

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

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013  
(THE FIGURES HAVE NOT BEEN AUDITED)

**CONDENSED STATEMENTS OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	30.9.2013 RM' 000	30.9.2012 RM' 000	30.9.2013 RM' 000	30.9.2012 RM' 000
Revenue	11,455	3,797	19,959	30,300
Cost of sales	(9,231)	(1,518)	(15,434)	(19,148)
Gross profit	2,224	2,279	4,525	11,152
Other income	412	433	1,396	961
Other items of expenses:				
Administrative expenses	(549)	(635)	(2,066)	(2,445)
Finance costs	(86)	(78)	(227)	(216)
Share of results of associate	(23)	-	(23)	-
Profit before tax	1,978	1,999	3,605	9,452
Income tax expense	(456)	(604)	(884)	(2,219)
Profit net of tax, representing total comprehensive income for the period	1,522	1,395	2,721	7,233
<b>Profit attributable to:</b>				
Shareholders of the Company	1,522	1,273	2,738	6,545
Non-controlling interests	-	122	(17)	688
	1,522	1,395	2,721	7,233
Earnings per share attributable to shareholders of the Company (sen per share)				
- Basic	0.74	0.62	1.32	3.17
- Diluted	N/A	N/A	N/A	N/A

The above statements of comprehensive income should be read in conjunction with the audited annual financial statements for the year ended 31 December 2012.

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

**CONDENSED STATEMENTS OF FINANCIAL POSITION**

	(UNAUDITED)	(AUDITED)
	As at	As at
Note	30.9.2013	31.12.2012
	RM'000	RM'000
<b>Assets</b>		
<b>Non-current assets</b>		
Plant and equipment	671	784
Land held for property development	68,127	66,769
Investment in associate	125	-
Club memberships	86	86
	<u>69,009</u>	<u>67,639</u>
<b>Current assets</b>		
Property development costs	67,269	66,895
Inventories	2,196	2,403
Trade and other receivables	13 54,058	33,134
Other current assets	14 2,211	1,692
Tax recoverable	405	196
Cash and bank balances	32,260	57,274
	<u>158,399</u>	<u>161,594</u>
<b>Total assets</b>	<u>227,408</u>	<u>229,233</u>
<b>Equity and liabilities</b>		
<b>Current liabilities</b>		
Loans and borrowings	6,056	6,539
Trade and other payables	18,596	14,880
Other current liabilities	15 1,113	6,775
Income tax payable	534	1,727
	<u>26,299</u>	<u>29,921</u>
Net current asset	<u>132,100</u>	<u>131,673</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	5,745	5,774
Trade and other payables	1,984	1,984
Loans and borrowings	21,207	22,102
	<u>28,936</u>	<u>29,860</u>
<b>Total liabilities</b>	<u>55,235</u>	<u>59,781</u>
<b>Net assets</b>	<u>172,173</u>	<u>169,452</u>
<b>Equity attributable to shareholders of the Company</b>		
Share capital	206,756	206,756
Accumulated losses	(34,687)	(37,425)
	<u>172,069</u>	<u>169,331</u>
Non-controlling interests	104	121
<b>Total equity</b>	<u>172,173</u>	<u>169,452</u>
<b>Total equity and liabilities</b>	<u>227,408</u>	<u>229,233</u>
Net assets per share attributable to shareholders of the Company (RM)	<u>0.83</u>	<u>0.82</u>

The above statements of financial position should be read in conjunction with the audited annual financial statements for the year ended 31 December 2012.

BERTAM ALLIANCE BERHAD (Company No. 305530-A)

CONDENSED STATEMENTS OF CHANGES IN EQUITY

	Attributable to shareholders -----of the Company----->				
	Share Capital RM'000	Accumulated Losses RM'000	Total RM'000	Non-controlling Interests RM'000	Total equity RM'000
<b>Balance at 1 January 2013</b>	206,756	(37,425)	169,331	121	169,452
Total comprehensive income	-	2,738	2,738	(17)	2,721
<b>As at 30 September 2013</b>	<u>206,756</u>	<u>(34,687)</u>	<u>172,069</u>	<u>104</u>	<u>172,173</u>
<b>Balance at 1 January 2012</b>	206,756	(43,481)	163,275	1,721	164,996
Total comprehensive income	-	10,597	10,597	1,094	11,691
<b>Transactions with owners</b>					
Dividends paid to shareholders of the Company	-	(4,135)	(4,135)	-	(4,135)
Dividends paid to non-controlling interests	-	-	-	(2,600)	(2,600)
Acquisition of non-controlling interests	-	(406)	(406)	(94)	(500)
<b>As at 31 December 2012</b>	<u>206,756</u>	<u>(37,425)</u>	<u>169,331</u>	<u>121</u>	<u>169,452</u>

The above statements of changes in equity should be read in conjunction with the audited annual financial statements for the year ended 31 December 2012.

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

**CONDENSED STATEMENTS OF CASH FLOWS**

	9-Month Ended 30.9.2013 RM'000	9-Month Ended 30.9.2012 RM'000
<b>Cash Flows From Operating Activities</b>		
Profit before tax	3,605	9,452
Adjustment for non-cash and non-operating items	(883)	(482)
Operating profit before working capital changes	2,722	8,970
Changes in working capital:-		
Inventories	208	218
Development cost	(373)	1,683
Receivables	(20,969)	41,536
Other current assets	(519)	(3,016)
Other current liabilities	(5,662)	2,227
Payables	3,716	(7,532)
Cash (used in)/ generated from operations	(20,877)	44,086
Tax paid, net of refund	(2,315)	(3,277)
Net cash (used in)/ generated from operating activities	(23,192)	40,809
<b>Cash Flows From Investing Activities</b>		
Purchase of:		
- plant and equipment	(47)	(15)
- land held for property development	(1,358)	(1,302)
Proceeds from disposal of plant and equipment	100	152
Investment in associate	(125)	-
Net cash outflow on disposal of a subsidiary	(3)	-
Interest received	1,216	679
Net cash used in investing activities	(217)	(486)
<b>Cash Flows From Financing Activities</b>		
Proceeds from borrowings	-	5,000
Repayment of borrowings	(896)	(1,881)
Interest paid	(227)	(216)
Net cash (used in)/generated from financing activities	(1,123)	2,903
Net (decrease)/ increase in cash and cash equivalents	(24,532)	43,226
Cash and cash equivalents at beginning of the period	51,852	(1,001)
Cash and cash equivalents at end of the period	27,320	42,225
<b>Cash and cash equivalents comprise the following:</b>		
Cash and short term deposits	32,260	46,797
Bank overdraft	(4,940)	(4,572)
	27,320	42,225

The above statements of cash flows should be read in conjunction with the audited annual financial statements for the year ended 31 December 2012.

**NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 SEPTEMBER 2013**

**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 audited annual financial statements of the Group for the year ended 31 December 2012.

The significant accounting policies and methods of computation adopted in this interim financial report are consistent with those adopted in the Group’s audited financial statements for the year ended 31 December 2012, except the following new and amended FRSs and IC Interpretations for which the Group will adopt when it becomes effective:

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

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

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

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

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

- FRS 9: Financial Instruments

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

**FRS 9 Financial Instruments**

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

### **FRS 10 Consolidated financial statements**

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

### **FRS 12 Disclosure of Interests in Other Entities**

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

### **FRS 13 Fair Value Measurement**

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

### **FRS 127 Separate Financial Statements**

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

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

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

### **Amendments to FRS 132: Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities**

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

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

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

## **Malaysian Financial Reporting Standards (“MFRSs Framework”)**

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

The MFRSs Framework is mandatory for adoption by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities subject to the application of MFRS 141 Agriculture and/or IC Interpretation 15 Agreements for the Construction of Real Estate (“Transitioning Entities”). The Transitioning Entities are given an option to defer adoption of the MFRSs Framework to financial periods beginning on or after 1 January 2015. Transitioning Entities also includes those entities that consolidate or equity account or proportionately consolidate another entity that has chosen to continue to apply the FRSs framework for annual periods beginning on or after 1 January 2012.

Accordingly, the Group and the Company which are Transitioning Entities have chosen to defer the adoption of the MFRSs Framework to financial year beginning on 1 January 2015. The Group and the Company will prepare their first MFRSs financial statements using the MFRSs Framework for the financial year ending 31 December 2015.

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

### **Application of MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards (“MFRS 1”)**

MFRS 1 requires comparative information to be restated as if the requirements of MFRS effective for annual periods beginning on or after 1 January 2015 have always been applied, except when MFRS 1 allows certain elective exemptions from such full retrospective application or prohibits retrospective application of some aspects of MFRS. The Group and the Company are currently assessing the impact of adoption of MFRS 1, including identification of the differences in existing accounting policies as compared to the new MFRS and the use of optional exemptions as provided for in MFRS 1. As at the date of authorisation of issue of the financial statements, accounting policy decisions or elections have not been finalised. Thus, the impact of adoption of MFRS 1 cannot be determined and estimated reliably until the process is completed.

### **IC Interpretation 15 Agreements for the Construction of Real Estate**

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

## **2. Qualified Audit Report**

The Group’s most recent annual audited financial statements for the year ended 31 December 2012 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 Flows**

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 were 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 30 September 2013.

**7. Dividend Paid**

No dividend was paid during the financial period ended 30 September 2013.

**8. Segmental Information**

The Group's activities include property development, construction and provision of corporate management services to the companies within the Group which are carried out in Malaysia are as follow:

	Property development RM'000	Construction RM'000	Corporate and others RM'000	Total RM'000
<b>Revenue:</b>				
External sales	4,609	15,350	-	19,959
<b>Results:</b>				
Segment profit/(loss)	608	3,734	(307)	4,035
Other non-cash expenses	(44)	-	-	(44)
Depreciation	(158)	-	(1)	(159)
Finance costs	(227)	-	-	(227)
Profit/(Loss) before tax	179	3,734	(308)	3,605
Income tax benefit/(expense)	50	(934)	-	(884)
Profit/(Loss) net of tax	229	2,800	(308)	2,721

**9. Valuation of Plant and Equipment**

Plant and equipment are stated at cost less accumulated depreciation, amortisation and impairment loss, if any.

**10. Subsequent Material Events**

There was no material events subsequent to the end of the financial period reported.



### 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 30 September 2013 were as follows:

	Company RM'000	Group RM'000
Guarantees to financial institution for banking facilities granted to subsidiary companies	2,500	-
Guarantees to financial institutions for banking facilities granted to finance the working capital and construction of projects undertaken by subsidiary companies	58,020	-
	<u>60,520</u>	<u>-</u>

The Borrowings outstanding as at 30 September 2013 and covered by the guarantees was approximately RM26.816 million.

### 13. Trade and Other Receivables

The trade and other receivables of the Group were as follows:

	30.9.2013 RM'000	31.12.2012 RM'000
Trade receivables		
- Third parties	<u>21,575</u>	<u>12,703</u>
Other receivables		
- Sundry receivables	29,002	16,876
- Refundable deposits	<u>3,481</u>	<u>3,555</u>
	<u>32,483</u>	<u>20,431</u>
Total trade and other receivables	<u>54,058</u>	<u>33,134</u>

The trade receivables amounting to RM14.136 million was mainly due from a turnkey contract for performance of a subsidiary's undertakings, covenants, duties and obligations contained in the signed agreement which is receivable progressively in the forthcoming months.

**14. Other Current Assets**

The other current assets of the Group were as follows:-

	<b>30.9.2013</b> <b>RM'000</b>	<b>31.12.2012</b> <b>RM'000</b>
Amount due from contract customers for contract work-in-progress	2,211	-
Accrued billings in respect of property development	<u>-</u>	<u>1,692</u>

**15. Other Current Liabilities**

The other current liabilities of the Group were as follows:-

	<b>30.9.2013</b> <b>RM'000</b>	<b>31.12.2012</b> <b>RM'000</b>
Amount due to contract customers for contract work-in-progress	-	6,775
Progress billings in respect of property development	<u>1,113</u>	<u>-</u>

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

### 1. Review of Performance

For the current quarter ended 30 September 2013, the Group recorded a turnover and profit before tax of RM11.455 million and RM1.978 million respectively.

Performance of the respective operating business segments for the 9-month period ended 30 September 2013 as compared to the preceding year corresponding period is analysed as follows:-

#### Property development segment

The revenue from property development segment has no significant variance as compared to preceding year cumulative quarter ended 30 September 2012.

#### Construction segment

The revenue from construction segment was lesser by 40% due to lesser activities from the construction project.

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

The Group registered a turnover of RM11.455 million and profit before tax of RM1.978 million in the current quarter as compared to RM4.237 million and RM0.967 million respectively achieved in the preceding quarter.

### 3. Prospects

The property market is expected to be resilient and challenging amid various measures introduced in Budget 2014 to curb the speculation in the property market. Properties in prime location such as Klang Valley is expected to remain in demand.

Construction of the affordable 80 units of apartments in Batu Tiga, Shah Alam is completed and shall be sold on a Build-Then-Sell concept upon receipt of the Certification of Completion and Compliance. Construction for 120 units of apartments in Kota Damansara, Selangor and 48 units of high-end bungalows in Langkawi, Kedah are in progress. Sales for the bungalows have been encouraging.

Application for approvals to develop the Cheras Land into Service Apartments is still pending. The land is within walking distance from Taman Suntex station of the Mass Rapid Transit (“MRT”) project currently under construction. Similarly, for high-end hill-view bungalows project in Setiawangsa, Kuala Lumpur, construction work shall commence once the relevant approvals are obtained.

Barring any unforeseen circumstances, the Group expect to record satisfactory performance.

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 for the period under review.

5. **Taxation**

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

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current Year Quarter</b> <b>30.9.2013</b> <b>RM'000</b>	<b>Preceding Year Corresponding Quarter</b> <b>30.9.2012</b> <b>RM'000</b>	<b>Current Year To Date</b> <b>30.9.2013</b> <b>RM'000</b>	<b>Preceding Year Corresponding Period</b> <b>30.9.2012</b> <b>RM'000</b>
Income tax expense:				
Malaysia income tax	(485)	(635)	(913)	(2,321)
Deferred income tax	29	31	29	102
	<u>(456)</u>	<u>(604)</u>	<u>(884)</u>	<u>(2,219)</u>

The effective tax rate of the Group has no material difference from the statutory tax rate.

6. **Corporate Proposal**

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

7. **Group Borrowings and Debt Securities**

The Group borrowings as at 30 September 2013 were as follows:

	<b>Secured</b> <b>RM'000</b>	<b>Unsecured</b> <b>RM'000</b>	<b>Total</b> <b>RM'000</b>
Short Term	5,954	102	6,056
Long Term	20,862	345	21,207
	<u>26,816</u>	<u>447</u>	<u>27,263</u>

All the above borrowings are denominated in Ringgit Malaysia. The Group has no debt securities as at 30 September 2013.

8. **Material Litigation**

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

**9. Dividend**

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

**10. Realised and Unrealised Losses Disclosure**

	<b>30.9.2013</b>	<b>31.12.2012</b>
	<b>RM'000</b>	<b>RM'000</b>
Total accumulated losses of the Group and Company		
- realised	37,462	40,370
- unrealised	-	-
	<u>37,462</u>	<u>40,370</u>
Less: consolidated adjustments	<u>(2,775)</u>	<u>(2,945)</u>
Accumulated losses as per consolidated accounts	<u><u>34,687</u></u>	<u><u>37,425</u></u>

**11. Earnings Per Share**

**(a) Basic Earnings Per Share**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current Year Quarter</b>	<b>Preceding Year Corresponding Quarter</b>	<b>Current Year To Date</b>	<b>Preceding Year Corresponding Period</b>
	<b>30.9.2013</b>	<b>30.9.2012</b>	<b>30.9.2013</b>	<b>30.9.2012</b>
	<b>(RM'000)</b>	<b>(RM'000)</b>	<b>(RM'000)</b>	<b>(RM'000)</b>
Profit attributable to the shareholders of the Company (RM'000)	1,522	1,273	2,738	6,545
Issued ordinary shares ('000)	206,756	206,756	206,756	206,756
Basic earnings per share (sen)	<u>0.74</u>	<u>0.62</u>	<u>1.32</u>	<u>3.17</u>

**(b) Diluted Earnings Per Share**

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

## 12. Notes To The Statements Of Comprehensive Income

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.9.2013 (RM'000)	Preceding Year Corresponding Quarter 30.9.2012 (RM'000)	Current Year To Date 30.9.2013 (RM'000)	Preceding Year Corresponding Period 30.9.2012 (RM'000)
Interest income	369	354	1,216	679
Other income including investment income	43	79	180	282
Interest expense	86	78	227	216
Depreciation and amortisation	50	26	159	88
Provision for and write off of receivables	-	-	44	49
Provision for and write off of inventories	-	-	-	-
Loss on disposal of quoted or unquoted investments or properties	-	-	3	-
Impairment of assets	-	-	-	-
Foreign exchange gain or loss	-	-	-	-
Gain or loss on derivatives	-	-	-	-
Exceptional items	-	-	-	-

By order of the Board

Kuan Hui Fang (MIA 16876)  
Wong Wai Foong (MAICSA 7001358)  
Company Secretaries  
Date: 27 November 2013