

BERTAM ALLIANCE BERHAD (Company No. 305530-A)INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015
(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
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	RM' 000	RM' 000	RM' 000	RM' 000
Revenue	8,443	14,190	131,026	40,140
Cost of sales	(5,734)	(11,683)	(98,260)	(32,710)
Gross profit	2,709	2,507	32,766	7,430
Other income	89	964	277	1,450
Administrative expenses	(7,340)	(3,884)	(13,804)	(6,353)
Finance costs	(416)	(11)	(1,199)	(119)
Share of results of associates	-	-	-	(408)
Profit before tax	(4,958)	(424)	18,040	2,000
Income tax expense	943	(864)	(5,323)	(1,649)
Profit net of tax, representing total comprehensive income for the period	(4,015)	(1,288)	12,717	351
Profit attributable to:				
Shareholders of the Company	(4,015)	(1,286)	12,717	352
Non-controlling interests	-	(2)	-	(1)
	(4,015)	(1,288)	12,717	351
Earnings per share attributable to shareholders of the Company (sen per share)				
- Basic	(1.94)	(0.62)	6.15	0.17
- 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 2014.

BERTAM ALLIANCE BERHAD (Company No. 305530-A)

CONDENSED STATEMENTS OF FINANCIAL POSITION

	Note	(UNAUDITED) As at 31.12.2015 RM'000	(AUDITED) As at 31.12.2014 RM'000
Assets			
Non-current assets			
Plant and equipment		10,897	7,323
Land held for property development		88,999	71,142
Investment in quoted shares		3,026	3,027
Club memberships		86	86
		<u>103,008</u>	<u>81,578</u>
Current assets			
Property development costs		98,106	100,439
Inventories		10,078	7,359
Trade and other receivables	13	75,524	57,677
Other current assets	14	4,540	5,442
Tax recoverable		1,710	3,892
Cash and bank balances		7,397	11,370
		<u>197,355</u>	<u>186,179</u>
Total assets		<u>300,363</u>	<u>267,757</u>
Equity and liabilities			
Current liabilities			
Loans and borrowings		642	6,694
Trade and other payables		1,423	28,835
Other current liabilities	15	662	719
Income tax payable		2,523	534
		<u>5,250</u>	<u>36,782</u>
Net current asset		<u>192,105</u>	<u>149,397</u>
Non-current liabilities			
Loans and borrowings		104,233	51,615
Trade and other payables		1,360	2,556
Deferred tax liabilities		5,438	5,439
		<u>111,031</u>	<u>59,610</u>
Total liabilities		<u>116,281</u>	<u>96,392</u>
		<u>184,082</u>	<u>171,365</u>
Equity attributable to shareholders of the Company			
Share capital		206,756	206,756
Accumulated losses		(22,743)	(35,460)
		<u>184,013</u>	<u>171,296</u>
Non-controlling interests		69	69
Total equity		<u>184,082</u>	<u>171,365</u>
Total equity and liabilities		<u>300,363</u>	<u>267,757</u>
Net assets per share attributable to shareholders of the Company (RM)		<u>0.89</u>	<u>0.83</u>

The above statements of financial position should be read in conjunction with the audited annual financial statements for the year ended 31 December 2014.

BERTAM ALLIANCE BERHAD (Company No. 305530-A)

CONDENSED STATEMENTS OF CHANGES IN EQUITY

	Attributable to shareholders of the Company				Total equity RM'000
	Share Capital RM'000	Accumulated Losses RM'000	Total RM'000	Non-controlling Interests RM'000	
Balance at 1 January 2015	206,756	(35,460)	171,296	69	171,365
Total comprehensive income	-	12,717	12,717	-	12,717
As at 31 December 2015	<u>206,756</u>	<u>(22,743)</u>	<u>184,013</u>	<u>69</u>	<u>184,082</u>
Balance at 1 January 2014	206,756	(33,745)	173,011	70	173,081
Total comprehensive income	-	352	352	(1)	351
Transactions with owners					
Dividends paid to shareholders of the Company	-	(2,067)	(2,067)	-	(2,067)
As at 31 December 2014	<u>206,756</u>	<u>(35,460)</u>	<u>171,296</u>	<u>69</u>	<u>171,365</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 2014.

BERTAM ALLIANCE BERHAD (Company No. 305530-A)

CONDENSED STATEMENTS OF CASH FLOWS

	12-Month Ended 31.12.2015	12-Month Ended 31.12.2014
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before tax	18,040	2,000
Adjustment for non-cash and non-operating items	1,888	1,019
Operating cash flows before changes in working capital	19,928	3,019
Changes in working capital:-		
Inventories	(2,719)	(3,436)
Property development	2,335	(35,944)
Trade and other receivables	31,310	2,047
Other current assets	(48,255)	(253)
Other current liabilities	(58)	719
Trade and other payables	(28,608)	7,261
Net cash flows used in operations	(26,067)	(26,587)
Income taxes paid, net of refunded	(1,152)	(5,445)
Net cash flows used in operating activities	(27,219)	(32,032)
Cash Flows From Investing Activities		
Purchase of:		
- property, plant and equipment	(4,341)	(6,554)
- land held for property development	(17,857)	(2,433)
Proceeds from disposal of plant and equipment	5	8
Proceeds from disposal of associates		5,047
Investment		(4,506)
Interest received	72	826
Net cash flows (used in)/ generated from investing activities	(22,121)	(7,612)
Cash Flows From Financing Activities		
Proceeds from borrowings	52,618	35,500
Repayment of borrowings	(1,521)	(5,148)
Interest paid	(1,199)	(119)
Dividends paid	-	(2,067)
Net cash flows used in financing activities	49,898	28,166
Net decrease in cash and cash equivalents	558	(11,478)
Cash and cash equivalents at beginning of the period	6,839	18,317
Cash and cash equivalents at end of the period	7,397	6,839
Cash and cash equivalents comprise the following:		
Cash and short term deposits	7,397	11,370
Bank overdraft	-	(4,531)
	7,397	6,839

The above statements of cash flows should be read in conjunction with the audited annual financial statements for the year ended 31 December 2014.

BERTAM ALLIANCE BERHAD (Company No. 305530-A)

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DECEMBER 2015**

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 2014.

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 2014, 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 2016:

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

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

- FRS 9: Financial Instruments

The 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.

Malaysian Financial Reporting Standards (“MFRSs Framework”)

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

The MFRSs Framework is mandatory for adoption by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities subject to the application of MFRS 141 Agriculture and/or IC Interpretation 15 Agreements for the Construction of Real Estate (“Transitioning Entities”). The Transitioning Entities are given an option to defer adoption of the MFRSs Framework to financial periods beginning on or after 1 January 2017. Transitioning Entities also includes those entities that consolidate or equity account or proportionately consolidate another entity that has chosen to continue to apply the FRSs framework for annual periods beginning on or after 1 January 2012.

Accordingly, the Group and the Company which are Transitioning Entities have chosen to defer the adoption of the MFRSs Framework to financial year beginning on 1 January 2017. The Group and the Company will prepare their first MFRSs financial statements using the MFRSs Framework for the financial year ending 31 December 2017.

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

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

MFRS 1 requires comparative information to be restated as if the requirements of MFRS effective for annual periods beginning on or after 1 January 2017 have always been applied, except when MFRS 1 allows certain elective exemptions from such full retrospective application or prohibits retrospective application of some aspects of MFRS.

IC Interpretation 15 Agreements for the Construction of Real Estate

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

2. Qualified Audit Report

The Group's most recent annual audited financial statements for the year ended 31 December 2014 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 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 current financial period ended 31 December 2015.

7. Dividend Paid

No dividend was paid during the financial period ended 31 December 2015.

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 as follows:

	Property development RM'000	Construction RM'000	Corporate and others RM'000	Total RM'000
Revenue:				
External sales	82,488	44,906	3,632	131,026
Results:				
Segment profit/(loss)	11,127	9,406	(870)	19,663
Other non-cash expenses	-	-	(4)	(4)
Depreciation	(404)	-	(16)	(420)
Finance costs	(137)	-	(1,062)	(1,199)
Profit/(Loss) before tax	10,586	9,406	(1,952)	18,040
Income tax expense	(2,760)	(2,563)	-	(5,323)
Profit/(Loss) net of tax	7,826	6,843	(1,952)	12,717

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 was no change in the composition of the Group for the quarter ended 31 December 2015.

12. Contingent Liabilities

The contingent liabilities of the Company and the Group as at 31 December 2015 were as follows:

	Company RM'000	Group RM'000
Guarantees to financial institutions for banking facilities granted to the subsidiary companies	90,000	-

The Borrowings outstanding as at 31 December 2015 and covered by the guarantees was approximately RM104.875 million.

13. Trade and Other Receivables

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

	31.12.2015 RM'000	31.12.2014 RM'000
Trade receivables		
- Third parties	26,021	46,388
Other receivables		
- Other receivables	49,160	2,957
- Prepayment	-	65
- Refundable deposits	343	8,267
	<u>49,503</u>	<u>11,289</u>
 Total trade and other receivables	 <u><u>75,524</u></u>	 <u><u>57,677</u></u>

14. Other Current Assets

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

	31.12.2015 RM'000	31.12.2014 RM'000
Prepaid operating expenses in respect of property development	<u>4,540</u>	<u>5,442</u>

15. Other Current Liabilities

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

	31.12.2015 RM'000	31.12.2014 RM'000
Amount due for operating and work in progress	<u>662</u>	<u>719</u>

ADDITIONAL EXPLANATORY NOTES OF THE LISTING REQUIREMENTS OF THE BMSB

1. Review of Performance

For the current quarter ended 31 December 2015, the Group recorded a turnover and loss before tax of RM8.443 million and RM4.958 million respectively.

Performance of the respective operating business segments for the 12-month period ended 31 December 2015 as compared to the preceding year corresponding period is analysed as follows:-

Property development segment

The revenue from property development segment increased by RM58.029 million mainly due to more activities from the development projects and a sale of land for RM63.5 million.

Construction segment

The revenue from construction segment increased by RM29.225 million as due to more activities from the construction project.

2. Review of Current Quarter Profitability against Preceding Quarter

The Group registered a turnover of RM8.443 million and loss before tax of RM4.958 million in the current quarter as compared to RM14.190 million of turnover and RM0.424 million of loss before taxation reported in the preceding quarter.

3. Prospects

The Group has built the land bank in Sabah. The increase of land should contribute positively to the future Group's performance.

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

And 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 2 tower condominium of 228 units and the development plan has approved in early 2016.

Besides apartment project, Bertam undertook a high-end, sea-view bungalow development in the burgeoning affluent business community of Langkawi, Kedah. This project consists of 43 units of bungalow/ vacant land and 41 units have been sold to-date.

120 units of Suria apartments in Kota Damansara, Selangor have been completed and remaining 6 Bumi units are still available for sales.

Apart from property development, the Group venture into plantation on its own 485-acre land of rubber trees in Gemencheh, Negeri Sembilan. This venture can contribute to the Group's earnings in the future.

Barring any unforeseen circumstances, the Group expected its revenue and profit shall be mainly driven by development projects as mentioned above.

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:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	RM'000	RM'000	RM'000	RM'000
Income tax expense:				
Malaysia income tax	943	(914)	(5,323)	(1,912)
Deferred income tax	-	50	-	263
	<u>943</u>	<u>(864)</u>	<u>(5,323)</u>	<u>(1,649)</u>

The effective tax rate of the Group was higher than the statutory tax rate as certain expenses are not deductible for tax purposes.

6. Corporate Proposal

There is no corporate proposal.

7. Group Borrowings and Debt Securities

The Group borrowings as at 31 December 2015 were as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Short Term	81	560	641
Long Term	103,806	428	104,234
	<u>103,887</u>	<u>988</u>	<u>104,875</u>

All the above borrowings are denominated in Ringgit Malaysia. The Group has no debt securities as at 31 December 2015.

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

	31.12.2015 RM'000	31.12.2014 RM'000
Total accumulated losses of the Group and Company		
- realised	18,244	30,961
- unrealised	<u>(100)</u>	<u>(100)</u>
	18,144	30,861
Add: consolidated adjustments	<u>4,599</u>	<u>4,599</u>
Accumulated losses as per consolidated accounts	<u><u>22,743</u></u>	<u><u>35,460</u></u>

11. Earnings Per Share

(a) Basic Earnings Per Share

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.12.2015 (RM'000)	Preceding Year Corresponding Quarter 31.12.2014 (RM'000)	Current Year To Date 31.12.2015 (RM'000)	Preceding Year Corresponding Period 31.12.2014 (RM'000)
Profit attributable to the shareholders of the Company (RM'000)	(4,015)	(1,286)	12,717	352
Issued ordinary shares ('000)	206,756	206,756	206,756	206,756
Basic earnings per share (sen)	(1.94)	(0.62)	6.15	0.17

(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 31.12.2015 (RM'000)	Preceding Year Corresponding Quarter 31.12.2014 (RM'000)	Current Year To Date 31.12.2015 (RM'000)	Preceding Year Corresponding Period 31.12.2014 (RM'000)
Interest income	58	471	156	846
Other income including investment income	31	493	121	604
Interest expense	416	11	1,199	119
Depreciation and amortisation	248	63	420	210
Provision for and write off of receivables	-	67	-	69
Provision for and write off of inventories	-	-	-	-
Loss on disposal of quoted or unquoted investments or properties	-	1,480	-	1,480
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: 25 February 2016