

**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 31 DECEMBER 2018**

Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31-12-2018 RM'000	31-12-2017 RM'000	31-12-2018 RM'000	31-12-2017 RM'000
Revenue	817	-	817	145,248
Cost of sales	(2,818)	(3,012)	(2,818)	(68,637)
Gross profit	(2,001)	(3,012)	(2,001)	76,611
Other income	423	1,052	5,519	2,052
Administrative expenses	(1,210)	(4,812)	(6,709)	(8,907)
Finance costs	(86)	(92)	(364)	(1,134)
(Loss)/Profit before tax	(2,874)	(6,864)	(3,555)	68,622
Tax expenses	(297)	1,062	(342)	(5,819)
(Loss)/Profit for the period	(3,171)	(5,802)	(3,897)	62,803
<b>Other comprehensive income, net of tax</b> <i>items that may be re-classified subsequently to profit or loss</i>				
Fair value of available-for-sale financial assets	(95)	-	(95)	-
Total comprehensive (loss) / income	(3,266)	(5,802)	(3,992)	62,803
<b>(Loss) / Profit attributable to:</b>				
Owners of the Company	(3,171)	(5,799)	(3,895)	62,806
Non-controlling interests*	-	(3)	(2)	(3)
	<b>(3,171)</b>	<b>(5,802)</b>	<b>(3,897)</b>	<b>62,803</b>
<b>Total comprehensive (loss) / income attributable to:</b>				
Owners of the Company	(3,266)	(5,799)	(3,990)	62,806
Non-controlling interests*	-	(3)	(2)	(3)
	<b>(3,266)</b>	<b>(5,802)</b>	<b>(3,992)</b>	<b>62,803</b>
<i>*denotes amount less than RM1,000.00</i>				
Earnings per share attributable to				
owners of the Company	sen	sen	sen	sen
- Basic	(1.53)	(2.80)	(1.88)	30.38
- 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.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2018**

	(UNAUDITED) As at 31-12-2018 RM'000	(AUDITED) As at 31-12-2017 RM'000
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	9,530	10,022
Land held for property development	81,127	78,873
Goodwill on consolidation	90	90
Other investments	539	2,055
	91,286	91,040
<b>Current assets</b>		
Property development cost	127,683	105,063
Inventories	1,107	1,259
Trade and other receivables	3,510	14,574
Tax recoverable	2,842	2,891
Deposits, cash and bank balances	26,012	59,469
	161,154	183,256
<b>Total assets</b>	252,440	274,296
<b>Equity and liabilities</b>		
<b>Capital and Reserves</b>		
Share capital	206,756	206,756
Other Reserve	(14,865)	(14,865)
Retained earnings	10,775	14,765
Equity attributable to equity holders of the Company	202,666	206,656
Non-controlling interests	(149)	(147)
Total equity	202,517	206,509
<b>Non-current liabilities</b>		
Loans and borrowings	4,948	5,429
Finance lease payable	182	587
Deferred tax liabilities	-	-
	5,130	6,016
<b>Current liabilities</b>		
Trade and other payables	12,375	14,067
Amount due to director	-	11
Tax payables	2,453	2,615
Loans and borrowings	29,805	44,890
Finance lease payable	160	188
	44,793	61,771
Net current asset	116,361	121,485
<b>Total liabilities</b>	49,923	67,787
	202,517	206,509
<b>Total equity and liabilities</b>	252,440	274,296
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.98	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 31 DECEMBER 2018**

	<-----Attributable to owners of the Company----->		(Accumulated Losses) / Retained Earnings	Total	Non-controlling Interests	Total equity
	Non-distributable	Distributable				
	Share Capital RM'000	Other Reserve RM'000	RM'000	RM'000	RM'000	RM'000
<b>As at 01 January 2018</b>	206,756	(14,865)	14,765	206,656	(147)	206,509
Total comprehensive income	-	-	(3,990)	(3,990)	(2)	(3,992)
<b>As at 31 December 2018</b>	206,756	(14,865)	10,775	202,666	(149)	202,517
<b>As at 01 January 2017</b>	206,756	(14,865)	(48,042)	143,849	(143)	143,706
Total comprehensive profits	-	-	62,807	62,807	(4)	62,803
<b>As at 31 December 2017</b>	206,756	(14,865)	14,765	206,656	(147)	206,509

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 31 DECEMBER 2018**

	<b>Current Year</b>	<b>Preceding Year</b>
	<b>Ended</b>	<b>Corresponding</b>
	<b>31-12-2018</b>	<b>Period</b>
	<b>RM'000</b>	<b>31-12-2017</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash Flows From Operating Activities</b>		
(Loss)/Profit before tax	(3,555)	68,622
Adjustment for:		
Bad debts written off	-	10
Deposits written off	-	17
Trade and other payables written back	-	(48)
Depreciation	360	665
Loss on disposal of other investment	-	45
Gain on disposal of quoted shares	(2,619)	-
Impairment loss on trade and other receivables	-	323
Fixed asset written off	122	-
Impairment loss on investment in quoted shares	95	255
Gain on disposal of fixed assets	(185)	(47)
Interest/Investment income	(2,571)	(1,093)
Interest expense	336	1,134
Operating cash flows before changes in working capital	(8,017)	69,883
Changes in working capital:-		
Inventories	152	1,176
Property development costs	(20,923)	(1,447)
Assets held for sale	-	67,221
Trade and other receivables	11,064	5,561
Trade and other payables	(1,900)	(21,225)
Net cash flows used in operations	(19,624)	121,169
Investment/Interest received	2,571	1,093
Interest paid	(2,943)	(4,601)
Income taxes paid, net of refunded	(642)	(4,294)
Net cash flows used in operating activities	(20,637)	113,367
<b>Cash Flows From Investing Activities</b>		
Acquisition of property, plant and equipment	(406)	(243)
Acquisition of other investment	(475)	(5)
Addition to land held for property development	(2,254)	(2,703)
Proceeds from disposal of quoted shares	5,322	-
Proceeds from disposal of other investment	-	41
Proceeds from disposal of property, plant and equipment	110	47
Net cash flows generated from investing activities	2,297	(2,863)
<b>Cash Flows From Financing Activities</b>		
Advance/(Repayment) to a director	(11)	11
Repayment of borrowings	(15,999)	(40,370)
Increased of fixed deposit pledged	-	(10,033)
Net cash flows used in financing activities	(16,010)	(50,392)
Net increase / (decrease) in cash and cash equivalents	(34,350)	60,112
Cash and cash equivalents at beginning of the period	43,212	(16,900)
Cash and cash equivalents at end of the period	8,863	43,212
<b>Cash and cash equivalents comprise the following:</b>		
Cash and short term deposits	26,012	59,469
Less: Fixed deposit pledged with licensed banks	(17,149)	(16,257)
	8,863	43,212

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.

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

## 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	Property for Sale/ Property Development/	Construction/ Trading of Building Materials	Corporate and others	Total
	RM'000	RM'000	RM'000	RM'000
31-12-2018				
Revenue				
External sales	-	817	-	817
Segment results	(2,602)	(185)	(44)	(2,831)
Depreciation	(21)	-	(339)	(360)
Finance costs	(33)	-	(331)	(364)
(Loss) / Profit before tax	(2,656)	(185)	(714)	(3,555)
Tax expenses	(32)	-	(310)	(342)
(Loss) / Profit after tax	(2,688)	(185)	(1,024)	(3,897)

### 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:-

There is no other outstanding corporate proposal announced but not completed as at the date of this report.

### 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 31 December 2018 were as follows:

	Group	Company
	RM'000	RM'000
(i)		
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.

(ii)

A wholly owned subsidiary of the company has received a letter dated 15.02.2019 from Royal Customs Department informing that arising from the GST audit for period from 01.04.2015 to 31.12.2017, the company has not complied with the certain provision of GST act and the output tax in question amount to RM3,594,339.62.

## 15. Trade and Other Receivables

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

	31-12-2018 RM'000	31-12-2017 RM'000
Trade receivables - third parties, net of impairments	909	3,265
Other receivables		
- Sundry receivables, net of impairments	778	4,739
- Prepayment	214	119
- Refundable deposits	1,609	6,451
	<u>2,601</u>	<u>11,309</u>
Total trade and other receivables	<u>3,510</u>	<u>14,574</u>

## 16. Related Party Transactions

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

	Current Year Quarter 31-12-2018 RM'000	Preceding Year Corresponding Quarter 31-12-2017 RM'000	Current Year to date 31-12-2018 RM'000	Preceding Year Corresponding Period 31-12-2017 RM'000
Transaction with companies in which the Director of the Company have substantial financial interest				
- rental income on premises	10	10	40	40

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 31 Dec 2018 RM'000
<b>Group</b>				
Amount due to directors	11	(11)	-	-
Finance lease liabilities	775	(433)	-	342
Term loans	50,319	(15,568)	-	34,751
	<u>51,105</u>	<u>(16,012)</u>	-	<u>35,093</u>
<b>Company</b>				
Term loans	5,915	(481)	-	5,434

**BERTAM ALLIANCE BERHAD (Company No. 305530-A)****PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD****1. Operating Segment Review****4th Quarter 2018 vs 4th Quarter 2017**

	Individual quarter		RM'000	Changes	
	Current year Quarter	Preceding Year Corresponding Quarter		RM'000	%
Revenue					
Property for sale / Property Development	-	-	-	-	-
Construction / Trading of Building Materials	817	-	817		-
Corporate and others	-	-	-		-
	817	-	817		-
Profit/(Loss) before tax					
Property for sale / Property Development	(1,949)	(4,642)	2,693		58%
Construction / Trading of Building Materials	(111)	(123)	12		-10%
Corporate and others	(814)	(2,099)	1,285		61%
	(2,874)	(6,864)	3,990		58%
Profit/(Loss) after tax					
Property for sale / Property Development	(1,946)	(4,830)	2,884		60%
Construction / Trading of Building Materials	(111)	(123)	12		-10%
Corporate and others	(1,114)	(849)	(265)		-31%
	(3,171)	(5,802)	2,631		45%

**Group**

The revenue recorded was RM0.8 million in current year's quarter compared to no revenue recorded in the preceding year corresponding quarter.

**Property for sales / Property development segment**

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

For the current quarter ended 31 December 2018, the segment recorded a loss before tax of RM1.9 million as compared to loss before tax of RM4.6 million in the previous year corresponding quarter.

**Construction / Trading of building materials segment**

The revenue recorded was RM0.8 million in current year's quarter compared to no revenue recorded in the preceding year corresponding quarter.

For the current quarter ended 31 December 2018, the segment recorded a loss before tax of RM0.1 million as compared to loss before tax of RM0.1 million in the previous year's corresponding quarter.

**Corporate and others**

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

For the current quarter ended 31 December 2018, the segment recorded a loss before tax of RM0.8 million as compared to loss before tax of RM2.1 million in the previous year's corresponding quarter.

## Year to date 31.12.2018 vs 31.12.2017

	Cumulative period		Changes	%
	Current year to date	Preceding Year Corresponding period		
	RM'000	RM'000	RM'000	
Revenue				
Property for sale / Property Development	-	144,022	(144,022)	-100%
Construction / Trading of Building Materials	817	1,225	(408)	0%
Corporate and others	-	-	-	NA
	817	145,247	(144,430)	-99%
(Loss) / Profit before tax				
Property for sale / Property Development	(2,656)	69,559	(72,215)	104%
Construction / Trading of Building Materials	(185)	(1,094)	909	-83%
Corporate and others	(714)	157	(871)	555%
	(3,555)	68,622	(72,177)	105%
(Loss) / Profit after tax				
Property for sale / Property Development	(2,688)	63,842	(66,530)	104%
Construction / Trading of Building Materials	(185)	(1,094)	909	-83%
Corporate and others	(1,024)	55	(1,079)	1962%
	(3,897)	62,803	(66,700)	106%

### Group

The revenue recorded of RM0.8 million for the current year to date, a decreased of RM144 million, as compared to revenue in previous year.

The Group recorded loss before tax of RM3.6 million as compared to profit before tax of RM68.6 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 decreased of RM144 million, as compared to revenue in previous year.

For the current year to date as at 31 December 2018, the segment recorded loss before tax of RM2.6 million as compared to profit before tax of RM69.6 million in the previous year corresponding period.

### Construction / Trading of building materials segment

The revenue recorded of RM0.8 million for the current year to date and a decreased of RM0.4 million compared to previous year's revenue.

For the current year to date as at 31 December 2018, the segment recorded loss before tax of RM0.1 million as compared to loss before tax of RM1 million 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 31 December 2018, the segment recorded a loss before tax of RM0.7 million as compared to profit before tax of RM0.1 million in the previous corresponding period.

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

	Current Quarter	Immediate Preceding Quarter	Changes	
	RM'000	RM'000	RM'000	%
Revenue				
Property for sale / Property Development	-	-	-	100%
Construction / Trading of Building Materials	817	-	817	NA
Corporate and others	-	-	-	NA
	817	-	817	100%
(Loss)/Profit before tax				
Property for sale / Property Development	(1,949)	(147)	(1,802)	-1226%
Construction / Trading of Building Materials	(111)	(47)	(64)	136%
Corporate and others	(814)	(633)	(181)	-29%
	(2,874)	(827)	(2,047)	-248%
(Loss)/Profit before tax				
Property for sale / Property Development	(1,946)	(190)	(1,756)	-924%
Construction / Trading of Building Materials	(111)	(47)	(64)	136%
Corporate and others	(1,114)	(633)	(481)	-76%
	(3,171)	(870)	(2,301)	-264%

### 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 2<sup>nd</sup> October 2018, the Ministry of Local Government and Housing Sabah has granted a conditional 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
	31-12-2018 RM'000	31-12-2017 RM'000	31-12-2018 RM'000	31-12-2017 RM'000
Tax expenses				
- current year provision	(297)	1,062	(312)	(5,802)
- (under)/over provision in prior years	-	-	(30)	(17)
	<u>(297)</u>	<u>1,062</u>	<u>(342)</u>	<u>(5,819)</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>(297)</u>	<u>1,062</u>	<u>(342)</u>	<u>(5,819)</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	(644)	(1,183)	(2,943)	(4,147)
Bank overdrafts	-	(128)	-	(418)
Finance lease payables	(4)	2	(32)	(36)
	<u>(648)</u>	<u>(1,309)</u>	<u>(2,975)</u>	<u>(4,601)</u>
Less:				
Interest capitalised in property dev. costs	562	1,217	2,611	3,467
	<u>562</u>	<u>1,217</u>	<u>2,611</u>	<u>3,467</u>
Interest expenses for the financial period	<u>(86)</u>	<u>(92)</u>	<u>(364)</u>	<u>(1,134)</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
<b>Secured</b>			
Term loans	29,805	4,948	34,753
Obligations under finance lease	160	182	342
<b>As at 31 December 2018</b>	<b><u>29,965</u></b>	<b><u>5,130</u></b>	<b><u>35,095</u></b>
	Current RM'000	Non Current RM'000	Total RM'000
<b>Secured</b>			
Term loans	44,890	5,429	50,319
Obligations under finance lease	188	587	775
<b>As at 31 December 2017</b>	<b><u>45,078</u></b>	<b><u>6,016</u></b>	<b><u>51,094</u></b>

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 RM29,251,006 as at 31st December 2018 was shown as current liability.

## 8. Material Litigation

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

On 20 December 2017, Messrs. T G Lee & Associates, solicitors acting for R&C Cergas Teguh Sdn Bhd (RCT) served a sealed copy of the Winding Up by Court dated 30 November 2017 (Winding-up Order) and Sealed Allocator dated 19 November 2017 against BDSB, which is a major subsidiary of Bertam.

The particulars of the Winding-up Order are as follows:-

- (i) That Bertam Development Sdn Bhd (BDSB) will be wound up by the High Court of Malaya at Kuala Lumpur under the provisions of the Act;
- (ii) That the official receiver be appointed as liquidator of BDSB; and
- (iii) Cost of RM5,000.00 payable to the allocator.

The circumstances leading to the Winding-up Order against BDSB was due to default of outstanding payment of RM4,568,203.47 as at 25 July 2017 and continuing interest at the rate of 7.65% per annum on RM4,111,267.73 from 26 July 2017 until full and final realisation of the total sum due and owing to the Petitioner for payments claimed for construction work pursuant to the decision by Adjudicator on 19 February 2017 ("Adjudicator's Decision") .

On 21 September 2018, the Malaysian Department of Insolvency ("MDI") advertised for the creditors to come forward and file proof of Debts ("POD") within 21 days from the date of the advertisement, which has lapsed on 12 October 2018. On 12 December 2018, MDI via its letter on even date, informed Bertam that the debts due by BDSB to six (6) creditors amounted to RM6.96 million with incidental miscellaneous expenses.

After resolving the proof of debts and complying with all the liquidation procedures and with the consent from MDI, Bertam, via its solicitors shall proceed to apply to the court pursuant to Section 493 of the Companies Act, 2016 to terminate the Winding-up Order. The solicitors expect to have the order granted by the court by October 2019.

## 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	
	31-12-2018	31-12-2017	31-12-2018	31-12-2017
(Loss) / Profit attributable to owners of the Company (RM'000)	(3,171)	(5,799)	(3,895)	62,806
Number of ordinary shares in issued ('000 shares)	206,756	206,756	206,756	206,756
Basic earnings/(loss) per share (sen)	(1.53)	(2.80)	(1.88)	30.38

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	
	31-12-2018	31-12-2017	31-12-2018	31-12-2017
	RM'000	RM'000	RM'000	RM'000
Interest income	130	307	1,736	970
Rental income	81	13	129	69
Investment Income	88	129	722	133
Interest expense	(86)	(92)	(364)	(1,134)
Depreciation	129	(154)	(360)	(665)
Gain on disposal of quoted shares	-	-	2,619	-
Gain/(Loss) on disposal of fixed assets	(1)	-	185	47
Loss on disposal of other investment	-	-	-	(45)

## 13. Retained Earnings

	As at	As at
	31-12-2018	31-12-2017
	RM'000	RM'000
Realised	10,870	15,755
Unrealised	(95)	(1,596)
	<u>10,775</u>	<u>14,159</u>
Consolidation adjustments	-	606
Retained earnings	<u><u>10,775</u></u>	<u><u>14,765</u></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 22 February 2019.