



BERTAM ALLIANCE BERHAD

305530-A

ANNUAL REPORT 2014



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NOTICE OF TWENTY-FIRST ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-First Annual General Meeting of the Company will be held at Agatis Room, Level 2, Sabah Oriental Hotel, Lorong Kemajuan, 88000 Kota Kinabalu, Sabah on **Friday, 19 June 2015 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 2014 and the Reports of Directors and Auditors thereon. *(Please refer Explanatory Note 1)*
2. To re-elect Datuk Mohamed Arsad bin Sehan who retires pursuant to Article 96 of the Company's Articles of Association. *(Ordinary Resolution 1)*
3. To re-elect Lim Nyuk Foh who retires pursuant to Article 96 of the Company's Articles of Association. *(Ordinary Resolution 2)*
4. To re-elect Yap Yee May who retires pursuant to Article 96 of the Company's Articles of Association. *(Ordinary Resolution 3)*
5. To re-elect Lim Shaw Keong @ Alfred Lim who retires pursuant to Article 96 of the Company's Articles of Association. *(Ordinary Resolution 4)*
6. To re-elect Chiew Boon Chin who retires pursuant to Article 96 of the Company's Articles of Association. *(Ordinary Resolution 5)*
7. To re-elect Lee Keh Ting who retires pursuant to Article 96 of the Company's Articles of Association. *(Ordinary Resolution 6)*
8. To re-elect Koo Jenn Man who retires pursuant to Article 96 of the Company's Articles of Association. *(Ordinary Resolution 7)*
9. To approve the payment of Directors' Fees of RM203,671.00 for the financial year ended 31 December 2014. *(Ordinary Resolution 8)*
10. To appoint Auditors and to authorise the Directors to fix their remuneration.

Notice of Nomination pursuant to Section 172(11) of the Companies Act, 1965, a copy of which is annexed hereto and marked "Annexure A" has been received by the Company for the nomination of Messrs UHY who have given their consent to act, for appointment as Auditors, and of the intention to move the following motion to be passed as an Ordinary Resolution:-

"THAT Messrs UHY be appointed as Auditors of the Company in place of the retiring Auditors, Messrs Styl Associates to hold office until the conclusion of the next annual general meeting at a remuneration to be determined by the Directors." *(Ordinary Resolution 9)*

AS SPECIAL BUSINESS:

11. 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 approval of any other governmental and/or regulatory bodies, where such approval is required, the Directors be and are hereby authorised and empowered pursuant to Section 132D of the Companies Act, 1965 to allot and issue shares in the Company, at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten percent (10%)

(Ordinary Resolution 10)

NOTICE OF TWENTY-FIRST ANNUAL GENERAL MEETING

(CONT'D)

of the issued and paid-up share capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad and that authority shall continue in force until the conclusion of the next Annual General Meeting of the Company, or the expiration of the period within which the next annual general meeting after that date is required by law to be held, whichever is the earlier, unless revoked or varied by the Company at a general meeting."

12. 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 of the Circular to Shareholders dated 27 May 2015 ("the Related Parties") provided that such transactions are:-

*(Ordinary
Resolution 11)*

- (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."

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

By Order of the Board
KUAN HUI FANG (MIA 16876)
WONG WAI FOONG (MAICSA 7001358)
Secretaries
Kuala Lumpur
27 May 2015

NOTICE OF TWENTY-FIRST ANNUAL GENERAL MEETING

(CONT'D)

Notes:

- i. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, a Record of Depositors as at 15 June 2015. Only a Member whose name appears on this Record of Depositors shall be entitled to attend this meeting or appoint a proxy to attend, speak or vote on his/her behalf.
- ii. A member entitled to attend and vote at this meeting is entitled to appoint proxy/proxies to attend, speak 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 not more than two (2) proxies to attend the same meeting. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions 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 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.
- 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 (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.
- 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 and the power of attorney or other authority, if any under which it is signed or a notarially certified copy of that power of authority, shall be deposited at the Company's Share Registrar at Level 17, 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 Resolutions 1, 4 and 5

Datuk Mohamed Arsad bin Sehan, Lim Shaw Keong @ Alfred Lim and Chiew Boon Chin are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at this Twenty-First Annual General Meeting. The Board has conducted an assessment on the independence of three Directors and is satisfied that they have complied with the independence criteria applied by the Company.

3. Ordinary Resolution 10

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.

4. Ordinary Resolution 11

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 27 May 2015.

CORPORATE INFORMATION

BOARD OF DIRECTORS

DATUK MOHAMED ARSAD BIN SEHAN	<i>Chairman/Senior Independent Non-Executive Director</i>
LIM NYUK FOH	<i>Managing Director</i>
YAP YEE MAY	<i>Executive Director</i>
LEE KEH TING	<i>Executive Director</i>
LIM SHAW KEONG @ ALFRED LIM	<i>Independent Non-Executive Director</i>
CHIEW BOON CHIN	<i>Independent Non-Executive Director</i>
KOO JENN MAN	<i>Non-Independent Non-Executive Director</i>

AUDIT COMMITTEE

LIM SHAW KEONG @ ALFRED LIM	<i>Chairman</i>
DATUK MOHAMED ARSAD BIN SEHAN	<i>Member</i>
CHIEW BOON CHIN	<i>Member</i>

NOMINATION COMMITTEE

DATUK MOHAMED ARSAD BIN SEHAN	<i>Chairman</i>
CHIEW BOON CHIN	<i>Member</i>

REMUNERATION COMMITTEE

LIM SHAW KEONG @ ALFRED LIM	<i>Chairman</i>
CHIEW BOON CHIN	<i>Member</i>

COMPANY SECRETARIES

KUAN HUI FANG	<i>MIA 16876</i>
WONG WAI FOONG	<i>MAICSA 7001358</i>

REGISTERED OFFICE

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

SHARE REGISTRAR

TRICOR INVESTOR SERVICES SDN BHD
Level 17, The Gardens North Tower
Mid Valley City Lingkaran Syed Putra
59200 Kuala Lumpur, Malaysia
Telephone : 603-2264 3883
Facsimile : 603-2282 1886

AUDITORS

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

BUSINESS ADDRESS

VSQ Corporate Tower
Level 13A, Unit 2-13A-02
Jalan Utara
46200 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Telephone : 603-7932 0138
Facsimile : 603-7932 0139
Website : ir.chartnexus.com/bertamalliance/

PRINCIPAL BANKERS

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

SOLICITORS

CHEAH, TEH & SU
SRENEVASAN YOUNG
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 Statement of the Group and Company for the financial year ended 31 December 2014.



FINANCIAL PERFORMANCE

For the financial year end on 31 December 2014, the Group registered revenue of RM40.140 million against RM32.104 million achieved in 2013. Profit before tax was RM2.000 million which was lower than the RM4.785 million recorded in 2013. The decline in financial results was mainly due to the lower activities from development projects and construction work. Net assets per share attributable to shareholders of the Company were RM0.83 as compared with RM0.84 achieved in 2013.



DIVIDEND

On 26 February 2014, your Board of Directors approved payment of a single-tier interim dividend of 1.0 sen per share on 206,756,497 ordinary shares for the financial year ended 31 December 2013. The dividend amounting to RM2.067 million was paid to shareholders on 28 March 2014. Your Board of Directors did not propose a final dividend for the year under review, as much working capital is reserved for new acquisition of development land and the undertaking of new projects.

CORPORATE GOVERNANCE

The Board is committed to embrace the practice of corporate governance into the Group to ensure proper accountability, transparency and the protection of shareholders' and stakeholders' interests. Our Corporate Governance Statement can be found in the later page this annual report and viewed at our website.

CHAIRMAN'S STATEMENT

(CONT'D)

CORPORATE SOCIAL RESPONSIBILITIES

The Board is endeavouring to strike a balance between the social, economic and environmental responsibilities to various stakeholders, which ranges from our shareholders, employees, and the community at large.

MOVING FORWARD IN 2015

The year 2015 is an interesting year for the property market in Malaysia as our Government and Bank Negara are taking measures to curb speculation of property market and the arrival of Goods and Services Tax on 1 April 2015. The said measures are included by revision of Real Property Gains Tax Rates, prohibition of Developer Interest Bearing Scheme and stringent mortgage and lending rules. Invariably, there will be much uncertainty in the property market, affecting the developers, home-buyer and investor.

Despite such business environment, the Board is confident that the Group will be able to maintain profitable results in the financial year 2015.



ACKNOWLEDGEMENT

On behalf of the Board of Directors, I would like to express our special appreciation to our valued investors, business associates and customers for your unfailing support, assistance and confidence in the Group.

To the Management and Staff of the Group, your contribution and efforts is much appreciated indeed.

DATUK MOHAMED ARSAD BIN SEHAN

Chairman

MANAGING DIRECTOR'S STATEMENT

THE ECONOMY

In year 2015, the Malaysia economy is expected to remain on a steady growth path at an expansion rate of 4.5% - 5.5%, (2014: 6.0%), supported mainly by the expansion of domestic demand.

While household spending is expected to be affected by the implementation of Goods and Services Tax since 1 April 2015, however, it will be partially offset by additional disposable income from lower fuel prices.

ONGOING PROJECTS

The construction for affordable 80 units of apartments in Batu Tiga, Shah Alam has been completed and 48 units of high-end bungalows in Langkawi, Kedah are in progress. Sales for both the projects have been encouraging.

The construction of the 120 units of apartments in Kota Damansara, Selangor has been completed and upon receipt of the Certification of Completion and Compliance, the units shall be opened for sales.

Besides low-rise apartment Projects, Bertam undertook a high-end, sea-view bungalow development in the burgeoning affluent business community of Langkawi, Kedah. This project consists of 48 units of bungalow/ bungalow lot and the sales have been encouraging.



GOING FORWARD

The Group is poised to benefit from the current construction of Mass Rapid Transit (MRT) Line between Sungai Buloh and Kajang. The proposed Taman Suntext MRT Station, Cheras is within walking distance from the Group's proposed mixed development project.

The management also proposed to develop a 2.75 acres land in the city of Kota Kinabalu, Sabah into a 220-unit residential apartments upon obtained all relevants approvals.

Apart from property development, the Group has also planted rubber trees on its own 485-acre land in Gemencheh, Negeri Sembilan. This venture will begin to contribute to the Group's earnings in 5 years' time.

OUTLOOK FOR THE GROUP

Recent government cooling measures on the property industry coupled with the planned implementation of Goods & Services Tax (GST) in April 2015 is expected to present immediate challenges to property developers. However with prudent management and appropriate product offerings, we are confident that the Group will continue to do well.

LIM NYUK FOH

Managing Director

PROFILE OF THE BOARD OF DIRECTORS

DATUK MOHAMED ARSAD BIN SEHAN

Chairman/Senior Independent Non-Executive Director

DATUK MOHAMED ARSAD BIN SEHAN, aged 62, is a Malaysian and was appointed to the Board on 4 November 2014. He is the Chairman and Senior Independent Non-Executive Director of Bertam Alliance Berhad. He is also a member of the Audit Committee and the Chairman of Nomination Committee. He holds a Bachelor of Economics (Statistics) from University of Malaya.

Datuk Mohamed Arsad had a long career of 31 years, from 1978 to 2009, in the banking industry with Bank Bumiputra Malaysia Berhad and Bank Kerjasama Rakyat Malaysia Berhad ("Bank Rakyat"). At Bank Rakyat, he held various senior management positions including that of General Manager of Commercial Banking, Assistant General Manager of Banking Operations, Sector Head of Financing and Division Head of Planning and Development and Corporate Services. He spent 7 years as the Managing Director and CEO of a private limited company dealing in the manufacture and supply of standby power systems on secondment from Bank Rakyat.

Currently Datuk Mohamed Arsad is the Executive Director of PureCircle Sdn Bhd, a Malaysian entity of the PureCircle group, the world leading producer and supplier of high purity, high intensity natural sweeteners and flavours made from stevia plant.

He is also a Director of SYF Resources Berhad, the Chairman of the Board of Bank Rakyat Employees Co-operative Berhad and Chairman of Koperasi Kumpulan Profesional Kuala Lumpur Berhad.

LIM NYUK FOH

Managing Director

LIM NYUK FOH, aged 51, is a Malaysian and was appointed to the Board on 17 October 2014. He is the Managing Director of Bertam Alliance Berhad.

He holds a Degree in Finance majoring in Investment from the University of Toledo, United States of America. Coming from a family involved in the timber business, he ventured into the trading of timber for the domestic and foreign market in 1989. In 1990, he founded Priceworth Industries Sdn. Bhd. to undertake the sawmilling and timber extraction business. He has over 20 years of extensive experience in the timber industry.

He is the founder and the Managing Director of Priceworth International Berhad and a Non-Independent Non-Executive Director of Sarawak Consolidated Industries Berhad. He also sits on the Board of several other private limited companies.

PROFILE OF THE BOARD OF DIRECTORS

(CONT'D)

YAP YEE MAY

Executive Director

YAP YEE MAY, aged 38, is a Malaysian and was appointed to the Board as Executive Director on 14 July 2014.

She holds a Bachelor of Science Degree in Applied Accounting from Oxford Brookes University, England. She started her career as Financial Analyst and left to join a tax research and consulting firm where she specialised in tax planning. She has vast experience in corporate exercise, taxation and financial management.

She does not hold directorship in other public listed companies. She also sits on the Board of several other private limited companies.

LEE KEH TING

Executive Director

LEE KEH TING, aged 52, is a Malaysian and was appointed to the Board as Executive Director on 8 May 2015. He holds a Bachelor of Engineering (Civil and Structural) from University of Newcastle, Australia.

Lee Keh Ting has extensive experience in project development. From 1988 to 1989, he was the Project Coordinator of Lam Soon Huat Bhd. In 1989, he left Lam Soon Huat Bhd to join MBF Property Services Sdn Bhd as an Assistant Project Manager. From 1991 to 1993, Lee Keh Ting was attached to Lion Group (Property Division) as a Project Manager. He has been running his own business since 1993.

He does not hold directorship in other public listed companies. He does not hold any shares in the Company.

LIM SHAW KEONG @ ALFRED LIM

Independent Non-Executive Director

LIM SHAW KEONG @ ALFRED LIM, aged 57, is a Malaysian and was appointed to the Board as Independent Non-Executive Director on 14 July 2014. He is also the Chairman of the Audit Committee and the Remuneration Committee.

He holds a Bachelor of Commerce from University of Canterbury, New Zealand. He is a Member of the Malaysian Institute of Accountants and Institute of Chartered Accountants of New Zealand. He is also a Fellow of the Chartered of Taxation Institute of Malaysia.

He has over 20 years of experience in statutory audit with a big four audit firm and has also experience in carrying out profit forecast reviews, share valuations, group consolidation, due diligence and taxation. He does not hold directorship in other public listed companies.

PROFILE OF THE BOARD OF DIRECTORS

(CONT'D)

CHIEW BOON CHIN

Independent Non-Executive Director

CHIEW BOON CHIN, aged 47, is a Malaysian and was appointed to the Board as Independent Non-Executive Director on 14 July 2014. He is also a member of the Audit Committee, Remuneration Committee and Nomination Committee.

He holds a Bachelor of Science Degree in Mathematics from University of Windsor, Ontario, Canada. He has various experience in product branding and marketing. He is currently an Administrative and Product Manager of an apparel distributor.

He does not hold directorship in other public listed companies.

KOO JENN MAN

Non-Independent Non-Executive Director

KOO JENN MAN, aged 41, is a Malaysian and was appointed to the Board as Non-Independent Non-Executive Director on 8 May 2015. He graduated from the University of Otago, New Zealand with a Bachelor of Commerce majoring in Accountancy. He was admitted to the membership of the Malaysian Institute of Accountants and Chartered Institute of Management Accountants in 2000.

Koo Jenn Man started his career as an audit assistant at PricewaterhouseCoopers, Kota Kinabalu in 1997. He was made a Senior Associate in 2000, a position he held for 3 years. In 2003, he joined Priceworth International Berhad ("Priceworth"), a public company listed on the Main Market that is involved in timber processing, log trading, shipyard, oil and gas.

He is currently the Executive Director of Priceworth and is responsible for overseeing the daily operations of the group and leading its Accounts and Finance Department.

He has direct shareholdings of 393,500 (0.19%) ordinary shares in 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.

GROUP FINANCIAL HIGHLIGHTS

Statements of Comprehensive Income (Financial Year Ended 31 December)	2014 RM'000	2013 RM'000	2012 RM'000	2011 RM'000	2010 RM'000
Revenue	40,140	32,104	41,301	72,309	60,274
Earnings before interest,tax, depreciation and amortisation	2,330	5,255	15,669	20,541	18,169
Profit before tax	2,001	4,785	15,206	19,965	17,388
Income tax benefit	(1,649)	(1,156)	(3,515)	(5,802)	(2,118)
Profit net of tax, representing total comprehensive income for the year	352	3,629	11,691	14,163	15,270
Profit attributable to:					
Shareholders of the Company	353	3,680	10,597	12,627	14,810
Non- controlling interest	(1)	(51)	1,094	1,536	460
	352	3,629	11,691	14,163	15,270

Statements of Financial Position (As At 31 December)	2014 RM'000	2013 RM'000	2012 RM'000	2011 RM'000	2010 RM'000
Total assets:					
Non-current assets	81,577	74,383	67,639	64,613	26,022
Current assets	186,180	156,490	161,594	162,497	159,482
	267,757	230,873	229,233	227,110	185,504
Total liabilities:					
Current liabilities	36,782	29,813	29,921	35,338	22,097
Non-current liabilities	59,610	27,979	29,860	26,776	10,056
	96,392	57,792	59,781	62,114	32,153
Net assets	171,365	173,081	169,452	164,996	153,351
Equity attributable to Shareholders of the Company:					
Share capital	206,756	206,756	206,756	206,756	206,756
Accumulated losses	(35,460)	(33,745)	(37,425)	(43,481)	(54,047)
	171,296	173,011	169,331	163,275	152,709
Non-controlling interest	69	70	121	1,721	642
Total equity	171,365	173,081	169,452	164,996	153,351
Loans and borrowings:					
Current	6,694	6,075	6,539	4,415	3,954
Non-current	51,615	21,345	22,102	18,900	2,993
	58,309	27,420	28,641	23,315	6,947

GROUP FINANCIAL INDICATORS

Profitability ratio (Financial Year Ended 31 December)		2014	2013	2012	2011	2010
Gross profit margin	(%)	18.51	19.83	42.45	30.32	28.18
Net profit margin	(%)	0.88	11.46	25.66	17.46	24.57
Return on assets	(%)	0.13	1.59	4.62	5.56	7.98
Return on equity	(%)	0.21	2.13	6.26	7.73	9.70

Market value ratio (Financial Year Ended 31 December)		2014	2013	2012	2011	2010
Earnings per share	(Sen)	0.17	1.78	5.13	6.11	7.16
Net asset per share	(RM)	0.83	0.84	0.82	0.79	0.74
Price earning (P/E) ratio	(Times)	388.24	37.08	11.31	8.18	8.94
Gross dividend per share	(Sen)	NA	1.00	2.00	1.00	1.50
Gross dividend yield	(%)	NA	1.52	3.45	2.00	2.34
*Share price as at financial year end	(Sen)	66	66	58	50	64

Solvency ratio (Financial Year Ended 31 December)		2014	2013	2012	2011	2010
Gearing ratio	(Times)	0.34	0.16	0.17	0.14	0.05
Interest cover	(Times)	17.82	19.24	48.04	56.91	33.80

*NA - Not Applicable

STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors (“the Board”) of Bertam Alliance Berhad is pleased to present its annual statement on corporate governance. In this statement, the Board demonstrates the application of the principles and recommendations set out in the Malaysian Code on Corporate Governance 2012 (“the Code”) into the board proceedings practiced by the Board.

BOARD ROLES AND RESPONSIBILITIES

The Board has the overall governance responsibilities to lead and control the Group. The Board reviews the business direction, development and control of the Group and has taken initiatives to embrace their fiduciary responsibilities in discharging its stewardship duties. Executive Directors are responsible to the Board for implementing operational and corporate decisions while the Non-Executive Directors are responsible for providing independent views, advice and judgment in consideration of the interests of shareholders at large in order to effectively check and balance the Board’s decision making process.

The Board has formalised its Board Charter. This Board Charter sets out, among others, the roles and responsibilities of the Board, delegation of authorities, strategic and financial functions including risk management and internal controls, human resource, evaluations and structures of the Board and Board Committees, as well as the relationship between the Board with Management and shareholders of the Company. In line with the recommendation of the Code, the Board has also formalised a corporate code of ethics.

Both Board Charter and Corporate Code of Ethics may be viewed at the Company’s website at <http://ir.chartnexus.com/bertamalliance/>.

Schedule of matters reserved for collective decision of the Board is also in place. This schedule of matter enable the Board to retain its authority of approval on significant matters such as the corporate exercises, award of material contract and acquisition and disposal of significant assets.

In enhancing stakeholders’ perception and public trust towards the conduct of the business, the Board recognises the importance of embracing aspects of environment, social and governance in conducting the Group’s business. The Company’s Sustainability Policy has been adopted in relation to the sustainable practice principles, board and management’s responsibilities and disclosure, which can be viewed from the Company’s website.

BOARD COMPOSITION

The principle of the Board composition is to maintain effective size of the board that reflects its responsibilities, dynamic, the representatives of the interests of shareholders and promotes common purpose and sense of sharing among its members.

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.

There were resignations and appointments of new board members during the year. The Nomination Committee assisted the Board in reviewing the candidates and recommended these candidates to the Board for review and approval.

As the Board is supportive of the gender diversity policy, due consideration is made in balancing its composition in the board vis-a-vis the Group business portfolio. Presently, the Board is made up of one (1) Managing Director, two (2) Executive Directors one (1) of whom is a female, three (3) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director making up seven (7) Directors in total. The profiles of each Director is presented on pages 9 to 11.

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 advice when necessary in furtherance of their responsibilities.

STATEMENT ON CORPORATE GOVERNANCE

(CONT'D)

BOARD COMMITTEES

The Board has established Audit Committee, Nomination Committee and Remuneration Committee. These Committees ensure greater attention, objectivity and independence are provided in the deliberations of specific board agenda. In order to ensure the direction and control of the Group is firmly within the Board, the Board has defined the terms of reference for each Committee. The Chairmen of the respective Board Committees would report to the Board during the Board meetings on significant matters and salient matters deliberated in the Committees. The terms of reference of the Board Committees are published on the corporate website (<http://ir.chartnexus.com/bertamalliance>) for shareholders' reference.

The Nomination Committee is entrusted with the responsibility of proposing and making recommendation for any new nominees to the Board. However, the responsibility of the appointment would remain with the full Board.

Two (2) meetings were held during the financial year by the Nomination Committee. Details of the activities undertaken by the Nomination Committee during the financial year are contained on page 25 of this Annual Report.

BOARD REMUNERATION

The Remuneration Committee considers and applies the principles recommended by the Code in determining the directors' remuneration. Executive Directors are remunerated based on the Group's performance, market conditions and their responsibilities whilst the remuneration of the Non-Executive Directors is determined in accordance with their experience and the level of responsibilities assumed.

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

Remuneration Bands	Current Directors	
	Executive	Non-Executive
RM50,000 and below	-	5
RM50,001 – RM100,000	-	1
RM100,001 – RM150,000	1	-
RM150,001 – RM200,000	1	-
RM450,001 – RM500,000	2	-

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

Directors	Fees* (RM)	Salaries (RM)	Bonuses (RM)	EPF (RM)	Benefit- in-kind/ Allowance (RM)	Total (RM)
Executive	93,685	957,500	100,000	116,100	4,500	1,271,785
Non-Executive	109,986	-	-	-	62,210	172,196
TOTAL	203,671	957,500	100,000	116,100	66,710	1,443,981

* The Directors' fees are related to financial year 2014.

The Board suggests Directors' fee of RM93,685 for Executive Directors and RM109,986 for Non-Executive Directors to be payable for financial year 2014, which shall be subject to shareholders' approval at the forthcoming AGM.

STATEMENT ON CORPORATE GOVERNANCE

(CONT'D)

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 has named Datuk Mohamed Arsad bin Sehan as Senior Independent Non-Executive Director for whom concerns can be conveyed by the stakeholders and shareholders of the Company.

The Board is satisfied with the level of independence of the independent directors presently. In order to uphold independence of Independent Directors, the Board would apply the following recommendation of the Code in assessing the independence and forming composition of the independent directors at the Board:

- i. To review annual self-assessment and declaration of independence of its independent directors; and
- ii. Subject to Board justification and shareholders' approval, to restrict tenure of independent directors to nine (9) years.

BOARD COMMITMENT

The fundamental of directors' commitment is devotion of time and continuous improvement of knowledge and skillsets.

The Board meets on a quarterly basis with additional meetings convened as and when necessary, to review the financial performance of the Group, business ventures and developments, governance and compliance matters. Board papers are circulated to the Board members to provide the Directors with relevant and timely information for deliberation on issues and to ensure effective discussions and decision makings during Board meetings.

During the financial year, six (6) Board meetings were held. The details of attendance by the Board members during their tenure of office is as below.

	Designation	No. of Meetings Attended/ No. of Meeting Held during Office
Current Directors		
Datuk Mohamed Arsad bin Sehan (appointed on 4 November 2014)	Senior Independent Non-Executive Chairman	1/1
Lim Nyuk Foh (appointed on 17 October 2014)	Managing Director	1/1
Yap Yee May (appointed on 14 July 2014)	Executive Director	2/2
Lim Shaw Keong @ Alfred Lim (appointed on 14 July 2014)	Independent Non-Executive Director	2/2
Chiew Boon Chin (appointed on 14 July 2014)	Independent Non-Executive Director	2/2

STATEMENT ON CORPORATE GOVERNANCE

(CONT'D)

	Designation	No. of Meetings Attended/ No. of Meeting Held during Office
Former Directors		
Hamdan bin Yahya <i>(resigned on 20 June 2014)</i>	Independent Non-Executive Director	3/3
Wu Ching Min @ Goh Ching Min <i>(resigned on 15 October 2014)</i>	Chairman/ Independent Non-Executive Director	5/5
Khoo Hui Giok <i>(resigned on 15 October 2014)</i>	Non-Independent Non-Executive Director	5/5
Tan Ai Tong <i>(resigned on 14 April 2015)</i>	Executive Director	6/6
Low Yew Hwa <i>(resigned on 30 April 2015)</i>	Executive Director	6/6

Directors recognise the needs to attend trainings to enable the directors to discharge their duties effectively. 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. Below are the trainings attended by the present Directors during the financial year:

Director	Training Attended
Datuk Mohamed Arsad bin Sehan	<ul style="list-style-type: none"> GST Workshop
Lim Nyuk Foh	<ul style="list-style-type: none"> Goods and Services Tax (GST)
Yap Yee May	<ul style="list-style-type: none"> 10th Tricor Tax & Corporate Seminar Mandatory Accreditation Programme for Directors of Public Listed Companies
Lim Shaw Keong @ Alfred Lim	<ul style="list-style-type: none"> Mandatory Accreditation Programme for Directors of Public Listed Companies Understanding GST and Updates in Malaysia 2015 Budget Seminar
Chiew Boon Chin	<ul style="list-style-type: none"> Mandatory Accreditation Programme for Directors of Public Listed Companies GST Implementation Workshop

FINANCIAL REPORTING

The Audit Committee has the responsibility to ensure the Group's financial statements comply with applicable financial reporting standards. The Company has opted to defer the adoption of the new Malaysian Financial Reporting Standards (MFRS Framework) and planned to prepare its first MFRS financial statements using the MFRS Framework for the financial year ending 31 December 2017.

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.

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 Annual General Meeting.

STATEMENT ON CORPORATE GOVERNANCE

(CONT'D)

RISK MANAGEMENT

The Board acknowledges that risk management is an integral part of effective management practice. Risk is inherent in all business activities, but it is not the Group's objective to eliminate risk totally. The underlying risk management principle of the Group is to balance the cost and benefit of managing and treating risks. There is an on-going process in place to identify, evaluate, and manage the key risk faced by the Group and the Board reviews the key risk highlighted on a regular basis to ensure the relevant action is taken to mitigate the risk of the Group.

Further details of the Group's systems of risk management and internal control are reported in the Statement on Risk Management and Internal Control on page 24.

CORPORATE DISCLOSURE

Corporate information is important for investors and shareholders. The Board is advised by management, the Company Secretary and the External and Internal Auditors on the contents and timing of disclosure requirements of the Listing Requirements on financial results and various announcements.

Besides ensuring timely releases of quarterly financial results, circulars, annual reports, corporate announcement and press releases on Bursa's website, the Board uses its corporate website to communicate, disseminate and provide further information and details on the governance reporting. Further, pursuant to Para 9.25 of the Listing Requirements, publication of those static and principal governance information such as charter and board committees' terms of reference are transferred from annual report to the Company's website in order to reduce dilution of impact of issues discussed in the annual report.

SHAREHOLDERS' RIGHTS

The Board strongly encourages all shareholders to participate in the general meeting. Shareholders are advised that general meeting enable them to exercise their rights. During general meeting, shareholders may raise questions for each proposed resolution and on matters relating to the Group's businesses and affairs. Members of the Board would be present at the general meetings to respond to shareholders' queries.

Shareholders are also advised that they have the right to demand a poll vote at general meetings. Poll voting is mandated for related party transactions that require shareholders' approval.

The Board would respond to meetings with institutional shareholders, analysts and members of the press to convey information regarding the Group's performance and strategic direction as and when requested.

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.

In the preparation of the financial statements for the financial year ended 31 December 2014, 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.

STATEMENT ON CORPORATE GOVERNANCE

(CONT'D)

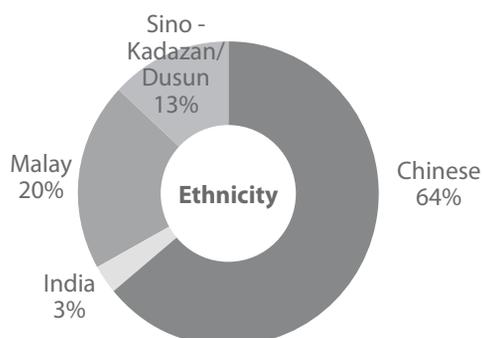
WORKPLACE DIVERSITY

Diversity is important for our strategy in ensuring sustainable business success. The Board and management are committed to embrace diversity at workplace by providing equal employment opportunity to employees regardless of their age, gender and ethnicity.

The Group's Workforce Diversity Policy defines the employment practices and prohibition for discrimination and harassment at workplace and requires our employees to be treated fairly. The Board views violation of the policy strongly and encourages employees to whistle blow any wrong doings.

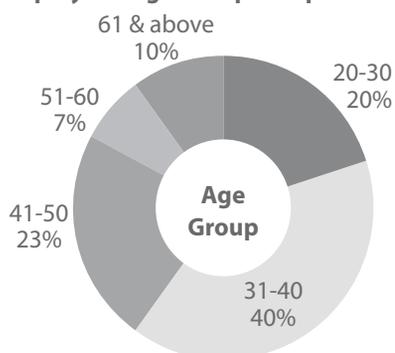
Following diagrams illustrate the composition of the ethnicity, age and gender of our employees (excluding the members of the Board) as at 15th May 2015 in the Group.

A) Employee's Ethnicity Composition



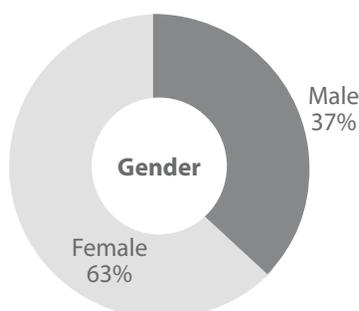
Race	Total Number
Chinese	19
Malay	6
Sino - Kadazan / Dusun	4
Indian	1

B) Employee's Age Group Composition



Age Group	Total Number
20 – 30 years	6
31 – 40 years	12
41-50 years	7
51-60 years	2
61 years and above	3

C) Employee's Gender Composition



Gender	Total Number
Female	19
Male	11

STATEMENT ON CORPORATE GOVERNANCE

(CONT'D)

ADDITIONAL COMPLIANCE INFORMATION

1. Utilisation of Proceeds

On 24 July 2014, Bertam Alliance Berhad (“Bertam”) had announced that a proposed disposal by UH Capital Sdn Bhd, a wholly-owned subsidiary of Bertam, of eight (8) parcels of freehold vacant land held under Lot 186 Geran 217688 (formerly under Geran 24697), Lot 2734 Geran 218521 (formerly under Geran 52430), Lot 10725 Geran 219932 (formerly under Geran 97219), Lot 11613 Geran Mukim 545 (formerly under Geran Mukim 327), Lot 5492 Geran Mukim 5932 (formerly under Geran Mukim 5833), Lot 5493 Geran Mukim 5934 (formerly under Geran Mukim 5834), Lot 14129 Geran 218574 (formerly under Geran 60082), Lot 8111 Geran 218580 (formerly under Geran 60247), all located in Mukim of Serom and District of Ledang and State of Johor to KT Lee Properties Sdn Bhd for a total consideration of RM63,500,000. On 26 November 2014, the management has obtained the approval of shareholders of Bertam at an extraordinary general meeting on the proposed disposal. At the date of this annual report, the proposed disposal has not been completed.

2. Share Buybacks

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

3. Options, 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. Profit Estimates, Forecast or Projection

There was no material variance between the audited 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 Contracts

There were no material contracts entered into by the Company or its subsidiaries involving Directors or major shareholders' interests during the financial year.

9. Employee Share Scheme/ Share Issuance Scheme

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

10. Recurrent Related Party Transaction (“RRPT”)

On 20 June 2014, 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.

AUDIT COMMITTEE REPORT

1. COMPOSITION OF AUDIT COMMITTEE

The table below shows the changes in the composition of the Audit Committee ("AC") during the year.

Name	Designation	Directorship
Lim Shaw Keong @ Alfred Lim <i>(appointed as member on 20 August 2014)</i> <i>(redesignated to Chairman on 15 October 2014)</i>	Chairman	Independent Non-Executive Director
Datuk Mohamed Arsad bin Sehan <i>(appointed on 17 November 2014)</i>	Member	Senior Independent Non-Executive Director
Chiew Boon Chin <i>(appointed on 17 November 2014)</i>	Member	Independent Non-Executive Director
Wu Ching Min @ Goh Ching Min <i>(resigned on 15 October 2014)</i>	Chairman	Independent Non-Executive Director
Khoo Hui Giok <i>(resigned on 15 October 2014)</i>	Member	Non Independent Non-Executive Director
Hamdan bin Yahya <i>(resigned on 20 June 2014)</i>	Chairman	Independent Non-Executive Director

2. TERMS OF REFERENCE

The terms of reference of the Audit Committee substantially remain unchanged. Pursuant to Paragraph 9.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, these terms of reference is published on the corporate website (<http://ir.chartnexus.com/bertamalliance>) for shareholders' reference.

3. AUDIT COMMITTEE MEETINGS ATTENDANCE

During the financial year ended 31 December 2014, the Audit Committee convened a total of five (5) meetings. The attendance of the Committee members during their tenure of office is as follows:-

Current Directors	No. of Meetings Attended / No. of Meeting held during office
Lim Shaw Keong @ Alfred Lim <i>(appointed on 20 August 2014)</i>	2/2
Datuk Mohamed Arsad bin Sehan <i>(appointed on 17 November 2014)</i>	1/1
Chiew Boon Chin <i>(appointed on 17 November 2014)</i>	1/1

AUDIT COMMITTEE REPORT

(CONT'D)

Former Directors	No. of Meetings Attended / No. of Meeting held during office
Wu Ching Min @ Goh Ching Min <i>(resigned on 15 October 2014)</i>	4/4
Khoo Hui Giok <i>(resigned on 15 October 2014)</i>	4/4
Hamdan bin Yahya <i>(resigned on 20 June 2014)</i>	3/3

4. ACTIVITIES OF THE AUDIT COMMITTEE

The key activities undertaken by the Audit Committee during the financial year were summarised as follows:-

- (a) 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 Bursa Securities;
- (b) Reviewed the annual audited financial statements of the Group and Company with the external auditors prior to submission to the Board for their consideration and approval;
- (c) Reviewed External Auditors' Audit Planning Memorandum and discussed with External Auditors on issues arising from the statutory audit and their recommendations thereof;
- (d) Conducted a meeting with the External Auditors without the presence of the Executive Directors and employees of the Group;
- (e) Reviewed and approved the Internal Audit Plan;
- (f) Reviewed the internal audit reports and considered the findings and recommendations and management's response thereto;
- (g) Reviewed board policies and procedures on corporate disclosure procedures, evaluation of external auditors and management succession plan;
- (h) Reviewed the Statement on Corporate Governance, Audit Committee Report and Statement on Risk Management and Internal Control prior to submission to the Board for consideration and approval for inclusion in the Annual Report;
- (i) Reviewed the quarterly status of recurrent related party transactions; and
- (j) 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 internal audit function of the Group is outsourced to a professional service firm. The internal audit function is independent of the Company's operations and reports directly to the Audit Committee.

The audit reports containing audit findings and recommendations together with management's responses were circulated to all members of the Audit Committee. Areas of improvement identified were communicated to the management for further action. Follow-up audit reviews were conducted to ensure previous audit recommendations were timely implemented by management as agreed.

During the financial year, the Internal Auditors have presented an internal audit plan and conducted internal control reviews on key operating functions and procedures. The areas of audit review carried out are as follows:-

- Project Management at Bukit Indah
- Project Management at Casabella
- Rental, Stock and Debtors
- Rubber Plantation Project at Gemencheh
- Recurrent Related Party Transactions

The cost incurred for the internal audit function in the financial year was RM39,667(2013: RM39,612).

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors of Bertam Alliance Berhad (“the Board”) is pleased to present its Statement on Risk Management and Internal Control for the financial year ended 31 December 2014. This Statement is prepared pursuant to paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and guided by the latest “Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers” (“Guidelines”) issued by the Task Force on Internal Control with the support and endorsement of Bursa Securities.

BOARD AND MANAGEMENT RESPONSIBILITIES IN RISK MANAGEMENT AND INTERNAL CONTROL

The Board understands the principal risks of the business that the Group involves and accepts the necessity of incurrence and balancing of risk in order to reward the shareholders. The Board derives its comfort of the state of risk management and internal control of the Group from the following processes and information:

- Periodic review of financial information covering financial performance and quarterly financial results;
- Operational information and updates provided by management during the board meetings;
- Audit Committee’s review and consultation with management on the integrity of the financial results, annual report and audited financial statements;
- Audit findings and reports on the review of systems of internal control from the Internal Auditors;
- Management assurance that the Group’s risk management and internal control systems have been operating adequately and effectively, in all material respects; and
- Director representations on the boards of the companies in which the Group has investment.

Management is responsible to the Board for identifying risks relevant to the business, implementing and maintaining sound systems of risk management and internal control and monitoring and reporting to the Board of significant control deficiencies and risks that could significantly affect the Group’s performance. In making this Statement, Managing Director and Executive Director have represented to the Board 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

For the financial year under review, the Board is satisfied that the existing level of systems of risk management and internal control are effective to enable the Group to achieve its business objectives and there were no material losses resulted from significant control weaknesses that would require separate disclosure in the Annual Report. The Board recognises that the systems of risk management and internal control should be continuously improved in line with the evolving business development. Nonetheless, it should 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 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 process adopted by the Board in reviewing the adequacy and integrity of the systems of risk management and internal control of the Group.

STATEMENT BY NOMINATION COMMITTEE

This statement is made by the Nomination Committee of the Board in pursuance to Paragraph 15.08A of the Listing Requirements.

The Nomination Committee is responsible for reviewing annually the effectiveness, contribution and performance of the Board, Board Committees and individual Board members as well as the independence of Independent Directors. The objective of this review is to facilitate the assessment of size and composition of the Board and the needs and expectations of the stakeholders and the Listing Requirements.

The present members of the Nomination Committee are as follows. These committee members comprises exclusively of independent non-executive directors.

Name	Designation	Directorship
Datuk Mohamed Arsad bin Sehan <i>(appointed on 17 November 2014)</i>	Chairman	Senior Independent Non-Executive Director
Chiew Boon Chin <i>(appointed on 20 August 2014)</i>	Member	Independent Non-Executive Director

The performance evaluation of the Board is conducted by way of self-assessment. Each director is given a set of questionnaire covering assessments for the Board, Board Committee, individual director and independence assessments for Independent Directors. Directors are required to fill out these questionnaires and provide their feedback, views, commentary and suggestions for improvement. The results of these self-assessments questionnaires is compiled by the Company Secretary and tabled to the Nomination Committee for review and deliberation.

The assessment criteria applied in the assessments include integrity, availability, meeting preparation and attendance, board participation, business planning contribution, public relation and teamwork. As part of this performance evaluation, the Nomination Committee will also identify and propose the training needs for strengthening the competency of the Board.

All directors are required to retire but are eligible to submit themselves for re-election at least once in every three years. Before recommending the retiring directors to the Board for re-election, the Nomination Committee will review and report the performance assessment of the retiring directors to the Board and retiring directors shall abstain from deliberation of their performance.

During the financial year, the Nomination Committee has conducted two (2) meetings. At the meeting, the Nomination Committee:

- i. Assessed the effectiveness of the Board as a whole, the Committee of the Board and the contribution of each individual directors based on the:-
 - Directors' Evaluation Form
 - Board & Board Committee Evaluation Form
 - Board Skills Matrix Form
 - Audit Committee Members' Self and Peer Evaluation
 - Audit Committee Evaluation Questionnaire
- ii. Reviewed the existing composition having regard to the mixed skills, independence and diversity of the Board and its Committee;
- iii. Reviewed and reported to the Board on the annual declaration of independence by Independent Directors for continual adherence to the independence criteria of the listing requirements;
- iv. Reviewed and recommended to the Board for re-election of retiring directors in AGM;
- v. Accepted the resignation of an Independent Director who served more than nine (9) years and to assist the Board in identifying a suitable candidate for replacement; and
- vi. Reviewed the qualifications, character, integrity, competence, professionalism, experience of the nominated Executive Director and three (3) Independent Non-Executive Directors and proposed their appointment to the Board.



FINANCIAL STATEMENTS

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32	Independent Auditors' Report
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35	Statements of Financial Position
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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 2014.

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	351,595	5,406,177
Profit attributable to:		
Shareholders of the Company	352,799	5,406,177
Non-controlling interests	(1,204)	-
	351,595	5,406,177

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 2013 of 1 sen per share on 206,756,497 ordinary shares, amounting to dividend payable of RM 2,067,565, was approved by the Board of Directors on 26 February 2014 and paid on 28 March 2014.

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:

DATUK MOHAMED ARSAD BIN SEHAN	<i>(Appointed on 04.11.2014)</i>
LIM NYUK FOH	<i>(Appointed on 17.10.2014)</i>
TAN AI TONG	<i>(Resigned on 14.04.2015)</i>
LOW YEW HWA	
YAP YEE MAY	<i>(Appointed on 14.07.2014)</i>
LIM SHAW KEONG @ ALFRED LIM	<i>(Appointed on 14.07.2014)</i>
CHIEW BOON CHIN	<i>(Appointed on 14.07.2014)</i>
HAMDAN BIN YAHYA	<i>(Resigned on 20.06.2014)</i>
KHOO HUI GIOK	<i>(Resigned on 15.10.2014)</i>
WU CHING MIN @ GOH CHING MIN	<i>(Resigned on 15.10.2014)</i>

DIRECTORS' BENEFITS

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

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors or the fixed salary of a full-time employee of the Company as shown in Note 10 to the financial statements) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in Note 29 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 1.1.2014	Acquired	Sold	As at 31.12.2014
Deemed Interest:				
Ordinary shares of the Company				
TAN AI TONG*	4,262,000	-	(354,100)	3,907,900

* 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 36 to the financial statements.

AUDITORS

The auditors, Messrs. STYL Associates, have indicated that they do not wish to seek for re-appointment.

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

LIM NYUK FOH

YAP YEE MAY

DATE: 22 April 2015

STATEMENT BY DIRECTORS

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

We, **LIM NYUK FOH** and **YAP YEE MAY**, 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 34 to 94 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 2014 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 38 to the financial statements on page 95 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,

LIM NYUK FOH

YAP YEE MAY

DATE: 22 April 2015

STATUTORY DECLARATION

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

I, **LIM NYUK FOH**, 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 34 to 95, are in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the }
abovenamed **LIM NYUK FOH** }
at Petaling Jaya in the Selangor Darul Ehsan }
this day of 22 April 2015 }
_____ }

Before me:

LIM NYUK FOH

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 financial statements of BERTAM ALLIANCE BERHAD, which comprise the statements of financial position as at 31 December 2014 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 34 to 94.

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 2014 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.
- 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERTAM ALLIANCE BERHAD (COMPANY NO. 305530-A) (INCORPORATED IN MALAYSIA) (CONT'D)

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

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
[FIRM NO: AF-1929]
CHARTERED ACCOUNTANTS

SI CHAY BENG
CHARTERED ACCOUNTANT
APPROVAL NO.1200/08/16 (J)

KUALA LUMPUR
DATE: 22 April 2015

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	GROUP		COMPANY	
		2014 RM	2013 RM	2014 RM	2013 RM
Revenue	4	40,139,743	32,104,215	5,624,521	1,880,286
Cost of sales	5	(32,710,125)	(25,737,450)	-	-
Gross profit		7,429,618	6,366,765	5,624,521	1,880,286
Other income	6	1,450,775	1,775,518	3,064,584	3,339,827
Administrative expenses		(6,353,527)	(3,013,096)	(3,282,928)	(2,154,775)
Finance costs	7	(118,930)	(262,370)	-	-
Share of results of associates		(407,502)	(81,939)	-	-
Profit before tax	8	2,000,434	4,784,878	5,406,177	3,065,338
Income tax expense	11	(1,648,839)	(1,156,315)	-	-
Profit net of tax, representing total comprehensive income for the year		351,595	3,628,563	5,406,177	3,065,338
Profit attributable to:					
Shareholders of the Company		352,799	3,679,450	5,406,177	3,065,338
Non-controlling interests		(1,204)	(50,887)	-	-
		351,595	3,628,563	5,406,177	3,065,338
Earnings per share attributable to shareholders of the Company (sen per share)					
Basic	12	0.17	1.78		

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2014

	Note	GROUP		COMPANY	
		2014 RM	2013 RM	2014 RM	2013 RM
ASSETS					
Non-current assets					
Property, plant and equipment	13	7,322,521	622,344	6,192,673	10,856
Land held for property development	14	71,142,436	68,709,351	-	-
Goodwill on consolidation	15	-	-	-	-
Investment in subsidiaries	16	-	-	109,353,920	109,353,920
Investment in associates	17	-	4,965,061	-	-
Other investments	18	3,112,500	86,000	-	-
Trade and other receivables	20	-	-	39,187,385	36,101,384
Total non-current assets		81,577,457	74,382,756	154,733,978	145,466,160
Current assets					
Property development costs	14	100,438,910	64,494,776	-	-
Inventories	19	7,359,473	3,923,207	-	-
Trade and other receivables	20	57,676,826	59,792,696	4,445,613	3,196,691
Other current assets	21	5,442,308	5,189,239	-	-
Tax recoverable		3,892,369	365,889	72,144	30,728
Cash and bank balances	23	11,370,009	22,724,357	47,201	41,067
Total current assets		186,179,895	156,490,164	4,564,958	3,268,486
TOTAL ASSETS		267,757,352	230,872,920	159,298,936	148,734,646
EQUITY AND LIABILITIES					
Current liabilities					
Loans and borrowings	24	6,693,774	6,074,985	-	-
Trade and other payables	25	28,834,685	23,197,368	9,708,386	2,482,708
Other current liabilities	26	719,228	-	-	-
Income tax payable		534,223	540,835	-	-
Total current liabilities		36,781,910	29,813,188	9,708,386	2,482,708
Net current assets		149,397,985	126,676,976	(5,143,428)	785,778

The accompanying Notes form an integral part of the Financial Statements

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2014 (CONT'D)

	Note	GROUP		COMPANY	
		2014 RM	2013 RM	2014 RM	2013 RM
Non-current liabilities					
Loans and borrowings	24	51,615,439	21,344,776	-	-
Trade and other payables	25	2,556,028	932,095	-	-
Deferred tax liabilities	27	5,439,075	5,701,991	-	-
Total non-current liabilities		59,610,542	27,978,862	-	-
TOTAL LIABILITIES		96,392,452	57,792,050	9,708,386	2,482,708
Equity attributable to shareholders of the Company					
Share capital	28	206,756,497	206,756,497	206,756,497	206,756,497
Accumulated losses		(35,460,200)	(33,745,434)	(57,165,947)	(60,504,559)
Non-controlling interests		171,296,297 68,603	173,011,063 69,807	149,590,550 -	146,251,938 -
TOTAL EQUITY		171,364,900	173,080,870	149,590,550	146,251,938
TOTAL EQUITY AND LIABILITIES		267,757,352	230,872,920	159,298,936	148,734,646

The accompanying Notes form an integral part of the Financial Statements

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2014

	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 2013		206,756,497	(37,424,884)	169,331,613	120,694	169,452,307
Total comprehensive income		-	3,679,450	3,679,450	(50,887)	3,628,563
At 31 December 2013		206,756,497	(33,745,434)	173,011,063	69,807	173,080,870
Total comprehensive income		-	352,799	352,799	(1,204)	351,595
Dividends on ordinary shares	35	-	(2,067,565)	(2,067,565)	-	(2,067,565)
At 31 December 2014		206,756,497	(35,460,200)	171,296,297	68,603	171,364,900

	Note	Share Capital RM	Accumulated Losses RM	Total Equity RM
COMPANY				
At 1 January 2013		206,756,497	(63,569,897)	143,186,600
Total comprehensive income		-	3,065,338	3,065,338
At 31 December 2013		206,756,497	(60,504,559)	146,251,938
Total comprehensive income		-	5,406,177	5,406,177
Dividends on ordinary shares	35	-	(2,067,565)	(2,067,565)
At 31 December 2014		206,756,497	(57,165,947)	149,590,550

The accompanying Notes form an integral part of the Financial Statements

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2014

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Cash flows from operating activities				
Profit before tax	2,000,434	4,784,878	5,406,177	3,065,338
Adjustment for:				
Bad debts written off	68,667	13,375	-	-
Interest expenses	118,930	262,370	-	-
Interest income	(825,644)	(1,562,582)	-	-
Deposit written off	-	30,720	-	-
Depreciation of plant and equipment	209,773	208,302	5,807	1,219
Plant and equipment written off	42,490	372	15	-
Impairment loss on investment in quoted shares	1,479,738	-	-	-
Interest income on amount due from subsidiaries	-	-	(3,052,584)	(2,813,441)
(Loss)/Gain on disposal of plant and equipment	6,333	(99,999)	-	-
Gain on disposal of associates	(489,441)	-	-	-
Loss on disposal of subsidiaries (Note 16(a))	-	2,817	-	-
Reversal of impairment loss on amount due from a subsidiary	-	-	(12,000)	(526,386)
Share of results of associates	407,502	-	-	-
Operating cash flows before changes in working Capital	3,018,782	3,640,253	2,347,415	(273,270)
Changes in working capital:				
Inventories	(3,436,266)	(1,519,630)	-	-
Property development	(35,944,134)	2,400,810	-	-
Trade and other receivables	2,047,204	(26,621,042)	(1,270,339)	(522,080)
Other current assets	(253,070)	(3,497,462)	-	-
Other current liabilities	719,228	(6,775,123)	-	-
Trade and other payables	7,261,251	7,267,562	7,225,678	722,845
Net cash flows (used in)/generated from operations	(26,587,005)	(25,104,632)	8,302,754	(72,505)
Income taxes paid, net of refunded	(5,444,849)	(2,589,705)	(41,416)	37,272
Net cash flows (used in)/generated from operating activities	(32,031,854)	(27,694,337)	8,261,338	(35,233)

The accompanying Notes form an integral part of the Financial Statements

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2014 (CONT'D)

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Cash flows from investing activities				
Purchase of:				
- plant and equipment (Note a)	(6,553,773)	(47,333)	(6,187,639)	(4,305)
- land held for property development	(2,433,085)	(1,940,577)	-	-
Proceeds from disposal of plant and equipment	8,000	100,000	-	-
Net cash inflow on disposal of a subsidiary	(4,506,237)	226	-	-
Proceeds from disposal of associates/Investment in associates	5,047,000	(5,047,000)	-	-
Interest received	825,644	1,562,582	-	-
Net cash flows used in investing activities	(7,612,451)	(5,372,102)	(6,187,639)	(4,305)
Cash flows from financing activities				
Repayment of hire purchase payables	(114,921)	(103,905)	-	-
Proceeds from loans and borrowings	35,500,000	1,000,000	-	-
Repayment of loans and borrowings	(5,032,160)	(1,103,351)	-	-
Dividends paid to shareholders	(2,067,565)	-	(2,067,565)	-
Interest paid	(118,930)	(262,370)	-	-
Net cash flows generated from/(used in) financing activities	28,166,424	(469,626)	(2,067,565)	-
Net (decrease)/increase in cash and cash equivalents	(11,477,881)	(33,536,065)	6,134	(39,538)
Cash and cash equivalents at beginning of year	18,316,590	51,852,655	41,067	80,605
Cash and cash equivalents at end of year (Note 23)	6,838,709	18,316,590	47,201	41,067

Note a

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

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Hire purchase	413,000	-	-	-
Cash	6,553,773	47,333	6,187,639	4,305
	6,966,773	47,333	6,187,639	4,305

The accompanying Notes form an integral part of the Financial Statements

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

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 VSQ Corporate Tower, Level 13A, Unit 2-13A-02, 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 1 January 2014 as described fully as 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 January and 1 July 2014.

Effective for financial 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
- Amendments to FRS 136: Recoverable Amount Disclosures for Non-Financial Assets
- Amendments to FRS 139: Novation of Derivatives and Continuation of Hedge Accounting
- IC Interpretation 21: Levies

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

- Annual Improvements to FRSs 2010 – 2012 Cycle
- Annual Improvements to FRSs 2011 – 2013 Cycle
- Amendments to FRS 119: Defined Benefit Plans (Employee Contributions)

Adoption of the new FRSs, Amendments to FRSs, Improvements to FRSs and IC Interpretations did not have significant impacts on the financial statements of the Group and of the Company in the period upon their initial application.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of preparation (cont'd)

Standards and interpretations issued but not yet effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Effective for financial periods beginning on or after 1 January 2016:

- Annual Improvements to FRSs 2012-2014 Cycle
- Amendments to FRS 10 and FRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to FRS 10, FRS 12 and FRS 128: Investment Entities
- Amendments to FRS 11: Accounting for Acquisitions of Interests in Joint Operations
- Amendments to FRS 14: Regulatory Deferral Accounts
- Amendments to FRS 101: Disclosure Initiative
- Amendments to FRS 116 and FRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to FRS 127: Equity Method in Separate Financial Statements
- Amendments to FRS 136: Recoverable Amount Disclosures for Non-Financial Assets

Effective for financial periods beginning on or after 1 January 2018:

- FRS 9: Financial Instruments

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 Company.

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 2017. 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 2017. The Group and the Company will prepare their first MFRSs financial statements using the MFRSs Framework for the financial year ending 31 December 2017.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of preparation (cont'd)

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

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 2017 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Basis of consolidation (cont'd)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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:

	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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Intangible assets (cont'd)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Subsidiaries

A subsidiary company is an entity controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible, are considered when assessing whether the Company has the power to govern the financial and operating policies of another entity.

In the Company's separate financial statements, investment in subsidiary companies is stated at cost less impairment losses. Impairment losses are charged to the profit or loss.

On disposal, the difference between the net disposal proceeds and the carrying amount of the subsidiary company's consolidated net assets disposed of is taken to the profit or loss.

(h) Associated company

An associated company is an entity in which the Group has significant influence and that is neither a subsidiary company nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has significant influence.

In the Company's separate financial statements, investments in associated companies are stated at cost less impairment losses. Impairment losses are charged to profit or loss.

On disposal, the difference between the net disposal proceeds and the carrying amount of the associated company disposed is taken to the profit or loss.

Investment in associated company is accounted for in the consolidated financial statements by the equity method of accounting. Under the equity method, the investment in associated company is initially recognised at cost and adjusted thereafter for post-acquisition changes in the Group's share of net assets of the associated company.

The Group's share of net profits or losses and changes recognised directly in the equity of the associated company is recognised in the consolidated profit or loss and consolidated statement of changes in equity, respectively.

An investment in an associated company is accounted for using the equity method from the date on which the Group obtains significant influence until the date the Group ceases to have significant influence over the associated company.

Premium relating to an associated company is included in the carrying value of the investment and it is not tested for impairment separately. Instead, the entire carrying amount of the investment is tested for impairment accordingly.

Discount on acquisition is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associated company's profit or loss in the period in which the investment is acquired.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Associated company (cont'd)

Unrealised gains on transaction between the Group and its associated company are eliminated to the extent of the Group's interest in the associated company. Unrealised losses are also eliminated to the extent of the Group's interest, unless the transaction provides evidence of impairment of the asset transferred.

Equity accounting is discontinued when the carrying amount of the investment in an associated company diminishes by virtue of losses to zero, unless the Group has incurred legal or constructive obligations or made payments on behalf of the associated company.

The results and reserves of associated company is accounted for in the consolidated financial statements based on audited financial statements made up to the end of the financial year and prepared using accounting policies that conform to those used by the Group for like transactions in similar circumstances.

(i) Financial assets

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

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

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

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Financial assets (cont'd)

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Financial assets (cont'd)

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.

(j) 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.

(k) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Construction contracts

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

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

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

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

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

(m) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

(ii) Property development costs (cont'd)

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

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

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

The excess of revenue recognised in the 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.

(n) 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.

(o) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) 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.

(r) 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.

(s) 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.

(t) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(t) Leases (cont'd)

(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 (u) (vi).

(u) 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(l).

(ii) Sales of properties

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

(v) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(v) Income taxes (cont'd)

(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.

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(w) Segment reporting

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

(x) 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.

(y) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014 (CONT'D)

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

(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.

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 20.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014 (CONT'D)

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

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

(d) Construction contracts

The Group recognises contract revenue by reference to the stage of completion of the contract activity at the 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 22 to the financial statements.

(e) Income taxes

Significant estimation is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and the Company recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Details of income tax expenses are disclosed in Note 11 to the financial statements.

(f) Deferred taxation

Deferred tax assets are recognised for all unutilised tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses, capital allowances and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details are contained in Note 27 to the financial statements.

4. REVENUE

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Construction revenue	15,680,728	21,354,937	-	-
Sale of properties	24,459,015	10,749,278	-	-
Administrative fees	-	-	2,302,921	1,695,086
Support service fees	-	-	321,600	185,200
Gross dividend income from a subsidiary	-	-	3,000,000	-
	40,139,743	32,104,215	5,624,521	1,880,286

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014 (CONT'D)

5. COST OF SALES

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

6. OTHER INCOME

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Interest income from:				
- amount due from subsidiaries	-	-	3,052,584	2,813,441
- short term deposits	785,305	1,372,500	-	-
- sales of properties	40,339	190,082	-	-
- compensation	20,330	-	-	-
Rental income	78,520	73,380	-	-
Gain on disposal of associates	489,441	-	-	-
Gain on disposal of plant and equipment	-	99,999	-	-
Administrative income	27,500	21,250	-	-
Reversal of impairment loss on amount due from a subsidiary (Note 20(c))	-	-	12,000	526,386
Miscellaneous income	9,340	18,307	-	-
	1,450,775	1,775,518	3,064,584	3,339,827

7. FINANCE COSTS

	GROUP	
	2014 RM	2013 RM
Interest expense on:		
- bank loans and overdrafts	96,987	236,219
- hire purchase	21,943	26,151
	118,930	262,370

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014 (CONT'D)

8. PROFIT BEFORE TAX

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

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Audit fee:				
Group auditors				
- current	101,800	94,000	61,000	55,000
Other auditors				
- current	34,700	34,800	-	-
- under/(over)provision in prior years	2,400	(1,800)	-	-
Depreciation of plant and equipment (Note 13)	209,773	208,302	5,807	1,219
Plant and equipment written off	42,490	372	15	-
Loss on disposal of plant and equipment	6,333	-	-	-
Loss on disposal of a subsidiary (Note 16(a))	-	2,817	-	-
Rental of buildings	187,751	84,000	109,465	84,000
Rental of equipment	930	-	-	-
Impairment loss on financial assets:				
- Investment in quoted shares	1,479,738	-	-	-
Employee benefits expense (Note 9)	2,276,927	1,559,122	2,120,297	1,559,122
Non-executive Directors' remuneration (Note 10)	172,196	143,250	172,196	143,250
Deposits written off	-	30,720	-	-
Bad debts written off	68,667	13,375	-	-

9. EMPLOYEE BENEFITS EXPENSE

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Wages, salaries and allowance	2,047,910	1,420,349	1,909,835	1,420,349
Social security contributions	8,887	6,879	6,989	6,879
Contributions to defined contribution plans	221,650	131,838	204,993	131,838
Other benefits	(1,520)	56	(1,520)	56
	2,276,927	1,559,122	2,120,297	1,559,122

Included in employee benefits expense of the Group and the Company are executive Directors' remuneration amounting to RM1,271,785 (2013 – RM831,500).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014 (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	
	2014 RM	2013 RM	2014 RM	2013 RM
Directors of the Company				
<i>Executive:</i>				
Salaries and other emoluments	957,500	600,000	957,500	600,000
Fees	93,685	70,000	93,685	70,000
Bonus	100,000	100,000	100,000	100,000
Defined contribution plans	116,100	57,000	116,100	57,000
Total executive Directors' remuneration (excluding benefits-in-kind)	1,267,285	827,000	1,267,285	827,000
Estimated money value of benefits-in-kind	4,500	4,500	4,500	4,500
Total executive Directors' remuneration (including benefits-in-kind) (Note 9)	1,271,785	831,500	1,271,785	831,500
<i>Non-executive</i>				
Fees	109,986	96,250	109,986	96,250
Allowances	62,210	47,000	62,210	47,000
Total non-executive Directors' remuneration (Note 8)	172,196	143,250	172,196	143,250
Total Directors' remuneration	1,443,981	974,750	1,443,981	974,750

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	
	2014	2013
Executive Directors		
RM100,001-RM150,000	1	-
RM150,001-RM200,000	1	-
RM400,001-RM450,000	-	2
RM450,000 and above	2	-
Non-executive Directors		
RM50,000 and below	5	4
RM50,001-RM100,000	1	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014 (CONT'D)

11. INCOME TAX (EXPENSE)/BENEFIT

Major components of income tax expense

The major components of income tax expense for the years ended 31 December 2014 and 2013 are:

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Statement of comprehensive income:				
Current income tax:				
- Malaysia income tax	(1,438,200)	(1,215,400)	-	-
- Underprovision in respect of previous years	(473,555)	(13,246)	-	-
	(1,911,755)	(1,228,646)	-	-
Deferred tax income (Note 27):				
- Origination and reversal of temporary differences	262,916	72,331	-	-
Income tax expense recognised during the year	(1,648,839)	(1,156,315)	-	-

Reconciliation between tax expense and accounting profit

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December 2014 and 2013 are as follows:

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Profit before tax	2,000,434	4,784,878	5,406,177	3,065,338
Tax at Malaysia statutory tax rate of 25% (2013 – 25%)	(500,109)	(1,196,219)	(1,351,544)	(766,335)
Adjustments:				
Non-deductible expenses	(775,975)	(221,048)	(114,308)	(48,555)
Income not subject to taxation	244,735	266,074	1,516,146	834,957
Deferred tax assets not recognised	(377,126)	(28,282)	(50,294)	(20,067)
Effect on different tax rate	227,094	-	-	-
Underprovision of income tax in respect of previous years	(473,555)	(13,246)	-	-
Others	6,097	36,406	-	-
Income tax expense recognised during the year	(1,648,839)	(1,156,315)	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014 (CONT'D)

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

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2013 - 25%) of the estimated assessable profit for the year.

Tax savings during the financial year arising from:

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Utilisation of current year tax losses	53,394	9,125	-	-
Utilisation of previously unrecognised tax losses	33,182	20,751	-	-
	86,576	29,876	-	-

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	
	2014 RM	2013 RM
Profit net of tax attributable to shareholders of the Company (RM)	352,799	3,679,450
Weighted average number of ordinary shares for basic earnings per share computation	206,756,497	206,756,497
Basic earnings per share (Sen)	0.17	1.78

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014 (CONT'D)

13. PROPERTY, PLANT AND EQUIPMENT

	Plant and machinery RM	Furniture, fittings and office equipment RM	Motor vehicles RM	Renovation RM	Building under construction RM	Total RM
Group						
Cost:						
At 1 January 2013	69,999	344,739	1,453,827	77,679	-	1,946,244
Additions	-	16,133	31,200	-	-	47,333
Written off	-	(930)	-	-	-	(930)
Disposal	-	-	(415,338)	-	-	(415,338)
At 31 December 2013 and 1 January 2014	69,999	359,942	1,069,689	77,679	-	1,577,309
Additions	-	162,835	498,762	252,471	6,052,704	6,966,772
Written off	(69,999)	(189,660)	-	(77,409)	-	(337,068)
Disposals	-	-	(20,000)	-	-	(20,000)
At 31 December 2014	-	333,117	1,548,451	252,741	6,052,704	8,187,013
Accumulated depreciation:						
At 1 January 2013	64,166	284,282	780,625	33,485	-	1,162,558
Depreciation charge for the year (Note 8)	5,832	13,481	181,248	7,741	-	208,302
Written off	-	(558)	-	-	-	(558)
Disposals	-	-	(415,337)	-	-	(415,337)
At 31 December 2013 and 1 January 2014	69,998	297,205	546,536	41,226	-	954,965
Depreciation charge for the year (Note 8)	1	25,840	176,836	7,096	-	209,773
Written off	(69,999)	(176,428)	-	(48,152)	-	(294,579)
Disposals	-	-	(5,667)	-	-	(5,667)
At 31 December 2014	-	146,617	717,705	170	-	864,492
Net carrying amount:						
At 31 December 2013	1	62,737	523,153	36,453	-	622,344
At 31 December 2014	-	186,500	830,746	252,571	6,052,704	7,322,521

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014 (CONT'D)

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Assets held under finance lease

The carrying amount of motor vehicles of the Group acquired under hire purchase agreements are RM770,273 (2013 – RM476,808). Leased assets are pledged as security for the related finance lease liabilities (Note 24).

	Building under construction	Furniture, fittings and office equipment RM	Renovation RM	Total RM
Company				
Cost:				
At 1 January 2013	-	35,124	-	35,124
Additions	-	4,305	-	4,305
At 31 December 2013 and 1 January 2014	-	39,429	-	39,429
Additions	6,052,704	21,937	112,998	6,187,639
Written off	-	(7,531)	-	(7,531)
At 31 December 2014	6,052,704	53,835	112,998	6,219,537
Accumulated depreciation:				
At 1 January 2013	-	27,354	-	27,354
Depreciation charge for the year (Note 8)	-	1,219	-	1,219
At 31 December 2013 and 1 January 2014	-	28,573	-	28,573
Depreciation charge for the year (Note 8)	-	5,807	-	5,807
Written off	-	(7,516)	-	(7,516)
At 31 December 2014	-	26,864	-	26,864
Net carrying amount:				
At 31 December 2013	-	10,856	-	10,856
At 31 December 2014	6,052,704	26,971	112,998	6,192,673

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014 (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 2014	41,078,280	27,631,071	68,709,351
Additions	1,869,213	563,872	2,433,085
Reversal	-	-	-
At 31 December 2014	42,947,493	28,194,943	71,142,436
At 1 January 2013	39,523,201	27,245,573	66,768,774
Additions	1,560,919	385,498	1,946,417
Reversal	(5,840)	-	(5,840)
At 31 December 2013	41,078,280	27,631,071	68,709,351

The land under development with carrying value of RM50,240,633 (2013 – RM47,807,548) has been pledged as security for banking facilities granted to the Group (Note 24).

(b) Property development costs

	Freehold Cost RM	Development Cost RM	Total RM
Group			
At 31 December 2014			
Cumulative property development costs			
At 1 January 2014	52,203,708	19,551,138	71,754,846
Costs incurred during the year	41,500,000	19,019,550	60,519,550
Impairment loss on property development cost brought forward	-	(289,560)	(289,560)
Reversal of completed projects	-	(8,514,757)	(8,514,757)
At 31 December 2014	93,703,708	29,766,371	123,470,079
Cumulative costs recognised in profit or loss			
At 1 January 2014			(6,970,510)
Recognised during the year			(24,575,416)
Reversal of completed projects			8,514,757
At 31 December 2014			(23,031,169)
Property development costs at 31 December 2014			100,438,910

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014 (CONT'D)

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

(b) Property development costs (cont'd)

	Freehold land RM	Leasehold land RM	Total RM
Group			
At 31 December 2013			
Cumulative property development costs			
At 1 January 2013	55,172,332	19,532,435	74,704,767
Costs incurred during the year	-	9,288,643	9,288,643
Impairment loss on property development cost brought forward	-	(289,560)	(289,560)
Reversal of completed projects	(2,679,300)	(9,269,940)	(11,949,240)
At 31 December 2013	52,493,032	19,261,578	71,754,610
Cumulative costs recognised in profit or loss			
At 1 January 2013			(7,525,621)
Recognised during the year			(11,683,452)
Reversal of completed projects			11,949,239
At 31 December 2013			(7,259,834)
Property development costs at 31 December 2013			64,494,776

The property development costs with carrying value of RM45,336,227 (2013 – RM47,547,586) has been pledged as security for banking facilities granted to the Group (Note 24).

In the opinion of the Directors, there is no reasonable basis to allocate the property development costs recognised in the Statements of Comprehensive Income to the land and development costs, accordingly these have been disclosed in total.

15. GOODWILL ON CONSOLIDATION

	GROUP	
	2014 RM	2013 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	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014 (CONT'D)

16. INVESTMENT IN SUBSIDIARIES

	COMPANY	
	2014 RM	2013 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	
			2014	2013
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
+ 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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014 (CONT'D)

16. INVESTMENT IN SUBSIDIARIES (CONT'D)

Name	Principal activities	Country of incorporation	Proportion (%) of ownership interest	
			2014	2013
Subsidiaries of Bertam Development Sdn. Bhd. (cont'd)				
+ Gunung Jaya Sdn. Bhd.	Property development	Malaysia	100	100
+ Antara Megah 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	100
+ Sunrise Teamtrade Sdn. Bhd.	Property development	Malaysia	51	51
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
+ <i>Not audited by STYL Associates</i>				

(a) Disposal of subsidiary

On 27 February 2013, a wholly owned subsidiary of the Company, Bertam Development Sdn. Bhd. ("BDSB"), had disposed its entire equity interest of 75,000 ordinary shares of RM1 each in Bintang Urusjuta (M) Sdn. Bhd. ("BUMSB") to GJH Ventures Sdn. Bhd. ("GJHVS"), for a cash consideration of RM75,000.

The disposal had the following effects on the financial position of the Group as at year 2013.

Tax recoverable	(4,542)
Cash and cash equivalents	(74,775)
Trade and other creditors	1,500
Fair value of net identifiable assets	(77,817)
Less: Minority interest	-
Group's interest in fair value of net identifiable assets	(77,817)
Total disposal proceed, net	75,000
Loss on disposal to the Group	(2,817)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014 (CONT'D)

17. INVESTMENT IN ASSOCIATES

	GROUP	
	2014 RM	2013 RM
Unquoted shares, at costs	5,047,000	5,047,000
Disposal	(5,047,000)	-
Share of post-acquisition loss	-	(81,939)
	-	4,965,061
Less: allowance for impairment loss	-	-
	-	4,965,061
Represented by:		
Share of net assets other than goodwill	-	4,387,404
Goodwill on acquisition	-	659,596
	-	5,047,000
Less: allowance for impairment loss	-	(81,939)
	-	4,965,061

Name	Principal activities	Country of incorporation	Proportion (%) of ownership interest	
			2014	2013
+ GJH Ventures Sdn. Bhd.	Investment holding	Malaysia	-	49
+ GJH Ventures Sdn. Bhd.	Investment holding	Malaysia	-	49

- All the associate companies are using equity method
- + Not audited by STYL Associates

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014 (CONT'D)

17. INVESTMENT IN ASSOCIATES (CONT'D)

The summarised financial information of the associate is as follow:

	GROUP	
	2014 RM	2013 RM
Assets and liabilities		
Total assets	-	165,666,626
Total liabilities	-	148,430,635
Results		
Revenue	-	-
Loss for the financial year	-	321,167

18. OTHER INVESTMENTS

	GROUP	
	2014 RM	2013 RM
Other investments, at cost	86,000	86,000
Addition	4,506,238	-
	4,592,238	86,000
Less: allowance for impairment loss	(1,479,738)	-
	3,112,500	86,000
Investment in club memberships, at fair value	100,000	100,000
Investment in quoted shares, at market value	3,026,500	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014 (CONT'D)

19. INVENTORIES

	GROUP	
	2014 RM	2013 RM
Cost		
Properties held for sale	6,032,473	2,596,207
Net realisable value		
Properties held for sale	1,327,000	1,327,000
	7,359,473	3,923,207

20. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Current				
Trade receivables				
Third parties	65,062,200	45,797,234	-	-
Less: Allowance for impairment	(18,674,581)	(18,674,581)	-	-
Trade receivables, net	46,387,619	27,122,653	-	-
Other receivables				
Sundry receivables	3,021,200	27,108,064	1,323,144	1,324,744
Amounts due from subsidiaries	-	-	54,500,005	53,366,193
Prepayment	65,000	-	45,000	-
Refundable deposits	8,267,010	5,625,982	59,710	-
	11,353,210	32,734,046	55,927,859	54,690,937
Less: Allowance for impairment				
Sundry receivables	(64,003)	(64,003)	-	-
Amounts due from subsidiaries	-	-	(51,482,246)	(51,494,246)
	(64,003)	(64,003)	(51,482,246)	(51,494,246)
Other receivables, net	11,289,207	32,670,043	4,445,613	3,196,691
Total current trade and other receivables	57,676,826	59,792,696	4,445,613	3,196,691

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014 (CONT'D)

20. TRADE AND OTHER RECEIVABLES (CONT'D)

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Non-current				
Other receivables				
Amounts due from subsidiaries	-	-	39,187,385	36,101,384
Total trade and other receivables (current and non-current)	57,676,826	59,792,696	43,632,998	39,298,075
Add: Cash and bank balances (Note 23)	11,370,009	22,724,357	47,201	41,067
Total loans and receivables	69,046,835	82,517,053	43,680,199	39,339,142

(a) Trade receivables

Trade receivables are non-interest bearing and the Group generally allows a credit period of 14 to 90 days (2013 - 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	
	2014 RM	2013 RM
Neither past due nor impaired	21,608,567	8,649,516
1 to 30 days due not impaired	152,746	2,192,184
31 to 60 days past due not impaired	129,233	122,829
61 to 90 days past due not impaired	-	4,200,000
More than 91 days past due not impaired	24,497,073	11,958,124
Impaired	24,779,052	18,473,137
	18,674,581	18,674,581
	65,062,200	45,797,234

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014 (CONT'D)

20. 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 61% (2013 - 38%) 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 RM24,779,052 (2013 – RM18,473,137) 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 Individually impaired	
	2014 RM	2013 RM
Trade receivables – nominal amounts	19,992,072	19,992,072
Less: Allowance for impairment	(18,674,581)	(18,674,581)
	1,317,491	1,317,491

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

Movement in allowance accounts:

	GROUP	
	2014 RM	2013 RM
At 1 January	18,674,581	18,827,102
Charge for the year (Note 8)	-	-
Written off for the year	-	(152,521)
At 31 December	18,674,581	18,674,581

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014 (CONT'D)

20. 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 (2013 – 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 (2013 – RM18,144,866) in respect of trade receivables of the manufacturing division which ceased operations in 2004.

(b) Amounts due from subsidiaries

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

(c) Sundry receivables (Current)

Included in sundry receivables of the Group is stakeholders' sum of RM807,472 (2013 – RM4,347,374) which represents retention sums held by solicitors upon handling over of vacant possession to individual purchasers of development properties. This amount will be released from 6 to 18 months after the delivery of vacant possession together with interest earned.

Included in sundry receivables of the Group is an amount due from associates which is unsecured, interest-free and repayable on demand, except for non-current position which is not expected to be recovered within 12 months.

Other receivables that is impaired

At the reporting date, the Company has provided an allowance of RM51,482,246 (2013 – RM51,494,246) for impairment of the unsecured amounts due from subsidiaries with a nominal amount of RM51,524,057 (2013 – RM51,524,057).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014 (CONT'D)

20. TRADE AND OTHER RECEIVABLES (CONT'D)

(c) Sundry receivables (Current) (cont'd)

Movement in allowance accounts:

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
At 1 January	64,003	118,034	51,494,246	52,020,632
Charge for the year	-	-	-	-
Reversal for the year				
- amount due from a subsidiary (Note 6)	-	-	(12,000)	(526,386)
Bad debts written off	-	(54,031)	-	-
At 31 December	64,003	64,003	51,482,246	51,494,246

(e) Refundable deposits

Included in refundable deposits is deposit paid of RM2,033,200 (2013 – RM3,200,000) 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.

21. OTHER CURRENT ASSETS

	GROUP	
	2014 RM	2013 RM
Progress billings in respect of property development	5,442,308	475,960
Amount due from customers for contract work in progress (Note 22)	-	4,713,279
	5,442,308	5,189,239

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014 (CONT'D)

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

	GROUP	
	2014 RM	2013 RM
Construction contract costs incurred to date	21,183,588	10,259,613
Attributable profits	8,022,184	3,880,333
	29,205,772	14,139,946
Less: Progress billings	(29,925,000)	(9,426,667)
	(719,228)	4,713,279
Presented as:		
Gross amount due to customers for contract work in progress (Note 26)	(719,228)	-
Gross amount due from customers for contract work in progress (Note 21)	-	4,713,279

23. CASH AND BANK BALANCES

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Cash at banks and on hand	1,257,275	616,952	47,201	41,067
Short term deposits with licensed banks	10,112,734	22,107,405	-	-
Cash and bank balances	11,370,009	22,724,357	47,201	41,067

Included in cash at banks of the Group are amounts of RM170,164 (2013 – RM208,336) 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 RM732,616 (2013 – RM267,251) which are pledged as security for bank guarantees granted in favour of authorities in connection with property development and construction contracts activities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014 (CONT'D)

23. CASH AND BANK BALANCES (CONT'D)

Short-term deposits are made for varying periods, between one day and 365 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	
	2014 RM	2013 RM
License banks		
Weighted average interest rates (%)	2.72	2.85
Average maturities (days)	342	297

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

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Cash and short term deposits	11,370,009	22,724,357	47,201	41,067
Bank overdrafts (Note 24)	(4,531,300)	(4,407,767)	-	-
Cash and cash equivalents	6,838,709	18,316,590	47,201	41,067

24. LOANS AND BORROWINGS

	Maturity	GROUP	
		2014 RM	2013 RM
Current			
Secured:			
Bridging loan	2015	2,031,926	1,564,086
Bank overdrafts	On demand	4,531,300	4,407,767
Hire purchase payables (Note 30)	2015	130,548	103,132
		6,693,774	6,074,985
Non-current			
Secured:			
Term loans and bridging loan	2020	51,026,560	21,026,560
Hire purchase payables (Note 30)	2016-2023	588,879	318,216
		51,615,439	21,344,776

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014 (CONT'D)

24. LOANS AND BORROWINGS (CONT'D)

	Maturity	GROUP	
		2014 RM	2013 RM
Total loans and borrowings			
Secured:			
Term loans and bridging loan	2015	53,058,486	22,590,646
Bank overdrafts	On demand	4,531,300	4,407,767
Hire purchase payables (Note 30)	2015-2023	719,427	421,348
		58,309,213	27,419,761

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

	GROUP	
	2014 RM	2013 RM
On demand or within one year	6,693,774	6,074,985
More than 1 year and less than 2 years	12,198,932	12,234,740
More than 2 years and less than 5 years	38,348,338	9,054,609
More than 5 years	1,068,169	55,427
	58,309,213	27,419,761

Term loans and bridging loan at BLR + 0.25% to 2.0% p.a

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

Bank overdrafts at BLR + 1.25% to 2.0% p.a

Bank overdrafts are denominated in RM, bear interest at BLR + 1.25% 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 31(a)).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014 (CONT'D)

24. LOANS AND BORROWINGS (CONT'D)

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% (2013 - 2.29% to 4.00%) per annum.

25. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Current				
Trade payables				
Third parties	2,649,043	4,186,429	-	-
Retention sums	1,272,856	2,256,643	-	-
	3,921,899	6,443,072	-	-
Other payables				
Accruals	1,556,298	524,714	271,471	229,250
Other payables and provisions	16,182,332	12,921,482	17,264	18,784
Deposit received	6,812,456	2,333,900	-	-
Prepayment	361,700	478,200	-	-
Amount due to directors	-	496,000	-	-
Amounts due to subsidiaries companies	-	-	9,419,651	2,234,674
	24,912,786	16,754,296	9,708,386	2,482,708
Total current trade and other payables	28,834,685	23,197,368	9,708,386	2,482,708
Non-current				
Trade payables				
Retention sums	2,556,028	932,095	-	-
Total trade and other payables (current and non-current)	31,390,713	24,129,463	9,708,386	2,482,708
Add: Loans and borrowings (Note 24)	58,309,213	27,419,761	-	-
Total financial liabilities	89,699,926	51,549,224	9,708,386	2,482,708

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014 (CONT'D)

25. TRADE AND OTHER PAYABLES (CONT'D)

(a) Trade payables

These amounts are non-interest bearing. The normal trade credit term granted to the Group ranges from 14 days to 90 days (2013 - 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	
	2014 RM	2013 RM
Within one year	1,272,856	2,256,642
More than 1 year and less than 2 years	1,438,233	932,095
More than 2 years and less than 5 years	1,117,795	-
	<u>3,828,884</u>	<u>3,188,737</u>

(b) Other payables and provisions

These amounts are non-interest bearing and the normal trade credit term granted to the Group ranges from 14 to 90 days (2013 - 14 to 90 days).

Included in other payables of the Group are as follows:

- (i) RMNil (2013 - RM1,516,570) owing to Brem Development Sdn. Bhd. a shareholder of the Company.
- (ii) RM5,288,976 (2013 - RM4,305,022) 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) Amount due to directors

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

(e) Deposit received

Included in deposit received of the Group is deposit from a developer of RMNil (2013 - RM2,300,000) pursuant to the agreement entered into between the Group and the developer to develop properties on land belonging to the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014 (CONT'D)

26. OTHER CURRENT LIABILITIES

	GROUP	
	2014 RM	2013 RM
Amount due to customers for contract work in progress (Note 22)	719,228	-

27. DEFERRED TAX LIABILITIES

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

	As at 1 January 2013 RM	Recognised in profit or loss RM (Note 11)	As at 31 December 2013 RM	Recognised in profit or loss RM (Note 11)	As at 31 December 2014 RM
Deferred tax liabilities:					
Plant and equipment	30,000	-	30,000	70,000	100,000
Revaluation surplus of land held for property development	5,744,322	(72,331)	5,671,991	(332,916)	5,339,075
	5,774,322	(72,331)	5,701,991	(262,916)	5,439,075

Deferred tax assets not recognised are as follows:

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Unabsorbed capital allowances	36,620	35,831	3,697	4,878
Unutilised tax losses	9,009,102	9,276,059	220,303	705,253
Other temporarily differences	58,557,031	58,537,613	58,659,832	58,659,832
	67,602,753	67,849,503	58,883,832	59,369,963

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014 (CONT'D)

28. SHARE CAPITAL

	Number of shares of RM 1 each		Amount	
	2014	2013	2014 RM	2013 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.

29. SIGNIFICANT RELATED PARTY TRANSACTIONS

	COMPANY	
	2014 RM	2013 RM
(a) Transactions with subsidiaries:		
Administration fees	2,302,921	1,695,086
Support service fees	321,600	185,200
(b) Transaction with a corporate shareholder which has a substantial interest in the Company:		
Brem Holding Berhad		
Office rental	70,000	84,000

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014 (CONT'D)

29. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

- (c) Compensation of key management personnel

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

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Short-term employee benefits	168,222	123,424	168,222	123,424
Defined contribution plans	19,955	13,971	19,955	13,971
	188,177	137,395	188,177	137,395

30. 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	
	2014 RM	2013 RM
Minimum hire purchase payments:		
Not later than 1 year	162,187	122,744
Later than 1 year and not later than 2 years	139,944	94,466
Later than 2 years and not later than 5 years	373,116	203,976
Later than 5 years	156,528	56,596
Total minimum lease payments	831,775	477,782
Less: Future finance charges	(112,348)	(56,434)
Present value of minimum lease payments	719,427	421,348
Present value of payments:		
Not later than 1 year	130,548	103,132
Later than 1 year and not later than 2 years	113,471	80,621
Later than 2 years and not later than 5 years	329,473	182,168
Later than 5 years	145,935	55,427
Present value of minimum lease payments (Note 24)	719,427	421,348
Less: Amount due within 12 months (Note 24)	(130,548)	(103,132)
Amount due after 12 months (Note 24)	588,879	318,216

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014 (CONT'D)

31. 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.

(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 RM109,020,00 (2013 – RM60,520,000) 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	
	2014 RM	2013 RM
Unsecured:		
(a) Guarantees to financial institution for facilities granted to subsidiary companies	-	2,500,000
(b) Guarantees to financial institutions for banking facilities granted to finance the working capital and construction of projects undertaken by a subsidiary company	109,020,000	58,020,000
	109,020,000	60,520,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014 (CONT'D)

31. 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 2014 amounted to RM57,589,786 (2013 – RM26,998,413) 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 20.

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----->			
	2014 RM	% of total	2013 RM	% of total
By business segments:				
Property development	15,667,468	35%	9,720,416	36%
Construction	30,720,151	65%	17,402,237	64%
	46,387,619	100%	27,122,653	100%

At the reporting date, approximately 80% (2013 – 85%) of the Group's trade receivables were due from 3 (2013 – 3) 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.

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 20. 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 20.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014 (CONT'D)

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

(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
	<-----2014----->		
Group			
Finance liabilities:			
Trade and other payables (Note 25)	28,834,685	2,556,028	31,390,713
Loans and borrowings (Note 24)	6,693,774	51,615,439	58,309,213
Total undiscounted financial liabilities	35,528,459	54,171,467	89,699,926
Company			
Finance liability			
Trade and other payables (Note 25)	9,708,387	-	9,708,387
Total undiscounted financial liability	9,708,387	-	9,708,387

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014 (CONT'D)

31. 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
	<-----2013----->		
Group			
Finance liabilities:			
Trade and other payables (Note 25)	23,197,368	932,095	24,129,463
Loans and borrowings (Note 24)	6,074,985	21,344,776	27,419,761
Total undiscounted financial liabilities	29,272,353	22,276,871	51,549,224
Company			
Finance liability			
Trade and other payables (Note 25)	2,482,708	-	2,482,708
Total undiscounted financial liability	2,482,708	-	2,482,708

(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 RM46,220 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 2014 (CONT'D)

31. 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 20)
- Trade and other payables (Note 25)

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:

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.

32. CAPITAL MANAGEMENT

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

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the years ended 31 December 2014 and 31 December 2013.

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

	Note	GROUP		COMPANY	
		2014 RM	2013 RM	2014 RM	2013 RM
Loan and borrowings	24	58,309,213	27,419,761	-	-
Trade and other payables	25	31,390,713	24,129,463	9,708,386	2,482,708
Less: Cash and bank balances	23	(11,370,009)	(22,724,357)	(47,201)	(41,067)
Aggregated indebtedness		78,329,917	28,824,867	9,661,185	2,441,641
Equity attributable to the shareholders of the Company, representing total capital		171,296,297	173,011,063	149,590,550	146,251,938
Capital and net debt		249,626,214	201,835,930	159,251,735	148,693,579
Gearing ratio		31%	14%	6%	2%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014 (CONT'D)

33. CAPITAL COMMITMENTS

	GROUP AND COMPANY	
	2014 RM	2013 RM
Capital Expenditure		
Authorised capital expenditure not provided for:		
- Contracted		
Purchase of property	2,594,016	-
	<u>2,594,016</u>	<u>-</u>

34. 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 2014 (CONT'D)

33. SEGMENTAL INFORMATION (CONT'D)

	Property development				Construction				Corporate and others				Eliminations				Per consolidated financial statements				
	2014		2013		2014		2013		2014		2013		2014		2013		2014		2013		
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	
Revenue:																					
External sales	24,459,015	10,749,278	15,680,728	21,354,937	2,624,521	1,880,286	2,624,521	1,880,286	(2,624,521)	(1,880,286)	(1,880,286)	(1,880,286)	(1,880,286)	40,139,743	32,104,215						
Inter-segment dividends	3,000,000	-	-	-	3,000,000	-	-	-	(6,000,000)	-	-	-	-	-	-						
Total revenue	27,459,015	10,749,278	15,680,728	21,354,937	5,624,521	1,880,286	5,624,521	1,880,286	(8,624,521)	(1,880,286)	(1,880,286)	(1,880,286)	(1,880,286)	40,139,743	32,104,215						
Results:																					
Segment profit	4,159,036	1,482,045	3,183,566	4,394,280	5,412,000	3,066,557	5,412,000	3,066,557	(10,314,308)	(3,642,864)	(3,642,864)	(3,642,864)	(3,642,864)	2,440,294	5,300,018						
Other non-cash expenses	(110,630)	(44,467)	(512)	-	(15)	-	(15)	-	-	-	-	-	-	(111,157)	(44,467)						
Depreciation	(203,886)	(206,988)	(80)	(96)	(5,807)	(1,219)	(5,807)	(1,219)	-	-	-	-	-	(209,773)	(208,303)						
Finance costs	(118,930)	(262,370)	-	-	-	-	-	-	-	-	-	-	-	(118,930)	(262,370)						
Profit before tax	3,725,590	968,220	3,182,974	4,394,184	5,406,178	3,065,338	5,406,178	3,065,338	(10,314,308)	(3,642,864)	(3,642,864)	(3,642,864)	(3,642,864)	2,000,434	4,784,878						
Income tax (expense)/benefit	(1,146,105)	(24,542)	(835,650)	(1,131,773)	332,916	-	332,916	-	-	-	-	-	-	(1,648,839)	(1,156,315)						
Profit net of tax	2,579,485	943,678	2,347,324	3,262,411	5,739,094	3,065,338	5,739,094	3,065,338	(10,314,308)	(3,642,864)	(3,642,864)	(3,642,864)	(3,642,864)	351,595	3,628,563						
Assets:																					
Additions to non-current assets	3,212,219	1,989,445	-	-	6,187,639	4,305	6,187,639	4,305	-	-	-	-	-	9,399,858	1,993,750						
Segment assets	307,048,208	268,766,827	31,328,415	27,098,438	153,111,298	148,730,341	153,111,298	148,730,341	(233,130,427)	(215,716,436)	(215,716,436)	(215,716,436)	(215,716,436)	258,357,494	228,879,170						
Total assets	310,260,427	270,756,272	31,328,415	27,098,438	159,298,937	148,734,646	159,298,937	148,734,646	(233,130,427)	(215,716,436)	(215,716,436)	(215,716,436)	(215,716,436)	267,757,352	230,872,920						
Liabilities:																					
Segment liabilities representing total liabilities	259,527,053	219,524,566	27,737,509	22,854,856	9,708,386	2,482,708	9,708,386	2,482,708	(200,580,496)	(187,070,080)	(187,070,080)	(187,070,080)	(187,070,080)	96,392,452	57,792,050						

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014 (CONT'D)

34. 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:

	2014 RM	2013 RM
Dividend income from subsidiaries	(6,000,000)	-
Share of results from associates	(407,502)	-
Realisation of revaluation surplus	(1,331,663)	(289,322)
Gain on disposal of associates	489,441	-
Loss on disposal of a subsidiary	-	(13,715)
Interest income on amount due from subsidiaries	(3,052,584)	(2,813,441)
Reversal of impairment loss on amount due from a subsidiary	(12,000)	(526,386)
	(10,314,308)	(3,642,864)

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

	Note	2014 RM	2013 RM
Deposits written off	8	-	30,720
Bad debts written off	8	68,667	13,375
Plant and equipment written off	8	42,490	372
		111,157	44,467

D Additions to non-current assets consist of:

	2014 RM	2013 RM
Plant and equipment	6,966,773	47,333
Land held for property development	2,433,085	1,946,417
	9,399,858	1,993,750

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014 (CONT'D)

34. 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:

	2014 RM	2013 RM
Inter-segment assets	(233,130,427)	(215,716,436)

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

	2014 RM	2013 RM
Inter-segment liabilities	(200,580,496)	(187,070,080)

Information about a major customer

Revenue from one major customer amount to RM15,680,728 (2013 – RM21,354,937), arising from sales by the construction segment.

35. DIVIDENDS

	Dividends recognised in year 2014 RM
In respect of financial year ended 31 December 2014	
Single-tier interim dividend on 1 sen on 206,756,497 ordinary shares paid on 28 March 2014	2,067,565

36. SIGNIFICANT EVENTS

Events Completed During the Year:-

(a) Purchase a parcel of land by a wholly owned subsidiary

On 13 August 2014, BDSB entered into a Sale and Purchase Agreement with Damaipuri Property Sdn. Bhd. ("DPSB") to purchase a parcel of land situated at Luyang, District of Kota Kinabalu, Sabah for a total consideration of RM41,500,000.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014 (CONT'D)

36. SIGNIFICANT EVENTS (CONT'D)

Events Completed During the Year:- (cont'd)

(b) Disposal of investment in associate: GJH Prestige Sdn. Bhd.

On 1 October 2014, BDSB disposed 49% shareholdings in GJH Prestige Sdn. Bhd. for a total consideration of RM4,900,000 to GJH Holdings Sdn. Bhd., a company incorporated in Malaysia. Inconsequent thereof, GJH Prestige Sdn. Bhd. has ceased to be an associate company of the Group.

(c) Disposal of investment in associate: GJH Ventures Sdn. Bhd.

On 1 October 2014, BDSB disposed 49% shareholdings in GJH Ventures Sdn. Bhd. for a total consideration of RM147,000 to GJH Holdings Sdn. Bhd., a company incorporated in Malaysia. Inconsequent thereof, GJH Prestige Sdn. Bhd. has ceased to be an associate company of the Group.

(d) Purchase 7 parcels of Office Suites at The Vertical II Office Suites, Bangsar, Kuala Lumpur

On 24 November 2014, the Company entered into a Sale and Purchase Agreement with Paramount Properties Sdn. Bhd. ("PPSB") to purchase 7 parcels of Office Suites at the Vertical II Office Suites, Bangsar, Kuala Lumpur, for a total consideration of RM8,646,720.

Events Not Completed During the Year:-

(a) Disposal of 8 parcels of land by a wholly owned subsidiary

On 24 July 2014, a wholly owned subsidiary of the Company, UH Capital Sdn. Bhd. ("UHCSB"), disposed 8 parcels of freehold vacant land all located in Mukim of Serom and District of Ledang and State of Johor, to KT Lee Properties Sdn. Bhd. ("KTLPBSB") for a total consideration of RM63,500,000.00.

(b) Purchase 3 parcels of land by a wholly owned subsidiary

On 13 October 2014, a wholly owned subsidiary of the Company, Bertam Development Sdn. Bhd. ("BDSB"), entered into a Sale and Purchase Agreement with Nadi Hasil (M) Sdn. Bhd. ("NHMSB") to purchase 3 parcels of land together with a brick factory, a block of double storey office building and a guard booth building erected thereon and situated in District of Tuaran, Sabah for a total consideration of RM43,000,000.00.

(c) Additional investment in subsidiary: Syarikat Sungei Buan Sdn. Bhd.

On 9 December 2014, a wholly owned subsidiary Company, Syarikat Sungei Buan Sdn. Bhd. ("SSBSB") purchase 150,000 ordinary shares of RM 1 each in MV Properties Sdn. Bhd. ("MVPSB"), a company incorporated in Malaysia, from Miramas Development Sdn. Bhd. for a total consideration of RM15,000,000. In consequence thereof MVPSB becomes a wholly owned subsidiary of the SSBSB.

37. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements were authorised for issue in accordance with a resolution of the Directors on 22 April 2015.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014 (CONT'D)

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

The breakdown of the accumulated losses of the Group and of the Company as at 31 December 2014 and 31 December 2013 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	
	2014 RM	2013 RM	2014 RM	2013 RM
Total accumulated losses of the Group and of the Company				
- Realised	30,961,500	33,154,106	57,165,947	60,504,559
- Unrealised	(5,439,075)	(5,701,991)	-	-
	25,522,425	27,452,115	57,165,947	60,504,559
Add/(Less): Consolidation adjustments	9,937,775	6,293,319	-	-
Accumulated losses as per financial statements	35,460,200	33,745,434	57,165,947	60,504,559

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 2014 (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	Properties under development	8.7 acres	Freehold	N/A	674	04/01/2001
3.	Lot 11340 & Lot 34173 Mukim Seremban District of Seremban Negeri Sembilan Darul Khusus	Vacant development land	2.37 acres	Freehold	N/A	224	30/09/2000 & 12/07/2001
4.	GRN 24697, 52430, 97219 GRN 327, 5833, 5834 GRN 60082, 60247 LOT 186, 2734, 10725 LOT 11613, 5492, 5493 LOT 14129, 8111 Mukim Serom District of Muar Johor Darul Takzim	Vacant development land (In the process of disposing the properties)	270.25 acres	Freehold	N/A	43,100	15/07/2014
5.	PT 32, Batu Tiga Pekan Batu Tiga District of Petaling Selangor Darul Ehsan	Property under development	1.18 acres	Freehold	N/A	303	15/12/2005

LIST OF PROPERTIES

(CONT'D)

No.	Properties & Locations	Description	Area/ Built-Up	Tenure	Age Of Building	Net Book Value As At 31 December 2014 (RM'000)	Date of Acquisition or Last Revaluation
6.	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	32,659	09/12/2014
7.	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
8.	PT 7886 (Formerly PT 4800) Mukim Gemencheh District Of Tampin Negeri Sembilan Darul Khusus	Property under development	485.06 acres	Leasehold (expiring on 18/12/2106)	N/A	6,265	31/01/2012
9.	CL 015151005 Jalan Sena Taman Luyang Phase 1 Off Jalan Kolam District Of Kota Kinabalu Sabah	Vacant development land	2.75 acres	Leasehold (expiring on 08 July 2911)	N/A	41,500	13/08/2014
10.	The Vertical II Office Suites Bangsar South Parcel No. 23-01, Parcel No. 23-02, Parcel No. 23-03, Parcel No. 23-3A, Parcel No. 23-05, Parcel No. 23-06 & Parcel No. 23-07 all under PN46338 Lot 58190 Mukim and District of Kuala Lumpur Wilayah Persekutuan Kuala Lumpur	Office lot under construction	9,007 square feet	Leasehold	N/A	6,053	24/11/2014

STATISTICS ON SHAREHOLDINGS

AS AT 23 APRIL 2015

ANALYSIS OF SHAREHOLDINGS AS AT 23 APRIL 2015

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	: 1,447

Size of Holdings	No. of Shareholders	No. of Shares held	% of issued capital
Less than 100	14	609	0.00
100 – 1,000	332	303,825	0.15
1,001 – 10,000	620	3,305,276	1.60
10,001 – 100,000	388	14,653,815	7.09
100,001 to < 5% of issued shares	90	74,484,289	36.02
5% and above of issued shares	3	114,008,683	55.14
Total	1,447	206,756,497	100.00

LIST OF SUBSTANTIAL SHAREHOLDERS AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 23 APRIL 2015

Name	No. of shares held of RM1.00 each		No. of shares held of RM1.00 each	
	Direct	(%)	Indirect	(%)
1. Wisma Jutamas Sdn Bhd	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. Lim Nyuk Foh	17,662,700	8.54	-	-

Note:

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

STATISTICS ON SHAREHOLDINGS

AS AT 23 APRIL 2015 (CONT'D)

LIST OF DIRECTORS' SHAREHOLDINGS AS PER THE REGISTER OF DIRECTORS' SHAREHOLDINGS AT 23 APRIL 2015

Name	No. of Shares		No. of Shares	
	Direct	%	Indirect	%
1. Datuk Mohamed Arsad bin Sehan	-	-	-	-
2. Lim Nyuk Foh	17,662,700	8.54	-	-
3. Low Yew Hwa	-	-	-	-
4. Yap May Yee	-	-	-	-
5. Lim Shaw Keong @ Alfred Lim	-	-	-	-
6. Chiew Boon Chin	-	-	-	-

THIRTY LARGEST SHAREHOLDERS – PER RECORD OF DEPOSITORS AS AT 23 APRIL 2015

Names of Shareholders	No. of Shares held	% of issued capital
1. Sabah Development Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Wisma Jutamas Sdn Bhd</i>	68,000,000	32.89
2. Affin Hwang Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Bond Resources Sdn Berhad</i>	28,345,983	13.71
3. Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Lim Nyuk Foh</i>	17,662,700	8.54
4. Affin Hwang Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Yau Kim Hian</i>	7,845,200	3.79
5. Bond Resources Sdn Berhad	6,600,000	3.19
6. Teh Kim Teck	6,542,000	3.16
7. Tradema Holdings Sdn Bhd	4,181,000	2.02
8. Affin Hwang Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Classical Glory Sdn Bhd</i>	4,036,600	1.95
9. V.A. Trading Sdn Bhd	3,907,900	1.89
10. Kenanga Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Ong King Seng</i>	3,596,000	1.74
11. RHB Capital Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Er Ka Wei</i>	2,809,500	1.36
12. Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Tan Cheng Chai</i>	2,670,000	1.29

STATISTICS ON SHAREHOLDINGS

AS AT 23 APRIL 2015 (CONT'D)

THIRTY LARGEST SHAREHOLDERS – PER RECORD OF DEPOSITORS AS AT 23 APRIL 2015 (CONT'D)

Names of Shareholders	No. of Shares held	% of issued capital
13. Wei Han Sdn Bhd	1,579,000	0.76
14. Brem Development Sdn Bhd	1,507,000	0.73
15. Classical Glory Sdn Bhd	1,189,900	0.58
16. RHB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Lim Suh Siang</i>	1,083,000	0.52
17. HLB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Ong King Seng</i>	1,000,000	0.48
18. Yap Kok Weng	999,800	0.48
19. Kenanga Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Ong Lee Veng @ Ong Chuan Heng</i>	999,000	0.48
20. CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB Bank for Tan Lee Kau</i>	930,800	0.45
21. Ong Kah Huat	895,400	0.43
22. Voo Kwee Hiong	756,800	0.37
23. CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB Bank for Beh Hang Kong</i>	733,500	0.35
24. S'ng Soo Eng	727,000	0.35
25. Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Beh Hang Kong</i>	675,200	0.33
26. Wong Yoke Moi	660,000	0.32
27. Alliancegroup Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Tan Cheng Chai</i>	650,000	0.31
28. Soh Teck Ghee	645,999	0.31
29. Affin Hwang Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Ng Wymin</i>	600,000	0.29
30. Kang Choon Leu @ Kang Chee Sim	590,000	0.29

ANNEXURE A

Lim Nyuk Foh
1st Floor, Lot 5
Block 9, Bandar Indah
Mile 4, North Road
90000 Sandakan
Sabah

22 April 2015

The Directors
Bertam Alliance Berhad
Level 18 The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

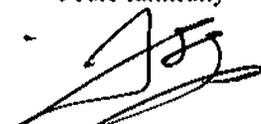
Dear Sirs

**RE: NOTICE OF NOMINATION OF MESSRS UHY AS AUDITORS IN PLACE OF THE
RETIRING AUDITORS, MESSRS STYL ASSOCIATES**

Pursuant to Section 172(11) of the Companies Act 1965, I, being the substantial shareholder of Bertam Alliance Berhad (“the Company”), hereby give notice of my intention to nominate Messrs UHY for appointment as Auditors of the Company in place of the retiring auditors, Messrs STYL Associates and propose the following Ordinary Resolution for tabling at the forthcoming Annual General Meeting of the Company:

“THAT Messrs UHY, having consent to act, be and are hereby appointed as Auditors of the Company in place of the retiring auditors, Messrs STYL Associates, and to hold office until the conclusion of the next Annual General Meeting AND THAT the Directors be authorised to fix their remuneration.”

Yours faithfully


LIM NYUK FOH

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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 No. _____ of

or failing him/her, _____ NRIC/Passport No. _____
(Full name in capital letters)

of _____
(Full address)

or failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us and on my/our behalf at the Twenty-First Annual General Meeting of the Company to be held at Agatis Room, Level 2, Sabah Oriental Hotel, Lorong Kemajuan, 88000 Kota Kinabalu, Sabah on Friday, 19 June 2015 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.

ORDINARY BUSINESS	Resolution	FOR	AGAINST
Re-election of Datuk Mohamed Arsad bin Sehan as Director	Ordinary Resolution 1		
Re-election of Lim Nyuk Foh as Director	Ordinary Resolution 2		
Re-election of Yap Yee May as Director	Ordinary Resolution 3		
Re-election of Lim Shaw Keong @ Alfred Lim as Director	Ordinary Resolution 4		
Re-election of Chiew Boon Chin as Director	Ordinary Resolution 5		
Re-election of Lee Keh Ting as Director	Ordinary Resolution 6		
Re-election of Koo Jenn Man as Director	Ordinary Resolution 7		
Payment of Directors' Fees of RM203,671.00 for the financial year ended 31 December 2014	Ordinary Resolution 8		
Appointment of Messrs UHY in place of the retiring Auditors, Messrs Styl Associates and authority to the Directors to fix their remuneration	Ordinary Resolution 9		
SPECIAL BUSINESS			
Authority to Issue Shares	Ordinary Resolution 10		
Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature	Ordinary Resolution 11		

Signed this day of 2015.

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

Signature of Shareholder or Common Seal

Notes:-

- For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, a Record of Depositors as at 15 June 2015. Only a Member whose name appears on this Record of Depositors shall be entitled to attend this meeting or appoint a proxy to attend, speak or vote on his/her behalf.
- A member entitled to attend and vote at this meeting is entitled to appoint proxy/proxies to attend, speak 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.
- A member may appoint not more than two (2) proxies to attend the same meeting. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holding(s) to be represented by each proxy.
- Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991, 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.
- 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.
- 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.
- The instrument appointing a proxy and the power of attorney or other authority, if any under which it is signed or a notarially certified copy of that power of authority, shall be deposited at the Company's Share Registrar at Level 17, 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.

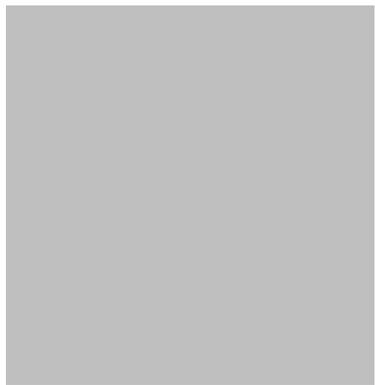
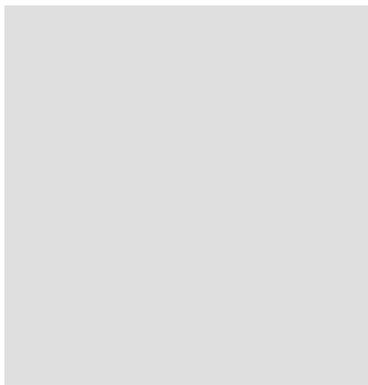
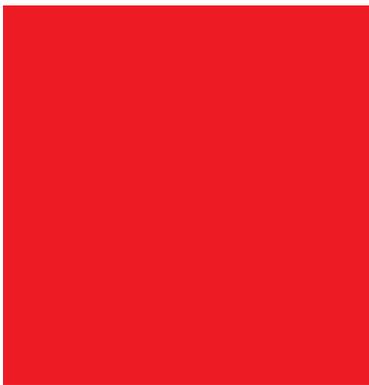
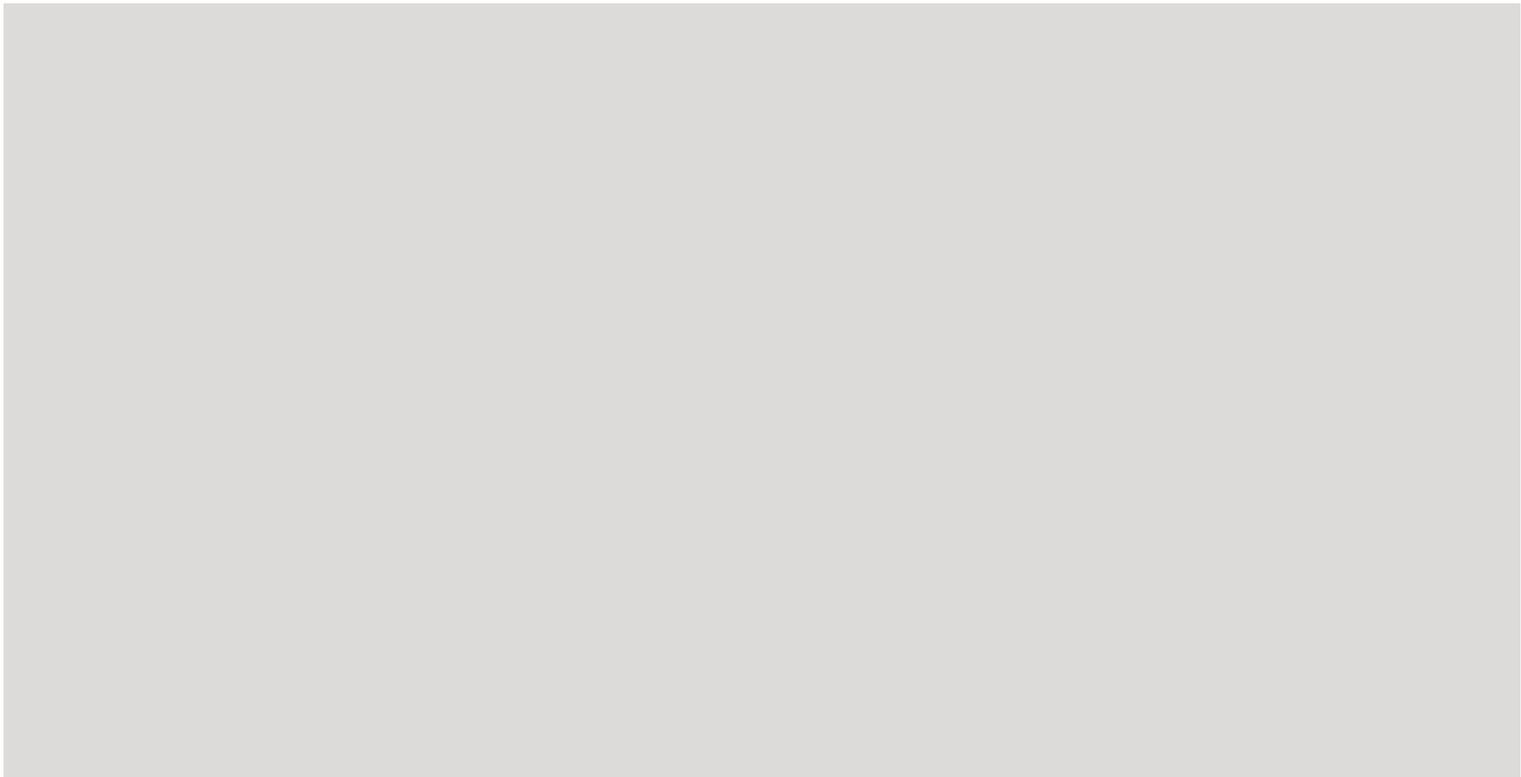
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1st fold here

The Share Registrar
BERTAM ALLIANCE BERHAD
Level 17, The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Wilayah Persekutuan

Affix
Stamp

Then fold here



BERTAM ALLIANCE BERHAD 305530-A

VSQ Corporate Tower
Level 13A, Unit 2-13A-02, Jalan Utara,
46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.
Telephone : 603-7932 0138 Facsimile : 603-7932 0139
Website : ir.chartnexus.com/bertamalliance/