

BERTAM ALLIANCE BERHAD

305530-A



ANNUAL REPORT 2015



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NOTICE OF TWENTY-SECOND ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Second Annual General Meeting of the Company will be held at **Function Room 7, Level 3, The Pacific Sutera Hotel, Sutera Harbour, 88100 Kota Kinabalu, Sabah** on **Thursday, 26 May 2016** at **9.00 a.m.**, to transact the following businesses:

AS ORDINARY BUSINESS:

1. To receive the Audited Financial Statements for the financial year ended 31 December 2015 and the Reports of Directors and Auditors thereon. *(Please refer Explanatory Note 1)*
2. To re-elect Lim Shaw Keong @ Alfred Lim who retires by rotation pursuant to Article 91 of the Company's Articles of Association. *(Ordinary Resolution 1)*
3. To re-elect Chiew Boon Chin who retires by rotation pursuant to Article 91 of the Company's Articles of Association. *(Ordinary Resolution 2)*
4. To approve the payment of Directors' Fees of RM252,000.00 for the financial year ended 31 December 2015. *(Ordinary Resolution 3)*
5. To approve the payment of Directors' Fees not exceeding RM320,000.00 for each financial year. *(Ordinary Resolution 4)*
6. To re-appoint Messrs UHY as Auditors of the Company and authorise the Directors to fix their remuneration. *(Ordinary Resolution 5)*

AS SPECIAL BUSINESS:

7. 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%) 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." *(Ordinary Resolution 6)*

NOTICE OF TWENTY-SECOND ANNUAL GENERAL MEETING (CONT'D)



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

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

"THAT, subject to the provisions of the Listing Requirements of Bursa Malaysia Securities Berhad, the Company and/or its subsidiary companies ("the Group") be and are hereby authorised to enter into and give effect to the recurrent related party transactions of a revenue or trading nature with the related party as set out in Section 2.3 of the Circular to Shareholders dated 28 April 2016 ("the Related Parties") provided that such transactions are:- *(Ordinary Resolution 7)*

- (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."

9. 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
28 April 2016



NOTICE OF TWENTY-SECOND 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 20 May 2016. 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 Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 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 and 2

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-Second Annual General Meeting. The Board has through the Nomination Committee, considered the assessment of the Directors and collectively agreed that they meet the criteria as prescribed by Paragraph 2.20A of the Main Market Listing Requirements (“MMLR”) in terms of character, experience, integrity, competence and time to effectively discharge their roles as Directors. The Board has also through the Nomination Committee, conducted an assessment on their independence and is satisfied that they have complied with the criteria prescribed by the MMLR and Malaysian Code on Corporate Governance 2012.

3. Ordinary Resolution 6

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 7

The proposed ordinary resolution, if passed, will allow the Group to enter into recurrent related party transactions made on an arm's length basis and on normal commercial terms and which are not prejudicial to the interests of the minority shareholders. For more information, please refer to the Circular to Shareholders dated 28 April 2016.

CORPORATE INFORMATION



BOARD OF DIRECTORS

DATUK MOHAMED ARSAD BIN SEHAN
*Chairman/Senior Independent
Non-Executive Director*

LIM NYUK FOH
Managing Director

YAP YEE MAY
Executive Director

LEE KEH TING
Executive Director

LIM SHAW KEONG @ ALFRED LIM
Independent Non-Executive Director

CHIEW BOON CHIN
Independent Non-Executive Director

KOO JENN MAN
Non-Independent Non-Executive Director

AUDIT COMMITTEE

LIM SHAW KEONG @ ALFRED LIM
Chairman

DATUK MOHAMED ARSAD BIN SEHAN
Member

CHIEW BOON CHIN
Member

NOMINATION COMMITTEE

DATUK MOHAMED ARSAD BIN SEHAN
Chairman
CHIEW BOON CHIN
Member

REMUNERATION COMMITTEE

LIM SHAW KEONG @ ALFRED LIM
Chairman
CHIEW BOON CHIN
Member

COMPANY SECRETARIES

KUAN HUI FANG MIA 16876
WONG WAI FOONG MAICSA 7001358

REGISTERED OFFICE

Unit 30-01, Level 30, Tower A,
Vertical Business Suite,
Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur.
Telephone : 603-2783 9191
Facsimile : 603-2783 9111

SHARE REGISTRAR

TRICOR INVESTOR & ISSUING HOUSE
SERVICES SDN BHD
Unit 32-01, Level 32, Tower A,
Vertical Business Suite,
Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur.
Telephone : 603-2783 9299
Facsimile : 603-2783 9222

AUDITORS

UHY (AF1411)
Chartered Accountants
Suite 11.05, Level 11,
The Gardens South Tower,
Mid Valley City,
Lingkaran Syed Putra,
59200 Kuala Lumpur.

BUSINESS ADDRESS

Level 23, Unit 23-01 to 23-07, Tower B,
Vertical Business Suite,
Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur.
Telephone : 603-2242 3669
Facsimile : 603-2242 3662
Website : ir.chartnexus.com/
bertamalliance/

PRINCIPAL BANKERS

HONG LEONG BANK BERHAD
OCBC BANK (M) BERHAD
PUBLIC BANK BERHAD
CIMB BANK BERHAD

SOLICITORS

FERNANDEZ & CO.
CHEE & CO.
SF CHAN & CO.
TH MOI & ASSOCIATES
CK OON & CO.

STOCK EXCHANGE LISTING

BURSA MALAYSIA SECURITIES BERHAD
Main Market
Stock Code : 9814

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors of Bertam Alliance Berhad, I am pleased to present to you the Annual Report and Audited Financial Statement of the Company and Group for the financial year ended 31 December 2015.



FINANCIAL PERFORMANCE

For the financial year under review, the Group has registered higher revenue of RM127.20 million against RM40.14 million achieved in 2014. Profit before tax was RM16.84 million in 2015 which was higher than the RM2.00 million recorded in 2014. The improvement in the bottom line was mainly due to contribution from property development and a sale of land for RM63.5 million.

DIVIDEND

Your Board of Directors did not propose a dividend for the year under review as much working capital is reserved for acquisition of development land and the undertakings of new projects in the coming months to continue to sustain the profitability of the Group.

CORPORATE GOVERNANCE

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

CORPORATE SOCIAL RESPONSIBILITIES

We acknowledge our responsibility for reducing the impact that our activities may have on the environment. We also affirm our continued commitment to ensure our employees are within a safe environment while carrying out our business activities and to ensure the preservation of the environment as part of our corporate social responsibility.

CHAIRMAN'S STATEMENT

(CONT'D)



MOVING FORWARD IN 2016

As we move into 2016, we look forward to better economic environment than that of 2015 which was besieged by the falling Ringgit and rising costs.

The development of the LRT/MRT lines which enhances connectivity to Greater Klang Valley including Seremban, Rawang and Klang will bode well for the residential and commercial property market.

Malaysia generally has a young population where 80% of the population Malaysians are below the age of 50 which means the demand for houses is only going to increase as more young adults are coming into the workforce and looking to settle down.

2016 appears relatively promising for the average Malaysian and quite a few would now be shaking off the "wait and see" stance adopted last year. Moreover, the substantially weakened Ringgit will see many foreign investors utilizing the opportunity of the higher exchange rate to pick up residential and commercial properties.

Despite the current business climate, the Board is confident that the Group will continue to maintain profitable results in the financial year 2016.

ACKNOWLEDGEMENT

On behalf of the Board of Directors, I would like to express our sincere appreciation and gratitude to our customers, shareholders, contractors, consultants, suppliers, financial institutions and regulatory authorities for their continued support, guidance and assistance extended to the Group.

Our sincere appreciation also goes to our Management team and Staff for their dedication and contribution to the Group.

DATUK MOHAMED ARSAD BIN SEHAN

Chairman



MANAGING DIRECTOR'S STATEMENT

THE ECONOMY

In year 2016, the Malaysia economy growth forecast to 4.0% - 4.5% on oil woes, (2015: 5.0%, 2014: 6.0%), as a slump in oil prices forced the revision of fiscal budget which based on assumption that oil would range US\$30 to US\$35 per barrel. (Initial budget assumed an oil price of US\$48).

But while last year's introduction of GST provide a much needed RM40 billion to make up for lost oil revenue and yet it grew faster in Q4, 2015 than market expectations with domestic helping to offset slumping oil and commodity prices.

The property market will continue to flourish despite the challenging market conditions as the Malaysia young population will continue demand for new homes and only up against the continuous cautious lending practice by local banks.

ONGOING PROJECTS

The 120 units of apartments in Kota Damansara, Selangor have been completed with receipt of the Certification of Completion and Compliance. The remain only limited Bumi units still available 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. There remain 1 unit of total 48 units of bungalow/ bungalow lot still available for sales.

GOING FORWARD

Subject to obtaining all the relevant approvals to develop a 220 units residential apartments on a 2.75 acres land in Luyang, Kota Kinabalu, Sabah.

Another development of 916 units residential apartments on a 15.27 acres land in Telipok, Tuaran, Kota Kinabalu, Sabah.



A proposed joint venture to develop a 4.515 acres land in Kepayan, Kota Kinabalu, Sabah into a two tower condominium of 228 units and the development plan has approved in early 2016.

The Group has venture into rubber plantation on its own 485 acres land in Gemencheh, Negeri Sembilan. This venture can contribute to the Group's earning in the future.

OUTLOOK FOR THE GROUP

As we venture forth, let me assure our shareholders and business partners that the team will continue to give our very best. We are committed to working hard to deliver on the new projects and confidently that the Group will do well in 2016.

LIM NYUK FOH
Managing Director

PROFILE OF THE BOARD OF DIRECTORS

DATUK MOHAMED ARSAD BIN SEHAN

- *Chairman/Senior Independent Non-Executive Director*
- *Chairman of Nomination Committee*
- *Member of the Audit Committee*
- *Aged 62, Malaysian, Male*
- *Appointed to the Board on 4 November 2014*

DATUK MOHAMED ARSAD 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.

He does not hold any shares in the Company.

Datuk Mohamed Arsad attended all 5 Board meetings held in the financial year ended 31 December 2015.

LIM NYUK FOH

- *Managing Director*
- *Aged 51, Malaysian, Male*
- *Appointed to the Board on 17 October 2014*

LIM NYUK FOH 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 Board of several other private limited companies.

He is a major shareholder and has direct shareholdings of 54,605,800 (26.41%) ordinary shares in the Company.

Lim Nyuk Foh attended all 5 Board meetings held in the financial year ended 31 December 2015.



PROFILE OF THE BOARD OF DIRECTORS

(CONT'D)

YAP YEE MAY



- *Executive Director*
- *Aged 39, Malaysian, Female*
- *Appointed to the Board on 14 July 2014*

YAP YEE MAY 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 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 Board of several other private limited companies.

She does not hold any shares in the Company.

Yap Yee May attended all 5 Board meetings held in the financial year ended 31 December 2015.

LEE KEH TING



- *Executive Director*
- *Aged 52, Malaysian, Male*
- *Appointed to the Board on 8 May 2015*

LEE KEH TING holds a Bachelor of Engineering (Civil and Structural) from University of Newcastle, Australia.

He 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.

Lee Keh Ting attended 3 out of 3 Board meetings held after his appointment as Director in the financial year ended 31 December 2015.

CHIEW BOON CHIN



- *Independent Non-Executive Director*
- *Member of the Audit Committee, Remuneration Committee and Nomination Committee*
- *Aged 48, Malaysian, Male*
- *Appointed to the Board on 14 July 2014*

CHIEW BOON CHIN holds a Bachelor of Science Degree in Mathematics from University of Windsor, Ontario, Canada. He has various experiences 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. He does not hold any shares in the Company.

Chiew Boon Chin attended all 5 Board meetings held in the financial year ended 31 December 2015.

PROFILE OF THE BOARD OF DIRECTORS

(CONT'D)

LIM SHAW KEONG @ ALFRED LIM

- *Independent Non-Executive Director*
- *Chairman of Audit Committee*
- *Chairman of Remuneration Committee*
- *Aged 58, Malaysian, Male*
- *Appointed to the Board on 14 July 2014*

LIM SHAW KEONG @ALFRED LIM 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 Taxation Institute of Malaysia.

Lim Shaw Keong @ Alfred Lim is a Chartered Accountant with over 21 years of experience in one of the Big Four Accounting Firms and has served as a Director in Charge of one of its Sabah Offices. He has also more than 12 years' experience in the commercial sector with companies in variety of sectors.

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

Lim Shaw Keong @ Alfred Lim attended all 5 Board meetings held in the financial year ended 31 December 2015.

KOO JENN MAN

- *Non-Independent Non-Executive Director*
- *Aged 42, Malaysian, Male*
- *Appointed to the Board on 8 May 2015*

KOO JENN MAN 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.

He started his career as an audit assistant at PricewaterhouseCooper, 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.

Koo Jenn Man attended 3 out of 3 Board meetings held after his appointment as Director in the financial year ended 31 December 2015.

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.
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)	2015 RM'000	2014 RM'000	2013 RM'000	2012 RM'000	2011 RM'000
Revenue	127,201	40,140	32,104	41,301	72,309
Earnings before interest, tax, depreciation and amortisation	18,805	2,471	5,248	15,782	20,746
Profit before tax	16,840	2,001	4,785	15,206	19,965
Income tax benefit	(5,102)	(1,649)	(1,156)	(3,515)	(5,802)
Profit net of tax, representing total comprehensive income for the year	11,738	352	3,629	11,691	14,163
Profit attributable to:					
Shareholders of the Company	11,813	353	3,680	10,597	12,627
Non- controlling interest	(75)	(1)	(51)	1,094	1,536
	11,738	352	3,629	11,691	14,163

Statements of Financial Position (As At 31 December)	2015 RM'000	2014 RM'000	2013 RM'000	2012 RM'000	2011 RM'000
Total assets:					
Non-current assets	85,299	81,577	74,383	67,639	64,613
Current assets	244,204	186,180	156,490	161,594	162,497
	329,503	267,757	230,873	229,233	227,110
Total liabilities:					
Current liabilities	61,936	36,782	29,813	29,921	35,338
Non-current liabilities	99,464	59,610	27,979	29,860	26,776
	161,400	96,392	57,792	59,781	62,114
Net assets	168,103	171,365	173,081	169,452	164,996
Equity attributable to Shareholders of the Company:					
Share capital	206,756	206,756	206,756	206,756	206,756
Accumulated losses	(38,512)	(35,460)	(33,745)	(37,425)	(43,481)
	168,244	171,296	173,011	169,331	163,275
Non-controlling interest	(141)	69	70	121	1,721
Total equity	168,103	171,365	173,081	169,452	164,996
Loans and borrowings:					
Current	13,366	6,694	6,075	6,539	4,415
Non-current	90,521	51,615	21,345	22,102	18,900
	103,887	58,309	27,420	28,641	23,315

GROUP FINANCIAL INDICATORS



Profitability ratio (Financial Year Ended 31 December)		2015	2014	2013	2012	2011
Gross profit margin	(%)	22.20	18.51	19.83	42.45	30.32
Net profit margin	(%)	9.29	0.88	11.46	25.66	17.46
Return on assets	(%)	3.59	0.13	1.59	4.62	5.56
Return on equity	(%)	7.02	0.21	2.13	6.26	7.73

Market value ratio (Financial Year Ended 31 December)		2015	2014	2013	2012	2011
Earnings per share	(Sen)	5.71	0.17	1.78	5.13	6.11
Net asset per share	(RM)	0.81	0.83	0.84	0.82	0.79
Price earning (P/E) ratio	(Times)	8.93	388.24	37.08	11.31	8.18
Gross dividend per share	(Sen)	NA	NA	1.00	2.00	1.00
Gross dividend yield	(%)	NA	NA	1.52	3.45	2.00
*Share price as at financial year end	(Sen)	51	66	66	58	50

Solvency ratio (Financial Year Ended 31 December)		2015	2014	2013	2012	2011
Gearing ratio	(Times)	0.62	0.34	0.16	0.17	0.14
Interest cover	(Times)	13.70	17.82	19.24	48.04	56.91

*NA - Not Applicable



STATEMENT ON CORPORATE GOVERNANCE

The Malaysian Code on Corporate Governance 2012 (“the Code”) provided the principles and recommendations on the structures and processes that companies may adopt in governing the board towards achieving effective governance.

The Board of Directors (“the Board”) of Bertam Alliance Berhad is pleased to present its statement to demonstrate on how the Board has applied and observed the principles and recommendations set out in the Code.

BOARD ROLES AND RESPONSIBILITIES

The Board assumes full responsibilities of the overall performance of the Group. In discharging their fiduciary responsibilities, the board sets the business direction and overseeing the conduct of the Group based on the periodic performance of the Group reported by management in the quarterly financial results and has full access to all operational information together with the explanation provided by management.

The Managing Director is responsible for developing strategic direction of the Group, ensuring Board decisions are implemented and Board directions are responded to, providing directions in the implementation of short and long-term business plans and providing strong leadership amongst others.

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 (“the Charter”). The 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. Furthermore, the Board has formalised a corporate code of ethics which is in line with the recommendation of the Code.

The Charter and Both Corporate Code of Ethics are made available to public 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 practise 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 has assisted the Board in reviewing the candidates and has recommended these candidates for the Board review and approval.

STATEMENT ON CORPORATE GOVERNANCE

(CONT'D)



The Board is supportive of the gender diversity policy and has adopted a Workplace Diversity Policy on 15 May 2015. Presently, the Board is made up of one (1) Managing Director, one (1) female Executive Director, one (1) male Executive Director, one (1) Non-Independent Non-Executive Director and three (3) Independent Non-Executive Directors, making up seven (7) Board Directors in total. Further information of 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 advices when necessary in furtherance their responsibilities.

COMPANY SECRETARIES

The Board is supported by two (2) qualified Company Secretaries on corporate secretarial matters which include amongst others, convening of Board and general meetings, preparation of circular resolutions and minutes of meetings, maintenance of statutory registers and records, release of announcements to Bursa Malaysia Securities Berhad and advising the Board on compliance with the relevant laws and regulations.

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 is 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 period by the Nomination Committee. Details of the activities undertaken by the Nomination Committee during the financial year are contained on page 28 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	Directors	
	Executive	Non-Executive
RM50,000 and below	-	4
RM100,001 – RM150,000	2	-
RM200,001 – RM250,000	1	-
RM300,001 – RM350,000	1	-
RM500,000 and above	1	-



STATEMENT ON CORPORATE GOVERNANCE

(CONT'D)

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

Directors	Fees* (RM)	Salaries (RM)	Bonuses (RM)	EPF (RM)	Benefit- in-kind/ Allowance (RM)	Total (RM)
Executive	96,000	1,175,000	125,000	151,980	4,500	1,552,480
Non-Executive	156,000	-	-	-	40,900	196,900
TOTAL	252,000	1,175,000	125,000	151,980	45,400	1,749,380

* The Directors' fees are related to financial year 2015.

The Board suggests Directors' fee of RM96,000 for Executive Directors and RM156,000 for Non-Executive Directors to be payable for financial year 2015, which shall be subject to shareholders' approval at the forthcoming AGM.

BOARD INDEPENDENCE

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

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

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

The Board via the Nomination Committee, conducts an annual assessment on the independence of the independent directors. The Board is satisfied with the level of independence of the independent directors and considers them to be independent in character and judgement. Their knowledge, diversity of experience and other business interests continue to enable them to contribute significantly to the Board. In order to uphold independence of Independent Directors, the Board would continue to 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.

STATEMENT ON CORPORATE GOVERNANCE

(CONT'D)



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

	Designation	No. of Meetings Attended/ No. of Meeting Held during Office
Current Directors		
Datuk Mohamed Arsad bin Sehan	Chairman/Senior Independent Non-Executive Director	5/5
Lim Nyuk Foh	Managing Director	5/5
Yap Yee May	Executive Director	5/5
Lim Shaw Keong @ Alfred Lim	Independent Non-Executive Director	5/5
Chiew Boon Chin	Independent Non-Executive Director	5/5
Lee Keh Ting (appointed on 8 May 2015)	Executive Director	3/3
Koo Jenn Man (appointed on 8 May 2015)	Non-Independent Non-Executive Director	3/3
Former Directors		
Tan Ai Tong (resigned on 14 April 2015)	Executive Director	1/1
Low Yew Hwa (resigned on 30 April 2015)	Executive Director	2/2

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.

Following 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"> Bursa Malaysia CG Breakfast Series, How to Maximise Internal Audit. Deloitte Talk on the Future of Manufacturing. Talk on Updates on the ISO37001 Anti-Bribery Management System Standard by Chair of the ISO/PC 278. ASLI's 10th Asia Economic Summit.
Lim Nyuk Foh	<ul style="list-style-type: none"> Goods and Services Tax (GST) in Malaysia.
Yap Yee May	<ul style="list-style-type: none"> Goods and Services Tax (GST) in Malaysia.



STATEMENT ON CORPORATE GOVERNANCE

(CONT'D)

Director	Training Attended
Lim Shaw Keong @ Alfred Lim	<ul style="list-style-type: none">• ISO 9001/14001/8001 Training on Quality Management System, Environment and Safety & Health by BCM Consultancy.• Seminar Percukaian Kebangsaan 2015 by IRB.• 2016 Budget Seminar by MIA.• Budget and Tax Seminar by Ernst & Young.
Chiew Boon Chin	<ul style="list-style-type: none">• Effective Board Evaluation.• 2016 Budget Seminar.• GST Implementation Workshop.
Lee Keh Ting	<ul style="list-style-type: none">• GST Seminar by Custom.
Koo Jenn Man	<ul style="list-style-type: none">• Budget Seminar by MIA.

The Board of Directors also received updates from the Company Secretaries and External Auditors on statutory and regulatory requirements.

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 conducts an annual assessment on the suitability and independence of External Auditors, taking into account the following:

- their independence and level of non-audit services rendered by them;
- the quality and scope of audit;
- their ability to perform and work within the agreed timeframe;
- the quality and timeliness of reports furnished to the Audit Committee;
- the level of understanding demonstrated of the Group's business;
- communication to the Audit Committee about new and applicable accounting practices and auditing standards and the impact on the Company's financial statements.

Based on the assessment and review conducted, the Audit Committee was satisfied with Messrs UHY's competency and independence and has recommended the Board to table their re-appointment for the shareholders' approval at the Annual General Meeting.

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.

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 pages 26 to 27.

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' RIGHT

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 present in 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 2015, 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.

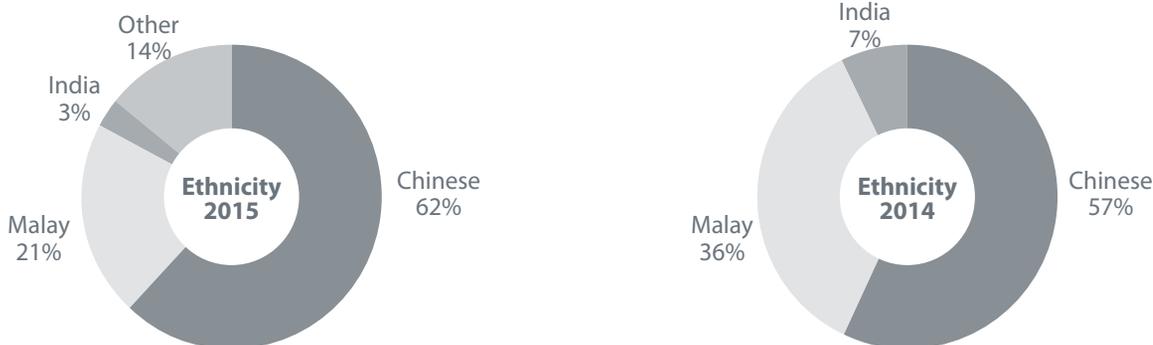


STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

WORKPLACE DIVERSITY

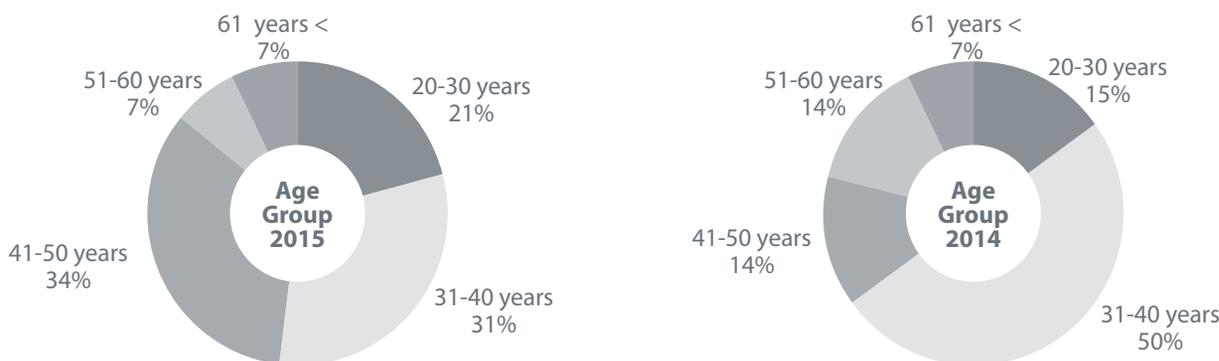
Following diagrams illustrate the composition of the ethnicity, age and gender of our employees (excluding the members of the Board) as at 31 December 2015 in the Group.

A) Employee's Ethnicity Composition



Ethnicity	2015 Total Number	2014 Total Number
Chinese	18	8
Malay	6	5
Indian	1	1
Others	4	-
Total	29	14

B) Employee's Age Group Composition



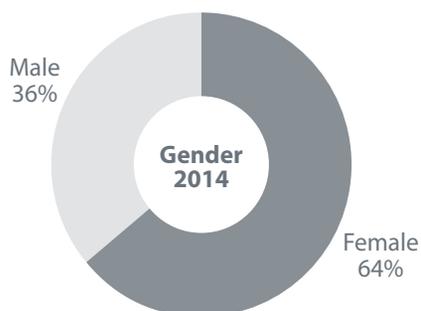
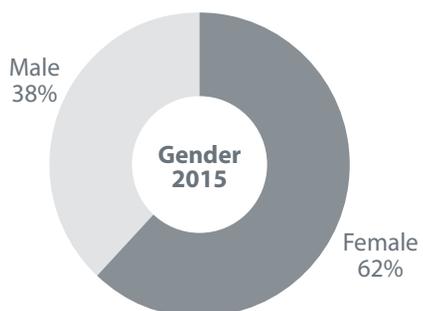
Age Group	2015 Total Number	2014 Total Number
20 - 30 years	6	2
31 - 40 years	9	7
41 - 50 years	10	2
51 - 60 years	2	2
61 years and above	2	1
Total	29	14

STATEMENT ON CORPORATE GOVERNANCE

(CONT'D)



C) Employee's Gender Composition



Gender	2015 Total Number	2014 Total Number
Female	18	9
Male	11	5
Total	29	14



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. The disposal was completed on 22 June 2015.

During the financial year ended 31 December 2015, the Group had fully utilized the proceeds from the disposal by UH Capital Sdn Bhd as follows:

	Proceeds RM'million	Utilisation RM'million	Balance RM'million
Disposal of Land	63.5	-	-
Land cost and related expenses	-	(51.0)	-
Security deposit	-	(3.0)	-
Tax payment	-	(4.5)	-
Repayment group borrowings	-	(5.0)	-
Total	63.5	(63.5)	-

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. Profits Estimates, Forecast, Projection or Variation in Results

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

STATEMENT ON CORPORATE GOVERNANCE

(CONT'D)



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 19 June 2015, 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 were no transactions entered into between the 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

Name	Designation	Directorship
Lim Shaw Keong @ Alfred Lim	Chairman	Independent Non-Executive Director
Datuk Mohamed Arsad bin Sehan	Member	Senior Independent Non-Executive Director
Chiew Boon Chin	Member	Independent Non-Executive Director

2. TERMS OF REFERENCE

The terms of reference of the Audit Committee remains 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 2015, the Audit Committee convened a total of five (5) meetings. All members of the Committee have attended these meetings.

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 statement, Directors' and Auditors' Reports and other significant accounting issues arising from statutory financial audit;
- (c) Reviewed External Auditor's 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 management of the Group;
- (e) Reviewed the internal audit reports and considered the findings and recommendations and management's response thereto;
- (f) 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;
- (g) Reviewed the quarterly status of recurrent related party transactions; and
- (h) 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 conducted internal control reviews on key operating functions and procedures. The scopes of audit review carried out are as follows:-

- Project management
- Rental collection
- Stock of completed properties
- Property sales & administration
- Governance disclosures

The cost incurred for the internal audit function in the current financial year is RM44,705 (2014: RM39,667).



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Malaysia Code on Corporate Governance provides that the Board of Directors of public listed companies should establish a sound risk management framework and internal controls system to safeguard shareholders' investment and Group's assets.

Towards this end, the Board of Directors ("the Board") is pleased to present the following Statement on Risk Management and Internal Control ("Statement") for the financial year ended 31 December 2015. This Statement is prepared pursuant to paragraph 15.26(b) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and is in accordance with the "Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers" ("Guideline") endorsed by the Bursa Securities.

BOARD'S COMMITMENT AND RESPONSIBILITIES

Principally, the Guideline suggests the Board to:

- Embed risk management in all aspects of the Group's activities, which encompasses all subsidiaries of the Company; and
- Review risk management framework, processes, responsibilities and assessing whether the present policies and systems provide reasonable assurance that risk is managed appropriately.

Presently, the Board derives its comfort of the state of risk management and internal control of the Group from the following processes and information:

- Board discussions with management during the board meetings on business and operational issues as well as the measures taken by management to mitigate and manage risks associated with the business and operation issues;
- Delegation and separation of responsibilities between the Board and management. The Executive Directors report to the Board on the performance of the operations while the Board scrutinizes the management performance to ensure its effectiveness and objectivity;
- The Audit Committee reviews and discuss with the management on the unaudited quarterly financial results to monitor the Group's progress towards achieving the Group's objectives;
- Management assurance that the Group's risk management and internal control systems have been operating adequately and effectively, in all material respects; and
- The internal audit function assists the Audit Committee and the Board in conducting assessment on the internal control systems and the governance practices. The Internal Auditors conduct periodic reviews in accordance with the audit plan and scope approved by the Audit Committee.

Going forward, the Board will implement a structured risk management program in stages. It is envisaged that this implementation will involve:

- Review and reflect of the current Group Risk Management Policy according to the current Board and management practices;
- Conduct of risk management refresher programs in the Group for strengthening and enforcing the risk management practices in the Group; and
- Identification and assessment of risks and followed by periodic monitoring and reporting of the Group's key risks and the effectiveness of management risk mitigation actions.

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



MANAGEMENT RESPONSIBILITIES AND ASSURANCE

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 producing this Statement, the Board has received assurance from Managing Executive Directors and Group Financial Controller that, to the best of their knowledge that 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

Pursuant to paragraph 15.23 of the MMLR, the External Auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the annual report for the financial year ended 31 December 2015. Their review was performed in accordance with Recommended Practice Guide 5 (RPG 5) issued by the Malaysian Institute of Accountants.

The External Auditors have reviewed this Statement for inclusion in this Annual Report for the year ended 31 December 2015. It was reported that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process the Board has adopted in the review of 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 pursuant to Paragraph 15.08A of the Listing Requirements.

The Nomination Committee is responsible to review annually the effectiveness, contribution and performance of the Board, Board Committees and individual Board members as well as the independence of Independent Directors. In addition, the Nomination Committee also assesses the size and composition of the Board in consideration of the needs and expectations of the shareholders 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	Chairman	Senior/Independent Non-Executive Director
Chiew Boon Chin	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 complete 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.

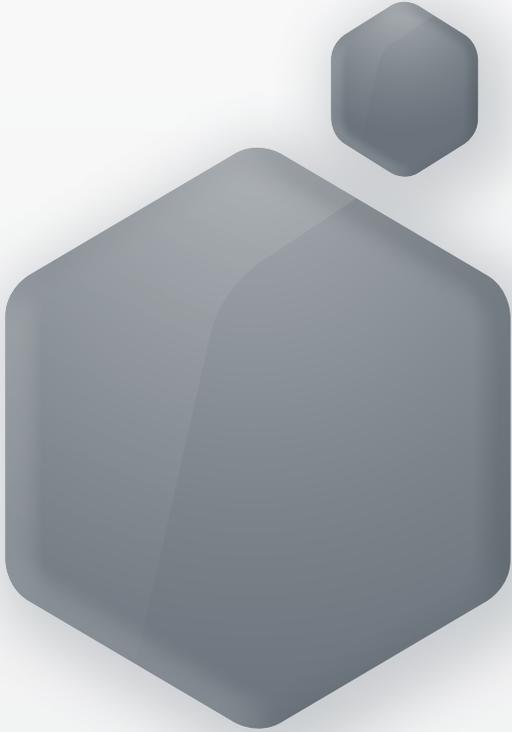
The assessment criteria applied in the assessments include integrity, availability, meeting preparation and attendance, board participation, business planning contribution, public relation and teamwork.

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. The agenda of the meetings include:

- i. Assessment on the effectiveness of the Board as a whole, the Committee of the Board and the contribution of each individual directors based on the:-
 - Assessment on mix of skills and experience
 - Board & Board Committee Evaluation Form
 - Directors' Evaluation Form- Self and Peer Assessment
 - Audit Committee Evaluation Form
- ii. Reviewed the existing board composition having regard to the mixed skills, experience of the members and size of the Board and its Committee;
- iii. Reviewed the annual declaration of independence by Independent Directors for continual adherence to the independence criteria of the listing requirements; and
- iv. Reviewed and recommended to the Board to table the re-election of retiring directors at the Annual General Meeting.

The Nomination Committee has conducted an assessment and considered the re-election of Mr Lim Shaw Keong@Alfred Lim and Mr Chiew Boon Chin and collectively agreed that they meet the criteria of character, experience, integrity, competence and time to effectively discharge their roles as Directors as prescribed by the Main Market Listing Requirements. Based on the recommendation of the Nomination Committee, the Board would be seeking shareholders' approval for their re-election as Directors at the Twenty-Second Annual General Meeting.



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39	Statement of Profit or Loss and Other Comprehensive Income
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DIRECTORS' REPORT

The Directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2015.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services to the subsidiaries. The principal activities of its subsidiary companies are disclosed in Note 7 to the financial statements.

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

FINANCIAL RESULTS

	Group RM	Company RM
Net profit/(loss) for the financial year	11,737,820	(7,409,371)
Attributable to:		
Owners of the parent	11,812,944	(7,409,371)
Non-controlling interests	(75,124)	-
	11,737,820	(7,409,371)

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.

DIVIDENDS

There were no dividends proposed, declared or paid by the Company since the end of the previous financial year. The Board of Directors does not recommend any dividend in respect of the current financial year.

ISSUE OF SHARES AND DEBENTURES

There were no issuances of shares or debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

DIRECTORS' REPORT

(CONT'D)



DIRECTORS

The Directors in office since the date of the last report are:

Chiew Boon Chin	
Datuk Mohamed Arsad Bin Sehan	
Lim Nyuk Foh	
Lim Shaw Keong @ Alfred Lim	
Yap Yee May	
Koo Jenn Man	<i>(appointed on 08.05.2015)</i>
Lee Keh Ting	<i>(appointed on 08.05.2015)</i>
Low Yew Hwa	<i>(resigned on 30.04.2015)</i>

DIRECTORS' INTERESTS

The interests and deemed interests in the shares and options over shares of the Company and of its related corporations (other than wholly-owned subsidiary companies) of those who were Directors at financial year end according to the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares of RM1 each			
	At 01.01.2015	Bought	Sold	At 31.12.2015
Interests in the Company				
Direct Interests				
Lim Nyuk Foh	-	51,605,800	-	51,605,800
Koo Jenn Man	-	393,500	-	393,500

By virtue of his interest in the shares of the Company, Lim Nyuk Foh is also deemed interested in the shares of all the subsidiary companies during the financial year to the extent the Company has an interest under Section 6A of the Companies Act, 1965.

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' BENEFITS

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than certain Directors who have significant financial interests in companies which traded with certain companies in the Group in the ordinary course of business as disclosed in Note 29 to the financial statements.

Neither during nor at the end of the financial year, was the Company a party to any arrangement whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.



DIRECTORS' REPORT

(CONT'D)

OTHER STATUTORY INFORMATION

- (a) Before the statements of financial position and statements of profit or loss and other comprehensive income of the Group and of the Company were made out, the Directors took reasonable steps:
- (i) to ascertain that 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:
- (i) which would render it amounts written off for bad debts or the amounts of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
 - (iii) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or
 - (iv) 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.
- (c) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liability 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.
- (d) In the opinion of the Directors:
- (i) no contingent liability 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 and of the Company to meet their obligations as and when they fall due;
 - (ii) 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, except in the notes to the financial statements; and
 - (iii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS' REPORT

(CONT'D)



SIGNIFICANT EVENTS

The significant events are disclosed in Note 34 to the financial statements.

AUDITORS

The Auditors, Messrs UHY, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 13 April 2016.

LIM NYUK FOH

YAP YEE MAY

KUALA LUMPUR



STATEMENT BY DIRECTORS

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

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 37 to 96 are drawn up in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and of their financial performance and cash flows for the financial year then ended.

The supplementary information set out in Note 38 to the financial statements on page 97 have been compiled 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 and the directive of Bursa Malaysia Securities Berhad.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 13 April 2016.

LIM NYUK FOH

YAP YEE MAY

KUALA LUMPUR



STATUTORY DECLARATION

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

I, **CHIN WUI CHOONG**, being the Officer primarily responsible for the financial management of Bertam Alliance Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 37 to 97 are 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 at Kuala Lumpur in }
the Federal Territory on 13 April 2016 }

CHIN WUI CHOONG

Before me:

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 2015 of the Group and of the Company, and the statements of profit or loss and other 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 37 to 96.

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 Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation 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 entity'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 of 31 December 2015 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 subsidiary companies have been properly kept in accordance with the provisions of the Act.
- (b) We are satisfied that the financial statements of the subsidiary companies 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.
- (c) Our audit reports on the financial statements of the subsidiary companies did not contain any qualification or any adverse comment made under Section 174(3) of the Act.



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

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 38 on page 97 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 Disclosures 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

- (a) The financial statements of the Group and of the Company for the financial year ended 31 December 2014 were audited by another firm of auditors who expressed an unqualified opinion on those financial statements on 22 April 2015.
- (b) This report is made solely to the member 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.

UHY

Firm Number: AF 1411
Chartered Accountants

KUALA LUMPUR

13 APRIL 2016

CHONG HOU NIAN

Approved Number: 3105/11/16 (J)
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015



	Note	GROUP		COMPANY	
		2015 RM	2014 RM	2015 RM	2014 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	10,693,650	7,322,521	9,072,672	6,192,673
Land held for property development	5	71,492,947	71,142,436	-	-
Goodwill	6	-	-	-	-
Investment in subsidiary companies	7	-	-	100,788,009	109,353,920
Other investments	8	3,112,500	3,112,500	-	-
		85,299,097	81,577,457	109,860,681	115,546,593
Current assets					
Property development cost	9	145,490,093	100,438,910	-	-
Inventories	10	10,078,191	7,359,473	-	-
Trade and other receivables	11	72,981,148	57,676,826	110,818	1,427,854
Amount due from subsidiary companies	12	-	-	59,541,231	42,205,144
Other current assets	13	-	5,442,308	-	-
Tax recoverable		1,601,637	3,892,369	17,204	72,144
Deposits, cash and bank balances	14	11,547,022	11,370,009	96,830	47,201
		241,698,091	186,179,895	59,766,083	43,752,343
Asset held for sale	15	2,506,000	-	-	-
		244,204,091	186,179,895	59,766,083	43,752,343
TOTAL ASSETS					
		329,503,188	267,757,352	169,626,764	159,298,936
EQUITY					
Share capital	16	206,756,497	206,756,497	206,756,497	206,756,497
Reserves		(38,512,410)	(35,460,200)	(64,575,318)	(57,165,947)
		168,244,087	171,296,297	142,181,179	149,590,550
Equity attributable to owners of the parent		168,244,087	171,296,297	142,181,179	149,590,550
Non-controlling interests		(141,367)	68,603	-	-
TOTAL EQUITY					
		168,102,720	171,364,900	142,181,179	149,590,550

The accompanying notes form an integral part of the financial statements



STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015 (CONT'D)

	Note	GROUP		COMPANY	
		2015 RM	2014 RM	2015 RM	2014 RM
LIABILITIES					
Non-current liabilities					
Trade and other payables	17	2,851,179	2,556,028	-	-
Loans and borrowings	18	90,520,772	51,026,560	16,400,772	-
Finance lease payable	19	833,558	588,879	-	-
Deferred tax liabilities	20	5,258,613	5,439,075	-	-
		99,464,122	59,610,542	16,400,772	-
Current liabilities					
Trade and other payables	17	46,041,400	28,834,685	558,813	288,735
Amount due to contract customers	21	-	719,228	-	-
Amount due to subsidiary companies	12	-	-	-	9,419,651
Tax payables		2,374,233	534,223	-	-
Loans and borrowings	18	13,366,000	6,563,226	10,486,000	-
Finance lease payable	19	154,713	130,548	-	-
		61,936,346	36,781,910	11,044,813	9,708,386
Total liabilities		161,400,468	96,392,452	27,445,585	9,708,386
Total equity and liabilities		329,503,188	267,757,352	169,626,764	159,298,936

The accompanying notes form an integral part of the financial statements

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015



	Note	GROUP		COMPANY	
		2015 RM	2014 RM	2015 RM	2014 RM
Revenue	22	127,201,258	40,139,743	3,632,190	5,624,521
Cost of sales		(98,963,012)	(32,710,125)	-	-
Gross profit		28,238,246	7,429,618	3,632,190	5,624,521
Other income		278,410	1,450,775	3,312,053	3,064,584
Administrative expenses		(10,350,805)	(6,353,527)	(13,131,899)	(3,282,928)
Profit/(Loss) from operation		18,165,851	2,526,866	(6,187,656)	5,406,177
Finance costs	23	(1,326,076)	(118,930)	(1,221,715)	-
Share of result of associates		-	(407,502)	-	-
Profit/(Loss) before taxation	24	16,839,775	2,000,434	(7,409,371)	5,406,177
Taxation	25	(5,101,955)	(1,648,839)	-	-
Net profit/(loss) for the financial year, representing total comprehensive income for the financial year		11,737,820	351,595	(7,409,371)	5,406,177
Profit/(Loss) for the financial year attributable to:					
Owners of the parent		11,812,944	352,799	(7,409,371)	5,406,177
Non-controlling interests		(75,124)	(1,204)	-	-
		11,737,820	351,595	(7,409,371)	5,406,177
Earnings per share	26				
Basic and diluted (sen)		5.71	0.17		

The accompanying notes form an integral part of the financial statements



STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	<-----Attributable to the Owners of the Parent----->				Non-controlling Interests RM	Total Equity RM
	Non-distributable Share Capital RM	Distributable Other reserve RM	Distributable Accumulated Losses RM	Total RM		
GROUP						
At 1 January 2015	206,756,497	-	(35,460,200)	171,296,297	68,603	171,364,900
Net profit/(loss) for the financial year, representing total comprehensive income for the financial year	-	-	11,812,944	11,812,944	(75,124)	11,737,820
Transaction with owners:						
Acquisition of non-controlling interest	-	(14,865,154)	-	(14,865,154)	(134,846)	(15,000,000)
At 31 December 2015	206,756,497	(14,865,154)	(23,647,256)	168,244,087	(141,367)	168,102,720

	Attributable to the Owners <----- of the Parent ----->				Non-controlling Interests RM	Total Equity RM
	Note	Non-distributable Share Capital RM	Distributable Accumulated Losses RM	Total RM		
GROUP						
At 1 January 2014		206,756,497	(33,745,434)	173,011,063	69,807	173,080,870
Net profit/(loss) for the financial year, representing total comprehensive income for the financial year		-	352,799	352,799	(1,204)	351,595
Transaction with owners:						
Dividends to owners of the Company	27	-	(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

The accompanying notes form an integral part of the financial statements

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)



	Share Capital RM	Accumulated Losses RM	Total Equity RM
COMPANY			
At 1 January 2014	206,756,497	(60,504,559)	146,251,938
Net profit for the financial year, representing total comprehensive income for the financial year	-	5,406,177	5,406,177
Transaction with owners:			
Dividends to owners of the Company	-	(2,067,565)	(2,067,565)
At 31 December 2014	206,756,497	(57,165,947)	149,590,550
At 1 January 2015	206,756,497	(57,165,947)	149,590,550
Net loss for the financial year, representing total comprehensive income for the financial year	-	(7,409,371)	(7,409,371)
At 31 December 2015	206,756,497	(64,575,318)	142,181,179

The accompanying notes form an integral part of the financial statements



STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Cash Flows From Operating Activities				
Profit/(Loss) before taxation	16,839,775	2,000,434	(7,409,371)	5,406,177
Adjustments for:				
Bad debts written off	266,765	68,667	-	-
Impairment losses on investments in quoted shares	-	1,479,738	-	-
Deposits written off	2,718	-	-	-
Depreciation of property, plant and equipment	458,933	209,773	58,969	5,807
(Gain)/loss on disposal of property, plant and equipment	(31,329)	6,333	2,716	-
Loss on disposal of associates	-	(489,441)	-	-
Impairment loss on investments in subsidiary companies	-	-	8,565,911	-
Interest expense	3,971,700	118,930	1,221,715	-
Interest income	(157,799)	(825,644)	-	-
Interest income on amount due from a subsidiary	-	-	(3,312,053)	(3,052,584)
Share of results of associates	-	407,502	-	-
Property, plant and equipment written off	10,597	42,489	7,942	15
Reversal of impairment losses on amount due from a subsidiary	-	-	-	(12,000)
Reversal of impairment losses on other receivables	(12,321)	-	-	-
Operating profit/(loss) before working capital changes	21,349,039	3,018,781	(864,171)	2,347,415
Changes in working capital:				
Inventories	(2,718,718)	(3,436,266)	-	-
Property development	(45,051,183)	(35,944,134)	-	-
Receivables	(15,561,484)	2,047,204	1,317,036	(1,270,339)
Payables	17,501,866	7,261,251	270,078	7,225,678
Other current assets	5,442,308	(253,070)	-	-
Other current liabilities	(719,228)	719,228	-	-
Subsidiary companies	-	-	(26,755,738)	-
	(41,106,439)	(29,605,787)	(25,168,624)	5,955,339
Cash (used in)/from operating activities	(19,757,400)	(26,587,006)	(26,032,795)	8,302,754
Interest received	157,799	825,644	3,312,053	-
Interest paid	(1,326,076)	(118,930)	(1,221,715)	-
Tax refund	2,880,778	-	90,144	-
Tax paid	(4,032,453)	(5,444,849)	(35,204)	(41,416)
	(2,319,952)	(4,738,135)	2,145,278	(41,416)
Net cash (used in)/from operating activities	(22,077,352)	(31,325,141)	(23,887,517)	8,261,338

The accompanying notes form an integral part of the financial statements

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)



	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Cash Flows From Investing Activities				
Purchase of land held for property development	(2,856,511)	(2,433,085)	-	-
Purchase of property, plant and equipment	(3,428,054)	(6,553,772)	(2,952,126)	(6,187,639)
Proceed from disposal of a subsidiary company	-	(4,506,237)	-	-
Proceeds from disposal of associates	-	5,047,000	-	-
Purchase additional share in a subsidiary company	(15,000,000)	-	-	-
Proceeds from disposal of property, plant and equipment	98,724	8,000	2,500	-
Net cash (used in)/from investing activities	(21,185,841)	(8,438,094)	(2,949,626)	(6,187,639)
Cash Flows From Financing Activities				
Dividend paid to shareholders	-	(2,067,565)	-	(2,067,565)
Drawdown of bank borrowings	74,300,000	35,500,000	27,300,000	-
Released/(Increase) of fixed deposits pledged	21,962	(465,365)	-	-
Repayment of loans and borrowings	(26,117,338)	(5,032,160)	(413,228)	-
Repayment of hire purchase payables	(211,156)	(114,921)	-	-
Net cash from/(used in) financing activities	47,993,468	27,819,989	26,886,772	(2,067,565)
Net increase/(decrease) in cash and cash equivalents	4,730,275	(11,943,246)	49,629	6,134
Cash and cash equivalents at the beginning of the financial year	6,106,093	18,049,339	47,201	41,067
Cash and cash equivalents at the end of the financial year	10,836,368	6,106,093	96,830	47,201
Cash and cash equivalents at the end of the financial year comprises:				
Fixed deposits with a licensed bank	10,090,772	10,112,734	-	-
Cash and bank balances	1,456,250	1,257,275	96,830	47,201
Bank overdraft	-	(4,531,300)	-	-
Less: Fixed deposit pledged	(710,654)	(732,616)	-	-
	10,836,368	6,106,093	96,830	47,201

The accompanying notes form an integral part of the financial statements



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of the Bursa Malaysia Securities Berhad.

The principal place of business of the Company is located at Unit 23-01, Level 23, Tower B, Vertical Business Suite, Avenue 3, Bangsar South City, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

The registered office of the Company is located at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

The principal activities of the Company consist of investment holding and provision of management services to the subsidiaries. The principal activities of its subsidiary companies are disclosed in Note 7 to the financial statements. There have been no significant changes in the nature of these activities of the Company and its subsidiary companies during the financial year.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards ("FRSs") and the requirements of the Companies Act, 1965 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the significant accounting policies below.

Adoption of new and amended standards

During the financial year, the Group and the Company have adopted the following amendments to FRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year:

Amendments to FRS 119	Defined Benefits Plans: Employee Contributions
Annual Improvements to FRSs 2010 – 2012 Cycle	
Annual Improvements to FRSs 2011 – 2013 Cycle	

Adoption of above amendments to FRSs did not have any significant impact on the financial statements of the Group and the Company.

Standards issued but not yet effective

The Group and the Company have not applied the following new FRSs and amendments to FRSs that have been issued by the MASB but are not yet effective for the Group and the Company:

		Effective dates for financial periods beginning on or after
FRS 14	Regulatory Deferral Accounts	1 January 2016
Amendments to FRS 11	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015 (CONT'D)



2. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective (Cont'd)

		Effective dates for financial periods beginning on or after
Amendments to FRS 101	Disclosure Initiative	1 January 2016
Amendments to FRS 116 and FRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to FRS 127	Equity Method in Separate Financial Statements	1 January 2016
Annual Improvements to FRSs 2012 - 2014 Cycle		1 January 2016
Amendments to FRS 10, FRS 12 and FRS 128	Investment Entities: Applying the Consolidation Exception	1 January 2016
FRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
Amendments to FRS 10 and FRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced

The Group and the Company intend to adopt the above FRSs when they become effective.

The initial application of the abovementioned FRSs are not expected to have any significant impacts on the financial statements of the Group and of the Company except as mentioned below:

FRS 9 *Financial Instruments* (IFRS 9 issued by IASB in July 2014)

FRS 9 (IFRS 9 issued by IASB in July 2014) replaces earlier versions of FRS 9 and introduces a package of improvements which includes a classification and measurement model, a single forward looking 'expected loss' impairment model and a substantially reformed approach to hedge accounting. FRS 9 when effective will replace FRS 139 *Financial Instruments: Recognition and Measurement*.

FRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income without subsequent recycling to profit or loss. There is now a new expected credit losses model that replaces the incurred loss impairment model used in FRS 139. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. FRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under FRS 139.

The adoption of FRS 9 will result in a change in accounting policy. The Group is currently examining the financial impact of adopting FRS 9.



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015 (CONT'D)

2. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (Cont'd)

New Malaysian Financial Reporting Standards ("MFRS Framework") issued but not yet effective

On 19 November 2011, the MASB issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework"). The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 *Agriculture* and IC Interpretation 15 *Agreements for Construction of Real Estate*, including its parent, significant investor and venturer (hereinafter called "Transitioning Entities").

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework and continue to use the existing FRS Framework. The adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2018.

The Group and the Company fall within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in their first MFRS financial statements for the financial year ending 31 December 2018. In presenting their first MFRS financial statements, the Group and the Company will be required to restate the comparative financial statements to amounts reflecting the application of the MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings.

The Group and the Company have not completed its assessment of the financial effects of the differences between FRSs and accounting standards under the MFRS Framework. Accordingly, the consolidated and separate financial performance and financial position as disclosed in these financial statements for the financial year ended 31 December 2015 could be different if prepared under the MFRS Framework.

(b) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM") which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest RM except when otherwise stated.

(c) Significant accounting judgments, estimates and assumptions

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.

There are no significant areas of critical judgement in applying accounting policies that have significant effect on the amounts recognised in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015 (CONT'D)



2. BASIS OF PREPARATION (CONT'D)

(c) Significant accounting judgments, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are set out below:

Useful lives of property, plant and equipment (Note 4)

The Group regularly review the estimated useful lives of property, plant and equipment based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment would increase the recorded depreciation and decrease the value of property, plant and equipment.

Impairment of investment in subsidiary companies

The Company reviews its investments in subsidiary companies when there are indicators of impairment. Impairment is measured by comparing the carrying amount of an investment with its recoverable amount. Significant judgement is required in determining the recoverable amount. Estimating the recoverable amount requires the Company to make an estimate of the expected future cash flows from the cash-generating units and also to determine a suitable discount rate in order to calculate the present value of those cash flows.

The carrying amount at the reporting date for investments in subsidiary companies is disclosed in Note 7.

Inventories valuation

Inventories are measured at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected sales prices. Demand levels and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of its inventories. Details of inventories are disclosed in Note 10.

Construction Contracts

The Group recognises construction contracts revenue and expenses in the profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that construction costs incurred for work performed to date bear to the estimated total construction costs.

Significant judgement is required in determining the stage of completion, the extent of the construction costs incurred, the estimated total construction revenue and costs, as well as the recoverability of the construction projects. In making the judgement, the Group evaluates based on experience and by relying on the work of specialists. The details of construction contracts are disclosed in Note 21.



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015 (CONT'D)

2. BASIS OF PREPARATION (CONT'D)

(c) Significant accounting judgments, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

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 cost incurred, the estimated total property development revenue and costs, as well as the recoverability of the development projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists. The carrying amount of the Group's property development costs at the reporting date is disclosed in Note 9.

Income taxes

Judgment 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 recognises liabilities for tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these tax 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.

Contingent liabilities

Determination of the treatment of contingent liabilities is based on management's view of the expected outcome of the contingencies after consulting legal counsel for litigation cases and internal and external experts to the Group for matters in the ordinary course of business. Details of contingent liabilities are disclosed in Note 35.

Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the Note 31(c) regarding financial assets and liabilities. In applying the valuation techniques management makes maximum use of market inputs, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015 (CONT'D)



3. SIGNIFICANT ACCOUNTING POLICIES

The Group and the Company apply the significant accounting policies set out below, consistently throughout all periods presented in the financial statements unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiary companies

Subsidiary companies are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary companies are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary company is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed off in profit or loss as incurred.

If a business combination achieved in stages, the previously held equity interest in the acquiree is re-measured at its acquisition date fair value and the resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instruments and within the scope of FRS 139 *Financial Instruments: Recognition and Measurement*, is measured at fair value with the changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated, unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, the accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investments in subsidiary companies are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(k) to the financial statements on impairment of non-financial assets.



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (Cont'd)

- (ii) Changes in ownership interests in subsidiary companies without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary company is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

- (iii) Disposal of subsidiary companies

If the Group loses control of a subsidiary company, the assets and liabilities of the subsidiary company, including any goodwill, and non-controlling interests are derecognised at their carrying value on the date that control is lost. Any remaining investment in the entity is recognised at fair value. The difference between the fair value of consideration received and the amounts derecognised and the remaining fair value of the investment is recognised as a gain or loss on disposal in profit or loss. Any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

- (iv) Goodwill on consolidation

The excess of the aggregate consideration transferred the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired (ie. a bargain purchase), the gain is recognised in profit or loss.

Following the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying value may be impaired. See accounting policy Note 3(k) to the financial statements on the impairment of non-financial assets.

(b) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The policy of recognition and measurement of impairment losses is in accordance with Note 3(k).

- (i) Recognition and measurement

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015 (CONT'D)



3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Property, plant and equipment (Cont'd)

(i) Recognition and measurement (Cont'd)

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

Capital work-in-progress consists of buildings and plant and machinery under construction / installation for intended use as production facilities. The amount is stated at cost and includes capitalisation of interest incurred on borrowings related to property, plant and equipment under construction/installation until the property, plant and equipment are ready for their intended use.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

(iii) Depreciation

Depreciation is recognised in the profit or loss on straight line basis to write off the cost of each asset to its residual value over its estimated useful life. Property, plant and equipment under construction are not depreciated until the assets are ready for its intended use.

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Furniture, fittings and office equipment	8% - 12%
Motor vehicles	20%
Renovation	10%
Building	2%

The residual values, useful lives and depreciation method are reviewed at each reporting period 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 property, plant and equipments.

(c) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or asset and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Leases (Cont'd)

As lessee

(i) Finance lease

Leases in terms of which the Group or the Company assumes substantially all the risks and rewards of ownership are classified as finance lease. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between 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 recognised as finance costs in the profit or loss. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Leasehold land which in substance is a finance lease is classified as a property, plant and equipment.

(ii) Operating lease

Leases, where the Group or the Company does not assume substantially all the risks and rewards of ownership are classified as operating leases and, except for property interest held under operating lease, the leased assets are not recognised on the statement of financial position.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

Leasehold land which in substance is an operating lease is classified as prepaid land lease payments.

As lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(d) Financial assets

Financial assets are recognised on 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.

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015 (CONT'D)



3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Financial assets (Cont'd)

The Group and the Company classify their financial assets depends on the purpose for which the financial assets were acquired at initial recognition, into the following categories:

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those maturing later than 12 months after the end of the reporting period which are classified as non-current assets.

After initial recognition, financial assets categorised as loans and receivables are measured at amortised cost using the effective interest method, less impairment losses. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

(ii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of the assets within 12 months after the end of the reporting period.

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 asset 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 from an available-for-sale equity instrument are recognised in profit or loss when the Group's and the Company's right to receive payment is established.

Investment in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less impairment 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 or sales of financial assets are recognised and derecognised on the trade date i.e. the date that the Group and the Company commit to purchase or sell the asset.

A financial asset is derecognised when the contractual rights to receive cash flows from the financial asset has expired or has been transferred and the Group and the Company have transferred substantially all risks and rewards of ownership. On derecognition of a financial asset, the difference between the carrying amount and the sum of consideration received and any cumulative gains or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Financial liabilities

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

Financial liabilities are recognised on 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.

The Group and the Company classify their financial liabilities at initial recognition, into financial liabilities measured at amortised cost.

The Group's and the Company's financial liabilities comprise 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.

Gains and losses on financial liabilities measured at amortised cost are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specific payment to reimburse the holder for a loss it incurs because a specific debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, 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 recognised less cumulative amortisation.

A financial liability is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. 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

31 DECEMBER 2015 (CONT'D)



3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(g) Inventories

Completed properties are stated at the lower of cost and net realisable value.

The cost of completed properties includes costs of land and related development cost or its purchase costs and incidental cost of acquisition.

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

(h) Construction contracts

Construction contracts are contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised over the period of contract as revenue and expenses respectively by reference to the stage of completion of the contract activity at the end of the reporting period. The stage of completion method is determined by the proportion that contract costs incurred for work performed to date bear to the estimated total contract cost.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that is probable recoverable and contract costs are recognised as expenses in the period in which they are incurred.

Irrespective whether the outcome of a construction contract can be estimated reliably, when it is probable that 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 probably that they will result in revenue and they are capable of being reliably measured.

The aggregate of the costs incurred and the profit or loss recognised on each contract is compared against the progress billings up to the reporting period end. Where costs incurred and recognised profits (less recognised losses) exceed progress billings, the balance is presented as amounts due from contract customers. Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is presented as amounts due to contract customers.



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) 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 indication 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 cost

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

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

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

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

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

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

(j) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdraft and highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015 (CONT'D)



3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Impairment of assets

(i) Non-financial assets

The carrying amounts of non-financial assets (except for inventories, amount due from contract customers, deferred tax assets and non-current assets classified as held for sale) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives, or that are not yet available for use, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs of disposal. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss, unless the asset is carried at a revalued amount, in which such impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (group of cash-generating units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Impairment of assets (Cont'd)

(ii) Financial assets

All financial assets, other than those categorised as fair value through profit or loss, investments in subsidiary companies, associates and joint ventures, are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset.

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 considers factors such as the probability of insolvency or significant financial difficulties of the receivable 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 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 defaults on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of impairment loss is recognised in profit or loss. Receivables together with the associated allowance are written off when there is no realistic prospect of future recovery.

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 in profit or loss, the impairment loss is reversed, to the extent that the carrying amount of the asset does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of reversal is recognised in profit or loss.

Available-for-sale financial assets

Significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired. A significant or prolonged decline in the fair value of investments in equity instruments below its cost is also an objective evidence of impairment.

If an available-for-sale financial asset is impaired, the amount of impairment loss is recognised in profit or loss and is measured as the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss. When a decline in the fair value of an available-for-sale financial asset has been recognised in other comprehensive income, the cumulative loss in other comprehensive income is reclassified from equity to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015 (CONT'D)



3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Impairment of assets (Cont'd)

(ii) Financial assets (Cont'd)

Available-for-sale financial assets (Cont'd)

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Increase in fair value of equity instrument, if any, subsequent to impairment loss is recognised in other comprehensive income. For available-for-sale debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

(l) Share capital

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are equity instruments. Ordinary shares are recorded at the nominal value of shares issued. Ordinary shares are classified as equity.

Dividend distribution to the Company's shareholders is recognised as a liability in the period they are approved by the Board of Directors except for the final dividend which is subject to approval by the Company's shareholders.

(m) Provisions

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

Provisions are reviewed at each end of the reporting period 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.

(n) Employee benefits

(i) Short term employee benefits

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

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Employee benefits (Cont'd)

(ii) Defined contribution plans

As required by law, companies in Malaysia contribute to the state pension scheme, the Employee Provident Fund ("EPF"). Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group has no further payment obligations.

(o) Revenue

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

(i) Construction contracts

Revenue from construction contracts is accounted in accordance to the accounting policies as described in Note 3(h) to the financial statements.

(ii) Sale of properties

Revenue from sale of properties is accounted for by the stage of completion method as described in Note 3(i) to the financial statements.

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

(iii) Project management, administrative services and support service

Revenue from project management, administrative services 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 on accruals basis 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015 (CONT'D)



3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(q) Income taxes

Tax expense in profit or loss comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method for all temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, at the end of the reporting period, except for investment properties carried at fair value model. Where investment properties measured using fair value model, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying amounts at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Segments reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-makers are responsible for allocating resources and assessing performance of the operating segments and make overall strategic decisions. The Group's operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

(s) Contingencies

Where it is not probable that an inflow or an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the asset or the obligation is disclosed as a contingent asset or contingent liability, unless the probability of inflow or outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

(t) Non-current assets (or disposal group) held for sale

Non-current assets (or disposal group) are classified as held for distribution if their carrying amount will be recovered principally through a distribution rather than through continuing use. Such non-current assets (or disposal groups) classified as held for distribution are measured at the lower of their carrying amount and fair value less costs to sell or to distribute. Costs to distribute are the incremental costs directly attributable to the distribution, excluding the finance costs and income tax expense.

The criteria for held for distribution classification is regarded as met only when the sale or distribution is highly probable and the asset or disposal group is available for immediate distribution in its present condition. Actions required to complete the distribution should indicate that it is unlikely that significant changes to the distribution will be made or that the distribution will be withdrawn. Management must be committed to the distribution expected within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for distribution.

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view of resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held for sale.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and other comprehensive income is re-represented as if the operation had been discontinued from the start of the comparative period.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015 (CONT'D)



4. PROPERTY, PLANT AND EQUIPMENT

	Furniture, fittings and office equipment RM	Motor vehicles RM	Renovation RM	Building under construction RM	Building RM	Total RM
Group 2015 Cost						
At 1 January 2015	333,117	1,548,451	252,741	6,052,704	-	8,187,013
Additions	217,116	759,831	337,091	-	2,594,016	3,908,054
Disposal	(6,754)	(193,992)	-	-	-	(200,746)
Written off	(36,355)	-	-	-	-	(36,355)
Reclassification	-	-	-	(6,052,704)	6,052,704	-
At 31 December 2015	507,124	2,114,290	589,832	-	8,646,720	11,857,966
Accumulated depreciation						
At 1 January 2015	146,617	717,705	170	-	-	864,492
Charge for the financial year	51,024	331,087	33,589	-	43,233	458,933
Disposal	(1,538)	(131,813)	-	-	-	(133,351)
Written off	(25,758)	-	-	-	-	(25,758)
At 31 December 2015	170,345	916,979	33,759	-	43,233	1,164,316
Carrying amount						
At 31 December 2015	336,779	1,197,311	556,073	-	8,603,487	10,693,650

	Plant and machinery RM	Furniture, fittings and office equipment RM	Motor vehicles RM	Renovation RM	Building under construction RM	Total RM
Group 2014 Cost						
At 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
Disposal	-	-	(20,000)	-	-	(20,000)
Written off	(69,999)	(189,660)	-	(77,409)	-	(337,068)
At 31 December 2014	-	333,117	1,548,451	252,741	6,052,704	8,187,013



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015 (CONT'D)

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

	Plant and machinery RM	Furniture, fittings and office equipment RM	Motor vehicles RM	Renovation RM	Building under construction RM	Total RM
Accumulated depreciation						
At 1 January 2014	69,998	297,205	546,536	41,226	-	954,965
Charge for the financial year	1	25,840	176,836	7,096	-	209,773
Disposal	-	-	(5,667)	-	-	(5,667)
Written off	(69,999)	(176,428)	-	(48,152)	-	(294,579)
At 31 December 2014	-	146,617	717,705	170	-	864,492
Carrying amount						
At 31 December 2014	-	186,500	830,746	252,571	6,052,704	7,322,521

	Building under construction RM	Building under construction RM	Furniture, fittings and office equipment RM	Renovation RM	Total RM
Company					
2015					
Cost					
At 1 January 2015	-	6,052,704	53,835	112,998	6,219,537
Reclassification	6,052,704	(6,052,704)	-	-	-
Additions	2,594,016	-	102,461	255,649	2,952,126
Disposal	-	-	(6,754)	-	(6,754)
Written off	-	-	(13,775)	-	(13,775)
At 31 December 2015	8,646,720	-	135,767	368,647	9,151,134
Accumulated depreciation					
At 1 January 2015	-	-	26,864	-	26,864
Charge for the financial year	43,233	-	4,436	11,300	58,969
Disposal	-	-	(1,538)	-	(1,538)
Written off	-	-	(5,833)	-	(5,833)
At 31 December 2015	43,233	-	23,929	11,300	78,462
Carrying amount					
At 31 December 2015	8,603,487	-	111,838	357,347	9,072,672

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015 (CONT'D)



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

	Building RM	Building under construction RM	Furniture, fittings and office equipment RM	Renovation RM	Total RM
Company					
2014					
Cost					
At 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 2014	-	-	28,573	-	28,573
Charge for the financial year	-	-	5,807	-	5,807
Written off	-	-	(7,516)	-	(7,516)
At 31 December 2014	-	-	26,864	-	26,864
Carrying amount					
At 31 December 2014	-	6,052,704	26,971	112,998	6,192,673

- (a) Assets held under finance leases

The carrying amount of motor vehicles of the Group acquired under hire purchase agreements are RM988,271 (2014: RM770,273). Leased assets are pledged as security for the related finance lease liabilities.

- (b) The aggregate additional cost for the property, plant and equipment of the Company during the financial year acquired under finance lease financing and cash payments are as follows:

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Aggregate cost	3,908,054	6,966,772	2,952,126	6,187,639
Less: Finance lease financing	(480,000)	(413,000)	-	-
Cash payments	3,428,054	6,553,772	2,952,126	6,187,639



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015 (CONT'D)

5. LAND HELD FOR PROPERTY DEVELOPMENT

	Freehold land RM	Leasehold land RM	Total RM
Group			
At cost			
At 1 January 2015	42,947,493	28,194,943	71,142,436
Additions	2,514,406	342,105	2,856,511
Transfer to asset held for sale (Note 15)	(2,506,000)	-	(2,506,000)
At 31 December 2015	42,955,899	28,537,048	71,492,947
At 1 January 2014	41,078,280	27,631,071	68,709,351
Additions	1,869,213	563,872	2,433,085
At 31 December 2014	42,947,493	28,194,943	71,142,436

The land under development with carrying value of RM53,097,145 (2014: RM50,240,633) has been pledged as security for banking facilities granted to the Group as disclosed in Note 18 to the financial statements.

6. GOODWILL

	GROUP	
	2015 RM	2014 RM
Group		
Cost		
At 1 January/ 31 December	3,280	3,280
Accumulated impairment		
At 1 January/ 31 December	3,280	3,280
Carrying amount	-	-

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015 (CONT'D)



7. INVESTMENT IN SUBSIDIARY COMPANIES

	COMPANY	
	2015 RM	2014 RM
In Malaysia		
At cost		
Unquoted shares, at cost	111,506,990	111,506,990
Less: Impairment losses	(27,131,718)	(18,565,807)
	84,375,272	92,941,183
Discount on loans to subsidiaries	16,412,737	16,412,737
	100,788,009	109,353,920

During the financial year, as a result of favourable performance of UH Capital Sdn. Bhd. in property development segment, the Group carried out a review of the recoverable amount of UH Capital Sdn. Bhd..

The recoverable amount of the Company's investment in UH Capital Sdn. Bhd. estimated based on value-in-use method. In determining value-in-use for UH Capital Sdn. Bhd., the cash flows were discounted at a rate of 5% on a pre-tax basis.

Details of the subsidiary companies are as follows:

Name of Companies	Country of incorporation	Equity interest		Principal activities
		2015	2014	
Held by the company:				
UH Industries & Development Sdn. Bhd.	Malaysia	100	100	Property development and provision of project management and administrative services
UH Capital Sdn. Bhd.	Malaysia	100	100	Property development
Bertam Development Sdn. Bhd.	Malaysia	100	100	Property development, investment holding and general contractors
Budaya Identiti Sdn. Bhd.	Malaysia	100	100	Property and plantation development
Syarikat Sungei Buan Sdn. Bhd.	Malaysia	100	100	Property development
Dove Industries Sdn. Bhd.	Malaysia	100	100	Property development
UH Trading (Johore) Sdn. Bhd.	Malaysia	100	100	Temporarily ceased operations
UH Trading (Melaka) Sdn. Bhd.	Malaysia	100	100	Temporarily ceased operations
UH Trading (K.L.) Sdn. Bhd.	Malaysia	100	100	Temporarily ceased operations
Bertam Minetech Sdn. Bhd.	Malaysia	100	100	Property development



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015 (CONT'D)

7. INVESTMENT IN SUBSIDIARY COMPANIES

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

Name of Companies	Country of incorporation	Equity interest		Principal activities
		2015	2014	
<i>Subsidiaries of Bertam Development Sdn. Bhd.</i>				
Sunrise Avenue Sdn. Bhd.	Malaysia	100	100	Property development
Sepakat Heights Sdn. Bhd.	Malaysia	100	100	Property development
Dataran Serimaju Sdn. Bhd.	Malaysia	100	-	Property development
Trans Prestasi Sdn. Bhd.	Malaysia	100	-	Property development
Gunung Jaya Sdn. Bhd.	Malaysia	100	100	Property development
Antara Megah Sdn. Bhd.	Malaysia	100	100	Property development
Legacy Mega Development Sdn. Bhd.	Malaysia	100	100	Property development
Budi Halus Sdn. Bhd.	Malaysia	100	100	Property development and general contractors
Sunrise Teamtrade Sdn. Bhd.	Malaysia	51	51	Property development
<i>Subsidiaries of Antara Megah Sdn. Bhd.</i>				
Tabur Bakti Sdn. Bhd.	Malaysia	100	100	Property development
Suria Pertiwi Sdn. Bhd.	Malaysia	100	100	Property development
<i>Subsidiaries of Syarikat Sungei Buan Sdn. Bhd.</i>				
MV Properties Sdn. Bhd.	Malaysia	100	70	Property development

The Group's subsidiary companies which have non-controlling interests are not material individually or in aggregate to the financial position, financial performance and cash flows of the Group.

Acquisition of non-controlling interests

On 27 April 2015, Syarikat Sungei Buan Sdn. Bhd., a wholly-owned subsidiary of the Group, acquired remaining 30% equity interest in MV Properties Sdn. Bhd. in cash, increasing its ownership from 70% to 100% with a total consideration of RM15,000,000.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015 (CONT'D)



7. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

Acquisition of non-controlling interests (Cont'd)

The effect of changes in the equity interest in MV Properties Sdn. Bhd. that is attributable to owners of the Company:

	RM
Carrying amount of non-controlling interest acquired	134,846
Consideration paid to non-controlling interest	(15,000,000)
	<hr/>
Decrease in parent's equity	(14,865,154)
	<hr/>

8. OTHER INVESTMENTS

	GROUP	
	2015 RM	2014 RM
Investment in club memberships, at cost	86,000	86,000
Investment in quoted shares, at market value	3,026,500	3,026,500

9. PROPERTY DEVELOPMENT COST

	Freehold land RM	Development Cost RM	Total RM
Group			
2015			
Cumulative property development costs			
At 1 January 2015	93,703,708	29,766,371	123,470,079
Costs incurred during the year	89,248,765	17,138,746	106,387,511
Disposal	(43,100,000)	(7,411,275)	(50,511,275)
Reversal of completed projects	-	(28,877,557)	(28,877,557)
At 31 December 2015	<hr/> 139,852,473	<hr/> 10,616,285	<hr/> 150,468,758
Cumulative costs recognised in profit or loss			
At 1 January 2015			(23,031,170)
Recognised during the year			(10,825,052)
Reversal of completed projects			28,877,557
At 31 December 2015			<hr/> (4,978,665)
Property development costs at 31 December 2015			<hr/> <hr/> 145,490,093



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015 (CONT'D)

9. PROPERTY DEVELOPMENT COST (CONT'D)

	Freehold land RM	Development Cost RM	Total RM
Group			
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

The land under development with carrying value of RM44,855,142 (2014: RM50,240,633) has been pledged as security for banking facilities granted to the Group.

10. INVENTORIES

	GROUP	
	2015 RM	2014 RM
Cost		
Properties held for sale	8,751,191	6,032,473
Net realisable value		
Properties held for sale	1,327,000	1,327,000
	10,078,191	7,359,473

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015 (CONT'D)



11. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Current				
Trade receivables				
Third parties	86,532,763	65,062,200	-	-
Less: Accumulated impairment losses	(18,674,581)	(18,674,581)	-	-
Trade receivables, net	67,858,182	46,387,619	-	-
Other receivables				
Sundry receivables	1,705,578	3,021,200	6,500	1,323,144
Prepayment	5,243	65,000	3,850	45,000
Refundable deposits	3,463,827	8,267,010	100,468	59,710
	5,174,648	11,353,210	110,818	1,427,854
Less: Accumulated impairment losses				
Sundry receivables	(51,682)	(64,003)	-	-
	(51,682)	(64,003)	-	-
Other receivables, net	5,122,966	11,289,207	110,818	1,427,854
Total trade and other receivables	72,981,148	57,676,826	110,818	1,427,854

Trade receivables are non-interest bearing and are generally on 14 to 90 days (2014: 14 to 90 days) term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Movements in the allowance for impairment losses of trade receivables are as follows:

	GROUP	
	2015 RM	2014 RM
At 1 January / 31 December	18,674,581	18,674,581



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015 (CONT'D)

11. TRADE AND OTHER RECEIVABLES (CONT'D)

Analysis of the trade receivables ageing as at the end of the financial year is as follow:

	GROUP	
	2015 RM	2014 RM
Neither past due nor impair	27,029,149	21,608,567
Past due not impaired:		
Less than 30 days	6,144	152,746
31 to 60 days	8,954	129,233
61 to 90 days	35,213,171	-
more than 90 days	5,600,764	24,497,073
	40,829,033	24,779,052
Impaired	67,858,182	46,387,619
	18,674,581	18,674,581
	86,532,763	65,062,200

Trade receivables that are neither past due nor impaired are creditworthy receivables with good payment records with the Group and the Company.

As at 31 December 2015, trade receivables of RM40,829,033 (2014: RM24,779,052) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default.

The trade receivables of the Group and of the Company that are individually assessed to be impaired amounting to RM18,674,581 (2014: RM18,674,581) respectively, related to customers that are in financial difficulties, have defaulted on payments and / or have disputed on the billings. These balances are expected to be recovered through the debts recovery process.

Movements in the allowance for impairment losses of other receivables are as follows:

	GROUP	
	2015 RM	2014 RM
At 1 January	64,003	64,003
Impairment losses reversed	(12,321)	-
At 31 December	51,682	64,003

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015 (CONT'D)



12. AMOUNT DUE FROM/(TO) SUBSIDIARY COMPANIES

	COMPANY	
	2015 RM	2014 RM
Amount due from subsidiary companies		
<u>Non-trade related</u>		
Interest bearing	44,275,411	39,187,385
Non-interest bearing	66,748,066	54,500,005
Less: Accumulated impairment losses	(51,482,246)	(51,482,246)
	59,541,231	42,205,144
Amount due to subsidiary companies		
<u>Non-trade related</u>		
Non-interest bearing	-	9,419,651

Amount due/(to) from subsidiary companies are unsecured and is repayable on demand.

13. OTHER CURRENT ASSETS

	GROUP	
	2015 RM	2014 RM
Progress billings in respect of property development	-	5,442,308

14. DEPOSITS, CASH AND BANK BALANCES

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Cash and bank balances	1,456,250	1,257,275	96,830	47,201
Fixed deposits with licensed banks	10,090,772	10,112,734	-	-
	11,547,022	11,370,009	96,830	47,201

Included in the cash at bank of the Group is an amount of RM2,182,374 (2014: RM170,164) held under Housing Development Accounts pursuant to Housing Development (Control and Licensing) Act, 1966 and are restricted from use in other operations.



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015 (CONT'D)

14. DEPOSITS, CASH AND BANK BALANCES (CONT'D)

Included in fixed deposits with licensed banks amounting to RM710,654 (2014: RM732,616) which are pledged as security for bank guarantees granted in favour of authorities in connection with property development and construction contracts activities.

Deposits of the Group and Company have maturity periods ranging from overnight to 12 months (2014: overnight to 12 months).

15. ASSET HELD FOR SALE

	GROUP	
	2015 RM	2014 RM
Cost		
At 1 January	-	-
Transfer from land held for property development	2,506,000	-
At 31 December	2,506,000	-

The Group intends to dispose of a piece of vacant agricultural land held under freehold individual title it no longer utilises in the next 12 months. A search is underway for a buyer. No impairment loss was recognised on reclassification of the land as held for sale nor as at 31 December 2015 as the Directors of the Company expect that the fair value (estimated based on the recent market prices of similar properties in similar locations) less costs to sell is higher than the carrying amount.

16. SHARE CAPITAL

	GROUP/ COMPANY	
	2015 RM	2014 RM
Ordinary shares of RM1.00 each:		
Authorised		
At 1 January / 31 December	1,000,000,000	1,000,000,000
Ordinary shares issued and fully paid		
At 1 January / 31 December	206,756,497	206,756,497

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015 (CONT'D)



17. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Current				
Trade payables				
Third parties	33,615,892	2,649,043	-	-
Retention sums	1,847	1,272,856	-	-
	33,617,739	3,921,899	-	-
Other payables				
Accruals	1,873,994	1,556,298	541,549	271,471
Other payables	9,735,217	16,182,332	17,264	17,264
Deposit received	452,750	6,812,456	-	-
Prepayment	361,700	361,700	-	-
	12,423,661	24,912,786	558,813	288,735
Total current trade and other payables	46,041,400	28,834,685	558,813	288,735
Non-current				
Trade payables				
Retention sums	2,851,179	2,556,028	-	-

18. LOANS AND BORROWINGS

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Secured				
Term loans	103,886,772	53,058,486	26,886,772	-
Bank overdraft	-	4,531,300	-	-
	103,886,772	57,589,786	26,886,772	-
Non-current				
Term loans	90,520,772	51,026,560	16,400,772	-
	90,520,772	51,026,560	16,400,772	-



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015 (CONT'D)

18. LOANS AND BORROWINGS (CONT'D)

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Current				
Term loans	13,366,000	2,031,926	10,486,000	-
Bank overdraft	-	4,531,300	-	-
	13,366,000	6,563,226	10,486,000	-
	103,886,772	57,589,786	26,886,772	-

The term loans are secured by the following:

- (i) Fixed legal charge over the lands under development and held for development of the Group as disclosed in Note 6 to the financial statements;
- (ii) Corporate guarantee by 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.

The maturity of bank borrowings is as follows:

	GROUP	
	2015 RM	2014 RM
On demand or within one year	13,366,000	6,563,226
More than 1 year and less than 2 years	16,881,000	12,085,461
More than 2 year and less than 5 years	59,358,000	38,018,865
More than 5 years	14,281,772	922,234
	103,886,772	57,589,786

The average effective interest rates per annum are as follows:

	GROUP		COMPANY	
	2015 %	2014 %	2015 %	2014 %
Term loans	6.00 - 6.50	6.50 - 8.25	-	-
Bank overdrafts	7.25 - 7.00	7.50 - 8.25	-	-

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015 (CONT'D)



19. FINANCE LEASE PAYABLE

	GROUP	
	2015 RM	2014 RM
Minimum lease payments:		
Within one year	198,960	162,187
Later than one year and not later than two years	198,960	139,944
Later than two years and not later than five years	652,691	373,116
Later than five year	84,108	156,528
	1,134,719	831,775
Less: Future finance charges	(146,448)	(112,348)
Present value of minimum lease payments	988,271	719,427
Present value of minimum lease payments:		
Within one year	154,713	130,548
Later than one year and not later than two years	163,404	113,471
Later than two year and not later than five years	587,563	329,473
Later than five year	82,591	145,935
	988,271	719,427

The finance lease liabilities interest of the Group is ranged from 2.29% to 4.00% (2014: 2.29% to 4.00%).

20. DEFERRED TAX LIABILITIES

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

	Plant and equipment RM	Revaluation surplus of land held for property development RM	Total RM
Deferred tax liabilities			
At 1 January 2015	100,000	5,339,075	5,439,075
Recognised in profit or loss	4,400	(157,762)	(153,362)
Oveprovision in prior year	(27,100)	-	(27,100)
At 31 December 2015	77,300	5,181,313	5,258,613
At 1 January 2014	30,000	5,671,991	5,701,991
Recognised in profit or loss	70,000	(332,916)	(262,916)
At 31 December 2014	100,000	5,339,075	5,439,075



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015 (CONT'D)

20. DEFERRED TAX LIABILITIES (CONT'D)

Deferred tax assets not recognised are as follows:

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Group				
Unutilised capital allowances	26,283	118,528	-	4,288
Unutilised tax losses	27,313,202	28,371,692	1,401,686	881,114
	27,339,485	28,490,220	1,401,686	885,402

Deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset or they have arisen in subsidiary companies that have a recent history of losses.

21. AMOUNT DUE TO CONTRACT CUSTOMERS

	GROUP	
	2015 RM	2014 RM
Amount due to customers for contract work in progress	-	719,228
Construction contract costs incurred to date	21,183,588	21,183,588
Attributable profits	17,598,956	8,022,184
	38,782,544	29,205,772
Less: Progress billings	(38,782,544)	(29,925,000)
	-	(719,228)

22. REVENUE

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Construction revenue	10,964,652	15,680,728	-	-
Sale of properties	116,236,606	24,459,015	-	-
Administrative fees	-	-	3,223,490	2,302,921
Support service fees	-	-	408,700	321,600
Dividend income	-	-	-	3,000,000
	127,201,258	40,139,743	3,632,190	5,624,521

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015 (CONT'D)



23. FINANCE COSTS

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Interest expenses on:				
Term loans and overdrafts	3,927,588	96,987	1,221,715	-
Hire purchase	44,112	21,943	-	-
	3,971,700	118,930	1,221,715	-
Less:				
Interest capitalised in property development costs	(2,645,624)	-	-	-
	1,326,076	118,930	1,221,715	-

24. PROFIT/(LOSS) BEFORE TAXATION

Profit/(Loss) before taxation is determined after charging/(crediting) amongst others, the following items:

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Auditors' remuneration				
- Current year provision	153,200	136,500	64,000	61,000
- Under provision in prior year	6,850	2,400	-	-
Other auditors				
- Current year provision	48,900	-	39,100	-
- Under provision in	600	-	-	-
Bad debts written off	266,765	68,667	-	-
Depreciation of property, plant and equipment	458,933	209,773	58,969	5,807
Deposits written off	2,718	-	-	-
Interest income	(157,799)	(825,644)	-	-
Interest income on amount due from a subsidiary	-	-	(3,312,053)	(3,052,584)
Impairment loss on financial assets:				
- Investment in quoted shares	-	1,479,738	-	-
- Investment in subsidiary	-	-	8,565,911	-
Loss on disposal of property, plant and equipment	(31,329)	6,333	2,716	-
Project administration fee	(1,779,770)	-	-	-
Service support fee	(208,982)	-	-	-
Non-executive directors' remuneration	196,900	172,196	196,900	172,196
Property, plant and equipment written off	10,597	42,490	7,942	15
Rental of premises	291,170	187,751	154,352	109,465
Rental of equipment	3,795	930	-	-
Reversal of impairment losses on amount due from a subsidiary	-	-	-	(12,000)
Reversal of impairment losses on other receivables	(12,321)	-	-	-
Staff cost	2,628,627	2,276,927	1,758,247	2,120,297



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015 (CONT'D)

25. TAXATION

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Tax expenses recognised in profit or loss				
Current tax - continuing operations				
- Current tax provision	5,294,433	1,438,200	-	-
- Under/(Over) provision in prior years	(12,016)	473,555	-	-
	5,282,417	1,911,755	-	-
Deferred tax - continuing operations				
- Origination and reversal of temporary differences	(153,362)	(262,916)	-	-
Under / (Over) provision in prior year	(27,100)	-	-	-
	(180,462)	(262,916)	-	-
	5,101,955	1,648,839	-	-

Malaysian income tax is calculated at the statutory tax rate of 25% (2014: 25%) of the estimated assessable profits for the financial year. Taxation for other jurisdiction is calculated at the rates prevailing in the respective jurisdictions.

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

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Profit/(Loss) before taxation	16,839,775	2,000,434	(7,409,371)	5,406,177
At Malaysian statutory tax rate of 25% (2014: 25%)	4,209,944	500,109	(1,852,343)	1,351,544
Effects of different tax rates in other jurisdictions	39,435	(227,094)	-	-
	4,249,379	273,015	(1,852,343)	1,351,544
Expenses not deductible for tax purposes	802,860	775,975	2,329,956	114,308
Income not subject to tax	(157,762)	(244,735)	(828,013)	(1,516,146)
Deferred tax assets not recognised during the financial year	246,594	377,126	350,400	50,294
(Over)/Under provision of income tax in prior years	(12,016)	473,555	-	-
Over provision of deferred tax in prior years	(27,100)	-	-	-
Others	-	(6,097)	-	-
	5,101,955	1,648,839	-	-

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015 (CONT'D)



26. EARNINGS PER SHARE

The basic earnings per share are calculated based on the consolidated profit for the financial year attributable to owners of the parent and the weighted average number of ordinary shares in issue during the financial year as follows:

	GROUP	
	2015 RM	2014 RM
Profit attributable to owners of the parent	11,812,944	352,799
Weighted average number of ordinary shares in issue	206,756,497	206,756,497
Basic earnings per ordinary shares (in sen)	5.71	0.17

Diluted earnings per ordinary share

The diluted earnings per share is the same as basic earnings per share as there are no dilutive potential ordinary shares outstanding.

27. DIVIDENDS

	COMPANY	
	2015 RM	2014 RM
Dividends recognised as distribution to ordinary shareholders of the Company:		
Interim dividends paid respect of the financial year ended:		
- 31 December 2013 (single tier dividend of 1 sen per ordinary share)	-	2,067,565

28. STAFF COSTS

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Salaries, wages and other emoluments	2,244,130	2,055,277	1,452,477	1,915,304
Defined contribution plans	384,497	221,650	305,770	204,993
	2,628,627	2,276,927	1,758,247	2,120,297



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015 (CONT'D)

28. STAFF COSTS (CONT'D)

Included in staff costs is aggregate amount of remuneration received and receivable by the Executive Directors of the Company and of the subsidiary companies during the financial year as below:

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Executive Directors				
Salaries and other emoluments	1,396,000	1,151,185	1,396,000	1,151,185
Defined contribution plan	151,980	116,100	151,980	116,100
Estimated money value of benefits-in-kind	4,500	4,500	4,500	4,500
	1,552,480	1,271,785	1,552,480	1,271,785

29. RELATED PARTY DISCLOSURES

(a) Identifying related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel comprise the Directors and management personnel of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group entities directly or indirectly.

(b) Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the financial statements, the significant related party transactions of the Group and of the Company are as follows:

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
(i) Transactions with subsidiary companies				
- Administration fees	-	-	2,303,921	-
- Support service fees	-	-	321,600	-
(ii) Transactions with companies in which the Directors of the Company have substantial financial interest				
- Rental expenses on premises	70,000	-	70,000	-

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015 (CONT'D)



29. RELATED PARTY DISCLOSURES (CONT'D)

- (c) Compensation of key management personnel

Remuneration of Directors and other members of key management are as follows:

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
- Salaries, wages and other emoluments	1,753,400	1,496,103	1,753,400	1,496,103
- Defined contribution plans	192,880	136,055	192,880	136,055
	1,946,280	1,632,158	1,946,280	1,632,158

30. SEGMENT INFORMATION

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

- Property development Develop property for sale and/or holds properties for its own investment purpose
- Construction Construction of residential, addition and alterations, refurbishment and restoration of buildings.
- Corporate and others This includes holding of investments and provision of management services to the companies within the Group, none of which are of a sufficient size to be reported separately.

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 profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Transactions between segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015 (CONT'D)

30. SEGMENT INFORMATION (CONT'D)

	Property Development RM	Construction RM	Corporate and others RM	Total segments RM	Elimination RM	Total operations RM
Group						
2015						
Revenue						
External customers	116,236,606	10,964,652	-	127,201,258	-	127,201,258
Inter-segment	-	-	3,632,190	3,632,190	(3,632,190)	-
Total revenue	116,236,606	10,964,652	3,632,190	130,833,448	(3,632,190)	127,201,258
Results						
Segment profit/(loss)	11,678,419	8,563,971	(6,120,745)	14,121,645	4,683,218	18,804,863
Other non-cash expenses	(172,137)	-	(7,942)	(180,079)	-	(180,079)
Depreciation	(399,964)	-	(58,969)	(458,933)	-	(458,933)
Finance costs	(104,361)	-	(1,221,715)	(1,326,076)	-	(1,326,076)
Profit/(loss) before tax	11,001,957	8,563,971	(7,409,371)	12,156,557	4,683,218	16,839,775
Income tax (expense)/benefit	(3,112,088)	(2,147,629)	157,762	(5,101,955)	-	(5,101,955)
Profit net of tax	7,889,869	6,416,342	(7,251,609)	7,054,602	4,683,218	11,737,820
Assets						
Additions to non-current assets	3,812,439	-	2,952,126	6,764,565	-	6,764,565
Segment assets	482,779,650	35,485,483	166,674,638	684,939,771	(362,201,148)	322,738,623
Total assets	486,592,089	35,485,483	169,626,764	691,704,336	(362,201,148)	329,503,188
Liabilities						
Segment liabilities	426,468,837	25,478,234	27,445,585	479,392,656	(317,992,188)	161,400,468

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015 (CONT'D)



30. SEGMENT INFORMATION (CONT'D)

	Property Development RM	Construction RM	Corporate and others RM	Total segments RM	Elimination RM	Total operations RM
Group						
2014						
Revenue						
External Sales	24,459,015	15,680,728	2,624,521	42,764,264	(2,624,521)	40,139,743
Inter-segment dividends	3,000,000	-	3,000,000	6,000,000	(6,000,000)	-
	27,459,015	15,680,728	5,624,521	48,764,264	(8,624,521)	40,139,743
Results						
Segment profit	4,159,036	3,183,566	5,412,000	12,754,602	(10,314,308)	2,440,294
Other non-cash expenses	(110,630)	(512)	(15)	(111,157)	-	(111,157)
Depreciation	(203,886)	(80)	(5,807)	(209,773)	-	(209,773)
Finance costs	(118,930)	-	-	(118,930)	-	(118,930)
Profit/(loss) before tax	3,725,590	3,182,974	5,406,178	12,314,742	(10,314,308)	2,000,434
Income tax (expense)/benefit	(1,146,105)	(835,650)	332,916	(1,648,839)	-	(1,648,839)
Profit net of tax	2,579,485	2,347,324	5,739,094	10,665,903	(10,314,308)	351,595
Assets						
Additions to non-current assets	3,212,219	-	6,187,639	9,399,858	-	9,399,858
Segment assets	307,048,208	31,328,415	153,111,298	491,487,921	(233,130,427)	258,357,494
Total assets	310,260,427	31,328,415	159,298,937	500,887,779	(233,130,427)	267,757,352
Liabilities						
Segment liabilities	259,527,053	27,737,509	9,708,386	296,972,948	(200,580,496)	96,392,452

Eliminations

Fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed on a group basis.

Additional to non-current assets consists of additions of property, plant and equipment.

Inter-segment revenues are eliminated on consolidation.

Geographic information

No disclosure on geographical segment information as the Group operates predominantly in Malaysia.



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015 (CONT'D)

31. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised.

The following table analyses the financial assets and financial liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	Loans and receivables RM	Financial liabilities measured at amortised cost RM	Available- for-sale RM	Total RM
Group				
Financial Assets				
2015				
Other investments	-	-	3,026,500	3,026,500
Trade and other receivables	72,975,905	-	-	72,975,905
Deposits, cash and bank balances	11,547,022	-	-	11,547,022
	84,522,927	-	3,026,500	87,549,427
2014				
Other investments	-	-	3,026,500	3,026,500
Trade and other receivables	57,676,826	-	-	57,676,826
Deposits, cash and bank balances	11,370,009	-	-	11,370,009
	69,046,835	-	3,026,500	72,073,335
Financial liabilities				
2015				
Trade and other payables	-	48,892,579	-	48,892,579
Loans and borrowings	-	103,886,772	-	103,886,772
Hire purchase payables	-	988,271	-	988,271
	-	153,767,622	-	153,767,622
2014				
Trade and other payables	-	31,390,713	-	31,390,713
Loans and borrowings	-	57,589,786	-	57,589,786
Hire purchase payables	-	719,427	-	719,427
	-	89,699,926	-	89,699,926

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015 (CONT'D)



31. FINANCIAL INSTRUMENTS (CONT'D)

(a) Classification of financial instruments (Cont'd)

	Loans and receivables RM	Financial liabilities measured at amortised cost RM	Available- for-sale RM	Total RM
Company				
Financial Assets				
2015				
Trade and other receivables	106,968	-	-	106,968
Amount due from subsidiary companies	59,541,231	-	-	59,541,231
Deposits, cash and bank balances	96,830	-	-	96,830
	59,745,029	-	-	59,745,029
2014				
Trade and other receivables	1,382,854	-	-	1,382,854
Amount due from subsidiary companies	42,205,144	-	-	42,205,144
Deposits, cash and bank balances	47,201	-	-	47,201
	43,635,199	-	-	43,635,199
Financial liabilities				
2015				
Trade and other payables	-	558,813	-	558,813
Loans and borrowings	-	26,886,772	-	26,886,772
	-	27,445,585	-	27,445,585
2014				
Trade and other payables	-	288,735	-	288,735
Amount due to a subsidiary company	-	9,419,651	-	9,419,651
	-	9,708,386	-	9,708,386



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015 (CONT'D)

31. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its financial risks, including credit, liquidity foreign currency, interest rate and market price risks. The Group operates within clearly defined guidelines that are approved by the Board and the Company's policy is not to engage in speculative transactions.

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

(i) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables, from customer, deposits with banks and advances to holding company. The Company's exposure to credit risk arises principally from advances to subsidiaries.

The Group has adopted a policy of only dealing with creditworthy counterparties. Receivables are monitored on an ongoing basis via the Group's management reporting procedures and action will be taken for long outstanding debts.

The Company provides unsecured loans and advances to subsidiary companies. It also provides unsecured financial guarantees to banks for banking facilities granted to certain subsidiary companies. The Company monitors on an ongoing basis the results of the subsidiary companies and repayments made by the subsidiary companies.

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the financial year represent the Group's and the Company's maximum exposure to credit risk except for financial guarantees provided to banks for banking facilities granted to certain subsidiary companies. The Company's maximum exposure in this respect is RM85,000,000 (2014: RM109,020,000), representing the outstanding banking facilities of the subsidiary companies as at the end of the reporting period. There was no indication that any subsidiary company would default on repayment as at the end of the reporting period. The financial guarantees have not been recognised since the fair value initial recognition was not material.

The Group has no significant concentration of credit risk as its exposure spread over a large number of customers. The Company has no significant concentration of credits risks except for loans to its subsidiary companies where risks of default have been assessed to be low.

(ii) Liquidity risk

Liquidity risk refers to the risk that the Group or the Company will encounter difficulty in meeting its financial obligations as they fall due. 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 funding requirements and liquidity risk is managed with the objective of meeting business obligations on a timely basis. The Group finances its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015 (CONT'D)



31. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

	On demand or within 1 year RM	1 to 2 years RM	2 to 5 years RM	After 5 years RM	Total contractual cash flows RM	Total carrying amount RM
Group						
2015						
<u>Non-derivative financial liabilities</u>						
Trade and other payables	46,041,400	2,851,179	-	-	48,892,579	48,892,579
Loans and borrowings	16,255,293	30,330,584	46,350,086	27,038,918	119,974,881	103,886,772
Finance lease payables	198,960	198,960	652,691	84,108	1,134,719	988,271
	62,495,653	33,380,723	47,002,777	27,123,026	170,002,179	153,767,622
2014						
<u>Non-derivative financial liabilities</u>						
Trade and other payables	28,834,685	2,556,028	-	-	31,390,713	31,390,713
Other current liabilities	719,228	-	-	-	719,228	719,228
Loans and borrowings	7,593,660	8,430,123	25,775,059	24,133,044	65,931,886	57,589,786
Finance lease payables	162,187	139,944	373,116	156,528	831,775	719,427
	37,309,760	11,126,095	26,148,175	24,289,572	98,873,602	90,419,154
Company						
2015						
<u>Non-derivative financial liabilities</u>						
Trade and other payables	558,813	-	-	-	558,813	558,813
Loans and borrowings	11,978,866	10,957,203	7,874,237	5,575,323	36,385,629	26,886,772
Financial guarantee	85,000,000	-	-	-	85,000,000	-
	97,537,679	10,957,203	7,874,237	5,575,323	121,944,442	27,445,585
2014						
<u>Non-derivative financial liabilities</u>						
Trade and other payables	288,735	-	-	-	288,735	288,735
Amount due to subsidiary companies	9,419,651	-	-	-	9,419,651	9,419,651
Financial guarantee	109,020,000	-	-	-	109,020,000	-
	118,728,386	-	-	-	118,728,386	9,708,386



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015 (CONT'D)

31. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks

(a) Interest rate risks

The Group's and the Company's fixed rate deposits placed with licensed banks and borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group manages the interest rate risk of its deposits with licensed financial institutions by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long term deposits.

The Group manages its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

The interest rate profile of the Group's and of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	2015 RM	2014 RM
Group		
Fixed rate instruments		
Financial asset		
Fixed deposit with licensed banks	10,090,772	10,112,734
Financial liability		
Finance lease payables	988,271	719,427
Floating rate instruments		
Financial liability		
Loans and borrowings	103,886,772	57,589,786
Company		
Floating rate instruments		
Financial liability		
Loans and borrowings	26,886,772	-

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015 (CONT'D)



31. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (Cont'd)

(a) Interest rate risks (Cont'd)

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for floating rate instruments

A change in 1% interest rate at the end of the reporting period would have increased / (decreased) the Group's and the Company's profit before tax by RM1,038,868 and RM268,868 (2014: RM575,898 and RMNil) respectively, arising mainly as a result of higher / lower interest expense on floating rate loans and borrowings. This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(b) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest of exchange rates).

The Group is exposed to equity price risk arising from its investment in quoted instruments. These investments are listed on Bursa Malaysia and are classified as fair value through profit or loss or available-for-sale financial assets.

Management of the Group monitors investments in quoted instruments on a portfolio basis. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by Risk Management Committee of the Group.

Market price risk sensitivity analysis

At the reporting date, if the various stock indices had been 1% higher / lower, with all other variables held constant, the Group's profit before tax would have been RM30,265 (2014: RM30,265) higher / lower, arising as a result of higher / lower fair value gains on held for trading investments in equity instruments.



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015 (CONT'D)

31. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair value of financial instruments

The carrying amounts of short term receivables and payables, cash and cash equivalents and short term borrowings approximate their fair value due to the relatively short term nature of these financial instruments and insignificant impact of discounting.

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total fair value	Carrying amount
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Level 1 RM	Level 2 RM		
2015								
Financial asset								
Other investments	3,026,500	-	-	3,026,500	-	-	-	3,026,500
Financial liability								
Finance lease payables	-	-	-	-	765,079	-	765,079	833,558
2014								
Financial asset								
Other investments	3,026,500	-	-	3,026,500	-	-	-	3,026,500
Financial liability								
Finance lease payables	-	-	-	-	520,020	-	520,020	588,879

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015 (CONT'D)



31. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair value of financial instruments (Cont'd)

(i) Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

There were no transfers between levels during current and previous financial year/period.

(ii) Level 1 fair value

Level 1 fair value is derived from quoted prices (unadjusted) in active markets for identical assets and liabilities.

(iii) Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the asset and liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Non-derivative financial instrument

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

(iv) Level 3 fair value

Level 3 fair value for the financial assets and liabilities are estimated using unobservable inputs.

32. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015 (CONT'D)

32. CAPITAL MANAGEMENT (CONT'D)

The Group monitors capital using a gearing ratio. The Group's policy is to maintain a prudent level of gearing ratio that complies with debt covenants and regulatory requirements. The gearing ratios at end of the reporting period are as follows:

	2015 RM	2014 RM
Total loans and borrowings and finance lease payables	104,875,043	58,309,213
Less: Cash and bank balances	(11,547,022)	(11,370,009)
Net debts	93,328,021	46,939,204
Total equity	168,244,087	171,296,297
Gearing ratio	0.55	0.27

There were no changes in the Group's approach to capital management during the financial year.

33. CAPITAL COMMITMENTS

	2015 RM	2014 RM
Authorised capital expenditure not provided for:		
Contracted for purchased of property	-	2,594,016

34. SIGNIFICANT EVENTS

- (i) On 8 January 2015, Sepakat Heights Sdn Bhd ("SHSB"), a wholly-owned subsidiary of Bertam Alliance Berhad ("Bertam" or "the Company") entered into a Joint Venture Agreement ("JVA") with Jumat Bin Laiyo ("Owner") to jointly develop seventeen parcels of land located in Kota Kinabalu, Sabah. Based on the JVA, the owner will grant a 30 years sub-lease rental to SHSB for a total rental of RM45,997,500 of which, SHSB will have free and unrestricted access and possession of the land.
- (ii) On 30 January 2015, a wholly-owned subsidiary of Bertam Alliance Berhad ("Bertam" or "the Company") Bertam Development Sdn Bhd ("BDSB"), acquire a parcel of land measuring 2.75 acres more or less located at the district of Kota Kinabalu, Sabah for a total purchase consideration of RM41,500,000.
- (iii) On 27 April 2015, Syarikat Sungei Buan Sdn Bhd, a wholly-owned subsidiary of the Company acquired the remaining 30% equity interest in MV Properties Sdn Bhd from Miramas Development Sdn Bhd.
- (iv) On 11 May 2015, UH Capital Sdn Bhd ("UHCAP"), a wholly-owned subsidiary of Bertam disposed eight parcels of freehold vacant land to KT Lee Properties Sdn Bhd ("KT Lee Properties") for a total cash consideration of RM63,500,000 ("disposals"). The balance disposal consideration in respect of the disposals was paid by KT Lee Properties to UHCAP on 19 June 2015 the disposals are now completed.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015 (CONT'D)



34. SIGNIFICANT EVENTS (CONT'D)

- (v) On 6 August 2015, the subsidiary company Bertam Development Sdn. Bhd. has acquired the entire equity interests of Dataran Serimaju Sdn. Bhd. ("Dataran Serimaju") and Trans Prestasi Sdn. Bhd. ("Trans Prestasi") with a total cash consideration of RM2.00 respectively, and the Company has become the ultimate holding of Dataran Serimaju and Trans Prestasi.
- (vi) On 17 August 2015, BDSB acquired three parcels of land at the district of Tuaran, Sabah for a total purchase consideration of RM43,000,000.
- (vii) On 21 September 2015, Sunrise Avenue Sdn Bhd ("SASB"), a wholly-owned subsidiary of Bertam, entered into a JVA with Rosalia Anthony ("Owner") to jointly develop six parcels of land located in Kota Kinabalu, Sabah. Based on the JVA, the owner will grant a 30 years sub-lease rental to SASB for a total rental of RM16,775,160 of which, SASB will have free and unrestricted access and possession of the land.

35. MATERIAL LITIGATION

On 15 December 1997, Abdul Majeed & Farook Sdn Bhd bought three (3) units of shop lots unit PT 4617, PT 4618 and PT 4619 by paying a deposit of 10%. On 23 May 2003, due to the balance have not been received by Tabur Bakti Sdn Bhd ("Tabur Bakti"), a subsidiary of the Company, and therefore, claiming to terminate the sales and purchase agreement ("SPA"). A letter from Halim (lawyer) confirming the consent judgement which to give three (3) months for Farook to obtain loan. On 26 September 2003, this is 3 months later, Tabur Bakti terminated the SPA. Removal of Farook caveat submitted to register office. Farook court order to stop selling the 3 units and extend the contract period. Subsequently, CK Bintang Auto Sdn Bhd interested in these three (3) units of shop lots and paid a deposit, however, due to the title have not properly transferred to CK Bintang Auto Sdn Bhd. As per management, Tabur Bakti has received the deposit of the 3 shop lots and the total amount, the case between Abdul Majeed & Farook and CK Bintang to negotiate still goes on.

36. COMPARATIVE FIGURES

The financial statements of the Group and of the Company as at 31 December 2014 were audited by another firm of chartered accountants.

The following reclassifications were made to the financial statement of prior year to be consistent with current year presentation.

	As previously stated RM	Reclassification RM	As restated RM
Group			
Statements of Financial Position			
Current liabilities			
Loans and borrowings	6,693,774	(130,548)	6,563,226
Finance lease payables	-	130,548	130,548
Non-current liabilities			
Loans and borrowings	51,615,439	(588,879)	51,026,560
Finance lease payables	-	588,879	588,879



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015 (CONT'D)

36. COMPARATIVE FIGURES (CONT'D)

	As previously stated RM	Reclassification RM	As restated RM
Company			
Statements of Financial Position			
Non-current assets			
Trade and other receivables	39,187,385	(39,187,385)	-
Current assets			
Trade and other receivables	4,445,613	(3,017,759)	1,427,854
Amount due from subsidiary companies	-	42,205,144	42,205,144

37. DATE OF AUTHORISATION FOR ISSUE

The financial statements of the Group and of the Company for the financial year ended 31 December 2015 were authorised for issue in accordance with a resolution of the Board of Directors on 13 April 2016.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015 (CONT'D)



38. SUPPLEMENTARY INFORMATION ON THE DISCLOSURE OF REALISED AND UNREALISED PROFITS OR LOSSES

The following analysis of realised and unrealised accumulated losses of the Group and of the Company as at the reporting date is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Total accumulated losses of the Group and of the company				
- Realised	(24,041,955)	(30,961,500)	(64,575,318)	(57,165,947)
- Unrealised	77,300	5,439,075	-	-
	(23,964,655)	(25,522,425)	(64,575,318)	(57,165,947)
Add/(less): Consolidation adjustments	317,399	(9,937,775)	-	-
Accumulated losses as per financial statements	(23,647,256)	(35,460,200)	(64,575,318)	(57,165,947)

The disclosure of realised and unrealised profits or losses above is solely for complying with the disclosure requirements 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 2015 (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	N/A	555	31/12/2009
2.	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	42,956	09/12/2014
3.	PT 7886 (Formerly PT 4800) Mukim Gemencheh District Of Tampin Negeri Sembilan Darul Khusus	Plantation land	485.06 acres	Leasehold	N/A	10,141	31/01/2012
4.	CL 015151005 Jalan Sena Taman Luyang Phase 1 Off Jalan Kolam District Of Kota Kinabalu Sabah	Vacant development land	2.75 acres	Leasehold	N/A	46,629	13/08/2014
5.	Unit No. 23-01 to 23-07 Level 23, Tower B Vertical Business Suites Bangsar South all under PN46338, Lot 58190 Mukim and District of Kuala Lumpur Wilayah Persekutuan Kuala Lumpur	Office lots	9,007 square feet	Leasehold	N/A	8,807	24/11/2014
6.	CL 045021449 and 2 others District of Tuaran Sabah	Vacant development land	32.02 acres	Leasehold	N/A	47,579	13/10/2014

LIST OF PROPERTIES

(CONT'D)



No.	Properties & Locations	Description	Area/ Built-Up	Tenure	Age Of Building	Net Book Value As At 31 December 2015 (RM'000)	Date of Acquisition or Last Revaluation
7	NT 213038825 and 16 others Off Jalan Pintas Donggongon, Kepayan District of Penampang Sabah	Vacant development land	24.43 acres	Freehold	N/A	30,992	08/01/2015
8	NT 2130021526 and 5 others Off Jalan Pintas, Donggongon, Kepayan District of Penampang Sabah	Vacant development land	7.57 acres	Freehold	N/A	17,405	21/09/2015



STATISTICS ON SHAREHOLDINGS

AS AT 31 MARCH 2016

ANALYSIS OF SHAREHOLDINGS AS AT 31 MARCH 2016

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	: 1,458

Size of Holdings	No. of Shareholders	No. of Shares held	% of issued capital
Less than 100	12	555	0.00
100 – 1,000	329	299,479	0.14
1,001 – 10,000	624	3,325,976	1.61
10,001 – 100,000	389	14,237,898	6.89
100,001 to < 5% of issued shares	102	103,992,589	50.30
5% and above of issued shares	2	84,900,000	41.06
Total	1,458	206,756,497	100.00

LIST OF SUBSTANTIAL SHAREHOLDERS AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 31 MARCH 2016

Name	No. of shares held of RM1.00 each		No. of shares held of RM1.00 each	
	Direct	(%)	Indirect	(%)
1. Wisma Jutamas Sdn Bhd	42,688,000	20.65	-	-
2. Lim Nyuk Foh	54,605,800	26.41	-	-

LIST OF DIRECTORS' SHAREHOLDINGS AS PER THE REGISTER OF DIRECTORS' SHAREHOLDINGS AT 31 MARCH 2016

Name	No. of Shares		No. of Shares	
	Direct	%	Indirect	%
1. Datuk Mohamed Arsad Bin Sehan	-	-	-	-
2. Lim Nyuk Foh	54,605,800	26.41	-	-
3. Yap Yee May	-	-	-	-
4. Lim Shaw Keong@ Alfred Lim	-	-	-	-
5. Chiew Boon Chin	-	-	-	-
6. Lee Keh Ting	-	-	-	-
7. Koo Jenn Man	393,500	0.19	-	-

STATISTICS ON SHAREHOLDINGS

AS AT 31 MARCH 2016 (CONT'D)



THIRTY LARGEST SHAREHOLDERS – PER RECORD OF DEPOSITORS AS AT 31 MARCH 2016

Names of Shareholders	No. of Shares held	% of issued capital
1. Sabah Development Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Lim Nyuk Foh</i>	47,900,000	23.17
2. Sabah Development Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Wisma Jutamas Sdn Bhd</i>	37,000,000	17.90
3. Sabah Development Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Tung Fong Hotel (SDK) Sdn Bhd</i>	7,100,000	3.43
4. Teh Kim Teck	6,542,000	3.16
5. Amsec Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Chin Fun Ming</i>	6,300,000	3.05
6. Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Wisma Jutamas Sdn Bhd</i>	5,688,000	2.75
7. Kenanga Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Lim Nyuk Foh</i>	5,582,700	2.70
8. Affin Hwang Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Yau Kim Hian</i>	5,145,200	2.49
9. Tradema Holdings Sdn Bhd	4,181,000	2.02
10. Amsec Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Joan Yong Mun Ching</i>	4,000,000	1.93
11. Affin Hwang Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Classical Glory Sdn Bhd</i>	3,689,000	1.78
12. Kenanga Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Ong King Seng</i>	3,596,000	1.74
13. Amsec Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Koh Pee Leong</i>	3,300,000	1.60
14. V.A. Trading Sdn Bhd	3,148,800	1.52
15. RHB Capital Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Er Ka Wei</i>	2,808,000	1.36
16. Lee Choon Hooi	2,700,000	1.31



STATISTICS ON SHAREHOLDINGS

AS AT 31 MARCH 2016 (CONT'D)

THIRTY LARGEST SHAREHOLDERS – PER RECORD OF DEPOSITORS AS AT 31 MARCH 2016 (CONT'D)

Names of Shareholders	No. of Shares held	% of issued capital
17. Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Tan Cheng Chai</i>	2,670,000	1.29
18. Amsec Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Henry Wan</i>	2,359,500	1.14
19. Wei Han Sdn Bhd	1,579,000	0.76
20. Brem Development Sdn Bhd	1,507,000	0.73
21. Amsec Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Lee Kian Chung</i>	1,500,000	0.73
22. RHB Capital Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Lim Suh Siang</i>	1,283,000	0.62
23. Classical Glory Sdn Bhd	1,189,900	0.58
24. Alliancegroup Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Lim Nyuk Foh</i>	1,123,100	0.54
25. HLB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Ong King Seng</i>	1,000,000	0.48
26. Yap Kok Weng	1,000,000	0.48
27. Ong Lee Veng @ Ong Chuan Heng	999,000	0.48
28. Ong Kah Huat	895,400	0.43
29. Voo Kwee Hiong	871,800	0.42
30. CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB Bank for Tan Lee Kau</i>	840,800	0.41

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

_____ (Full address)

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-Second Annual General Meeting of the Company to be held at **Function Room 7, Level 3, The Pacific Sutera Hotel, Sutera Harbour, 88100 Kota Kinabalu, Sabah on Thursday, 26 May 2016 at 9.00 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.

AGENDA			
To receive the Audited Financial Statements for the financial year ended 31 December 2015 and the Reports of Directors and Auditors thereon.			
ORDINARY BUSINESS	Resolution	FOR	AGAINST
Re-election of Lim Shaw Keong @ Alfred Lim as Director.	Ordinary Resolution 1		
Re-election of Chiew Boon Chin as Director.	Ordinary Resolution 2		
Payment of Directors' Fees of for the financial year ended 31 December 2015.	Ordinary Resolution 3		
Payment of Directors' Fees for each financial year.	Ordinary Resolution 4		
Re-appointment of Messrs UHY as Auditors and authority to the Directors to fix their remuneration.	Ordinary Resolution 5		
SPECIAL BUSINESS			
Authority to Issue Shares.	Ordinary Resolution 6		
Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.	Ordinary Resolution 7		

Signed this day of 2016.

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

Signature of Shareholder/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 20 May 2016. 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 Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bagnsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.

Fold this flap for sealing

1st fold here

The Share Registrar
BERTAM ALLIANCE BERHAD
Unit 32-01, Level 32, Tower A,
Vertical Business Suite,
Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur.

Affix
Stamp

Then fold here

The background features several large, semi-transparent red hexagonal shapes with soft shadows, arranged in a scattered pattern. One large hexagon is centered in the middle-left, a smaller one is to its right, and another large one is in the bottom-right corner. A partial hexagon is visible in the top-right corner.

BERTAM ALLIANCE BERHAD 305530-A

Level 23, Unit 23-01 to 23-07, Tower B,
Vertical Business Suite, Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.
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<http://ir.chartnexus.com/bertamalliance/>