

**BERTAM ALLIANCE BERHAD** (Company No 305530-A)INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2010  
(THE FIGURES HAVE NOT BEEN AUDITED)**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31.03.2010 RM'000	31.03.2009 RM'000	31.03.2010 RM'000	31.03.2009 RM'000
Revenue	5,822	8,600	5,822	8,600
Cost of sales	(4,235)	(7,243)	(4,235)	(7,243)
Gross profit	1,587	1,357	1,587	1,357
Other income	171	366	171	366
Administrative expenses	(1,596)	(985)	(1,596)	(985)
Operating profit	162	738	162	738
Finance costs	(116)	(166)	(116)	(166)
Profit before taxation	46	572	46	572
Income tax expense	(303)	(225)	(303)	(225)
Net (loss)/profit for the period	(257)	347	(257)	347
Attributable to:				
Equity holders of the Company	(65)	337	(65)	337
Minority interests	(192)	10	(192)	10
	(257)	347	(257)	347
Earnings per share (sen)				
- Basic	(0.03)	0.16	(0.03)	0.16
- Diluted	N/A	N/A	N/A	N/A

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report of the Group for the year ended 31 December 2009)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	(UNAUDITED) As at 31.03.2010 <u>RM'000</u>	(AUDITED) As at 31.12.2009 <u>RM'000</u>
<b>NON CURRENT ASSETS</b>		
Property, plant and equipment	617	665
Land held for development	80,380	80,380
Other investment	81	81
Non current trade receivable	4,047	3,997
Goodwill on consolidation	10	10
	<u>85,135</u>	<u>85,133</u>
<b>CURRENT ASSETS</b>		
Land and development expenditure	93,868	92,848
Inventories	10,841	7,792
Trade and other receivables	21,907	20,188
Deposits and cash and bank balances	2,078	2,626
	<u>128,694</u>	<u>123,454</u>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	37,419	55,713
Short term borrowings	3,020	1,010
Provision for taxation	448	154
	<u>40,887</u>	<u>56,877</u>
Net Current Assets	87,807	66,577
	<u>172,942</u>	<u>151,710</u>
Financed by:-		
Share capital	206,756	206,756
Reserves	(65,821)	(65,756)
<b>Shareholders' Fund</b>	<u>140,935</u>	<u>141,000</u>
Minority interest	1,053	436
<b>Total Equity</b>	<u>141,988</u>	<u>141,436</u>
Long term borrowings	24,697	4,017
Deferred taxation	6,257	6,257
	<u>172,942</u>	<u>151,710</u>
Net asset per share (RM)	<u>0.68</u>	<u>0.68</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report of the Group for the year ended 31 December 2009)

**BERTAM ALLIANCE BERHAD** (Company No 305530-A)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 MARCH 2010**

	<b>Share Capital RM'000</b>	<b>Accumulated Losses RM'000</b>	<b>Total RM'000</b>	<b>Minority interests RM'000</b>	<b>Total equity RM'000</b>
<b>Balance at 1 January 2010</b>	206,756	(65,756)	141,000	436	141,436
Movements during the period	-	(65)	(65)	617	552
<b>As at 31 March 2010</b>	<u>206,756</u>	<u>(65,821)</u>	<u>140,935</u>	<u>1,053</u>	<u>141,988</u>
<b>Balance at 1 January 2009</b>	206,756	(67,317)	139,439	-	139,439
Movements during the period	-	1,561	1,561	436	1,997
<b>As at 31 December 2009</b>	<u>206,756</u>	<u>(65,756)</u>	<u>141,000</u>	<u>436</u>	<u>141,436</u>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report of the Group for the year ended 31 December 2009)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2010**

	<u>3 Mths Ended</u> <u>31.03.2010</u> RM'000	<u>3 Mths Ended</u> <u>31.03.2009</u> RM'000
<b>Cash Flow From Operating Activities</b>		
Profit before tax	46	572
Adjustment for non-cash and non-operating items	45	(42)
Operating profit before working capital changes	<u>91</u>	<u>530</u>
Changes in working capital:-		
Net change in current assets	(5,837)	4,674
Net change in current liabilities	(16,322)	(916)
Cash (used in)/generated from operations	<u>(22,068)</u>	<u>4,288</u>
Taxes (paid)/refunded	(8)	(195)
Net cash (used in)/generated from operating activities	<u>(22,076)</u>	<u>4,093</u>
Net cash generated from investing activities	122	704
Net cash generated from/(used in) financing activities	19,570	(10,883)
Net (decrease) in cash and cash equivalents	<u>(2,384)</u>	<u>(6,086)</u>
Cash and cash equivalents at beginning of the period	2,626	6,415
Cash and cash equivalents at end of the period	<u><u>242</u></u>	<u><u>329</u></u>
<b>Cash and cash equivalents comprise the following:</b>		
Cash and bank balances	1,878	1,923
Deposits with licenced financial institution	200	-
Bank overdrafts	(1,836)	(1,594)
	<u><u>242</u></u>	<u><u>329</u></u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report of the Group for the year ended 31 December 2009)

**NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 MARCH 2010**

**1. Basis of Preparation**

The unaudited interim financial report has been prepared in accordance with FRS 134 Interim Financial Reporting and the Listing Requirements of Bursa Malaysia Securities Berhad (“BMSB”).

The interim financial report should be read in conjunction with the annual audited financial statements of the Group for the year ended 31 December 2009.

The accounting policies and methods of computation used by the Group in this interim financial report are consistent with those adopted in the annual financial statements for the year ended 31 December 2009, as well as the new and revised standards, amendments and interpretations which are effective for annual periods beginning on or after 1 January 2010.

The adoption of new and revised FRSs, IC Interpretations and amendments to FRSs and IC Interpretations has no financial impact on the current interim financial statements or on the consolidated financial statements of the previous financial year.

**2. Qualified Audit Report**

The Group’s most recent annual audited financial statements for the year ended 31 December 2009 were not subject to any audit qualification.

**3. Seasonal or Cyclical Factors**

There were no material seasonal or cyclical factors affecting the performance of the Group during the period under review.

**4. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flow**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current financial period that are unusual because of their nature, size or incidence.

**5. Changes in Estimates**

There are no changes in estimates of amount which have material effect in the current interim period.

**6. Issuances, Cancellation, Repurchases, Resale and Repayment of Debts and Equity Securities**

There were no issuance and repayment of debt securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the financial period ended 31 March 2010.

**7. Dividend**

During the financial period ended 31 March 2010, a single-tier interim dividend of 1.31 sen per share on 206,756,497 ordinary shares in respect of the financial year ended 31 December 2009, amounting to RM2,708,510 was paid on 31 March 2010.

**8. Segmental Information**

The Group has only one sector of activity, namely property development which is carried out in Malaysia.

**9. Valuation of Property, Plant and Equipment**

Property, plant and equipment are stated at cost less accumulated depreciation, amortisation and impairment loss.

**10. Subsequent Material Events**

The Company has on 30 April 2010 entered into the following Share Sale Agreements:-

- (a) a Share Sale Agreement with Koperasi Pendidikan Islam Malaysia Berhad to dispose of its 300,000 ordinary shares in Cabaran Subang Sdn Bhd ("CSSB"), a 55% owned subsidiary of the Company, representing 30% of the total issued and paid-up capital of CSSB and 540,000 Preference Shares in CSSB at a total cash consideration of RM5,822,730; and
- (b) a Share Sale Agreement with Peak Landmark Sdn Bhd to dispose of its 250,000 ordinary shares in CSSB, representing 25% of the total issued and paid-up capital of CSSB and 450,000 Preference Shares in CSSB at a total cash consideration of RM4,852,270.

Barring unforeseen circumstances, the Company expects to complete the disposals of shares upon receipt of the final installment payment on or before 30 April 2011.

**11. Changes in the Composition of the Group**

There were no changes in the composition of the Group during the financial period under review.

**12. Contingent Liabilities**

The contingent liabilities of the Company and the Group as at 31 March 2010 were as follows:

	<b>Company</b> <b>RM'000</b>	<b>Group</b> <b>RM'000</b>
Guarantees to financial institutions for banking facilities granted to subsidiary companies	*9,000	-
	<u>9,000</u>	<u>-</u>

Note \* : The total borrowings outstanding as at 31 March 2010 and covered by the guarantees amounted to approximately RM6.11 million.

## ADDITIONAL EXPLANATORY NOTES OF THE LISTING REQUIREMENTS OF THE BMSB

### 1. Review of Performance

For the financial quarter ended 31 March 2010, the Group recorded a turnover and profit before taxation of RM5,822,000 and RM46,000 respectively.

The Group recorded a lower turnover for the current financial quarter compared to RM8,600,000 posted in the corresponding quarter in 2009.

For the period under review, the Group recorded a net loss after taxation of RM257,000 as compared to the profit after taxation of RM347,000 recorded in the same financial quarter last year.

### 2. Review of Current Quarter Profitability Against Preceding Quarter

The Group registered a turnover of RM5,822,000 in the current financial quarter as compared to RM11,102,000 achieved in the immediate preceding quarter. The Group recorded a profit before taxation of RM46,000 as compared to a profit before taxation of RM1,993,000 recorded in the immediate preceding quarter.

### 3. Prospects

The Group expects continuation of the progressive recognition of revenue from the sales of its on-going projects in Selangor, Negeri Sembilan and Kedah. In addition, the Group has secured a turnkey project located in Kota Damansara, Selangor and plan to launch new property projects in Melaka and Kedah.

The Board is confident that the financial performance of the Group will be sustained in the forthcoming financial year with property market showing signs of recovery and the result of government's stimulus packages.

### 4. Explanatory Note for Variance of Actual Profit from Profit Forecast and Profit Guarantee

The Group did not issue any profit forecast or profit guarantee and therefore, this note is not applicable.

### 5. Taxation

The taxation for the current financial quarter and the year to date are as follows:

	<b>Current Quarter 31.03.2010 RM'000</b>	<b>Cumulative Year to Date 31.3.2010 RM'000</b>
Malaysian income tax:		
Current year taxation	303	303
Transferred from deferred taxation	-	-
	<u>303</u>	<u>303</u>

The effective rate of taxation of the Group is higher than the statutory rate of taxation due to the non-deductibility of certain expenses and losses of certain subsidiary companies which cannot be offset against profits made by other subsidiary companies.

**6. Sale of Unquoted Investments and/or Properties**

The Group did not engage in any purchase or disposal of unquoted investments and properties in the current financial quarter.

**7. Purchase or Disposal of Marketable Securities**

There were no purchases or disposal of marketable securities for the financial period under review.

**8. Corporate Proposal**

There were no corporate proposals for the financial period under review.

**9. Group Borrowings and Debt Securities**

The Group borrowings as at 31 March 2010 were as follows:

	<b>Secured RM'000</b>	<b>Unsecured RM'000</b>	<b>Total RM'000</b>
Short Term	3,020	-	3,020
Long Term	24,697	-	24,697
	<u>27,717</u>	<u>-</u>	<u>27,717</u>

All the above borrowings are denominated in Ringgit Malaysia. Included in the long term borrowings are term loan drawn down by Cabaran Subang Sdn Bhd, a 55% owned subsidiary, of RM21 million. The Group has no debt securities as at 31 March 2010.

**10. Off Balance Sheet Financial Instruments**

The Group did not enter into any contracts involving off balance sheet financial instruments.

**11. Material Litigation**

There were no material litigation for the financial period under review.

**12. Dividend**

The Board of Directors does not recommend any payment of dividend in respect of the financial period under review.



**13. Earnings Per Share**

**(a) Basic Earnings Per Share**

	<b>Current Quarter 31.03.2010</b>	<b>Cumulative Year to Date 31.03.2010</b>
Loss attributable to the equity holder of the Company (RM'000)	(65)	(65)
Issued ordinary shares ('000)	206,756	206,756
Basic earnings per share (sen)	<u>(0.03)</u>	<u>(0.03)</u>

**(b) Diluted Earnings Per Share**

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

By order of the Board

Wong Wei Fong (MAICSA 7006751)  
Kuan Hui Fang (MIA 16876)  
Company Secretaries  
Date: 26 May 2010