

BERTAM ALLIANCE BERHAD (Company No. 305530-A)**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME FOR THE QUARTER AND YEAR TO DATE
ENDED 30 SEPT 2018**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding	To Date	Corresponding
Note	30/09/2018	30/09/2017	30/09/2018	30/09/2017
	RM'000	RM'000	RM'000	RM'000
Revenue	-	15,822	-	145,248
Cost of sales	-	(17,012)	-	(72,489)
Gross profit	-	(1,190)	-	72,759
Other income	533	357	5,096	1,000
Administrative expenses	(1,268)	(1,274)	(5,499)	(4,215)
Finance costs	(92)	(128)	(278)	(1,047)
(Loss)/Profit before tax	(827)	(2,235)	(681)	68,497
Tax expenses	(43)	-	(45)	(17)
(Loss)/Profit for the period	(870)	(2,235)	(726)	68,480
Other comprehensive income, net of tax				
<i>items that may be re-classified subsequently to profit or loss</i>				
Fair value of available-for-sale financial assets	-	(110)	-	109
Total comprehensive (loss) / income	(870)	(2,345)	(726)	68,589
(Loss) / Profit attributable to:				
Owners of the Company	(870)	(2,235)	(724)	68,480
Non-controlling interests*	-	-	(2)	-
	(870)	(2,235)	(726)	68,480
Total comprehensive (loss) / income attributable to:				
Owners of the Company	(870)	(2,345)	(724)	68,589
Non-controlling interests*	-	-	(2)	-
	(870)	(2,345)	(726)	68,589
<i>*denotes amount less than RM1,000.00</i>				
Earnings per share attributable to				
owners of the Company	sen	sen	sen	sen
- Basic	(0.42)	(1.08)	(0.35)	33.12
- Diluted	N/A	N/A	N/A	N/A

The above condensed consolidated statements of profit or loss and other comprehensive income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to these interim financial statements.

BERTAM ALLIANCE BERHAD (Company No. 305530-A)**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPT 2018**

	(UNAUDITED) As at 30/09/2018 RM'000	(AUDITED) As at 31/12/2017 RM'000
	Note	
Assets		
Non-current assets		
Property, plant and equipment	9,797	10,022
Land held for property development	79,204	78,873
Goodwill on consolidation	90	90
Other investments	159	2,055
	89,250	91,040
Current assets		
Property development cost	110,953	105,063
Inventories	1,259	1,259
Trade and other receivables	20,740	14,574
Tax recoverable	2,842	2,891
Deposits, cash and bank balances	32,529	59,469
	168,323	183,256
	257,573	274,296
Total assets		
Equity and liabilities		
Capital and Reserves		
Share capital	206,756	206,756
Other Reserve	(14,865)	(14,865)
Retained earnings	14,040	14,765
Equity attributable to equity holders of the Company	205,931	206,656
Non-controlling interests	(149)	(147)
Total equity	205,782	206,509
Non-current liabilities		
Loans and borrowings	5,113	5,429
Finance lease payable	357	587
Deferred tax liabilities	-	-
	5,470	6,016
Current liabilities		
Trade and other payables	10,053	14,067
Amount due to director	-	11
Tax payables	2,443	2,615
Loans and borrowings	33,619	44,890
Finance lease payable	206	188
	46,321	61,771
Net current asset	122,002	121,485
Total liabilities	51,791	67,787
	205,782	206,509
Total equity and liabilities	257,573	274,296
Net assets per share attributable to ordinary equity holders of the Company (RM)	1.00	1.00

The above condensed consolidated statements of financial position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to these interim financial statements.

BERTAM ALLIANCE BERHAD (Company No. 305530-A)**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 SEPT 2018**

	<-----Attributable to owners of the Company----->		(Accumulated Losses) / Retained Earnings	Total	Non-controlling Interests	Total equity
	Non-distributable	Distributable				
	Share Capital	Other Reserve	RM'000	RM'000	RM'000	RM'000
As at 01 January 2018	206,756	(14,865)	14,765	206,656	(147)	206,509
Total comprehensive income	-	-	(724)	(724)	(2)	(726)
As at 30 September 2018	206,756	(14,865)	14,041	205,932	(149)	205,782
As at 01 January 2017	206,756	(14,865)	(48,042)	143,849	(145)	143,704
Total comprehensive profits	-	-	68,589	68,589	-	68,589
As at 30 September 2017	206,756	(14,865)	20,547	212,438	(145)	212,293

The above condensed consolidated statements of changes in equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to these interim financial statements.

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 SEPT 2018**

	Current Year	Preceding Year
	Ended	Corresponding
	30/09/2018	Period
	RM'000	30/09/2017
	RM'000	RM'000
Cash Flows From Operating Activities		
(Loss)/Profit before tax	(681)	68,497
Adjustment for:		
Depreciation	489	511
Loss on disposal of other investment	-	45
Gain on disposal of quoted shares	(2,619)	-
Gain on disposal of fixed assets	(186)	(47)
Interest/Investment income	(2,240)	(663)
Interest expense	278	1,047
Operating cash flows before changes in working capital	(4,959)	69,390
Changes in working capital:-		
Inventories	-	1,176
Property development costs	(5,890)	(86,655)
Trade and other receivables	(6,117)	6,548
Trade and other payables	(4,014)	(22,765)
Net cash flows used in operations	(20,980)	(32,306)
Interest paid	(2,327)	(1,047)
Income taxes paid, net of refunded	(32)	75
Net cash flows used in operating activities	(23,339)	(33,278)
Cash Flows From Investing Activities		
Acquisition of property, plant and equipment	(46)	(12)
Addition to land held for property development	(331)	-
Proceeds from disposal of quoted shares	5,322	-
Proceeds from disposal of land	-	144,022
Proceeds from disposal of other investment	-	41
Proceeds from disposal of property, plant and equipment	270	47
Interest/Investment income	2,240	663
Net cash flows generated from investing activities	7,455	144,761
Cash Flows From Financing Activities		
Repayment to a director	(11)	-
Repayment of borrowings	(11,799)	(36,573)
Increased of other investment	-	(5,400)
Increased of fixed deposit pledged	-	(9,954)
Net cash flows used in financing activities	(11,810)	(51,927)
Net increase / (decrease) in cash and cash equivalents	(27,694)	59,556
Cash and cash equivalents at beginning of the period	43,213	(16,900)
Cash and cash equivalents at end of the period	15,519	42,656
Cash and cash equivalents comprise the following:		
Cash and short term deposits	32,529	58,834
Less: Fixed deposit pledged with licensed banks	(17,010)	(16,178)
	15,519	42,656

The above condensed consolidated statements of cash flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to these interim financial statements.

PART A: NOTES TO THE INTERIM FINANCIAL REPORT

1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirement of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial statements should be read in conjunction with the Group's annual audited financial statements for the year ended 31 December 2017.

2. Accounting Policies

The significant accounting policies, method of computation and basis of consolidation applied in the consolidated condensed interim financial statements are consistent with those of the audited financial statements for the financial year ended 31 December 2017, except for the adoption of MFRS framework effective for the financial year beginning on 1 January 2018.

On 19 November 2011, the MASB issued a new MASB approved accounting framework, MFRS. 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 MFRS 15 Revenue from Contracts with Customers ("Transitioning Entities").

The Transitioning Entities are given option to defer the adoption of MFRSs Framework. Transitioning Entities also include those entities that consolidate or equity account or proportionately consolidate another entity that has chosen to continue to apply the FRSS framework for annual period beginning on or after 1 January 2012.

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 consider that they are achieving their schedule milestone and expect to be in the position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 December 2018.

Certain subsidiary companies of the Group which do not fall within the scope of Transitioning Entities have adopted the MFRS Framework. Accordingly, reconciliations have been performed for the different financial reporting frameworks. However, the difference did not have significant impact to these consolidated financial statements. The effect on the adoption of MFRS framework as follows:

MFRS 9: Financial Instruments

MFRS 9 introduces an approach for classification and measurement of the financial assets which is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments and expected-loss impairment model that will require more timely recognition of expected credit losses which replaces the "incurred loss" model in MFRS 139.

MFRS 15: Revenue from Contract

The core principal of MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. An entity recognises revenue in accordance with the core principle by applying the following steps:

- (i) identify the contracts with a customer;
- (ii) identify the performance obligation in the contract;
- (iii) determine the transaction price;
- (iv) allocate the transaction price to the performance obligations in the contract; and
- (v) recognise revenue when (or as) the entity satisfies a performance obligation.

MFRS 15 also includes new disclosures that would result in an entity providing users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers.

The following MFRSs and IC Interpretations will be withdrawn on the application of MFRS 15:

MFRS 111	Construction Contracts
MFRS 118	Revenue
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 15	Agreements for the Construction of Real Estate
IC Interpretation 18	Transfers of Assets from Customers
IC Interpretation 131	Revenue - Barter Transactions Involving Advertising Services

3. Audit Opinion on 2017 Financial Statements

The auditors' report on the financial statements of the Group for the year ended 31 December 2017 was not subject to any audit qualification or modified opinion.

4. Seasonal or Cyclical Factors

The business operations of the Group were not significantly affected by seasonal or cyclical factors.

5. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no significant unusual items that affect the assets, liabilities, equity, net income or cash flows during the financial period under review.

6. Material Changes in Estimates

There were no material changes in estimates of amounts that have had a material effect in the results during the financial period under review.

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

There were no issues, repurchases and repayments of debt and equity securities during the financial period under review.

8. Dividend paid

There were no dividend paid during the financial period under review.

9. Segmental Information

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

Current year to date 30/09/2018	Property for Sale/ Property Development RM'000	Construction RM'000	Corporate and others RM'000	Total RM'000
Revenue				
External sales	-	-	-	-
Segment results	(883)	(74)	1,043	86
Depreciation	(240)	-	(249)	(489)
Finance costs	(28)	-	(250)	(278)
(Loss) / Profit before tax	(1,151)	(74)	544	(681)
Tax expenses	(45)	-	-	(45)
(Loss) / Profit after tax	(1,196)	(74)	544	(726)

10. Valuation of Property, Plant and Equipment

The valuations of property, plant and equipment have been brought forward, without amendment from the previous annual financial statements.

11. Material Events Subsequent to the End of the Interim Period

In the opinion of the directors, there has not arisen in the interval between the end of the current quarter and date of the announcement, any item, transaction or event of a material and unusual nature likely to affect substantially the result of the Group.

12. Status of Corporate Proposals:-

The shareholders of the Company had at its Extraordinary General Meeting held on 16 November 2018, had approved the corporate proposals as follows: -

1. Proposed Ratification on the Joint Venture("JV") between Sepakat Heights Sdn Bhd("SHSB"), an indirect wholly-owned subsidiary of Bertam Alliance Berhad ("Bertam"), and Jumat Bin Laiyo ("Jumat") for the proposed development of seventeen(17) parcels of lands held under native title nos. 213038825 &16 others(as set out in Section 2.2 of the Circular to Shareholders dated 31 October 2018("Circular")),Off Jalan Pintas-Donggongon, Kepayan, District of Penampang ("Lot A Lands") into residential development, strictly conditional upon approval of the application for amalgamation, subdivision and conversion of the land titles in Lot A Lands from native titles into country lease titles and/or town lease lands("Proposed JV Ratification-Lot A Lands");

2. Proposed Ratification on the JV Between Sunrise Avenue Sdn Bhd (“SASB”), an indirect wholly-owned subsidiary of Bertam, and Rosalia Anthony (“Rosalia”) for the proposed development of seven(7) parcels of lands held under native title nos. 213021526 & 6 others, Off Jalan Pintas-Donggongon, Kepayan, District of Penampang (“Lot B Lands”) and two (2) parcels of lands held under native title no. 213206896 and part of native title no. 213021973, Off Jalan Pintas-Donggongon, Kepayan, District of Penampang (“Lot C Lands”) into commercial development, strictly conditional upon approval of the application for amalgamation, subdivision and conversion of the land titles in Lot B Lands and Lot C Lands from native titles into country lease titles and/or town lease lands (“Proposed JV Ratification - Lot B Lands and Lot C Lands”); and

3. Proposed Acquisition of a piece of land held under country lease no. 215465802 measuring approx. 1.709 hectare situated at Kg Kepayan, District of Penampang (“Lot G Land”) for a total cash consideration of RM16.3 million (“Proposed Acquisition”).

13. Changes in composition of the Group

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

14. Contingent Liabilities

The contingent liabilities of the Company and the Group as at 30 September 2018 were as follows:

	Group RM'000	Company RM'000
Guarantees to financial institutions for banking facilities granted to a subsidiary company, Bertam Development Sdn Bhd (BDSB)	-	55,000

BDSB had on 20 December 2017 served with a sealed copy of the Winding Up by Court dated 30 Nov 2017.

The Company as the Corporate guarantor for the facility as mentioned, shall pay the loan instalments from internal generated funds as they fall due.

15. Trade and Other Receivables

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

	30/09/2018 RM'000	31/12/2017 RM'000
Trade receivables - third parties, net of impairments	1,629	3,265
Other receivables		
- Sundry receivables, net of impairments	213	4,739
- Prepayment	190	119
- Refundable deposits	17,908	6,451
	18,311	11,309
Total trade and other receivables	19,940	14,574

16. Related Party Transactions

There are no other significant related party transactions except for the followings:

	Current Year Quarter 30/09/2018 RM'000	Preceding Year Corresponding Quarter 30/09/2017 RM'000	Current Year to date 30/09/2018 RM'000	Preceding Year Corresponding Period 30/09/2017 RM'000
Transaction with companies in which the Director of the Company have substantial financial interest				
- rental income on premises	10	10	30	30

The related party transactions have been entered into in the normal course of business under negotiated terms.

17. Reconciliation of Liabilities Arising from Financing Activities

The table below details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes:

	At 1 January RM'000	Financing cash flow RM'000	New finance lease RM'000	At 30 Sept 2018 RM'000
Group				
Amount due to directors	11	(11)	-	-
Finance lease liabilities	775	(212)	-	563
Term loans	50,319	(16,700)	-	33,619
	51,105	(16,923)	-	34,182
Company				
Term loans	5,915	(802)	-	5,113

PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD

1. Operating Segment Review

3rd Quarter 2018 vs 3rd Quarter 2017

	Individual quarter		RM'000	Changes	%
	Current year Quarter	Preceding Year Corresponding Quarter			
	RM'000	RM'000	RM'000		
Revenue					
Property for sale /Property Development	-	15,822	(15,822)		-
Construction	-	-	-		-
Corporate and others	-	-	-		-
	-	15,822	(15,822)		-
Profit/(Loss) before tax					
Property for sale /Property Development	(147)	(2,406)	2,259	94%	
Construction	(47)	(17)	(30)	176%	
Corporate and others	(633)	188	(821)	437%	
	(827)	(2,235)	1,408	63%	
Profit/(Loss) after tax					
Property for sale /Property Development	(190)	(2,406)	2,216	92%	
Construction	(47)	(17)	(30)	176%	
Corporate and others	(633)	188	(821)	437%	
	(870)	(2,235)	1,365	61%	

Group

There was a no revenue recorded in current year's quarter as compared to RM15.8million in preceding year corresponding quarter.

Property for sales/Property development segment

There was a no revenue recorded in current year's quarter as compared to RM15.8million in preceding year corresponding quarter.

For the current quarter ended 30 September 2018, the segment incurred a loss before tax of RM147k as compared to loss before tax of RM2,406k in the previous year corresponding quarter.

Construction segment

There was no revenue recorded for current quarter and previous year's corresponding quarter.

For the current quarter ended 30 September 2018, the segment recorded a loss before tax of RM47k as compared to loss before tax of RM17k in the previous corresponding quarter.

Corporate and others

There was no revenue recorded for current quarter and previous year's corresponding quarter.

For the current quarter ended 30 September 2018, the segment recorded a loss before tax of RM633k as compared to profit before tax of RM188k in the previous corresponding quarter.

Year to date 30.09.2018 vs 30.09.2017

	Cumulative period		Changes	
	Current year to date RM'000	Preceding Year Corresponding period RM'000	RM'000	%
Revenue				
Property for sale /Property Development	-	144,022	(144,022)	-100%
Construction	-	1,226	(1,226)	-100%
Corporate and others	-	-	-	NA
	-	145,248	(145,248)	-100%
(Loss) / Profit before tax				
Property for sale /Property Development	(1,151)	69,760	(70,911)	102%
Construction	(74)	122	(196)	-161%
Corporate and others	544	(1,385)	1,929	139%
	(681)	68,497	(69,178)	101%
(Loss) / Profit after tax				
Property for sale /Property Development	(1,196)	69,743	(70,939)	102%
Construction	(74)	122	(196)	-161%
Corporate and others	544	(1,385)	1,929	139%
	(726)	68,480	(69,206)	101%

Group

There was no revenue recorded for the current year to date, a decrease of RM145.2 million, as compared to revenue in previous year.

The Group recorded loss before tax of RM0.7million as compared to profit before tax of RM68.4 million in the previous year's corresponding period.

Property for sale/Property development segment

There was no revenue recorded for the current year to date, a decrease of RM144.0 million, as compared to revenue in previous year.

For the current year to date as at 30 September 2018, the segment recorded loss before tax of RM1.1 million as compared to profit before tax of RM69.7 million in the previous year corresponding period.

Construction segment

No revenue was recorded for the current year to date, a decrease of RM1.2 million as compared to previous year's revenue.

For the current year to date as at 30 September 2018, the segment recorded loss before tax of RM74k as compared to profit before tax of RM122k recorded in the previous year corresponding period.

Corporate and others

There was no revenue recorded for current to date and previous year's corresponding period.

For the current year to date as at 30 September 2018, the segment recorded a profit before tax of RM0.5 million as compared to loss before tax of RM1.4 million in the previous corresponding period.

2. Review of Current Quarter Profitability against Immediate Preceding Quarter

	Current Quarter RM'000	Immediate Preceding Quarter RM'000	Changes	
			RM'000	%
Revenue				
Property for sale /Property Development	-	-	-	100%
Construction	-	-	-	NA
Corporate and others	-	-	-	NA
	-	-	-	100%
(Loss)/Profit before tax				
Property for sale /Property Development	(147)	(157)	10	6%
Construction	(47)	(19)	(28)	147%
Corporate and others	(633)	1,827	(2,460)	135%
	(827)	1,651	(2,478)	150%
(Loss)/Profit before tax				
Property for sale /Property Development	(190)	(157)	(33)	-21%
Construction	(47)	(19)	(28)	147%
Corporate and others	(633)	1,827	(2,460)	135%
	(870)	1,651	(2,521)	153%

3. Prospects

In the midst of rising costs due to inflation and the uncertainties in global economy coupled with the tighten lending conditions which affect property demand, the property market outlook is expected to remain challenging in the year ahead. Despite these challenges, the Group will continue to focus on the development of the affordable residential and commercial properties in Kota Kinabalu, Sabah over the next 3 years with the estimated Gross Development Value of approximately RM150 million.

On 2nd October 2018, the Ministry of Local Government and Housing Sabah has granted an approval to Wow Land Sdn. Bhd. for the Advertising Permit and Developers License for Idaman Residence subject to the submission of a Bank Guarantee.

The Group is currently looking into the Kepayan lands on development in residential and commercial properties, the proposals are currently in progress and pending approvals. The Group will take necessary steps for the developments of those lands in order to sustain the operation of the Group.

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. Tax expenses

	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	30/09/2018 RM'000	30/09/2017 RM'000	30/09/2018 RM'000	30/09/2017 RM'000
Tax expenses				
- current year provision	(13)	-	(15)	(3)
- (under)/over provision in prior years	(30)	-	(30)	(14)
	<u>(43)</u>	<u>-</u>	<u>(45)</u>	<u>(17)</u>
Deferred tax:				
- Origination and reversal of temporary differences	-	-	-	-
- Over provision in prior years	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Tax expenses for the financial period	<u>(43)</u>	<u>-</u>	<u>(45)</u>	<u>(17)</u>

6. Finance Costs

	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	RM'000	RM'000	RM'000	RM'000
Interest expenses				
Term loans	(685)	(873)	(2,299)	(2,964)
Bank overdrafts	-	-	-	(290)
Finance lease payables	(11)	(19)	(28)	(38)
	<u>(696)</u>	<u>(892)</u>	<u>(2,327)</u>	<u>(3,292)</u>
Less:				
Interest capitalised in property dev. costs	604	764	2,049	2,245
	<u>604</u>	<u>764</u>	<u>2,049</u>	<u>2,245</u>
Interest expenses for the financial period	<u>(92)</u>	<u>(128)</u>	<u>(278)</u>	<u>(1,047)</u>

7. Borrowings

The Group's borrowings (all denominated in Ringgit Malaysia) are as follows:

	Current RM'000	Non Current RM'000	Total RM'000
Secured			
Term loans	33,619	5,113	38,732
Obligations under finance lease	206	357	563
As at 30 September 2018	33,825	5,470	39,295
	Current RM'000	Non Current RM'000	Total RM'000
Secured			
Term loans	44,890	5,429	50,319
Obligations under finance lease	189	587	776
As at 01 January 2018	45,079	6,016	51,095

As disclosed in Note 9, Bertam Development Sdn. Bhd. (BDSB), a wholly owned subsidiary company of the Company had been served with a winding up order by the High Court on 30 November 2017. Consequently, the term loans of BDSB totalling RM33,133,065 as at 30th September 2018 was shown as current liability.

8. Material Litigation

There are no other pending material litigation as at reporting date except for the following:

Further updates on the major subsidiary of the Company which is Bertam Development Sdn Bhd ("BDSB") has been served with a sealed copy of the Winding Up Order ("the Order") by Court dated 30 November 2017 and Sealed Allocator dated 19 December 2017 by Messrs. T G Lee & Associates, the solicitors acting for R & C Cergas Teguh Sdn Bhd ("RCCTSB").

On 8 May 2018, BDSB has made full payment of all proof of debts to RCCTSB.

As at date of this report, BDSB's solicitors in the midst of applying to the Court pursuant to Section 493 of the Companies Act, 2016 to terminate the Winding-up Order.

9. Dividend Payable

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

10. Earnings/(Loss) per share

The basic earnings per share has been calculated by dividing the Group's profit/(loss) for the period attributable to owners of the Company by weighted average number of shares in issue. The weighted number of shares in issue is calculated as follows:

	Quarter ended		Year to date	
	30/09/2018	30/09/2017	30/09/2018	30/09/2017
(Loss) / Profit attributable to owners of the Company (RM'000)	(870)	(2,235)	(724)	68,480
Number of ordinary shares in issued ('000 shares)	206,756	206,756	206,756	206,756
Basic earnings/(loss) per share (sen)	<u>(0.42)</u>	<u>(1.08)</u>	<u>(0.35)</u>	<u>33.12</u>

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

11. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2017 were not subject to any qualifications or modified opinion.

12. (Loss)/Profit Before Tax

The following items have been included in arriving at (loss) / profit before tax:

	Quarter ended		Year to date	
	30/09/2018	30/09/2017	30/09/2018	30/09/2017
	RM'000	RM'000	RM'000	RM'000
Interest income	191	332	1,606	663
Rental income	15	14	48	56
Investment Income	171	-	634	-
Interest expense	(92)	(128)	(278)	(1,047)
Depreciation	(152)	(170)	(489)	(511)
Gain on disposal of quoted shares	-	-	2,619	-
Gain on disposal of fixed assets	186	47	186	47
Loss on disposal of other investment	-	-	-	(45)

13. Retained Earnings

	As at	As at
	30/09/2018	31/12/2017
	RM'000	RM'000
Realised	14,040	15,755
Unrealised	-	(1,596)
	<u>14,040</u>	<u>14,159</u>
Consolidation adjustments	-	606
Retained earnings	<u>14,040</u>	<u>14,765</u>

14. Authorised For Issue

The Interim Financial Statements were authorised for issue by the Board in accordance with a resolution of the Directors on 27 November 2018.