

# **BERTAM ALLIANCE BERHAD**

Registration No. 199401019851(305530-A)  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE QUARTER AND YEAR TO DATE ENDED 30 JUNE 2024**

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE QUARTER AND YEAR TO DATE ENDED 30 JUNE 2024**

|  | Unaudited<br>QUARTER<br>ENDED |                      | Unaudited<br>YEAR TO DATE<br>ENDED |                      |
|--|-------------------------------|----------------------|------------------------------------|----------------------|
|  | 30.06.2024<br>RM'000          | 30.06.2023<br>RM'000 | 30.06.2024<br>RM'000               | 30.06.2023<br>RM'000 |
| Revenue  | 4,689                         | 6,064                | 14,226                             | 10,362               |
| Cost of sales  | (3,615)                       | (5,171)              | (12,561)                           | (8,126)              |
| <b>Gross profit</b>  | <b>1,074</b>                  | <b>893</b>           | <b>1,665</b>                       | <b>2,236</b>         |
| Other items of income  | 22                            | 3,603                | 1,300                              | 3,615                |
| Administrative expenses  | (795)                         | (861)                | (1,905)                            | (1,683)              |
| Finance costs  | (29)                          | (33)                 | (45)                               | (62)                 |
| <b>Profit before taxation</b>  | <b>259</b>                    | <b>3,602</b>         | <b>1,002</b>                       | <b>4,106</b>         |
| Income tax expenses  | -                             | -                    | -                                  | -                    |
| <b>Profit for the financial year/Total<br/>comprehensive profit</b>                | <b>259</b>                    | <b>3,602</b>         | <b>1,002</b>                       | <b>4,106</b>         |
| <b>Profit attributable to:</b>   |                               |                      |                                    |                      |
| Owners of the Company  | 260                           | 3,602                | 1,004                              | 4,106                |
| Non-controlling interests  | (1)                           | -                    | (2)                                | -                    |
|  | <b>259</b>                    | <b>3,602</b>         | <b>1,002</b>                       | <b>4,106</b>         |
| <b>Profit per share attributable to owners of the<br/>Company (Sen per share):</b> |                               |                      |                                    |                      |
| Basic and diluted  | 0.08                          | 1.71                 | 0.31                               | 1.95                 |

The condensed consolidated statement of profit and loss and other comprehensive income for the quarter and financial period ended 30 June 2024 should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to these interim financial statements.

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2023**

|   | (Unaudited)<br>AS AT<br>30.6.2024 | (Audited)<br>AS AT<br>31.12.2023 |
|---|-----------------------------------|----------------------------------|
|   | RM'000                            | RM'000                           |
| <b>ASSETS</b>   |                                   |                                  |
| <b>Non-current assets</b>   |                                   |                                  |
| Property, plant and equipment   | 420                               | 466                              |
| Land held for property development  | 147,944                           | 147,951                          |
|   | 148,364                           | 148,417                          |
| <b>Current assets</b>   |                                   |                                  |
| Trade and other receivables   | 22,391                            | 12,570                           |
| Cash and bank balances  | 297                               | 197                              |
|   | 22,688                            | 12,767                           |
| <b>TOTAL ASSETS</b>   | 171,052                           | 161,184                          |
| <b>EQUITY AND LIABILITIES</b>   |                                   |                                  |
| <b>Equity attributable to equity holders of the Company</b>                             |                                   |                                  |
| Share capital   | 216,180                           | 210,598                          |
| Accumulated losses  | (77,250)                          | (78,254)                         |
|   | 138,931                           | 132,344                          |
| Non-controlling interests   | (500)                             | (498)                            |
| <b>TOTAL EQUITY</b>   | 138,430                           | 131,846                          |
| <b>Current liabilities</b>  |                                   |                                  |
| Trade and other payables  | 28,921                            | 25,608                           |
| Tax payables  | 229                               | 229                              |
| Loans and borrowings  | 3,472                             | 3,501                            |
|   | 32,622                            | 29,338                           |
| <b>Total liabilities</b>  | 32,622                            | 29,338                           |
| <b>TOTAL EQUITY AND LIABILITIES</b>   | 171,052                           | 161,184                          |
| <b>Net assets per share attributable to ordinary equity holders of the Company (RM)</b> | 0.43                              | 0.53                             |

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to these interim financial statements.

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE QUARTER AND YEAR TO DATE ENDED 30 JUNE 2024**

|   | Attributable to the owners of the Company |  |                                     | Total Equity<br>RM'000 |
|---|---|--|-------------------------------------|------------------------|
|   | Non-distributable Share Capital<br>RM'000 | Distributable Accumulated Losses<br>RM'000 | Non-controlling Interests<br>RM'000 |                        |
| <b>At 1 January 2024</b>                    | 210,598                                   | (78,254)                                   | (498)                               | 131,846                |
| Proceeds from issuance of private placement | 5,582                                     | -  | -                                   | 5,582                  |
| Total comprehensive income                  | -   | 1,004                                      | (2)                                 | 1,002                  |
| <b>At 30 June 2024</b>                      | <b>216,180</b>                            | <b>(77,250)</b>                            | <b>(500)</b>                        | <b>138,430</b>         |
| <b>At 1 January 2023</b>                    | 210,598                                   | (78,824)                                   | (495)                               | 131,279                |
| Total comprehensive income                  | -   | 4,106                                      | -                                   | 4,106                  |
| <b>At 30 June 2023</b>                      | <b>210,598</b>                            | <b>(74,718)</b>                            | <b>(495)</b>                        | <b>135,385</b>         |

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to these interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE QUARTER AND YEAR TO DATE ENDED  
30 JUNE 2024**

|  | YEAR TO DATE ENDED   |                      |
|--|----------------------|----------------------|
|  | 30.06.2024<br>RM'000 | 30.06.2023<br>RM'000 |
| <b>Cash flows from operating activities</b>                |                      |                      |
| Net profit before tax                                      | 1,002                | 4,106                |
| Adjustments for:   |                      |                      |
| Depreciation   | 49                   | 62                   |
| Interest expense   | 45                   | 61                   |
| Reversal of impairment loss on trade and other receivables | (1,271)              | -                    |
| Operating (loss)/profit before changes in working capital  | (174)                | 4,229                |
| Changes in working capital                                 |                      |                      |
| Change in receivables                                      | (8,551)              | (2,907)              |
| Change in payables   | 3,313                | (1,626)              |
| Net cash used in operations                                | (5,412)              | (304)                |
| Interest paid  | (45)                 | (61)                 |
| Net cash used in operating activities                      | (5,457)              | (365)                |
| <b>Cash flows from investing activities</b>                |                      |                      |
| Acquisition of property, plant and equipment               | (3)                  | (85)                 |
| Change in land held for property development               | 7                    | (160)                |
| Net cash generated from/(used in) investing activities     | 4                    | (245)                |
| <b>Cash flows from financing activity</b>                  |                      |                      |
| Proceeds from issuance of shares                           | 5,582                | -                    |
| Net cash generated from financing activity                 | 5,582                | -                    |
| Net increase/(decrease) in cash and cash equivalents       | 129                  | (610)                |
| Cash and cash equivalents at beginning of the year         | (3,304)              | (1,979)              |
| Cash and cash equivalents at end of year                   | (3,175)              | (2,589)              |
| <b>Cash and cash equivalents comprise the following:</b>   |                      |                      |
| Cash and bank balances                                     | 297                  | 567                  |
| Bank overdraft   | (3,472)              | (3,156)              |
|  | (3,175)              | (2,589)              |

The above condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to these interim financial statements.

**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134, INTERIM FINANCIAL REPORTING**

**A1. Basic of preparation**

The Group has prepared its financial statements using the Malaysian Financial Reporting Standards ("MFRS") for the financial period ended 30 June 2024.

The interim financial statements are unaudited and have been prepared in accordance with the MFRS 134 *Interim Financial Reporting* and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements") ("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 2023. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2023.

**A2. Change in accounting policies**

The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted as disclosed in the audited financial statement for the year ended 31 December 2023 save for the adoption of the following:

Effective for financial periods beginning on or after 1 January 2024:

Amendments to MFRS 16 Leases - Lease Liability in a Sale and Leaseback  
Amendments to MFRS 101 Presentation of Financial Statements - Non-current Liabilities with Covenants  
Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosure - Supplier Finance Arrangements

The adoption of the new standards and amendments to standards did not have any significant impact on the financial statements of the Group.

Certain new accounting standards and interpretation (including the consequential amendments, if any) have been issued but not yet effective for the current reporting periods and have not been early adopted by the Group as follows:

| <u>MFRSs and/or IC Interpretations (including the Consequential Amendments)</u>   | <u>Effective Date</u> |
|---|-----------------------|
| Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability   | 1 January 2025        |
| MFRS 18 Presentation and Disclosure in Financial Statements   | 1 January 2027        |
| Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | Deferred              |

These amendments and standards are not expected to have a material impact on the financial statements of the Group in the current or future reporting periods.

**A3. Auditors' Report on preceding annual financial statements**

The Group's audited financial statements for the financial year ended 31 December 2023 reported material uncertainty related to going concern. However, the auditors' report was not qualified.

**A4. Items of unusual nature and amount**

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

**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134, INTERIM FINANCIAL REPORTING (CONT'D)**

**A5. 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.

**A6. Issuance, cancellations, repurchase, resale and repayments of debts and equity securities**

Listed below the number of ordinary shares issued pursuant to the issuance of private placement for the year to date ended 30 June 2024:

|                                      | No. of ordinary shares |
|--------------------------------------|------------------------|
| Opening balance as at 1 January 2024 | 248,106,000            |
| Private placement on 15 January 2024 | 74,431,000             |
| Closing balance as at 30 June 2024   | <u>322,537,000</u>     |

**A7. Dividends paid**

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

**A8. Segmental information**

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

|                                      | Property<br>Development<br>RM'000 | Construction<br>RM'000 | Corporate<br>and others<br>RM'000 | Total<br>RM'000 |
|--------------------------------------|-----------------------------------|------------------------|-----------------------------------|-----------------|
| <b>Year to date ended 30.06.2024</b> |                                   |                        |                                   |                 |
| Revenue                              |                                   |                        |                                   |                 |
| - External sales                     | -                                 | 14,226                 | -                                 | 14,226          |
| Segment results                      | (83)                              | 1,845                  | (665)                             | 1,097           |
| Depreciation                         | -                                 | (43)                   | (7)                               | (49)            |
| Finance costs                        | -                                 | -                      | (45)                              | (45)            |
| (Loss)/profit before tax             | (83)                              | 1,802                  | (717)                             | 1,002           |
| Tax expenses                         | -                                 | -                      | -                                 | -               |
| <b>(Loss)/profit after tax</b>       | (83)                              | 1,802                  | (717)                             | 1,002           |

|                                 | Property<br>Development<br>RM'000 | Construction<br>RM'000 | Corporate<br>and others<br>RM'000 | Total<br>RM'000 |
|---------------------------------|-----------------------------------|------------------------|-----------------------------------|-----------------|
| <b>Quarter ended 30.06.2024</b> |                                   |                        |                                   |                 |
| Revenue                         |                                   |                        |                                   |                 |
| - External sales                | -                                 | 4,689                  | -                                 | 4,689           |
| Segment results                 | (36)                              | 587                    | (237)                             | 315             |
| Depreciation                    | -                                 | (21)                   | (3)                               | (24)            |
| Finance costs                   | -                                 | -                      | (30)                              | (30)            |
| (Loss)/profit before tax        | (36)                              | 566                    | (271)                             | 259             |
| Tax expenses                    | -                                 | -                      | -                                 | -               |
| <b>(Loss)/profit after tax</b>  | (36)                              | 566                    | (271)                             | 259             |

**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134, INTERIM FINANCIAL REPORTING (CONT'D)**

**A9. Land held for property development**

|                                      | Land<br>RM'000 | Development cost<br>RM'000 | Total<br>RM'000 |
|--------------------------------------|----------------|----------------------------|-----------------|
| <b>Costs</b>                         |                |                            |                 |
| At 1 January 2024                    | 177,946        | 18,850                     | 196,796         |
| Addition/Adjustment                  | -              | (7)                        | (7)             |
| At 30 June 2024                      | 177,946        | 18,843                     | 196,789         |
| <b>Accumulated Impairment losses</b> |                |                            |                 |
| At 1 January 2024                    | (35,193)       | (13,652)                   | (48,845)        |
| Charged for the period               | -              | -                          | -               |
| At 30 June 2024                      | (35,193)       | (13,652)                   | (48,845)        |
| <b>Carrying value</b>                |                |                            |                 |
| At 30 June 2024                      | 76,095         | 5,191                      | 81,286          |
| At fair value less cost to sell      | 66,658         | -                          | 66,658          |
| At 30 June 2024                      | 142,753        | 5,191                      | 147,944         |

There was no fair value adjustment to the land held for property development, since the last annual audited financial statements.

**A10. Changes in composition of the Group**

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

**A11. Commitments**

There were no material capital commitments for capital expenditure, contracted for or known to be contracted by the Group which might have a material impact on the financial position of the Group for the period under review of the Group during the financial period under review.

**A12. Contingent liabilities**

There were no contingent liabilities for the Group as at 30 June 2024.

**A13. Related party transactions**

There aggregate value of material transactions of the related parties of the Group were as follows:

|   | Quarter ended        |                      | Year to date         |                      |
|---|----------------------|----------------------|----------------------|----------------------|
|   | 30.06.2024<br>RM'000 | 30.06.2023<br>RM'000 | 30.06.2024<br>RM'000 | 30.06.2023<br>RM'000 |
| <b>Group</b>                                    |                      |                      |                      |                      |
| Entities under common controls                  |                      |                      |                      |                      |
| - Contract revenue                              | 2,851                | 4,787                | 4,746                | 7,539                |
| - Contract cost                                 | (37)                 | (932)                | (900)                | (1,623)              |
| With a director/persons connected to a director |                      |                      |                      |                      |
| - Repayment of advances                         | -                    | -                    | (500)                | -                    |
|   | -                    | -                    | (500)                | -                    |



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

**B1. Review of performance**

**2nd Quarter 2024 vs 2nd Quarter 2023**

|                          | Quarter ended<br>30.06.2024<br>RM'000 | Quarter ended<br>30.06.2023<br>RM'000 | Changes        |            |
|--------------------------|---------------------------------------|---------------------------------------|----------------|------------|
|                          |                                       |                                       | RM'000         | %          |
| Revenue                  |                                       |                                       |                |            |
| - Construction           | 4,689                                 | 6,064                                 | (1,375)        | -23        |
| (Loss)/profit before tax |                                       |                                       |                |            |
| - Property development   | (36)                                  | (26)                                  | (10)           | -38        |
| - Construction           | 566                                   | 240                                   | 326            | 136        |
| - Corporate and others   | (271)                                 | 3,388                                 | (3,659)        | -108       |
|                          | <u>259</u>                            | <u>3,602</u>                          | <u>(3,343)</u> | <u>-93</u> |
| (Loss)/profit after tax  |                                       |                                       |                |            |
| - Property development   | (36)                                  | (26)                                  | (10)           | -38        |
| - Construction           | 566                                   | 240                                   | 326            | 136        |
| - Corporate and others   | (271)                                 | 3,388                                 | (3,659)        | -108       |
|                          | <u>259</u>                            | <u>3,602</u>                          | <u>(3,343)</u> | <u>-93</u> |

Group

The revenue recorded in current year's quarter was RM4.69 million as compared to RM6.06 million in the preceding year's corresponding quarter.

Property development segment

There were no revenue recorded from property development for current year's quarter and previous year's corresponding quarter.

Construction segment

The revenue recorded for construction segment was RM4.69 million in current year's quarter compared to RM6.06 million in the preceding year's corresponding quarter.

For the current year's quarter ended 30 June 2024, this segment recorded a profit of RM0.57 million as compared to a profit RM0.24 million in the previous year's corresponding quarter.

Corporate and others

There were no revenues recorded for corporate segment for current year's quarter and previous year's corresponding quarter.

For the current quarter ended 30 June 2024, this segment recorded a loss of RM0.27 million as compared to profit of RM3.39 million in the previous year's corresponding quarter mainly due to a one-off reversal of income tax liabilities relating to GST amounting to RM3.59 million.

**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)**

**B2. Comparison with immediate preceding quarter's results**

**2nd Quarter 2024 vs 1st Quarter 2024**

|                          | Quarter ended<br>30.06.2024<br>RM'000 | Quarter ended<br>31.03.2024<br>RM'000 | Changes<br>RM'000 % |     |
|--------------------------|---------------------------------------|---------------------------------------|---------------------|-----|
| Revenue                  |                                       |                                       |                     |     |
| - Construction           | 4,689                                 | 9,537                                 | (4,878)             | -51 |
| (Loss)/profit before tax |                                       |                                       |                     |     |
| - Property development   | (36)                                  | (47)                                  | 11                  | 23  |
| - Construction           | 566                                   | 1,236                                 | (670)               | -54 |
| - Corporate and others   | (271)                                 | (446)                                 | 175                 | -39 |
|                          | 259                                   | 743                                   | (484)               | -65 |
| (Loss)/profit after tax  |                                       |                                       |                     |     |
| - Property development   | (36)                                  | (47)                                  | 11                  | 23  |
| - Construction           | 566                                   | 1,236                                 | (670)               | -54 |
| - Corporate and others   | (271)                                 | (446)                                 | 175                 | -39 |
|                          | 259                                   | 743                                   | (484)               | -65 |

Group

The revenue for the current quarter was RM4.69 million as compared to RM9.54 million in the immediate preceding quarter. This decrease is primarily attributed from the Hotel Block Project, which generated additional RM6.7 million of revenue in the immediate preceding quarter.

The current quarter profit before tax was RM0.26 million as compared to a profit before tax of RM0.74 million in the immediate preceding quarter.

Property development segment

There were no revenue recorded for this segment.

Construction segment

The revenue for the current quarter was RM4.69 million as compared to RM9.54 million in the immediate preceding quarter. This decrease is primarily attributed from the Hotel Block Project, which generated additional RM6.7 million in revenue in the immediate preceding quarter.

For the current quarter, this segment recorded a profit of RM0.57 million as compared to profit of RM1.2 million in the immediate preceding quarter. The decrease of profit is mainly attributed to a reversal of impairment loss of trade and other receivable of RM1.27 million made in preceding quarter and a foreseeable loss from an ongoing project amounting to RM0.25 million.

Corporate and others

For the current quarter, this segment recorded a loss of RM0.27 million as compared to loss of RM0.45 million in the immediate preceding quarter.

**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)**

**B3. Current period prospect and outlook**

The Board is of the opinion that the property market outlook is expected to remain challenging in the year ahead in view of the increase in interest rate and weakening of purchasing power by inflation. The Group continue to monitor the property market outlook in view of revitalising its property development segment whilst seeking appropriate joint venture partner with relevant experience and expertise in property development in Sabah and sufficient financial resources.

During the period, Group has been actively tendering and securing construction contracts to improve the Group's revenue and profitability. The Group has 5 ongoing construction projects, with 1 project completed during the quarter (year to date: 2 projects). The outstanding order book of the Group is approximately RM94.01 million as at 30 June 2024. The Group is currently focusing on securing more construction contracts as the construction revenue is expected to be the main income of the Group over the next 2 years.

The Group received proceeds of the shares issuance of 74,431,000 Subscription Shares amounting to RM5.5 million arising from the Proposed Regularisation Plan on 15 January 2024. The proceeds have been utilised to address the Group's immediate cashflow requirements in respect of existing construction works as well as its day-to-day working capital requirements.

**B4. Achievement of revenue/profit estimates, forecasts and/or internal targets**

Not applicable as the Company did not provide any revenue or profit estimate, forecast or projection, and did not publish any internal targets, in any public domain.

**B5. 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.

**B6. Utilisation of Proceeds from Issuance of Private Placement**

The Company received proceeds of the proposed shares issuance of 74,431,000 Subscription Shares to certain Subscribers, at a subscription price of RM0.075 per Subscription Share amounting to RM5,582,325 arising from the Proposed Regularisation Plan, on 15 January 2024.

The status of utilisation of the said proceeds as at 30 June 2024, is as follows:

| No | Purpose   | Proposed Regularisation Plan* | Proposed Usage | Actual Utilisation | Balance unutilised | Intended time frame for utilisation |
|----|---|-------------------------------|----------------|--------------------|--------------------|-------------------------------------|
|    |   | (RM'000)                      | (RM'000)       | (RM'000)           | (RM'000)           |                                     |
| 1. | Funding for construction contracts  | 10,000                        | 3,059          | 3,059              | -                  | Within 18 months                    |
| 2. | Working capital to fund the day to day operations and expenses of the Group | 4,407                         | 1,348          | 749                | 599                | Within 18 months                    |
| 3. | Estimated expenses relating to the Proposed Regularisation Plan             | 1,175                         | 1,175          | 981                | 194                | Immediate                           |
|    |   | <b>15,582</b>                 | <b>5,582</b>   | <b>4,789</b>       | <b>793</b>         |                                     |

\*The description of use of proceeds is based on minimum scenario as per the approved regularisation plan depicted in Circular to Shareholders in relation to Proposed Regularisation Plan and Notice of Extraordinary General Meeting dated 4 December 2023.

**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)**

**B7. Finance costs**

|                  | Quarter Ended<br>30.06.2024<br>RM'000 | Quarter Ended<br>30.06.2023<br>RM'000 | Year to date<br>Ended<br>30.06.2024<br>RM'000 | Year to date<br>Ended<br>30.06.2023<br>RM'000 |
|------------------|---------------------------------------|---------------------------------------|---|---|
| Interest expense |                                       |                                       |   |   |
| - Bank overdraft | (30)                                  | (32)                                  | (45)  | (61)  |

**B8. Trade and other receivables**

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

|   | 30.06.2024<br>RM'000 | 31.12.2023<br>RM'000 |
|---|----------------------|----------------------|
| Trade receivables – third parties, net of impairments | 11,694               | 5,499                |
| Other receivables                                     |                      |                      |
| -Sundry receivables, net of impairments               | 1,532                | 268                  |
| -Prepayment   | -                    | 48                   |
| -Refundable deposits                                  | 620                  | 76                   |
|   | 2,152                | 392                  |
| Contract assets                                       | 8,545                | 6,679                |
| Total trade and other receivables                     | 22,391               | 12,570               |

**B9. Borrowing**

The Group's borrowing (denominated in Ringgit Malaysia) is as follows:

|                           | Current<br>RM'000 | Non-Current<br>RM'000 | Total<br>RM'000 |
|---------------------------|-------------------|-----------------------|-----------------|
| <b>Secured</b>            |                   |                       |                 |
| Overdraft                 | 3,472             | -                     | 3,472           |
| <b>As at 30 June 2024</b> | 3,472             | -                     | 3,472           |

**B10. Significant event**

On 4 April 2018, the Company is classified as an affected listed issuer pursuant to Paragraph 8.04(2) and Paragraph 2.1 (c) of Practice Note 17 ("PN17") of the Listing Requirements.

The PN17 criteria was triggered by the Winding-Up Order dated 30 November 2017 made against Bertam Development Sdn. Bhd. ("BDSB"), a wholly-owned subsidiary company of the Company, which accounts for more than 50% of the total assets employed of the Group on a consolidated basis ("Winding-up Order"). Additionally, the Group's financial result for the financial year ended 31 December 2020 has further triggered Paragraph 8.03A(2)(b) of the Listing Requirements, whereby the Group has an insignificant business or operations due to its revenue for the financial year ended 31 December 2020 being less than 5% of its share capital.

**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)**

**B10. Significant event (cont'd)**

The abovementioned Winding-up Order was terminated in June 2019 following the full settlement of the liabilities being claimed. Subsequently, the Company had further triggered the criteria prescribed under Paragraph 2.1(d) of PN17, whereby the auditors have expressed an adverse or disclaimer opinion in our Company's latest audited financial statements for the FYE 31 December 2019.

In compliance with paragraph 4.1 of PN17, the Company is required to submit the regularisation plan to the relevant authorities for which the Company is required to announce the details of the regularisation plan ("Requisite Announcement") and sufficient information to demonstrate that the company is able to comply with all the requirements set out in Paragraph 5.0 of PN17 after implementation of the regularisation plan, which shall include a timetable for the complete implementation of the regularisation plan. The Requisite Announcement must be made by the Company's Principal Adviser.

On 4 October 2021, the Company has submitted an application for a further extension of time up to 3 April 2022 to comply with Paragraph 8.04(3) of the Listing Requirements ("6<sup>th</sup> EOT Application"). Bursa Securities has vide its letter dated 1 December 2021 decided to grant the Company an extension of time of 6 months up to 3 April 2022 to submit the regularisation plan to the regulatory, subject to the Requisite Announcement being made by 31 December 2021.

The Company submitted the regularisation plan to Bursa Securities on 30 March 2022.

On 17 February 2023, an announcement was made that the Company proposes to undertake the Proposed Share Capital Reduction which will form part of the Proposed Regularisation Plan. A revised application for the Proposed Regularisation Plan was submitted to Bursa Securities on 21 February 2023.

On 2 November 2023, Mercury Securities had, on behalf of our Board, announced that Bursa Securities has, vide its letter dated 1 November 2023, approved the Proposed Regularisation Plan.

The Proposed Regularisation Plan and approval announced by Bursa Securities are elaborated in B11 *Status of corporate proposal*.

**B11. Status of corporate proposal**

The following is the status of corporate proposals that have been announced by the Company but has not been completed as at 13 May 2024, being the latest practicable date, which is not earlier than 7 days from the date of issuance of this interim financial statement.

On behalf of the Board of Directors of Bertam, Mercury Securities Sdn Bhd had on 27 December 2021 announced that the Company:

- (i) had entered into conditional subscription agreements with Richard Ling Do Nyeau and Law Ngia Meng respectively (collectively referred to as "Subscribers") for the proposed issuance of 74,431,000 new ordinary shares in Bertam ("Bertam Shares") to the Subscribers ("Proposed Shares Issuance"); and
- (ii) proposes to undertake the Proposed Regularisation Plan which is comprised of the following to regularise its financial condition in accordance with Paragraph 8.04(3) of the Listing Requirements:
  - (a) the Proposed Shares Issuance: and
  - (b) proposed renounceable rights issue of up to 161,268,748 new Bertam Shares ("Rights Shares") on the basis of 1 Rights Share for every 2 existing Bertam Shares held, together with up to 161,268,748 free detachable warrants in Bertam ("Warrants") on the basis of 1 Warrant for every 1 Rights Share subscribed for on an entitlement date to be determined and announced later ("Proposed Rights Issue of Shares with Warrants").

The Company submitted the above proposal to Bursa on 30 March 2022.

**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)**

**B11. Status of corporate proposal (cont'd)**

On 17 February 2023 on behalf of the Board of Directors of Bertam, Mercury Securities Sdn Bhd had announced that the Company proposes to undertake the Proposed Share Capital Reduction which entails the reduction of RM90.00 million of the Company's issued share capital pursuant to Section 116 of the Companies Act 2016. The Proposed Share Capital Reduction will form part of the Proposed Regularisation Plan. Subsequently on 22 February 2023, Mercury Securities had, on behalf of our Board announced that the revised application has been submitted to Bursa Securities on 21 February 2023.

On 2 November 2023, Mercury Securities had, on behalf of our Board, announced that Bursa Securities has, vide its letter dated 1 November 2023, approved the following:

- (i) Proposed shares issuance of 74,431,000 new ordinary shares in Bertam ("Bertam Shares") to the Subscribers ("Proposed Shares Issuance") to Richard Ling Do Nyeen and Law Ngia Meng (collectively referred to as "Subscribers") at the subscription price of RM0.075 per Subscription Share ("Proposed Shares Issuance");
- (ii) Proposed reduction of RM90.00 million of issued share capital of Bertam pursuant to Section 116 of the Companies Act 2016 ("Proposed Capital Reduction"); and
- (iii) Proposed renounceable rights issue of up to 161,268,748 new Bertam Shares ("Rights Shares") on the basis of 1 Rights Share for every 2 existing Bertam Shares held, together with up to 161,268,748 free detachable warrants in Bertam ("Warrants") on the basis of 1 Warrant for every 1 Rights Share subscribed for on an entitlement date to be determined and announced later ("Proposed Rights Issue with Warrants").

Bursa has also resolved to approve the listing and quotation, on the Main market of Bursa Securities, for:

- (i) 74,431,000 Subscription Shares pursuant to the proposed Shares issuance;
- (ii) up to 161,268,748 Rights Shares and up to 161,268,748 Warrants to be issued pursuant to the Proposed Rights Issue with Warrants; and
- (iii) up to 161,268,748 new Bertam Shares to be issued pursuant to the exercise of the Warrants.

A Circular to Shareholders in relation to the Proposed Regularisation Plan were circulated to the shareholders and at the Extraordinary General Meeting on 27 December 2023, the Company has obtained shareholders' approval for the Proposed Regularisation Plan.

On 15 January 2024, the shares issuance of 74,431,000 Subscription Shares pursuant to the proposed Shares issuance to Richard Ling Do Nyeen and Law Ngia Meng at the subscription price of RM0.075 per Subscription Share was completed.

On 24 July 2024, the sealed order of the High Court of Malaya confirming the Share Capital Reduction had been lodged with the Registrar of Companies and pursuant thereto, the Share Capital Reduction shall take effect and be deemed completed on 24 July 2024.

**B12. Dividend payable**

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

**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)**

**B13. Earnings per share**

The basic earnings per share have been calculated by dividing the Group's profit for the year to date attributable to owners of the Company by weighted average number of shares in issue.

|   | Quarter ended |            | Year to date |            |
|---|---------------|------------|--------------|------------|
|   | 30.06.2024    | 30.06.2023 | 30.06.2024   | 30.06.2023 |
| Profit attributable to owners of the Company (RM'000)     | 260           | 3,602      | 1,004        | 4,106      |
| Weighted number of ordinary shares in issue ('000 shares) | 322,537       | 248,106    | 322,537      | 248,106    |
| Basic earnings per share (Sen)                            | 0.08          | 1.71       | 0.31         | 1.95       |

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

**B14. Notes to the Condensed Consolidated Statement of Profit and Loss and Other Comprehensive Income**

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

|  | Quarter ended        |                      | Year to date         |                      |
|--|----------------------|----------------------|----------------------|----------------------|
|  | 30.06.2024<br>RM'000 | 30.06.2023<br>RM'000 | 30.06.2024<br>RM'000 | 30.06.2023<br>RM'000 |
| Interest income  | -                    | -                    | -                    | 2                    |
| Rental income  | 7                    | 7                    | 14                   | 16                   |
| Interest expenses  | (30)                 | (32)                 | (45)                 | (61)                 |
| Depreciation   | (24)                 | (22)                 | (49)                 | (62)                 |
| Reversal of impairment loss on trade and other receivables | -                    | -                    | 1,271                | -                    |

**B15. Authority for issue**

The interim financial statements were reviewed by the Audit and Risk Management Committee of the Company and duly authorized for the issue by the Board of Directors in accordance with a resolution of the Directors dated 19 August 2024.