

**BERTAM ALLIANCE BERHAD ("BERTAM" or "THE COMPANY")  
UPDATE ON ADJUDICATION PROCEEDINGS ISSUED UNDER THE CONSTRUCTION  
INDUSTRY PAYMENT & ADJUDICATION ACT 2012 ("CIPAA") TO THE COMPANY'S  
WHOLLY-OWNED SUBSIDIARY, BERTAM DEVELOPMENT SDN. BHD.**

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We refer to our announcement on 6 October 2016 in respect of the notice of adjudication issued under the Construction Industry Payment & Adjudication Act 2012 ("CIPAA") to the Company's wholly-owned subsidiary, Bertam Development Sdn. Bhd. ("BDSB"), whereby R & C Cergas Teguh Sdn. Bhd. ("RCCT") had made a claim against BDSB a sum of RM5,818,553.08.

The Company wishes to announce that following the Adjudication Proceedings, the Adjudicator has derived the following determination which is lower than the claim made against BDSB :-

1. BDSB shall pay the total sum of RM4,111,267.73 being the Adjudication Sum together with interest at the rate of 7.65% per annum from 27/05/2016 until the date of full payment of the Adjudication Sum ;
2. That the Adjudication Sum shall be paid on or before 23/03/2017 ; and
3. BDSB shall pay the adjudication proceedings cost which includes adjudication fees, Kuala Lumpur Regional Centre For Arbitration ("KLRCA") fees and party costs.

The Board of Directors of BERTAM is currently seeking legal advice from its solicitors with regards to the next course of action to be taken.

This announcement is dated 28 February 2017.