

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 AS OF 31 DECEMBER 2015**

(The figures have not been audited)

	Unaudited At 31/12/2015 RM '000	Audited At 31/12/2014 RM '000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	7,022	7,173
Investment properties	81,712	86,156
Other financial assets	8,197	4,755
Deferred tax assets	291	142
TOTAL NON-CURRENT ASSETS	97,222	98,226
CURRENT ASSETS		
Inventories	619	589
Amount due from contract customers	4,576	2,198
Trade receivables and other receivables	11,722	8,727
Fixed deposits with licensed banks	36	1,008
Tax recoverable	477	466
Cash and bank balances	438	193
	17,868	13,181
Assets classified as held for sale	7,335	4,560
TOTAL CURRENT ASSETS	25,203	17,741
TOTAL ASSETS	122,425	115,967
EQUITY AND LIABILITIES		
CAPITAL AND RESERVES		
Issued capital	44,110	44,110
Equity component of ICULS	31,370	31,370
Reserves	(3,837)	5,140
TOTAL EQUITY	71,643	80,620
NON-CURRENT LIABILITIES		
Hire-purchase payables	568	514
Long-term loan	2,074	2,431
Deferred tax liabilities	832	890
TOTAL NON-CURRENT LIABILITIES	3,474	3,835
CURRENT LIABILITIES		
Amount due to contract customers	83	-
Trade payables and other payables	25,209	24,540
Hire-purchase payables	133	101
Bank borrowings	21,883	6,853
Tax liabilities	-	18
TOTAL CURRENT LIABILITIES	47,308	31,512
TOTAL LIABILITIES	50,782	35,347
TOTAL EQUITY AND LIABILITIES	122,425	115,967
Net Tangible Assets Per RM0.10 Share	0.162	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.)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 FOR THE CURRENT QUARTER AND CUMULATIVE 12-MONTH PERIOD ENDED 31 DECEMBER 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
	31/12/2015 (RM '000)	31/12/2014 (RM '000)	31/12/2015 (RM '000)	31/12/2014 (RM '000)
Revenue	6,855	2,466	22,377	21,987
Cost of sales	(5,785)	(2,634)	(18,918)	(17,502)
Gross profit/ (loss)	1,070	(168)	3,459	4,485
Other income	(976)	17,965	3,591	18,275
Administrative expenses	(2,023)	(3,286)	(6,576)	(7,074)
Other expenses	(11,234)	(10,251)	(12,079)	(10,869)
Finance costs	(625)	(674)	(1,764)	(944)
(Loss)/ Profit before tax	(13,788)	3,586	(13,369)	3,873
Income tax expense	164	(794)	164	(825)
(Loss)/ Profit for the year	(13,624)	2,792	(13,205)	3,048
Other comprehensive income				
Foreign currency translation	2,943	38	2,874	38
Other comprehensive gain	127	2,083	1,354	2,083
Total comprehensive (loss)/ income for the year	(10,554)	4,913	(8,977)	5,169
(Loss)/ Profit for the year attributable to:-				
Equity holders of the Company	(13,624)	2,792	(13,205)	3,048
Non-controlling interests	-	-	-	-
	(13,624)	2,792	(13,205)	3,048
Total comprehensive (loss)/ income attributable to:-				
Equity holders of the Company	(10,554)	4,913	(8,977)	5,169
Non-controlling interests	-	-	-	-
	(10,554)	4,913	(8,977)	5,169
(Loss)/ Earnings per share RM0.10 shares				
Basic (sen):-				
• Before mandatory conversion of irredeemable Convertible Unsecured Loan Stocks 2014/2024 ("ICULS")	-3.089	0.633	-2.994	0.691
• After mandatory conversion of ICULS	-1.805	0.370	-1.749	0.404
Diluted (sen)	-1.805	0.370	-1.749	0.404

(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 12-MONTH PERIOD ENDED 31 DECEMBER 2015**

(The figures have not been audited)

	< -----Non-distributable----- >							
	Share Capital	Equity component of ICULS	Fair value reserve	Foreign currency translation reverse	Retained earnings/ (Accumulated losses)	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 loss for the year	-	-	1,354	2,874	(13,205)	(8,977)	-	(8,977)
Balance as at 31 December 2015	44,110	31,370	2,978	2,912	(9,727)	71,643	-	71,643

(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 12-MONTH PERIOD ENDED 31 DECEMBER 2015**
 (The figures have not been audited)

	Current year-to-date	Preceding year corresponding year-to-date
	31/12/2015	31/12/2014
	<i>RM'000</i>	<i>RM'000</i>
CASH FLOWS (USED IN)/ FROM OPERATING ACTIVITIES		
(Loss)/ Profit for the year	(13,205)	3,048
Adjustments for:		
Allowance for doubtful debts on trade receivables	494	8,771
Allowance for doubtful debts on trade receivables no longer requires	(3,300)	-
Bad debts written off	2	-
Contract work-in-progress written off	-	1,181
Depreciation of property, plant and equipment	492	409
Finance costs	1,764	944
Gain on disposal of assets held for sale	-	(380)
Gain on disposal of investment properties	-	(17,802)
Income tax expense recognised in profit or loss	(164)	825
Interest income	-	(12)
Property, plant and equipment written off	92	-
Provision for warranty and free services	-	326
Unrealised currency translation on investment properties	(2,891)	-
Operating loss before working capital changes	(16,716)	(2,690)
Changes in working capital:		
Net changes in current assets	(2,599)	(4,376)
Net changes in current liabilities	752	10,424
Cash (used in)/ from operations	(18,563)	3,358
Tax refund	-	-
Income tax paid	(72)	(358)
Warranty and free service paid	-	(422)
Net cash (used in)/ from operating activities	(18,635)	2,578
CASH FLOWS FROM/ (USED IN) INVESTING ACTIVITIES		
Additions to land held for property development	-	(30,044)
Interest received	-	12
Withdrawal/ (Placement) of fixed deposit	972	(1,008)
Payments for the acquisition of non-controlling interests	-	(660)
Proceed from disposal of assets held for sale	4,560	1,560
Purchase of other financial assets	(2,088)	(2,180)
Purchase of property, plant and equipment	(433)	(120)
Net cash from/ (used in) investing activities	3,011	(32,440)
CASH FLOWS (USED IN)/ FROM FINANCING ACTIVITIES		
Interest expense paid	(1,764)	(944)
Proceed from/ (Repayment) of hire purchase payables	86	(113)
Proceeds from issue of ICULS	-	31,370
Repayment of bank borrowings	(2,068)	(1,135)
Net cash (used in)/ from financing activities	(3,746)	29,178

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE 12-MONTH PERIOD ENDED 31 DECEMBER 2015 (Cont.)
(The figures have not been audited)

	Current year-to-date	Preceding year corresponding year-to-date
	31/12/2015	31/12/2014
	<i>RM'000</i>	<i>RM'000</i>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(19,370)	(684)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	(4,606)	(3,960)
Effects of exchange rate changes on cash and cash equivalents	2,874	38
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>(21,102)</u>	<u>(4,606)</u>
Cash and Cash Equivalents are as follows:-		
Fixed deposits with licensed banks	36	1,008
Cash and bank balances	438	193
Bank overdrafts	(21,540)	(4,799)
	<u>(21,066)</u>	<u>(3,598)</u>
Less:- Fixed deposits pledged	(36)	(1,008)
	<u>(21,102)</u>	<u>(4,606)</u>

(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 – FOURTH QUARTER ENDED 31 DECEMBER 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 31 December 2015 (2014: Nil.).

9 Segmental reporting

31.12.2015	Invest. Holding RM ‘000	Contract Engineering RM ‘000	Trading RM ‘000	Others RM ‘000	Elimination RM ‘000	Consolidated RM ‘000
Revenue						
External sales	1,456	18,981	1,940	-	-	22,377
Inter-segment sales	-	6,731	2,862	-	(9,593)	-
Total revenue	1,456	25,712	4,802	-	(9,593)	22,377
Results						
Segment results	471	(1,044)	553	(11,585)	-	(11,605)
Finance costs						(1,764)
Loss before tax						(13,369)
Income tax expense						164
Loss for the year						(13,205)
Other information						
Capital additions	7	415	10	-	-	432
Depreciation	38	188	264	2	-	492
Consolidated Balance Sheet						
Assets						
Segment assets	128,747	53,440	15,730	38,249	(121,938)	114,228
Other investment	8,197	-	-	-	-	8,197
Consolidated total assets	136,944	53,440	15,730	38,249	(121,938)	122,425
Liabilities						
Segment Liabilities	53,565	37,203	25,051	38,138	(103,175)	50,782
31.12.2014						
Revenue						
External sales	6,147	13,476	2,364	-	-	21,987
Inter-segment sales	-	4,926	1,931	-	(6,857)	-
Total revenue	6,147	18,402	4,295	-	(6,857)	21,987
Results						
Segment results	7,824	(1,024)	(41)	(1,942)	-	4,817
Finance costs						(944)
Profit before tax						3,873
Income tax expenses						(825)
Profit for the year						3,048
Other information						
Capital additions	171	274	-	4	-	449
Depreciation	10	130	268	1	-	409

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

9 Segmental reporting (Cont.)

31.12.2014	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	128,739	48,739	15,157	37,519	(118,942)	111,212
Other investments	4,755	-	-	-	-	4,755
Consolidated total assets	133,494	48,739	15,157	37,519	(118,942)	115,967
Liabilities						
Segment liabilities	51,010	30,653	25,165	39,316	(110,797)	35,347

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 year 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 31 December 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. As at the latest practicable date (“LPD”), the Acquisition not completed and the financial results of these subsidiaries are not consolidated into CME Group’s account as at 31 December 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 31 December 2015 is as follows:-

Capital expenditure commitments	As at 31-Dec-2015 RM’000
Authorised and but not contracted for	
- Investment Properties	851

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

1 Review of Group performance

For the quarter ended 31 December 2015

The Group recorded higher revenue of RM6.9 million in the fourth quarter ended 31 December 2015, an increase of RM4.4 million or >100% over the corresponding preceding quarter of 2014. The main drivers of the increase in revenue were from the Specialised Mobility Vehicles (“SMV”) Division, reason being more projects were secured during the quarter, coupled with the timing of revenue recognition for on- going projects and projects completed during the quarter.

Profit for the quarter under review has decreased RM17.4 million from a profit before tax of RM3.6 million to a loss before tax of RM13.8 million. The decrease was mainly due to weakening of ringgit which affect our gross profit and a provision made for outstanding amount of approximately RM 10.6 million payable to a loan. The loan was granted to our JV party for the purpose of the development of Mandurah Lands. The Mandurah Lands are subject to a mortgage securing the loan. A provision is made as the JV party has failed to repay the loan. CME is continuing to negotiate with the Lender in relation to the mortgage over the Lands.

For the year ended 31 December 2015

The Group’s revenue for the full financial year ended 31 December 2015 achieved a marginal increase of 1.8% to RM22.4 million from RM22.0 million while loss before tax decrease to RM13.4 million from a profit before tax of RM3.9 million, mainly due to provisions mentioned above was taken up into account.

Our SMV Division remains the largest contributor to the Group’s revenue accounting for 84.8% of the turnover, saw an improvement in revenue of RM5.5 million or 40.9% in financial year ended 31 December 2015.

Property Investment (“PI”) Division recorded lower revenue of RM1.5 million in year 2015 compared to RM6.1 million in preceding year, mainly due to lower rental income collected as compared to year 2014.

2 Material change in (loss)/ profit 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:

	31.12.15	30.09.15	← Variance →	
	RM’000	RM’000	RM’000	%
Revenue	6,855	6,757	98	1.5
(Loss)/ Profit before tax	(13,788)	1,090	(14,878)	>-100

For the current quarter ended 31 December 2015, the Group recorded revenue of RM6.9 million, an increase in revenue of 1.5% compared to the preceding quarter ended 30 September 2015.

The Group recorded a loss before tax of RM13.8 million for the current quarter as compared to a profit before tax of RM1.1 million in the preceding quarter, mainly due to the provision made during the quarter.

3 Commentary on Prospects for 2016

The market in 2016 is expected to remain challenging in view of the market competition and rising of global economic uncertainties. The SMV Division continues to be the core business for the Group and its performance would be dependent on the orders and tenders secured and the expected gradual recovery of the market which might subsequently increase the spending power in both the government and private sector.

The volatility in foreign exchange rate poses a challenge for the Group as it will result in increase of costs of imported material and reduction in profitability of the Group and in order to maintain its market competitiveness, the Board will need to constantly review its price structure and react accordingly.

Despite these challenges, the Board remains cautiously optimistic on the future prospect of the Group in 2016. The Board is putting in place its many measures to build on its order book and constantly exploring new product range/ opportunities within the specialised vehicle industry and improve operational efficiency so that the Group remains resilient and profitable in 2016.

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

4 Profit forecast

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

5 Income tax 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	(15)	(15)
Overprovision in prior years	-	-
Deferred taxation	(149)	(149)
Total	<u>(164)</u>	<u>(164)</u>

6 Corporate Proposals

As at 23rd February 2016, being the LPD 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.

As at LPD, all the conditions precedent in the Agreement have been met and this Agreement have fulfilled all the requisite conditions for its validity between the Parties.

7 Group borrowings and debt securities

	As at 31/12/2015 Secured <i>RM'000</i>
Amount payable within one year	
Bank borrowings	21,883
Finance leases	133
	<u>22,016</u>
Amount payable after one year	
Bank borrowings	2,074
Finance leases	568
	<u>2,642</u>
Total borrowings	<u>24,658</u>

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

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 on 12 May 2014 had 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 commenced an action against the Company arising from 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.

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 was informed by its solicitors that Bellajade's Solicitors had filed and served a 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 on 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 was 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 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, with no order as to costs. Bellajade’s Solicitors and CME’s Solicitors on 26 August 2015 opened a joint account at CIMB Bank pending the RM10 million to be deposited by Bellajade.

The Court of Appeal on 26 November 2015 upon reading the respective written submissions filed and hearing oral clarification, invited respective Counsel for the parties to file further submission on specific issues and a date for decision will be notified by the Registry of the Court of Appeal once the Grounds of Judgment is ready.

The Company has since filed their further written submission and reply submission on 8-01-2016 and 4-02-2016 respectively.

The Court of Appeal is yet to notify the parties of a date for decision.

**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

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”).

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.

On 7 December 2015, the Plaintiffs filed a Statement of Claim in the Supreme Court of Western Australia and the Statement of Claim was served on the Defendant on 8 December 2015.

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

(a) a declaration that:-

(i) the Joint Venture Agreement was validly terminated by the Plaintiffs;

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

(b) payment of the sum of A\$2,115,051.41.

(c) in the alternative:-

(i) an account of the Prime loan monies received by the Defendant or paid out to third parties by the Defendant; and

(ii) 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.

(d) 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.

(e) alternatively equitable compensation.

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

(g) such further or other relief as the Honourable Court deems just.

(h) costs.

On 4 January 2016, the Defendant’s lawyers filed and served their defence in relation to the Statement of Claim.

On 14 January 2016, the Plaintiffs’ lawyers wrote to the Defendant’s lawyers seeking further and better particulars in relation to the defence.

The Plaintiffs will seek summary judgment of the matter on the basis that the Defendant has not raised any triable issues in their defence.

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

9 Dividend

No dividend had been declared for the financial year ended 31 December 2015.

10 (Loss)/ Earnings Per Share (“EPS”)

The basic (loss)/ earnings per share of the Group has been computed by dividing the (loss)/ 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	Preceding year corresponding quarter	Current Year-to-date	Preceding year corresponding period
	31/12/2015 (RM '000)	31/12/2014 (RM '000)	31/12/2015 (RM '000)	31/12/2014 (RM '000)
(Loss)/ Profit attributable to equity holders of the parent	(13,624)	2,792	(13,205)	3,048
Weighted average number of ordinary shares	441,100	441,100	441,100	441,100
Adjustment for assumed conversion of ICULS	313,700	313,700	313,700	313,700
Adjusted weighted average number of ordinary shares	754,800	754,800	754,800	754,800
Basic per RM0.10 shares (sen):-				
• Before mandatory conversion of ICULS	-3.089	0.633	-2.994	0.691
• After mandatory conversion of ICULS	-1.805	0.370	-1.749	0.404
Diluted per RM0.10 shares (sen)	-1.805	0.370	-1.749	0.404

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 (accumulated losses)/ retained earnings of the Group as of 31 December 2015 into realized and unrealised profits or losses, pursuant to the directive, is as follows:

	As at 31/12/2015 RM'000	As at 31/12/2014 RM'000
Total (accumulated losses)/ retained earnings of the Company and its subsidiaries		
- Realised	(8,562)	4,586
- Unrealised	(188)	(160)
	<u>(8,750)</u>	<u>4,426</u>
Less: Consolidation Adjustments	(977)	(948)
	<u>(9,727)</u>	<u>3,478</u>
Total Group (accumulated losses)/ unappropriated profits as per consolidated accounts	<u>(9,727)</u>	<u>3,478</u>

**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 (Cont.)

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 (Loss)/ Profit before tax

	As at 31/12/2015	As at 31/12/2014
	<i>RM'000</i>	<i>RM'000</i>
This is arrived at after charging/ (crediting):-		
Allowance for doubtful debts on trade receivables	494	8,771
Audit fee	81	75
Bad debts written off	2	-
Depreciation on property, plant and equipment	492	409
Finance costs	1,764	944
Allowance for doubtful debts on trade receivables no longer required	(3,300)	-
Interest income	-	(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
29 February 2016