

BERTAM ALLIANCE BERHAD

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

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

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

	Unaudited QUARTER ENDED		Unaudited YEAR TO DATE ENDED	
	30.09.2024 RM'000	30.09.2023 RM'000	30.09.2024 RM'000	30.09.2023 RM'000
Revenue	10,923	7,036	25,149	17,398
Cost of sales	(10,048)	(6,094)	(22,609)	(14,220)
Gross profit	875	942	2,540	3,178
Other items of income	10	9	1,297	3,624
Administrative expenses	(651)	(652)	(2,556)	(2,335)
Finance costs	(32)	(31)	(77)	(93)
Profit before taxation	202	268	1,204	4,374
Income tax expenses	-	1	-	1
Profit for the financial year/Total comprehensive profit	202	269	1,204	4,375
Profit attributable to:				
Owners of the Company	203	272	1,207	4,378
Non-controlling interests	(1)	(3)	(3)	(3)
	202	269	1,204	4,375
Profit per share attributable to owners of the Company (Sen per share):				
Basic and diluted	0.06	0.11	0.37	1.76

The condensed consolidated statement of profit and loss and other comprehensive income for the quarter and financial period ended 30 September 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 SEPTEMBER 2023

	(Unaudited) AS AT 30.09.2024	(Audited) AS AT 31.12.2023
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	403	466
Land held for property development	147,944	147,951
	<u>148,347</u>	<u>148,417</u>
Current assets		
Trade and other receivables	20,081	12,570
Cash and bank balances	8,729	197
	<u>28,810</u>	<u>12,767</u>
TOTAL ASSETS	<u>177,157</u>	<u>161,184</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	138,067	210,598
Retained earnings/ (Accumulated losses)	12,953	(78,254)
	<u>151,020</u>	<u>132,344</u>
Non-controlling interests	(501)	(498)
TOTAL EQUITY	<u>150,519</u>	<u>131,846</u>
Current liabilities		
Trade and other payables	26,409	25,608
Tax payables	229	229
Loans and borrowings	-	3,501
	<u>26,638</u>	<u>29,338</u>
Total liabilities	<u>26,638</u>	<u>29,338</u>
TOTAL EQUITY AND LIABILITIES	<u>177,157</u>	<u>161,184</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	<u>0.47</u>	<u>0.53</u>

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 SEPTEMBER 2024

	Attributable to the owners of the Company			
	Non-distributable Share Capital RM'000	Distributable Retained Earnings/ (Accumulated Losses) RM'000	Non-controlling Interests RM'000	Total Equity RM'000
At 1 January 2024	210,598	(78,254)	(498)	131,846
Share capital reduction	(90,000)	90,000	-	-
Issuance of ordinary shares pursuant to private placement	17,469	-	-	17,469
Total comprehensive income	-	1,207	(3)	1,204
At 30 September 2024	138,067	12,953	(501)	150,519
At 1 January 2023	210,598	(78,824)	(495)	131,279
Total comprehensive income	-	4,378	(3)	4,375
At 30 September 2023	210,598	(74,446)	(498)	135,654

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 SEPTEMBER 2024**

	YEAR TO DATE ENDED	
	30.09.2024 RM'000	30.09.2023 RM'000
Cash flows from operating activities		
Net profit before tax	1,204	4,375
Adjustments for:		
Depreciation	74	87
Interest expense	77	93
Interest income		(2)
Reversal of impairment loss on trade and other receivables	(1,271)	-
<i>Operating profit before changes in working capital</i>	84	4,553
<i>Changes in working capital</i>		
Change in receivables	(6,260)	(4,691)
Change in payables	799	(915)
<i>Net cash used in operations</i>	(5,377)	(1,053)
Interest paid	(77)	(93)
Interest income	-	2
Income taxes paid, net of refund	-	(12)
<i>Net cash used in operating activities</i>	(5,454)	(1,156)
Cash flows from investing activities		
Acquisition of property, plant and equipment	11	(120)
Change in land held for property development	7	(160)
<i>Net cash generated from/(used in) investing activities</i>	18	(280)
Cash flows from financing activity		
Proceeds from issuance of ordinary shares pursuant to private placement, net of expenses	17,469	-
<i>Net cash generated from financing activity</i>	17,469	-
<i>Net increase/(decrease) in cash and cash equivalents</i>	12,033	(1,436)
<i>Cash and cash equivalents at beginning of the year</i>	(3,304)	(1,979)
<i>Cash and cash equivalents at end of year</i>	8,729	(3,415)
Cash and cash equivalents comprise the following:		
Cash and bank balances	8,729	80
Bank overdraft	-	(3,495)
	8,729	(3,415)

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 September 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 - <i>Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures - <i>Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
Annual Improvements to MFRS Accounting Standards - Volume 11	1 January 2026
MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures - <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	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.

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

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.

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 September 2024:

	No. of ordinary shares
Opening balance as at 1 January 2024	248,106,497
Private placement allotment on 11 January 2024*	74,431,000
Private placement allotment on 26 September 2024**	161,268,741
Closing balance as at 30 September 2024	<u>483,806,238</u>

* Private placement was completed on 15 January 2024, following the listing and quotation of 74,431,000 new ordinary shares at an issue price of RM0.08 per share on the Main Market of Bursa Malaysia, raising a total of RM5,582,325.

** Private placement was completed on 1 October 2024, following the listing and quotation of 161,268,741 new ordinary shares at an issue price of RM0.08 per share on the Main Market of Bursa Malaysia, raising a total of RM12,095,155.58. This private placement was accompanied by the issuance of 161,268,741 Warrants, each attached to a new ordinary share, with an exercise price of RM0.45 and an expiry date of 25 September 2029. As at 30 September 2024, there were no warrants exercised.

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 Development RM'000	Construction RM'000	Corporate and others RM'000	Total RM'000
Year to date ended 30.09.2024				
Revenue				
- External sales	-	25,149	-	25,149
Segment results	(127)	2,365	(883)	1,355
Depreciation	-	(64)	(10)	(74)
Finance costs	-	-	(77)	(77)
(Loss)/profit before tax	(127)	2,301	(970)	1,204
Tax expenses	-	-	-	-
(Loss)/profit after tax	<u>(127)</u>	<u>2,301</u>	<u>(970)</u>	<u>1,204</u>

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

A8. Segmental information (cont'd)

	Property Development RM'000	Construction RM'000	Corporate and others RM'000	Total RM'000
Quarter ended 30.09.2024				
Revenue				
- External sales	-	10,923	-	10,923
Segment results	(44)	519	(217)	258
Depreciation	-	(21)	(3)	(24)
Finance costs	-	-	(32)	(32)
(Loss)/profit before tax	(44)	498	(252)	202
Tax expenses	-	-	-	-
(Loss)/profit after tax	(44)	498	(252)	202

A9. Land held for property development

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

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

A12. Contingent liabilities

There were no contingent liabilities for the Group as at 30 September 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	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000
Group				
Entities under common controls				
- Contract revenue	557	2,293	5,303	9,832
- Contract cost	(1,027)	(401)	(1,927)	(2,415)
With a director/persons connected to a director				
- Advances received	-	-	-	30
- Repayment of advances	-	-	(500)	(350)

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

B1. Review of performance

3rd Quarter 2024 vs 3rd Quarter 2023

	Quarter ended 30.09.2024 RM'000	Quarter ended 30.09.2023 RM'000	Changes	
			RM'000	%
Revenue				
- Construction	10,923	7,036	3,887	55
(Loss)/profit before tax				
- Property development	(44)	(52)	8	-15
- Construction	498	490	8	2
- Corporate and others	(252)	(169)	-83	49
	<u>202</u>	<u>269</u>	-67	-25
(Loss)/profit after tax				
- Property development	(44)	(52)	8	-15
- Construction	498	490	8	2
- Corporate and others	(252)	(169)	-83	49
	<u>202</u>	<u>269</u>	-67	-25

Group

The revenue recorded in current year's quarter was RM10.92 million as compared to RM7.04 million in the preceding year's corresponding quarter.

Property development segment

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

Construction segment

The revenue recorded for the construction segment was RM10.92 million in the current year's quarter, compared to RM7.04 million in the corresponding quarter of the preceding year. The variance of RM3.89 million was primarily attributable to additional revenue of RM6.40 million from the Hotel Block Project and NRW projects, offset by a RM1.65 million decrease in revenue from the completed Timpangoh and Kiawaiyan Projects.

For the current year's quarter ended 30 September 2024, this segment recorded a profit of RM0.50 million as compared to a profit RM0.49 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 September 2024, this segment recorded a loss of RM0.25 million as compared to profit of RM0.17 million in the previous year's corresponding quarter.

**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

3rd Quarter 2024 vs 2nd Quarter 2024

	Quarter ended 30.09.2024 RM'000	Quarter ended 30.06.2024 RM'000	Changes RM'000 %	
Revenue				
- Construction	10,923	4,689	6,234	133
(Loss)/profit before tax				
- Property development	(44)	(36)	-8	22
- Construction	498	566	-68	-12
- Corporate and others	(252)	(271)	19	-7
	202	259	-57	-22
(Loss)/profit after tax				
- Property development	(44)	(36)	-8	22
- Construction	498	566	-68	-12
- Corporate and others	(252)	(271)	19	-7
	202	259	-57	-22

Group

The revenue for the current quarter was RM10.92 million as compared to RM4.69 million in the immediate preceding quarter. This increase is primarily attributed from the Hotel Block Project, which generated additional RM7.00 million of revenue in the immediate preceding quarter.

The current quarter profit before tax was RM0.20 million as compared to a profit before tax of RM0.26 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 RM10.92 million, compared to RM4.69 million in the immediate preceding quarter. This increase of RM6.32 million was primarily attributed to the Hotel Block Project and NRW projects, which generated additional revenue of RM7.00 million and RM2.31 million, respectively, offset by a RM1.98 million decrease in revenue from the SPRM project.

For the current quarter, this segment recorded a profit of RM0.50 million as compared to profit of RM0.57 million in the immediate preceding quarter.

Corporate and others

For the current quarter, this segment recorded a loss of RM0.25 million as compared to loss of RM0.27 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. At the beginning of the year, the Group had seven (7) ongoing construction projects. As of 30 September 2024, five (5) projects were deemed completed or were awaiting final claims and one (1) new project had been added. The Group's outstanding order book of the Group stood at approximately RM84.6 million as at 30 September 2024.

On 19 November 2024, the Group accepted a negative revision of contract of the Hotel Block Project and a secured a new commercial development project of RM57 million and RM31 million, respectively. The Group remains focused on securing additional construction contracts as the construction revenue is expected to be the main income of the Group over the next 2 years.

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

On 15 January 2024 and 26 September 2024, the Company received proceeds through private share placements amounting to RM17.677 million. The status of utilisation of the said proceeds as at 30 September 2024, is as follows:

No	Purpose	Proposed Regularisation Plan* (RM'000)	Proposed Usage (RM'000)	Actual Utilisation (RM'000)	Balance unutilised (RM'000)	Intended time frame for utilisation
1.	Funding for construction contracts	10,000	10,000	3,059	6,941	Within 18 months
2.	Working capital to fund the day-to-day operations and expenses of the Group	6,502	6,502	1,104	5,398	Within 18 months
3.	Estimated expenses relating to the Proposed Regularisation Plan	1,175	1,175	1,035	140	Immediate
		17,677	17,677	5,198	12,479	

**The description of use of proceeds is based on 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 30.09.2024 RM'000	Quarter Ended 30.09.2023 RM'000	Year to date Ended 30.09.2024 RM'000	Year to date Ended 30.09.2023 RM'000
Interest expense				
- Bank overdraft	(32)	(31)	(77)	(93)

B8. Trade and other receivables

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

	30.09.2024 RM'000	31.12.2023 RM'000
Trade receivables – third parties, net of impairments	3,225	5,499
Other receivables		
-Sundry receivables, net of impairments	2,080	268
-Prepayment	-	48
-Refundable deposits	678	76
	<u>2,758</u>	<u>392</u>
Contract assets	14,098	6,679
	<u>20,081</u>	<u>12,570</u>

B9. 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.

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.

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

B9. Significant event (cont'd)

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 ("6th 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*.

B10. 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 Nyeen 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.

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.

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 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 Nyeon 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 Nyeon 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 took effect and deemed completed on 24 July 2024.

On 26 September 2024, the Company allotted 161,268,741 Rights Shares together with 161,268,741 Warrants on the Main Market of Bursa Securities. This denotes the completion of the Regularisation Plan.

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	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
Profit attributable to owners of the Company (RM'000)	203	272	1,207	4,378
Weighted number of ordinary shares in issue ('000 shares)	322,174	248,106	322,174	248,106
Basic earnings per share (Sen)	0.06	0.11	0.37	1.76

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	
	30.09.2024 RM'000	30.09.2023 RM'000	30.09.2024 RM'000	30.09.2023 RM'000
Interest income	-	-	-	2
Rental income	5	7	19	23
Interest expenses	(32)	(31)	(77)	(93)
Rental expense	(14)	(14)	(43)	(43)
Depreciation	(25)	(25)	(74)	(87)
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 27 November 2024.