional 35 ordinary shares of RM1 each, represents 10% equity interest in Budi Halus Sdn. Bhd. for a cash consideration of RM500,000 from Metro Millennium Sdn. Bhd.. Accordingly, Budi Halus Sdn. Bhd. became a wholly owned subsidiary of Bertam Development Sdn. Bhd.. The financial effect of this acquisition resulted in a transfer of RM94,344 from non-controlling interests to shareholders' equity.

(b) Disposal of subsidiary

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	-
Group's interest in fair value of net identifiable assets	46,977
Total disposal proceed, net	(48,000)
Gain on disposal to the Group (Note 6)	1,023

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)

16. INVESTMENT IN SUBSIDIARIES (CONT'D)

(b) Disposal of subsidiary (Cont'd)

	2011 RM
Disposal proceeds settled by:	
Cash	48,000
Deferred payment	-
	48,000
Cash inflow arising on disposal:	
Cash consideration	48,000
Cash and cash equivalents of subsidiary disposed	(46,977)
	1,023

(c) 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 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 interest 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

	GROUP	
	2012 RM	2011 RM
Investment in club memberships, at cost	86,000	86,000
Investment in club memberships, at fair value	100,000	100,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)



18. INVENTORIES

	GROUP	
	2012 RM	2011 RM
Cost		
Properties held for sale	1,076,577	1,294,580
Net realisable value		
Properties held for sale	1,327,000	1,327,000
	2,403,577	2,621,580

19. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
Current				
Trade receivables				
Third parties	31,529,599	86,167,382	-	-
Less: Allowance for impairment	(18,827,102)	(19,080,537)	-	-
Trade receivables, net	12,702,497	67,086,845	-	-
Other receivables				
Sundry receivables	16,994,458	19,303,289	1,734,863	2,128,114
Amounts due from subsidiaries	-	-	52,434,437	59,746,612
Refundable deposits	3,554,889	3,787,952	400	400
	20,549,347	23,091,241	54,169,700	61,875,126
Less: Allowance for impairment				
Sundry receivables	(118,034)	(118,034)	-	-
Amounts due from subsidiaries	-	-	(52,020,632)	(58,659,832)
Other receivables, net	(118,034)	(118,034)	(52,020,632)	(58,659,832)
	20,431,313	22,973,207	2,149,068	3,215,294
Total current trade and other receivables	33,133,810	90,060,052	2,149,068	3,215,294

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)

19. TRADE AND OTHER RECEIVABLES (CONT'D)

	GROUP		COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
Non-current				
Other receivables				
Amounts due from subsidiaries	-	-	33,287,100	30,686,182
Total trade and other receivables (current and non-current)	33,133,810	90,060,052	35,436,168	33,901,476
Add: Cash and bank balances (Note 22)	57,273,905	2,328,177	80,605	5,696
Total loans and receivables	90,407,715	92,388,229	35,516,773	33,907,172

(a) Trade receivables

Trade receivables are non-interest bearing and the Group generally allows a credit period of 14 to 90 days (2011 - 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	
	2012 RM	2011 RM
Neither past due nor impaired	9,019,408	14,108,478
1 to 30 days past due not impaired	89,640	1,989,908
31 to 60 days past due not impaired	1,081,975	2,368,938
61 to 90 days past due not impaired	87,980	3,979,817
91 to 120 days past due not impaired	-	5,685,452
More than 121 days past due not impaired	2,423,494	38,954,252
Impaired	3,683,089	52,978,367
	18,827,102	19,080,537
	31,529,599	86,167,382

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)



19. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade receivables (cont'd)

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy receivables with good payment records with the Group. More than 65% (2011 - 56%) 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 RM3,683,089 (2011 – RM52,978,367) 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.

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	
	2012	2011
	RM	RM
Trade receivables - nominal amounts	24,627,644	24,891,305
Less: Allowance for impairment	(18,827,102)	(19,080,537)
	5,800,542	5,810,768

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

Movement in allowance accounts:

	GROUP	
	2012	2011
	RM	RM
At 1 January	19,080,537	19,080,721
Charge for the year (Note 8)	5,641	-
Reversal for the year (Note 6)	-	(184)
Written off for the year	(259,076)	-
At 31 December	18,827,102	19,080,537

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)

19. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade receivables (cont'd)

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) An amount of RM1,317,516 (2011 – 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 allowance for impairment is required.

- (ii) Allowance for impairment amounting to RM18,144,866 (2011 – RM18,144,866) in respect of trade receivables of the manufacturing division which ceased operations in 2004.

(b) Amount due from subsidiaries

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

(c) Sundry receivables (Current)

Included in sundry receivables of the Group is stakeholders' sum of RM13,054,443 (2011 – RM12,322) which represents retention sums held by solicitors upon handing over of vacant possession to individual purchasers of development properties. This amount will be released from 6 to 18 months after the delivery of vacant possession together with interest earned.

Other receivables that is impaired

At the reporting date, the Company has provided an allowance of RM52,020,632 (2011 – RM58,659,832) for impairment of the unsecured amounts due from subsidiaries with a nominal amount of RM52,434,437 (2011 – RM59,746,612).

Movement in allowance accounts:

	GROUP		COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
At 1 January	118,034	105,712	58,659,832	58,610,375
Charge for the year				
- other receivables (Note 8)	-	12,322	-	-
- amounts due from subsidiaries (Note 8)	-	-	-	49,457
Reversal for the year				
- amount due from a subsidiary (Note 6)	-	-	(6,639,200)	-
At 31 December	118,034	118,034	52,020,632	58,659,832

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)



19. TRADE AND OTHER RECEIVABLES (CONT'D)

(d) Refundable deposits

Included in refundable deposits is deposit paid of RM3,200,000 (2011 – RM3,177,000) 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.

20. OTHER CURRENT ASSETS

	GROUP	
	2012 RM	2011 RM
Progress billings in respect of property development	1,691,777	-

21. GROSS AMOUNT DUE TO CUSTOMERS FOR CONTRACT WORK IN PROGRESS

	GROUP	
	2012 RM	2011 RM
Construction contract costs incurred to date	78,558,605	60,676,291
Attributable profits	54,346,123	37,529,794
	132,904,728	98,206,085
Less: Progress billings	(139,679,851)	(103,671,986)
	(6,775,123)	(5,465,901)
<i>Presented as:</i>		
Gross amount due to customers for contract work in progress (Note 25)	(6,775,123)	(5,465,901)

22. CASH AND BANK BALANCES

	GROUP		COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
Cash at banks and on hand	1,337,376	2,097,082	80,605	5,696
Short term deposits with: licensed banks	55,936,529	231,095	-	-
Cash and bank balances	57,273,905	2,328,177	80,605	5,696

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)

22. CASH AND BANK BALANCES (CONT'D)

Included in cash at banks of the Group are amounts of RM82,701 (2011 – RM50,449) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1965 and are restricted from use in other operations.

Included in deposits with licensed banks of the Group are deposits amounting to RM238,355 (2011 – RM205,000) 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, 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 were as follows:

	GROUP	
	2012 RM	2011 RM
License banks		
Weighted average interest rates (%)	2.99	3.07
Average maturities (days)	30	30

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

	GROUP		COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
Cash and short term deposits	57,273,905	2,328,177	80,605	5,696
Bank overdrafts (Note 23)	(5,421,250)	(3,329,508)	-	-
Cash and cash equivalents	51,852,655	(1,001,331)	80,605	5,696

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)



23. LOANS AND BORROWINGS

	Maturity	GROUP	
		2012 RM	2011 RM
Current			
Secured:			
Term loans at BLR + 0.5% to 2.0% p.a	2013	1,013,620	921,284
Bank overdrafts at BLR + 1.5% to 2.0% p.a	On demand	5,421,250	3,329,508
Hire purchase payables (Note 29)	2013	103,905	164,245
		6,538,775	4,415,037
Non-current			
Secured:			
Term loans at BLR + 0.5% to 2.0% p.a	2014	21,680,377	18,758,288
Hire purchase payables (Note 29)	2014 - 2015	421,348	141,333
		22,101,725	18,899,621
Total loans and borrowings			
Secured:			
Term loans at BLR + 0.5% to 2.0% p.a	2013 - 2014	22,693,997	19,679,572
Bank overdrafts at BLR + 1.5% to 2.0% p.a	On demand	5,421,250	3,329,508
Hire purchase payables (Note 29)	2013 - 2015	525,253	305,578
		28,640,500	23,314,658

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

	GROUP	
	2012 RM	2011 RM
On demand or within one year	6,538,775	4,415,037
More than 1 year and less than 2 years	756,948	1,822,011
More than 2 years and less than 5 years	21,225,566	17,077,610
More than 5 years	119,211	-
	28,640,500	23,314,658

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)

23. LOANS AND BORROWINGS (CONT'D)

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 lands under development and held for 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 the Company and 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 Company, 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 and a subsidiary company (Note 30(a)).

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 2.29% to 4.00% (2011 - 2.20% to 4.00%) per annum.

24. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
Current				
Trade payables				
Third parties	3,627,919	4,812,878	-	-
Retention sums	144,167	587,999	-	-
	3,772,086	5,400,877	-	-
Other payables				
Accruals	677,228	1,138,908	240,833	434,258
Other payables	7,626,165	13,945,735	18,728	-
Deposit received	2,310,400	2,552,930	-	-
Prepayment	494,040	-	-	-
Amounts due to subsidiaries companies	-	-	1,500,302	10,437,394
	11,107,833	17,637,573	1,759,863	10,871,652
Total current trade and other payables	14,879,919	23,038,450	1,759,863	10,871,652

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)



24. TRADE AND OTHER PAYABLES (CONT'D)

	GROUP		COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
Non-current				
Trade payables				
Retention sums	1,983,482	1,999,561	-	-
Total trade and other payables (current and non-current)	16,863,401	25,038,011	1,759,863	10,871,652
Add: Loans and borrowings (Note 23)	28,640,500	23,314,658	-	-
Total financial liabilities	45,503,901	48,352,669	1,759,863	10,871,652

(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 (2011 - 14 days to 90 days).

Included in trade payables of the Group are as follows:

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

	GROUP	
	2012 RM	2011 RM
Within one year	144,167	587,999
More than 1 year and less than 2 years	1,983,482	-
More than 2 years and less than 5 years	-	1,999,561
	2,127,649	2,587,560

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)

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 (2011 - 14 to 90 days).

Included in other payables of the Group are as follows:

- (i) RM1,516,570 (2011 - RM1,516,570) owing to Brem Development Sdn. Bhd. a shareholder of the Company.
- (ii) RM238,736 (2011 - RM2,421,341) owing to Purplestar Land (M) Sdn. Bhd. in relation to landowner's entitlement.
- (iii) RM3,536,924 (2011 - RM3,536,924) 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 (2011 - RM2,300,000) 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

	GROUP	
	2012 RM	2011 RM
Progress billings in respect of property development	-	229,904
Amount due to customers for contract work in progress (Note 21)	6,775,123	5,465,901
	6,775,123	5,695,805

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)



26. DEFERRED TAX

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

	As at 1 January 2011 RM	Recognised in profit or loss RM (Note 11)	As at 31 December 2011 RM	Recognised in profit or loss RM (Note 11)	As at 31 December 2012 RM
Group					
Deferred tax liabilities:					
Plant and equipment	8,268	32,447	40,715	(10,715)	30,000
Revaluation surplus of land held for property development	6,201,590	(355,153)	5,846,437	(102,115)	5,744,322
	6,209,858	(322,706)	5,887,152	(112,830)	5,774,322
Deferred tax assets:					
Tax losses and unabsorbed capital allowances	(8,268)	(2,447)	(10,715)	10,715	-
Others	(3,750)	3,750	-	-	-
	(12,018)	1,303	(10,715)	10,715	-
Net	6,197,840	(321,403)	5,876,437	(102,115)	5,774,322
Company					
Deferred tax liabilities:					
Plant and equipment	3,052	1,197	4,249	(4,249)	-
Deferred tax assets:					
Tax losses and unabsorbed capital allowances	(3,052)	(1,197)	(4,249)	4,249	-
Net	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)

26. DEFERRED TAX (CONT'D)

	GROUP		COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
Presented after appropriate offsetting as follows:				
Deferred tax assets	-	(10,715)	-	(4,249)
Deferred tax liabilities	5,774,322	5,887,152	-	4,249
	5,774,322	5,876,437	-	-

Deferred tax assets not recognised are as follows:

	GROUP		COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
Unabsorbed capital allowances	74,013	155,527	-	-
Unutilised tax losses	29,914,658	31,007,895	607,988	1,367,904
Other temporarily differences	172	15,000	58,659,832	58,659,832
	29,988,843	31,178,422	59,267,820	60,027,736

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	
	2012	2011	2012 RM	2011 RM
Authorised				
At 1 January/31 December	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Issues and fully paid				
At 1 January/31 December	206,756,497	206,756,497	206,756,497	206,756,497

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)



28. SIGNIFICANT RELATED PARTY TRANSACTIONS

	COMPANY	
	2012 RM	2011 RM
(a) Transactions with subsidiaries:		
Administration fees	1,629,773	491,285
Support service fees	162,000	616,500
	GROUP	
	2012 RM	2011 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) Transactions with a company in which persons connected to a substantial shareholder have substantial controlling interest:		
Nikmat Maju Development Sdn. Bhd.		
Office rental	10,800	64,800

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.

(d) Compensation of key management personnel

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

	GROUP		COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
Short-term employee benefits	143,656	234,299	143,656	189,731
Defined contribution plans	16,296	31,590	16,296	24,469
	159,952	265,889	159,952	214,200

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)

29. 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	
	2012 RM	2011 RM
Minimum hire purchase payments:		
Not later than 1 year	130,018	177,264
Later than 1 year and not later than 2 years	122,744	84,943
Later than 2 years and not later than 5 years	230,450	66,634
Later than 5 years	124,588	-
Total minimum lease payments	607,800	328,841
Less: Future finance charges	(82,547)	(23,263)
Present value of minimum lease payments	525,253	305,578
Present value of payments:		
Not later than 1 year	103,905	164,245
Later than 1 year and not later than 2 years	103,132	63,723
Later than 2 years and not later than 5 years	199,005	77,610
Later than 5 years	119,211	-
Present value of minimum lease payments (Note 23)	525,253	305,578
Less: Amount due within 12 months (Note 23)	(103,905)	(164,245)
Amount due after 12 months (Note 23)	421,348	141,333

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

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)



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 RM68,520,000 (2011 – RM49,520,000) 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	
	2012 RM	2011 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	58,020,000	39,020,000
	68,520,000	49,520,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)

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

(a) *Credit risk (cont'd)*

Exposure to credit risk (cont'd)

The banking facilities utilised as at 31 December 2012 amounted to RM28,115,247 (2011 – RM24,065,481) for guarantees provided.

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 ----->			
	2012 RM	% of total	2011 RM	% of total
By business segments:				
Property development	6,822,076	54%	13,956,020	21%
Construction	5,880,421	46%	53,130,825	79%
	12,702,497	100%	67,086,845	100%

At the reporting date, approximately 85% (2011 – 95%) of the Group's trade receivables were due from 3 (2011 – 4) major customers of property development segment and construction segment.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)



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

(a) *Credit risk (cont'd)*

Financial assets that are neither past due nor impaired

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

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

(b) *Liquidity risk*

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

Analysis of financial instruments by remaining contractual maturities

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

	On demand or within one year RM	One to five years RM	Total RM
	<----- 2012 ----->		
Group			
Finance liabilities:			
Trade and other payables (Note 24)	14,879,919	1,983,482	16,863,401
Loans and borrowings (Note 23)	6,538,775	22,101,725	28,640,500
Total undiscounted financial liabilities	21,418,694	24,085,207	45,503,901
Company			
Finance liability:			
Trade and other payables (Note 24)	1,759,863	-	1,759,863
Total undiscounted financial liability	1,759,863	-	1,759,863

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)

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

(b) *Liquidity risk (cont'd)*

Analysis of financial instruments by remaining contractual maturities (cont'd)

	On demand or within one year RM	One to five years RM	Total RM
	←----- 2011 ----->		
Group			
Finance liabilities:			
Trade and other payables (Note 24)	23,038,450	1,999,561	25,038,011
Loans and borrowings (Note 23)	4,415,037	18,899,621	23,314,658
Total undiscounted financial liabilities	27,453,487	20,899,182	48,352,669
Company			
Finance liability:			
Trade and other payables (Note 24)	10,871,652	-	10,871,652
Total undiscounted financial liability	10,871,652	-	10,871,652

(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. 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 RM27,821 higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings; and higher/lower interest income from floating rate fixed deposits. 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)



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

(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:

- Trade and other receivables (Note 19)
- Trade and other payables (Note 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.

(ii) Investment in club memberships

The fair value of the investment in club memberships is determined by reference to the market price of the memberships at the end of the reporting date.

31. CAPITAL MANAGEMENT

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

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the years ended 31 December 2012 and 31 December 2011.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)

31. CAPITAL MANAGEMENT (CONT'D)

	Note	GROUP		COMPANY	
		2012 RM	2011 RM	2012 RM	2011 RM
Loan and borrowings	23	28,640,500	23,314,658	-	-
Trade and other payables	24	16,863,401	25,038,011	1,759,863	10,871,652
Less: Cash and bank balances	22	(57,273,905)	(2,328,177)	(80,605)	(5,696)
Aggregated indebtedness		(11,770,004)	46,024,492	1,679,258	10,865,956
Equity attributable to the shareholders of the Company, representing total capital		169,331,613	163,275,507	143,186,600	133,004,975
Capital and net debt		157,561,609	209,299,999	144,865,858	143,870,931
Gearing ratio		-	22%	1%	8%

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 operation within the Group.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)



32. SEGMENTAL INFORMATION (CONT'D)

	Property development		Construction		Corporate and others		Eliminations		Per consolidated financial statements	
	2012 RM	2011 RM	2012 RM	2011 RM	2012 RM	2011 RM	2012 RM	2011 RM	2012 RM	2011 RM
Revenue:										
External sales	11,511,942	11,338,003	29,789,577	60,970,822	1,791,773	2,580,785	(1,791,773)	(2,580,785)	41,301,519	72,308,825
Inter-segment dividends	23,400,000	5,400,000	-	-	5,000,000	7,755,000	(28,400,000)	(13,155,000)	-	-
Total revenue	34,911,942	16,738,003	29,789,577	60,970,822	6,791,773	10,335,785	(30,191,773)	(15,735,785)	41,301,519	72,308,825
Results:										
Segment profit	24,919,165	10,771,382	14,913,788	20,573,601	13,981,113	6,667,563	(38,058,397)	(16,929,341)	15,755,669	21,083,205
Other										
non-cash expenses	(62,555)	(541,282)	-	-	(22,842)	-	-	-	(85,397)	(541,282)
Depreciation	(137,429)	(208,724)	(96)	(96)	(2,796)	(10,589)	-	-	(140,321)	(219,409)
Finance costs	(323,279)	(357,081)	-	-	-	-	-	-	(323,279)	(357,081)
Profit before tax	24,395,902	9,664,295	14,913,692	20,573,505	13,955,475	6,656,974	(38,058,397)	(16,929,341)	15,206,672	19,965,433
Income tax (expense)/benefit	(234,123)	(656,355)	(3,744,520)	(5,182,472)	361,280	(318,890)	102,115	355,153	(3,515,248)	(5,802,564)
Profit net of tax	24,161,779	9,007,940	11,169,172	15,391,033	14,316,755	6,338,084	(37,956,282)	(16,574,188)	11,691,424	14,162,869
Assets:										
Additions to non-current assets	4,879,003	38,811,469	-	-	4,819	900	-	-	4,883,822	38,812,369
Segment assets	266,755,338	221,828,316	19,505,113	68,948,181	144,941,643	143,875,727	(206,853,037)	(246,354,646)	224,949,057	188,297,578
Total assets	271,634,341	260,639,785	19,505,113	68,948,181	144,946,462	143,876,627	(206,853,037)	(246,354,646)	229,232,879	227,109,947
Liabilities:										
Segment liabilities representing total liabilities	221,355,920	229,476,168	18,523,942	53,136,181	1,759,863	10,871,652	(181,859,153)	(231,370,067)	59,780,572	62,113,934

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)

32. SEGMENTAL 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:

	2012 RM	2011 RM
Dividend income from subsidiaries	(28,400,000)	(13,155,000)
Profit from inter-segment sales	-	(1,420,610)
Gain on disposal of subsidiaries	-	3,023
Realisation of revaluation surplus	(408,459)	-
Interest income on amount due from subsidiaries	(2,610,738)	(2,406,211)
Impairment loss on:		
- amounts due from subsidiaries	-	49,457
Reversal of impairment loss on amount due from a subsidiary	(6,639,200)	-
	<u>(38,058,397)</u>	<u>(16,929,341)</u>

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

	Note	2012 RM	2011 RM
Impairment loss on:			
- trade receivables	19	5,641	-
- other receivables	19	-	12,322
- property development costs	14b	-	289,560
Deposits written off	8	7,730	-
Bad debts written off	8	48,962	237,855
Plant and equipment written off	8	23,064	1,545
		<u>85,397</u>	<u>541,282</u>

D Additions to non-current assets consist of:

	2012 RM	2011 RM
Plant and equipment	596,892	12,867
Land held for property development	4,286,930	38,799,502
	<u>4,883,822</u>	<u>38,812,369</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)



32. SEGMENTAL INFORMATION (CONT'D)

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

	2012 RM	2011 RM
Inter-segment assets	(206,853,037)	(246,354,646)

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

	2012 RM	2011 RM
Inter-segment liabilities	(181,859,153)	(231,370,067)

Information about a major customer

Revenue from one major customer amount to RM29,789,577 (2011 – RM60,970,822), arising from sales by the construction segment.

33. DIVIDENDS

	Dividends recognised in year	
	2012 RM	2011 RM
In respect of financial year ended 31 December 2012		
Single-tier interim dividend of 2 sen on 206,756,497 ordinary shares paid on 8 November 2012	4,135,130	-
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
	4,135,130	2,067,565

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)

34. SIGNIFICANT EVENTS DURING THE YEAR

(a) 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.

(b) Acquisition of a Non-Controlling Interests Subsidiary

On 31 December 2012, a wholly owned subsidiary of the Company, Bertam Development Sdn. Bhd. has subscribed an additional 35 ordinary shares of RM1 each, represents 10% equity interest in Budi Halus Sdn. Bhd. for a cash consideration of RM500,000 from Metro Millennium Sdn. Bhd.. Accordingly, Budi Halus Sdn. Bhd. became a wholly owned subsidiary of Bertam Development Sdn. Bhd.. The financial effect of this acquisition resulted in a transfer of RM94,344 from non-controlling interests to shareholders' equity.

(c) Turnkey Contract

On 29 August 2012, a wholly owned subsidiary of the Company, Dove Industries Sdn. Bhd. has entered into an agreement with Harmony Property Sdn. Bhd. (“HPSB”) to act as turnkey main contractor for HPSB for a mix development project in Mukim Ulu Kelang, Wilayah Persekutuan Kuala Lumpur.

35. SUBSEQUENT EVENTS

- (a) On 21 February 2013, a wholly owned subsidiary of the Group, Bintang Urusjuta (M) Sdn. Bhd. (“BUSB”) has increased its issued and paid up share capital from RM40,002 divided into 40,002 ordinary shares of RM1 each to RM75,000 divided into 75,000 ordinary shares of RM1 each by issued of RM34,998 new ordinary shares of RM1 each as bonus issue to existing shareholder in proportion of approximately seven new fully paid up ordinary shares for every eight existing ordinary share held. The bonus issue is distributed and credited as fully paid by capitalising the sum of RM34,998 from the accumulated profit account.
- (b) On 27 February 2013, a wholly owned subsidiary of the Company, Bertam Development Sdn. Bhd. has disposed of its entire 100% equity interest in BUSB to GJH Ventures Sdn. Bhd.. Accordingly, BUSB ceased as subsidiary of Bertam Development Sdn. Bhd..

36. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements were authorised for issue in accordance with a resolution of the Directors on 23 April 2013.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)



37. 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 2012 and 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		COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
Total accumulated losses of the Group and of the Company				
- Realised	40,370,143	55,085,743	63,569,897	73,751,522
- Unrealised	-	-	-	-
	40,370,143	55,085,743	63,569,897	73,751,522
Less: Consolidation adjustments	(2,945,259)	(11,604,753)	-	-
Accumulated losses as per financial statements	37,424,884	43,480,990	63,569,897	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 2012 (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	31/12/2009
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	4/1/2001
3. Lot 11340 & Lot 34173 Mukim Seremban District of Seremban Negeri Sembilan Darul Khusus	Vacant development land	2.37 acres	Freehold	N/A	224	30/9/2000 & 12/7/2001
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	270.25 acres	Freehold	N/A	43,100	23/2/2009
5. PT 32, Batu Tiga Pekan Batu Tiga District of Petaling Selangor Darul Ehsan	Property under development	1.18 acres	Freehold	N/A	871	15/12/2005
6. 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 11/7/2099)	N/A	2,442	12/3/2010

LIST OF PROPERTIES

(CONT'D)



No. Properties & Locations	Description	Area/ Built-Up	Tenure	Age Of Building	Net Book Value As At 31 December 2012 (RM'000)	Date of Acquisition or Last Revaluation
7. Lot 809 & 810, Batu 8 Jalan Cheras Mukim Cheras District of Hulu Langat Selangor Darul Ehsan	Vacant development land	10.74 acres	Freehold	N/A	32,801	24/3/2011 & 24/8/2011
8. PT 1346 Mukim Sungai Karang District Of Kuantan Pahang Darul Makmur	Vacant development land	2.5 acres	Freehold	N/A	2,500	12/12/2011
9. PT 7886 (Formerly PT 4800) Mukim Gemenchah District Of Tampin Negeri Sembilan Darul Khusus	Property under development	485.06 acres	Leasehold (expiring on 18/12/2106)	N/A	6,265	31/1/2012

STATISTICS ON SHAREHOLDINGS

AS AT 24 APRIL 2013

ANALYSIS OF SHAREHOLDINGS AS AT 24 APRIL 2013

Authorised Share Capital	: RM1,000,000,000.00
Issued and Paid-up capital	: RM206,756,497.00
Class of Shares	: Ordinary Shares of RM1.00 each
Voting Rights per share	: One vote per Ordinary Share
No. of Shareholders	: 1,395

Size of Holdings	No. of Shareholders	No. of Shares held	% of issued capital
Less than 100	10	421	0.00
100 – 1,000	349	321,135	0.15
1,001 – 10,000	595	3,160,766	1.53
10,001 – 100,000	340	12,967,715	6.27
100,001 to < 5% of issued shares	98	69,960,477	33.84
5% and above of issued shares	3	120,345,983	58.21
Total	1,395	206,756,497	100.00

LIST OF SUBSTANTIAL SHAREHOLDERS AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 24 APRIL 2013

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. Bond Resources Sdn Bhd	52,345,983	25.32	-	-
3. Gan See Hing	-	-	52,345,983 ^(a)	25.32
4. Dato' Khoo Chai Kaa	-	-	68,000,000 ^(b)	32.89
5. Datin Lee Lei Choo	-	-	68,000,000 ^(c)	32.89

Note:

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

STATISTICS ON SHAREHOLDINGS

AS AT 24 APRIL 2013 (CONT'D)



LIST OF DIRECTORS' SHAREHOLDINGS AS PER THE REGISTER OF DIRECTORS' SHAREHOLDINGS AT 24 APRIL 2013

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. Hamdan bin Yahya	-	-	-	-
5. Khoo Hui Giok	-	-	-	-

Note:

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

THIRTY LARGEST SHAREHOLDERS – PER REGISTER OF DEPOSITORS AS AT 24 APRIL 2013

Names of Shareholders	No. of Shares held	% of issued capital
1. Brem Holding Berhad	68,000,000	32.89
2. HDM Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Bond Resources Sdn Berhad</i>	40,345,983	19.51
3. Bond Resources Sdn Berhad	12,000,000	5.80
4. HDM Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Yau Kim Hian</i>	7,845,200	3.79
5. Teh Kim Teck	6,542,000	3.17
6. Amsec Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for PNL Business Services Sdn Bhd</i>	5,000,400	2.42
7. Tradema Holdings Sdn Bhd	4,000,000	1.94
8. ECML Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Ong King Soon</i>	3,889,400	1.88
9. HDM Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Classical Glory Sdn Bhd</i>	3,693,100	1.79
10. CIMB Group Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for V.A Trading Sdn Bhd</i>	2,400,000	1.16
11. RHB Capital Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Er Ka Wei</i>	2,000,000	0.97
12. V.A. Trading Sdn Bhd	1,862,000	0.90
13. Wei Han Sdn Bhd	1,579,000	0.76

STATISTICS ON SHAREHOLDINGS

AS AT 24 APRIL 2013 (CONT'D)

THIRTY LARGEST SHAREHOLDERS – PER REGISTER OF DEPOSITORS AS AT 24 APRIL 2013 (CONT'D)

Names of Shareholders	No. of Shares held	% of issued capital
14. Brem Development Sdn Bhd	1,507,000	0.73
15. ECML Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Cheong Yoon Hoe @ Cheong Jon Ho</i>	1,412,600	0.68
16. Classical Glory Sdn Bhd	1,189,900	0.58
17. Alliancegroup Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Yap Chee Kheng</i>	1,067,400	0.52
18. Affin Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Tan Cheng Hoy</i>	1,031,700	0.50
19. Alliancegroup Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Lim Pang Kiam</i>	1,000,000	0.48
20. Amsec Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Yap Chee Kheng</i>	1,000,000	0.48
21. HLB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Loh Teck Wah</i>	1,000,000	0.48
22. Khoo Poh Giok	840,000	0.41
23. S'ng Soo Eng	727,000	0.35
24. Soh Teck Ghee	645,999	0.31
25. Idaman Ikhlas Sdn Bhd	625,500	0.30
26. Public Invest Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Tan Lee Kau</i>	622,000	0.30
27. Wong Yoke Moi	600,500	0.29
28. Ng In Kiek	600,400	0.29
29. Chong Sin Foo	600,000	0.29
30. Chong Thin Choy	591,490	0.29
Total	174,218,572	84.26

FORM OF PROXY

BERTAM ALLIANCE BERHAD (305530-A)

(Incorporated in Malaysia)

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

of _____
(Full Address)

being member(s) of **BERTAM ALLIANCE BERHAD**, hereby appoint _____
(Full Name in Capital Letters)

_____ NRIC/Passport/Company No. _____ of

_____ (Full Address)

or failing him/her, _____ NRIC/Passport/Company 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 Nineteenth 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, 14 June 2013 at 11.00 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 2012 and the Reports of Directors and Auditors thereon.			
		Resolution	FOR	AGAINST
2(i).	To re-elect Tan Ai Tong who retires by rotation as a Director of the Company pursuant to Article 91 of the Company's Articles of Association.	Ordinary Resolution 1		
2(ii).	To re-elect Hamdan bin Yahya who retires by rotation as a Director of the Company pursuant to Article 91 of the Company's Articles of Association.	Ordinary Resolution 2		
	Special Business			
3.	To approve the payment of Directors' Fees of RM180,833.33 for the financial year ended 31 December 2012.	Ordinary Resolution 3		
4.	To re-appoint Messrs Styl Associates as Auditors of the Company for the financial year ending 31 December 2013 and authorise the Directors to fix their remuneration.	Ordinary Resolution 4		
5.	Authority to Issue Shares.	Ordinary Resolution 5		
6.	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.	Ordinary Resolution 6		
7.	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.	Ordinary Resolution 7		
8.	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.	Ordinary Resolution 8		
9.	Proposed Amendments to the Articles of Association of the Company	Special Resolution		

Signed this day of 2013.

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 Nineteenth 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 10 June 2013. Only a member whose name appears on the Record of Depositors as at 10 June 2013 shall be entitled to attend the meeting or appoint a proxy to attend, speak or vote on his behalf.
- ii. A member entitled to attend and vote at this meeting is entitled to appoint proxy/proxies to attend and vote in his stead. 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
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