

**CME GROUP BERHAD**

(Company No. 52235-K)
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 30 SEPTEMBER 2015**

(The figures have not been audited)

	Unaudited At 30/09/2015 RM '000	Audited At 31/12/2014 RM '000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	7,138	7,173
Investment properties	88,539	86,156
Other financial assets	8,071	4,755
Deferred tax assets	142	142
TOTAL NON-CURRENT ASSETS	103,890	98,226
CURRENT ASSETS		
Inventories	742	589
Amount due from contract customers	6,633	2,198
Trade receivables and other receivables	13,809	8,727
Fixed deposits with licensed banks	36	1,008
Tax recoverable	521	466
Cash and bank balances	417	193
	22,158	13,181
Assets classified as held for sale	-	4,560
TOTAL CURRENT ASSETS	22,158	17,741
TOTAL ASSETS	126,048	115,967
EQUITY AND LIABILITIES		
CAPITAL AND RESERVES		
Issued capital	44,110	44,110
Equity component of ICULS	31,370	31,370
Reserves	6,717	5,140
TOTAL EQUITY	82,197	80,620
NON-CURRENT LIABILITIES		
Hire-purchase payables	745	514
Long-term loan	2,348	2,431
Deferred tax liabilities	890	890
TOTAL NON-CURRENT LIABILITIES	3,983	3,835
CURRENT LIABILITIES		
Amount due to contract customers	1,067	-
Trade payables and other payables	15,586	24,540
Hire-purchase payables	91	101
Bank borrowings	23,106	6,853
Tax liabilities	18	18
TOTAL CURRENT LIABILITIES	39,868	31,512
TOTAL LIABILITIES	43,851	35,347
TOTAL EQUITY AND LIABILITIES	126,048	115,967
Net Tangible Assets Per RM0.10 Share	0.186	0.183

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statement for the year ended 31 December 2014 and the explanatory notes attached to the interim financial report.)

**CME GROUP BERHAD**

(Company No. 52235-K)
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE CURRENT QUARTER AND CUMULATIVE 9-MONTH PERIOD ENDED 30 SEPTEMBER 2015**

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current year quarter	Preceding year corresponding quarter	Current Year-to-date	Preceding year corresponding period
	30/09/2015 (RM '000)	30/09/2014 (RM '000)	30/09/2015 (RM '000)	30/09/2014 (RM '000)
Revenue	6,757	7,254	15,522	19,521
Cost of sales	(5,602)	(5,367)	(13,133)	(14,868)
Gross profit	1,155	1,887	2,389	4,653
Other income	2,156	(8)	4,567	310
Administrative expenses	(1,440)	(1,465)	(4,553)	(3,788)
Other expenses	(272)	(229)	(845)	(618)
Finance costs	(509)	(84)	(1,139)	(270)
Profit before tax	1,090	101	419	287
Income tax expense	-	5	-	(31)
Profit for the period	1,090	106	419	256
Other comprehensive income				
Foreign currency translation	(49)	-	(69)	-
Other comprehensive gain	507	-	1,227	-
	458	-	1,158	-
Total comprehensive income for the period	1,548	106	1,577	256
Profit for the period attributable to:-				
Equity holders of the Company	1,090	99	419	257
Non-controlling interests	-	7	-	(1)
	1,090	106	419	256
Total comprehensive income attributable to:-				
Equity holders of the Company	1,548	99	1,577	257
Non-controlling interests	-	7	-	(1)
	1,548	106	1,577	256
Earnings per share RM0.10 shares				
Basic (sen):-				
• Before mandatory conversion of irredeemable Convertible Unsecured Loan Stocks 2014/2024 ("ICULS")	0.247	0.022	0.095	0.058
• After mandatory conversion of ICULS	0.144	N/A	0.056	N/A
Diluted (sen)	0.144	N/A	0.056	N/A

(The Condensed Consolidated Statement of Profit Or Loss And Other Comprehensive Income should be read in conjunction with the Annual Audited Financial Statement for the year ended 31 December 2014 and the explanatory notes attached to the interim financial report.)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE 9-MONTH PERIOD ENDED 30 SEPTEMBER 2015**

(The figures have not been audited)

	< -----Non-distributable----- >							
	Share Capital	Equity component of ICULS	Fair value reserve	Foreign currency translation reverse	Retained earnings	Equity attributable to equity holders of the Company	Non- controlling Interests	Total equity
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Balance as at 1 January 2014	44,110	-	7	-	430	44,547	194	44,741
Issuance of ICULS	-	31,370	-	-	-	31,370	-	31,370
Acquisition of non-controlling interests	-	-	(466)	-	-	(466)	(194)	(660)
Total comprehensive income for the year	-	-	2,083	38	3,048	5,169	-	5,169
Balance as at 31 December 2014	44,110	31,370	1,624	38	3,478	80,620	-	80,620
Total comprehensive income for the year	-	-	1,227	(69)	419	1,577	-	1,577
Balance as at 30 September 2015	44,110	31,370	2,851	(31)	3,897	82,197	-	82,197

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Audited Financial Statement for the year ended 31 December 2014 and the explanatory notes attached to the interim financial report.)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
 FOR THE 9-MONTH PERIOD ENDED 30 SEPTEMBER 2015**
(The figures have not been audited)

	Current year-to-date	Preceding year corresponding year-to-date
	30/09/2015	30/09/2014
	<i>RM'000</i>	<i>RM'000</i>
CASH FLOWS (USED IN)/ FROM OPERATING ACTIVITIES		
Profit for the period	419	256
Adjustments for:		
Allowance for doubtful debts on trade receivables no longer requires	(2,140)	-
Depreciation of property, plant and equipment	366	308
Finance costs	1,139	270
Gain on disposal of investment properties	-	(380)
Gain on disposal of property, plant and equipment	-	-
Income tax expense recognised in profit or loss	-	31
Interest income	5	-
Property, plant and equipment written off	92	-
Unrealised currency translation on investment properties	(2,383)	-
	<hr/>	<hr/>
Operating (loss)/ profit before working capital changes	(2,502)	485
Changes in working capital:		
Net changes in current assets	(7,530)	(5,015)
Net changes in current liabilities	(7,887)	7,095
	<hr/>	<hr/>
Cash (used in)/ from operations	(17,919)	2,565
Tax refund	-	-
Income tax paid	(55)	(196)
Warranty and free service paid	-	-
	<hr/>	<hr/>
Net cash (used in)/ from operating activities	(17,974)	2,369
	<hr/>	<hr/>
CASH FLOWS FROM/ (USED IN) INVESTING ACTIVITIES		
Acquisition of additional interest in subsidiary	-	(660)
Interest received	(5)	-
Withdrawal/ (Placement) of fixed deposit	972	(714)
Proceed from disposal of investment properties	4,560	1,560
Purchase of other financial assets	(2,089)	(2,172)
Purchase of property, plant and equipment	(422)	(439)
	<hr/>	<hr/>
Net cash from/ (used in) investing activities	3,016	(2,425)
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CASH FLOWS FROM/ (USED IN) FINANCING ACTIVITIES		
Interest expense paid	(1,139)	(270)
Proceed from hire purchase payables	221	339
Proceed from/ (Repayment) of bank borrowings	1,595	(2,519)
	<hr/>	<hr/>
Net cash from/ (used in) financing activities	677	(2,450)
	<hr/>	<hr/>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(14,281)	(2,506)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	(4,606)	(3,960)
Effects of exchange rate changes on cash and cash equivalents	(69)	-
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>(18,956)</u>	<u>(6,466)</u>

**CME GROUP BERHAD**

(Company No. 52235-K)
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE 9-MONTH PERIOD ENDED 30 SEPTEMBER 2015 (Cont.)**

(The figures have not been audited)

	Current year-to-date 30/09/2015 RM'000	Preceding year corresponding year-to-date 30/09/2014 RM'000
Cash and Cash Equivalents are as follows:-		
Fixed deposits with licensed banks	36	714
Cash and bank balances	417	165
Bank overdrafts	(19,373)	(6,631)
	<hr/>	<hr/>
	(18,920)	(5,752)
Less:- Fixed deposits pledged	(36)	(714)
	<hr/>	<hr/>
	(18,956)	(6,466)
	<hr/>	<hr/>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Audited Financial Statement for the year ended 31 December 2014 and the explanatory notes attached to the interim financial report.)

NOTES TO THE INTERIM FINANCIAL STATEMENT – THIRD QUARTER ENDED 30 SEPTEMBER 2015

A COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING AND BURSA LISTING REQUIREMENTS

1 Basis of Preparation

The interim financial statements are unaudited and have been prepared in compliance with Malaysian Financial Reporting Standard (MFRS) 134 -*Interim Financial Reporting*, issued by the Malaysian Accounting Standards Board (“MASB”) and Part A of Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2014. These 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 2014.

2 Financial Reporting Standards

Significant accounting policies adopted by the Group in these interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2014.

The Group has adopted the Malaysian Financial Reporting Standards (“MFRS”) framework issued by MASB with effect from 1 January 2013. This MFRS framework was introduced by MASB in order to fully converge Malaysia’s existing Financial Reporting Standard (“FRS”) framework with the International Financial Reporting Standards (“IFRS”) framework issued by the International Accounting Standards Board. There has been no material impact upon the adoption of the MFRS on the financial statements of the Group.

The Group has also adopted all the new and revised MFRSs and IC Interpretations that are relevant and effective for accounting periods beginning on or after 1 January 2015. The adoption of these new and revised MFRS and IC Interpretations have not resulted in any material impact upon the financial statements of the Group.

MFRSs and IC Interpretations that were issued but are not yet effective have not been early adopted by the Group.

3 Auditors’ Report on Preceding Annual Financial Statements

The auditors’ report on the financial statements for the year ended 31 December 2014 was not subjected to any qualification.

4 Seasonal or cyclical factors

The Group’s operations were not subject to any seasonal or cyclical factors.

5 Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no exceptional items and unusual events affecting the assets, liabilities, equity, net income and cash flow of the Group for the current quarter and financial year-to-date.

6 Changes in estimates

There were no changes in the estimates of amounts, which give a material effect in the current quarter or financial year-to-date.

7 Debt and equity securities

There was no issuance or repayment of debts and equity securities, share buy-back, shares cancellation, shares held as treasury shares and resale of treasury shares for the current quarter under review.

**CME GROUP BERHAD***(Company No. 52235-K)
(Incorporated in Malaysia)***A COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERM FINANCIAL REPORTING AND BURSA LISTING REQUIREMENTS (CONT.)****8 Dividends paid**

There was no dividend paid/ declared by the Company for the current quarter ended 30 September 2015 (2014: Nil.).

9 Segmental reporting

30.09.2015	Invest. Holding RM ‘000	Contract Engineering RM ‘000	Trading RM ‘000	Others RM ‘000	Elimination RM ‘000	Consolidated RM ‘000
Revenue						
External sales	1,104	13,504	914	-	-	15,522
Inter-segment sales	-	5,185	2,065	-	(7,250)	-
Total revenue	1,104	18,689	2,979	-	(7,250)	15,522
Results						
Segment results	2,092	(605)	71	-	-	1,558
Finance costs						(1,139)
Profit before tax						419
Income tax expense						-
Profit for the period						419
Other information						
Capital additions	7	406	9	-	-	422
Depreciation	34	133	199	-	-	366
Consolidated Balance Sheet						
Assets						
Segment assets	128,812	48,972	15,622	37,539	(112,968)	117,977
Other investment	8,071	-	-	-	-	8,071
Consolidated total assets	136,883	48,972	15,622	37,539	(112,968)	126,048
Liabilities						
Segment Liabilities	53,640	32,184	25,568	37,281	(104,822)	43,851
30.09.2014						
Revenue						
External sales	5,744	10,399	3,378	-	-	19,521
Inter-segment sales	-	5,147	-	-	(5,147)	-
Total revenue	5,744	15,546	3,378	-	(5,147)	19,521
Results						
Segment results	(219)	462	314	-	-	557
Finance costs						(270)
Profit before tax						287
Income tax expenses						(31)
Profit for the period						256
Other information						
Capital additions	170	268	1	-	-	439
Depreciation	5	101	201	1	-	308

A COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERM FINANCIAL REPORTING AND BURSA LISTING REQUIREMENTS (CONT.)

9 Segmental reporting (Cont.)

30.09.2014	Invest. Holding RM ‘000	Contract Engineering RM ‘000	Trading RM ‘000	Others RM ‘000	Elimination RM ‘000	Consolidated RM ‘000
Consolidated Balance Sheet						
Assets						
Segment assets	86,115	49,641	15,112	5,474	(82,372)	73,970
Other investments	2,664	-	-	-	-	2,664
Consolidated total assets	88,779	49,641	15,112	5,474	(82,372)	76,634
Liabilities						
Segment liabilities	47,401	30,015	24,858	4,249	(74,693)	31,830

As the Group is principally operating within Malaysia, geographical segment has not been presented.

10 Valuation of property, plant and equipment

The Group did not carry out any valuations on its property, plant and equipment for the interim financial period under review. The valuations of the property, plant and equipment have been brought forward from the preceding annual financial statements.

11 Material Subsequent Events

There were no material events subsequent to 30 September 2015 that have not been reflected in the interim financial report.

12 Changes in Composition of the Group

On 25 May 2015, the Company acquired the entire issued and paid-up share capital of Amazing Areas Sdn Bhd (“AASB”), a company incorporated in Malaysia under the Companies Act 1965. AASB has two wholly owned subsidiaries, Moms Care Sdn Bhd (“Moms Care”) and Modern Mum Sdn Bhd (“Modern Mum”). Both subsidiaries are incorporated in Malaysia under the Companies Act 1965. With the Acquisition, CME will become ultimate holding company of Moms Care and Modern Mum. However, the Acquisition process is still ongoing and therefore, the financial results of these subsidiaries are not consolidated into CME Group’s account as at 30 September 2015.

13 Contingent Liabilities or Contingent Assets

There were no contingent liabilities or contingent assets for the financial quarter under review.

14 Capital Commitments

Capital commitment for investment property not provided for as at 30 September 2015 is as follows:-

Capital expenditure commitments	As at 30-Sep-2015 RM’000
Authorised and but not contracted for	
- Investment Properties	1,315

B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE BURSA MALAYSIA SECURITIES BERHAD MAIN MARKET LISTING REQUIREMENTS

1 Review of Group performance

The Group posted revenue of approximately RM6.8 million for the current financial quarter and RM15.5 million for the financial period ended 30 September 2015. Specialised Mobility Vehicles (“SMV”) Division accounted for about RM13.5 million or 87.0% of total revenue for the period ended 30 September 2015.

The Group recorded lower revenue for the current financial quarter and current financial period compared to previous corresponding quarter and previous financial period. The said lower revenue was mainly due to lower rental income from Investment Properties.

The gross profit has decreased from RM4.7 million to RM2.4 million and the GP Margin has decreased from 23.8% to 15.4% in Q3 2015 resulting from weakening of Ringgit Malaysia against US Dollar which drive up the cost of sales. The profit before tax increased 46% to RM419,000 as compared to RM287,000 in the preceding period ended 30 September 2014 resulting from the increase of other gain from unrealised foreign exchange gain arising from translation of Australian Dollar to Ringgit Malaysia by the subsidiary company.

Specialised Mobility Vehicles (“SMV”) Division remains the main core contribution to the group’s revenue. Revenue growth of RM3.1 million or 29.9% in SMV Division was mainly due to the proportion recognition of contract value for our major projects on hand.

2 Material change in profit/ (loss) before tax for the quarter compared with the immediate preceding quarter

The comparison of the Group’s revenue and profit/ (loss) before tax for the current quarter and preceding quarter is as follows:

	30.09.15	30.06.15	← Variance →	
	<u>RM’000</u>	<u>RM’000</u>	<u>RM’000</u>	<u>%</u>
Revenue	6,757	4,265	2,492	58.4
Profit/ (Loss) before tax	1,090	(348)	1,438	>100

For the third quarter ended 30 September 2015, the Group achieved higher revenue at RM6.8 million as compared to the revenue of RM4.3 million in the preceding quarter. The higher revenue recorded was due to completion and delivery of fire fighting vehicles during the current quarter.

From a bottom line perspective, the Group recorded higher profit before tax of RM1.1 million in the current quarter as compared to a loss before tax of RM348,000 in the previous corresponding quarter. The profit before tax of RM1.1 million was mainly contributed by other income in unrealised foreign exchange gain as a result of the strengthening of Australian Dollar against Ringgit Malaysia recognised by one of the subsidiary.

3 Commentary on Prospects for 2015

The continued escalation of production cost due to increase in various essential cost components coupled with fluctuation in exchange rates may pose challenges to the Group’s operation as well as its profitability. While the coming quarter may hold challenges for the Group, the Board hopes to continue to achieve growth and build business sustainability by actively exploring new product range/ opportunities within the specialised vehicle industry. SMV division is expected to contribute positively to the Group’s performance for the remaining quarter of the financial year.

Nevertheless, the Board is mindful of the challenges ahead and will continue to explore other viable, synergistic and profitable business ventures to improve the Group’s performance.

4 Profit forecast

No profit forecast was made or issued during the current financial quarter under review.

**B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE BURSA MALAYSIA SECURITIES BERHAD
 MAIN MARKET LISTING REQUIREMENTS (CONT.)**

5 Income tax expense/ (credit)

The Tax figures consist of the following :-	Current Quarter <i>RM '000</i>	Current Year to Date <i>RM '000</i>
Current year provision	-	-
Deferred taxation	-	-
Total	-	-

6 Corporate Proposals

As at 23rd November 2015, being the latest practicable date of this interim financial report, there were no other corporate proposals announced by the Company and pending completion saved as disclosed below, which is not earlier than 7 days from the date of issue of this interim financial report.

(i) Proposed Joint Venture between CME and Tanah Mestika Sdn Bhd (“TMSB”)

CME had on 10 February 2015 entered into a Joint Venture Agreement (“the Agreement”) with TMSB for a mixed development on a piece of leasehold land measuring approximately 5,936 square metre located at Lot 35895, Bandar Indera Mahkota, Mukim Kuala Kuantan, Daerah Kuantan, Negeri Pahang Darul Makmur.

The Agreement was entered into a joint-venture basis between CME as the Landowner and TMSB as the Developer subject to and upon the terms and conditions of the Agreement.

7 Group borrowings and debt securities

	As at 30/09/2015 Secured <i>RM'000</i>
Amount payable within one year	
Bank borrowings	23,106
Finance leases	91
	23,197
Amount payable after one year	
Bank borrowings	2,348
Finance leases	745
	3,093
Total borrowings	26,290

8 Material litigation

Save as disclosed below, there were no material litigations against the Group or taken by the Group at the date of issuance of this Interim Financial Report.

(a) Kuala Lumpur High Court Originating Summons No. 22NCVC-19-01/2014

The Company had on 12 May 2014 been served with the Writ and the Statement of Claim by the Kuala Lumpur High Court in relation to a claim filed by Bellajade Sdn Bhd (“Bellajade”). Bellajade has commenced the action against the Company arising from the disputes in relation to a Tenancy Agreement dated 21 February 2013 whereby the Company agreed to rent from Bellajade a 23-Storey Office Building known as Plaza Palas bearing the postal address Plaza Palas, Lorong Palas, Off Jalan Ampang, Kuala Lumpur, for a rental of RM1,018,750.00 per month commencing from 20 February 2013, for tenancy term of 3 years. Bellajade is claiming for an outstanding amount of RM8,401,756.85 as of 27 December 2013, rental payment for January 2014 and every subsequent monthly rental payment until the end of tenancy period of 3 years, interest and costs.

**B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE BURSA MALAYSIA SECURITIES BERHAD
MAIN MARKET LISTING REQUIREMENTS (CONT.)**

8 Material litigation (Cont.)

(a) Kuala Lumpur High Court Originating Summons No. 22NCVC-19-01/2014 (Cont.)

The Company has been informed by its solicitors that the Kuala Lumpur High Court had on 20th May 2015:

- (i) Dismissed the Bellajade's claim against the Company;
- (ii) Allowed the Company's Counterclaim that the Tenancy Agreement is void and Bellajade pay to the Company the sum of RM9,411,062.50 with interest of 4% on the pre judgment sum and 5% on post judgment sum (from the respective date of payment);
- (iii) Awarded costs of RM30,000 to the Company; and
- (iv) Costs of RM20,000 to the 2nd Defendant (others).

On 10 June 2015, the Company has been informed by its solicitors that Bellajade's Solicitors has filed the Notice of Appeal on 3 June 2015.

On 16 July 2015, the Company has via its solicitors served the Statutory Notice of Demand Pursuant to Section 218 (1)(e) of the Companies Act, 1965 to Bellajade demand Bellajade to pay to the sum of RM10,128,678.55 being the principle judgment sum, interest, costs and further interest accruing until full settlement pursuant to the Judgment dated 20 May 2015 obtained vide Civil Suit No. 22NCVC-19-01/2014 in the High Court of Malaya at Kuala Lumpur entered against Bellajade. Bellajade must secure or compound the same to the Company's reasonable satisfaction within TWENTY ONE (21) days from the date of receipt of the demand, in default of which, Bellajade shall be deemed to be unable to pay their debts, in which event the Company shall proceed to petition to the Court that Bellajade be wound up.

On 7 August 2015, the Company has been informed by its solicitors that the stay of execution of Judgment was granted on condition that Bellajade deposits within 14 days from 7 August 2015 a sum of RM10 million into a joint stakeholders account to be operated jointly by the Bellajade's Solicitors and CME's Solicitors who shall place it in an interest bearing fixed deposit account and hold the same pending the disposal of Bellajade's appeal to the Court of Appeal. And no order as to costs. Bellajade's Solicitors and CME's Solicitors had on 26 August 2015 open a joint account at CIMB Bank pending the RM10 million to be deposited by Bellajade.

On 26 November 2015, Court of Appeal upon reading written submissions filed and hearing oral submissions by the respective Counsel, requested the parties to file further written submissions on specific issues by 8 January 2016. The Court will thereafter inform parties of a date for decision/ clarification.

(b) Supreme Court of Western Australia Originating Summons No. 2506 of 2015

The Company and its wholly owned subsidiary, CME Properties (Australia) Pty Ltd ("Plaintiffs"), had on 25 September 2015 served a Writ and Indorsement of Claim against Ruark No 11 Pty Ltd ("Ruark" or "Defendant") through a firm of lawyers based in Perth, Australia. CME commenced the legal action against Ruark arising from the disputes in relation to a Joint Venture Agreement dated 12 August 2014 entered originally with Ruark Properties Pty Ltd ATF the Oasis Unit Trust, later substituted by Ruark No 11 Pty Ltd ATF the Oasis Unit Trust ("Ruark" or "Defendant"), and Central Park (Qld) Pty Ltd ("Central Park") ATF the Increase Discretionary Trust to carry out a mixed development of the property situate at 170 Mandurah Terrace, Mandurah and 20 Henson Street, Mandurah ("the Properties").

Pursuant to the Writ, the Plaintiffs claim against the Defendant the following:-

- (1) the sum of A\$2,115,051.41;
- (2) in the alternative:-
 - (a) an account of the Loan Monies received by the Defendant or paid out to third parties by the Defendant; and
 - (b) an order for the payment by the Defendant to the Plaintiffs of the amount found due to the Plaintiffs under the Joint Venture Agreement or otherwise on the taking of the such account;
- (3) further and in the alternative, a declaration that:-
 - (a) the Joint Venture Agreement was validly terminated by the Plaintiffs;
 - (b) the Defendant has defaulted on the Joint Venture Agreement; and

B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE BURSA MALAYSIA SECURITIES BERHAD MAIN MARKET LISTING REQUIREMENTS (CONT.)

8 Material litigation (Cont.)

(b) Supreme Court of Western Australia Originating Summons No. 2506 of 2015 (Cont.)

(c) pursuant to the terms of the Joint Venture Agreement, the development relating to the Joint Venture now vests in the Plaintiffs;

(4) further and in the alternative, damages suffered by the Plaintiffs on account of the Defendant's breaches of the Joint Venture Agreement and the termination of the Joint Venture Agreement;

(5) interest on such sum found due to the Plaintiffs at such rate and for such period as this Honourable Court deems fit;

(6) such further or other relief as this Honourable Court deems just; and

(7) costs.

On 19 October 2015, Ruark entered an appearance in response to CME's writ notifying that Ruark will be defending the claim. The Parties are summonsed to appear in the Supreme Court of Western Australia on 2 December 2015 for a status conference.

9 Dividend

No dividend had been declared for the financial period ended 30 September 2015.

10 Earnings Per Share ("EPS")

The basic earnings per share of the Group has been computed by dividing the profit attributable to equity holders of the parent for the financial quarter/ year by the weighted average number of ordinary shares in issue during the financial quarter, assuming full conversion of 784,250,715 ICULS into ordinary shares at a conversion price of RM0.10 per share.

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current year quarter 30/09/2015 (RM '000)	Preceding year corresponding quarter 30/09/2014 (RM '000)	Current Year-to-date 30/09/2015 (RM '000)	Preceding year corresponding period 30/09/2014 (RM '000)
Profit attributable to equity holders of the parent	1,090	99	419	257
Weighted average number of ordinary shares	441,100	441,100	441,100	441,100
Adjustment for assumed conversion of ICULS	313,700	-	313,700	-
Adjusted weighted average number of ordinary shares	754,800	441,100	754,800	441,100
Basic per RM0.10 shares (sen):-				
• Before mandatory conversion of ICULS	0.247	0.022	0.095	0.058
• After mandatory conversion of ICULS	0.144	N/A	0.056	N/A
Diluted per RM0.10 shares (sen)	0.144	N/A	0.056	N/A

**B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE BURSA MALAYSIA SECURITIES BERHAD
 MAIN MARKET LISTING REQUIREMENTS (CONT.)**

11 Realised And Unrealised Profits/ Losses Disclosure

On 25 March 2010, Bursa Malaysia issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into realized and unrealized profits and losses.

On 20 December 2010, Bursa Malaysia further issued guidance on the disclosure and the prescribed format of disclosure.

The breakdown of retained earnings of the Group as of 30 September 2015 into realised and unrealised profits or losses, pursuant to the directive, is as follows:

	As at 30/09/2015 RM'000	As at 31/12/2014 RM'000
Total retained earnings of the Company and its subsidiaries		
- Realised	5,087	4,586
- Unrealised	(212)	(160)
	<u>4,875</u>	<u>4,426</u>
Less: Consolidation Adjustments	(978)	(948)
	<u>3,897</u>	<u>3,478</u>

The determination of realised and unrealised profits or losses is based on Guidance of Special Matter No. 1 “Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements” as issued by the Malaysian Institute of Accountants on December 20, 2010. A charge or a credit to the profit or loss of a legal entity is deemed realised when it is resulted from the consumption of resource of all types and form, regardless of whether it is consumed in the ordinary course of business or otherwise. A resource may be consumed through sale or use. Where a credit or a charge to the profit or loss upon initial recognition or subsequent measurement of an asset or a liability is not attributed to consumption of resource, such credit or charge should not be deemed as realised until the consumption of resource could be demonstrated.

This supplementary information have been made solely for complying with the disclosure requirements as stipulated in the directives of Bursa Malaysia Securities Berhad and is not made for any other purposes.

12 Profit before tax

	As at 30/09/2015 RM'000	As at 31/12/2014 RM'000
This is arrived at after charging/ (crediting):-		
Allowance for doubtful debts on trade receivables	-	8,771
Audit fee	64	75
Depreciation on property, plant and equipment	366	409
Finance costs	1,139	944
Allowance for doubtful debts on trade receivables no longer required	(2,140)	-
Interest income	5	(12)
Gain on disposal of investment properties	-	(380)
Utilisation for warranty and free services	-	(96)

Other disclosure items pursuant to Note 16 of the Appendix 9B of the Main Market Listing requirements are not applicable.

BY ORDER OF THE BOARD
CME GROUP BERHAD

Lim Bee Hong
Executive Director

Subang Jaya, Selangor Darul Ehsan
30 November 2015