

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER AND YEAR TO DATE ENDED 31 MARCH 2020

	INDIVIDUAL QUARTERS		CUMULATIVE QUARTERS	
	31.03.20 RM'000	31.03.19 RM'000	31.03.20 RM'000	31.03.19 RM'000
Revenue	457	2,593	457	2,593
Cost of sales	(435)	(2,220)	(435)	(2,220)
Gross Profit / (Loss)	<u>22</u>	<u>373</u>	<u>22</u>	<u>373</u>
Other items of income	837	202	837	202
Other items of expenses				
Administration expenses	(842)	(1,545)	(842)	(1,545)
Other operating expenses	-	-	-	-
Selling expenses	-	-	-	-
Finance costs	(103)	(272)	(103)	(272)
Profit / (Loss) before tax	<u>(86)</u>	<u>(1,242)</u>	<u>(86)</u>	<u>(1,242)</u>
Income tax expenses	9	-	9	-
Profit / (Loss) after tax	<u>(77)</u>	<u>(1,242)</u>	<u>(77)</u>	<u>(1,242)</u>
Other comprehensive income / (loss)	-	-	-	-
Total comprehensive income / (loss)	<u><u>(77)</u></u>	<u><u>(1,242)</u></u>	<u><u>(77)</u></u>	<u><u>(1,242)</u></u>
Profit / (Loss) attributable to:				
Owners of the parent	(77)	(1,242)	(77)	(1,242)
Non-controlling interests	-	-	-	-
	<u><u>(77)</u></u>	<u><u>(1,242)</u></u>	<u><u>(77)</u></u>	<u><u>(1,242)</u></u>
Total comprehensive income/(loss) attributable to:				
Owners of the parent	(77)	(1,242)	(77)	(1,242)
Non-controlling interests	-	-	-	-
	<u><u>(77)</u></u>	<u><u>(1,242)</u></u>	<u><u>(77)</u></u>	<u><u>(1,242)</u></u>
Earnings / (Loss) per share attributable to owners of the parent (sen per share):				
Basic	<u>(0.04)</u>	<u>(0.60)</u>	<u>(0.04)</u>	<u>(0.60)</u>

BERTAM ALLIANCE BERHAD
[Registration No. 199401019851 (Company No. 305530-A)]

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at 31 March 2020

	AS AT END OF CURRENT QUARTER (UNAUDITED) 31.03.2020 RM'000	AS AT END OF PRECEDING FINANCIAL YEAR (AUDITED) 31.12.2019 RM'000
Assets		
Non-current assets		
Property, plant and equipment	534	3,665
Investment properties	-	5,267
Land held for property development	198,244	198,244
Goodwill on consolidation	90	90
Other investments	-	-
	<u>198,868</u>	<u>207,266</u>
Current assets		
Property development cost	-	-
Inventories	552	552
Trade and other receivables	2,301	2,023
Tax recoverable	1,290	1,290
Deposit, cash and bank balances	150	449
	<u>4,293</u>	<u>4,314</u>
Total assets	<u><u>203,161</u></u>	<u><u>211,580</u></u>
Equity and liabilities		
Capital and Reserves		
Share capital	206,756	206,756
Other reserves	-	-
Retained earnings / (Accumulated losses)	(36,395)	(36,318)
Equity attributable to equity holders of the Company	170,361	170,438
Non-controlling interests	(152)	(152)
Total equity	<u>170,209</u>	<u>170,286</u>
Non-current liabilities		
Loans and borrowings	-	4,530
Finance lease payable	139	158
Deferred tax liabilities	-	-
	<u>139</u>	<u>4,688</u>
Current liabilities		
Trade and other payables	16,972	17,345
Amount due to director	673	653
Tax payables	14,250	14,250
Loans and borrowings	819	4,263
Finance lease payable	99	95
	<u>32,813</u>	<u>36,606</u>
Net current assets / (liabilities)	(28,520)	(32,292)
Total liabilities	<u>32,952</u>	<u>41,294</u>
Net assets	<u>170,209</u>	<u>170,286</u>
Total equity and liabilities	<u><u>203,161</u></u>	<u><u>211,580</u></u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	<u>0.82</u>	<u>0.82</u>

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 2019 and the accompanying explanatory notes attached to these interim financial statements.

BERTAM ALLIANCE BERHAD [Registration No. 199401019851 (Company No. 305530-A)]

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020**

	← Attributable to owners of the Company →		(Accumulated Losses) / Retained Earnings RM'000	Total RM'000	Non-controlling Interest RM'000	Total Equity RM'000
	Non-distributable	Distributable				
	Share Capital RM'000	Other Reserve RM'000				
At 1 January 2020	206,756	-	(36,318)	170,438	(152)	170,286
Transfer	-	-	-	-	-	-
Total comprehensive income/(loss)	-	-	(77)	(77)	-	(77)
At 31 March 2020	206,756	-	(36,395)	170,361	(152)	170,209
At 1 January 2019	206,756	(14,865)	(5,645)	186,246	(149)	186,097
Transfer	-	-	-	-	-	-
Total comprehensive income/(loss)	-	-	(1,444)	(1,444)	-	(1,444)
At 31 March 2019	206,756	(14,865)	(7,089)	184,802	(149)	184,653

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 2019 and the accompanying explanatory notes attached to these interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020**

	Current Year ended 31.03.2020 RM'000	Preceding Year ended 31.03.2019 RM'000
Cash Flows From Operating Activities		
Net profit / (loss) before tax	(86)	(1,242)
Adjustments for:-		
Depreciation	142	112
Interest / Investment income	(1)	(114)
Interest expense	103	272
(Gain) / Loss on disposal of fixed assets	150	-
(Gain) / Loss on disposal of quoted shares	-	113
Operating cash flows before changes in working capital	308	(859)
Changes in working capital:		
(Increased)/Decreased in trade and other receivables	(278)	(362)
Increased/(Decreased) in trade and other payables	(353)	(89)
Net cash flows used in operations	(323)	(1,310)
Interest paid	(103)	(272)
Interest income	1	114
Income taxes paid, net of refunded	9	-
Net cash used in operating activities	(416)	(1,468)
Cash Flows from Investing Activities		
Acquisition of property, plant and equipment	-	-
Proceeds from disposal of other investments	-	426
Proceeds from disposal of property, plant and equipment	8,106	-
Net cash flows generated from investing activities	8,106	426
Cash Flows from Financing Activities		
Repayment to a director	-	-
Fixed deposits pledged with licenced bank	-	-
Repayment of borrowings	(7,989)	(4,139)
Net cash used in financing activities	(7,989)	(4,139)
Net Increase/(decrease) in cash and cash equivalents	(299)	(5,181)
Cash and cash equivalents at beginning of the period	449	26,012
Cash and cash equivalents at end of year	150	20,831
Cash and cash equivalents comprise the following:		
	RM'000	RM'000
Cash and short term deposits	150	38,086
Less : Fixed deposit pledged with licensed banks	-	(17,255)
	150	20,831

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 2019 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 has been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS") 134 "Interim Financial Reporting" and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial statements should be read in conjunction with the Group's annual audited financial statements for the year ended 31 December 2019.

2. Significant Accounting Policies

The accounting policies adopted in these condensed consolidated interim financial statements are consistent with those adopted for the financial year ended 31 December 2019, except for the adoption of the following Amendments and Annual Improvements to Standards effective for the annual periods beginning on or after 1 January 2019.

- MFRS 16, *Lease*
- IC Interpretation 23, *Uncertainty over Income Tax Treatments*
- Amendments to MFRS 112, *Income Taxes (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 123, *Borrowing Costs (Annual Improvements to MFRS Standards 2015-2017 Cycle)*

The adoption of the above standards, amendments and annual improvement did not have any material financial impacts to the Group.

Standards issued but not yet effective

i) MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2020

- Amendments to MFRS 3, *Business Combinations - Definition of a Business*
- Amendments to MFRS 101, *Presentation of Financial Statements and MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material*
- Amendments to MFRS 9, *Financial Instruments and MFRS 139, Financial Instruments: Recognition and Measurement and MFRS 7, Financial Instruments: Disclosures-Interest Rate Benchmark Reform*

The adoption of the applicable accounting standards are not expected to have any material impacts to the financial statements of the Group upon their initial adoption.

3. Seasonal or Cyclical Factors

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

4. 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.

5. 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.

6. 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.

7. Dividend paid

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

8. 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/ RM'000	Construction/ Trading of Building Materials RM'000	Corporate and others RM'000	Total RM'000
31.03.2020				
Revenue				
External sales	-	457	-	457
Segment results	(207)	19	356	168
Depreciation	(55)	-	(87)	(142)
Finance costs	(49)	-	(54)	(103)
(Loss) / Profit before tax	(311)	19	215	(77)
Tax expenses	-	-	-	-
(Loss) / Profit after tax	(311)	19	215	(77)

9. 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.

10. 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.

11. Status of Corporate Proposals:-

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

12. Changes in composition of the Group

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

13. Contingent Liabilities

The contingent liabilities of the Company and the Group as at 31 March 2020 were as follows:

	Group RM'000	Company RM'000
(i)		
Guarantees to financial institutions for banking facilities granted to a subsidiary company, Bertam Development Sdn Bhd (BDSB)	-	819

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

14. Trade and Other Receivables

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

	31.03.2020 RM'000	31.12.2019 RM'000
Trade receivables - third parties, net of impairments	1,648	1,349
Other receivables		
- Sundry receivables, net of impairments	433	448
- Prepayment	68	84
- Refundable deposits	152	142
	653	674
Total trade and other receivables	2,301	2,023

15. Related Party Transactions

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

	Current Year Quarter 31.03.2020 RM'000	Preceding Year Corresponding Quarter 31.03.2019 RM'000	Current Year to date 31.03.2020 RM'000	Preceding Year Corresponding Period 31.03.2019 RM'000
Transaction with companies in which the Director of the Company have substantial financial interest - rental income on premises	44	48	44	48

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

16. 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	Repayment of bank borrowing RM'000	New finance lease RM'000	At 31 Mar 2020 RM'000
<u>Group</u>				
Amount due to directors	-	-	-	-
Finance lease liabilities	253	(15)	-	238
Term loans	8,793	(7,974)	-	819
	<u>9,046</u>	<u>(7,989)</u>	<u>-</u>	<u>1,057</u>
<u>Company</u>				
Term loans	5,016	(5,016)	-	-

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

1. Operating Segment Review

1st Quarter 2020 vs 1st Quarter 2019

	Individual quarter		Changes	
	Current year Quarter	Preceding Year Corresponding Quarter	RM'000	%
	RM'000	RM'000	RM'000	
Revenue				
Property for sale / Property Development	-	-	-	NA
Construction / Trading of Building Materials	457	2,593	(2,136)	82%
Corporate and others	-	-	-	NA
	<u>457</u>	<u>2,593</u>	<u>(2,136)</u>	<u>-</u>
Profit/(Loss) before tax				
Property for sale / Property Development	(311)	(44)	(267)	-607%
Construction / Trading of Building Materials	19	(25)	44	-176%
Corporate and others	215	(1,173)	1,388	118%
	<u>(77)</u>	<u>(1,242)</u>	<u>1,165</u>	<u>94%</u>
Profit/(Loss) after tax				
Property for sale / Property Development	(311)	(44)	(267)	-607%
Construction / Trading of Building Materials	19	(25)	44	-176%
Corporate and others	215	(1,173)	1,388	118%
	<u>(77)</u>	<u>(1,242)</u>	<u>1,165</u>	<u>94%</u>

Group

The revenue recorded was RM457,000 in current year's quarter compared to RM2.6 million in the preceding year corresponding quarter.

Property for sales / Property development segment

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

For the current quarter ended 31 March 2020, the segment recorded a loss before tax of RM311,000 as compared to loss before tax of RM44,000 in the previous year corresponding quarter.

Construction / Trading of building materials segment

The revenue recorded was RM457,000 in current year's quarter compared to RM2.6 million in the preceding year corresponding quarter.

For the current quarter ended 31 March 2020, the segment recorded a profit before tax of RM19,000 as compared to loss before tax of RM25,000 in the previous year's corresponding quarter.

Corporate and others

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

For the current quarter ended 31 March 2020, the segment recorded a profit before tax of RM215,000 as compared to loss before tax of RM1.2 million in the previous year's corresponding quarter.

Year to date 31.03.2020 vs 31.03.2019

	Cumulative period		Changes	
	Current year to date	Preceding Year Corresponding period	RM'000	%
	RM'000	RM'000	RM'000	%
Revenue				
Property for sale / Property Development	-	-	-	NA
Construction / Trading of Building Materials	457	2,593	(2,136)	82%
Corporate and others	-	-	-	NA
	457	2,593	(2,136)	
(Loss) / Profit before tax				
Property for sale / Property Development	(311)	(44)	(267)	-607%
Construction / Trading of Building Materials	19	(25)	44	-176%
Corporate and others	215	(1,173)	1,388	118%
	(77)	(1,242)	1,165	94%
(Loss) / Profit after tax				
Property for sale / Property Development	(311)	(44)	(267)	-607%
Construction / Trading of Building Materials	19	(25)	44	-176%
Corporate and others	215	(1,173)	1,388	118%
	(77)	(1,242)	1,165	94%

Group

The revenue recorded was RM457,000 in current year to date compared to RM2.6 million in the preceding year corresponding period.

The Group recorded loss before tax of RM77,000 as compared to loss before tax of RM1.2 million in the previous year's corresponding period.

Property for sale / Property development segment

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

For the current year to date as at 31 March 2020, the segment recorded loss before tax of RM311,000 as compared to loss before tax of RM44,000 in the previous year corresponding period.

Construction / Trading of building materials segment

The revenue recorded was RM457,000 in current year to date compared to RM2.6 million in the previous year corresponding period.

For the current year to date as at 31 March 2020, the segment recorded a profit before tax of RM19,000 as compared to loss before tax of RM25,000 in the previous 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 March 2020, the segment recorded a profit before tax of RM215,000 as compared to loss before tax of RM1.2 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	-	720	642	89%
Construction / Trading of Building Materials	457	2,241	(1,784)	-80%
Corporate and others	-	-	1,272	NA
	457	2,961	130	10%
(Loss)/Profit before tax				
Property for sale / Property Development	(311)	(13,344)	13,033	98%
Construction / Trading of Building Materials	19	14	5	36%
Corporate and others	215	(397)	612	154%
	(77)	(13,727)	13,650	99%
(Loss)/Profit after tax				
Property for sale / Property Development	(311)	(13,344)	13,033	98%
Construction / Trading of Building Materials	19	14	5	36%
Corporate and others	215	(97)	312	322%
	(77)	(13,427)	13,350	99%

3. Prospects

In view of the global covid-19 pandemic which had significantly affected the global as well as local economy and the 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, namely Idaman Residence, properties in Kepayan, Kota Kinabalu, Sabah over the next 3 years with the estimated Gross Development Value of approximately RM150 million.

The Group is also looking into the development of various parcel of lands owned by the Group located in Luyang, Telipok and Kepayan of the greater Kota Kinabalu area into residential and commercial properties.

The Group will also continue to maintain the business of trading of building materials such as sawn timber, plywood, solid door, fire doorset and moulding products.

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 31.03.2020 RM'000	Preceding Year Corresponding Quarter 31.03.2019 RM'000	Current Year To Date 31.03.2020 RM'000	Preceding Year Corresponding Period 31.03.2019 RM'000
Tax expenses				
- current year provision	-	(2)	-	(2)
- (under)/over provision in prior years	9	-	9	-
	<u>9</u>	<u>(2)</u>	<u>9</u>	<u>(2)</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>9</u>	<u>(2)</u>	<u>9</u>	<u>(2)</u>

6. Finance Costs

	Current Year Quarter 31.03.2020 RM'000	Preceding Year Corresponding Quarter 31.03.2019 RM'000	Current Year To Date 31.03.2020 RM'000	Preceding Year Corresponding Period 31.03.2019 RM'000
Interest expenses				
Term loans	(100)	(820)	(100)	(820)
Bank overdrafts	-	-	-	-
Finance lease payables	(3)	(9)	(3)	(9)
	<u>(103)</u>	<u>(829)</u>	<u>(103)</u>	<u>(829)</u>
Less:				
Interest capitalised in property dev. costs	-	737	-	737
	<u>-</u>	<u>737</u>	<u>-</u>	<u>737</u>
Interest expenses for the financial period	<u>(103)</u>	<u>(92)</u>	<u>(103)</u>	<u>(92)</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	819	-	819
Obligations under finance lease	99	139	238
As at 31 March 2020	918	139	1,057
	Current RM'000	Non Current RM'000	Total RM'000
Secured			
Term loans	26,169	4,471	30,640
Obligations under finance lease	90	226	316
As at 31 March 2019	26,259	4,697	30,956

8. Material Litigation

There are no other pending material litigation as at reporting date.

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	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
(Loss) / Profit attributable to owners of the Company (RM'000)	(77)	(1,242)	(77)	(1,242)
Number of ordinary shares in issued ('000 shares)	206,756	206,756	206,756	206,756
Basic earnings/(loss) per share (sen)	(0.04)	(0.60)	(0.04)	(0.60)

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 2019 were subject to qualifications with disclaimer of opinion.

12. (Loss)/Profit Before Tax

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

	Quarter ended		Year to date	
	31.03.2020 RM'000	31.03.2019 RM'000	31.03.2020 RM'000	31.03.2019 RM'000
Interest income	1	114	1	114
Rental income	85	88	85	88
Investment Income	-	-	-	-
Interest expense	(103)	(272)	(103)	(272)
Depreciation	(142)	(112)	(142)	(112)
Gain/(Loss) on disposal of quoted shares	-	(113)	-	(113)
Gain/(Loss) on disposal of fixed assets	-	-	-	-

13. Retained Earnings

	As at	As at
	31.03.2020 RM'000	31.12.2019 RM'000
Realised	(77)	(15,810)
Unrealised	-	-
	(77)	(15,810)
Consolidation adjustments	-	-
Retained earnings	(77)	(15,810)

14. Authorised For Issue

The Interim Financial Statements were authorised for issue by the Board in accordance with a resolution of the Directors on 23 June 2020.