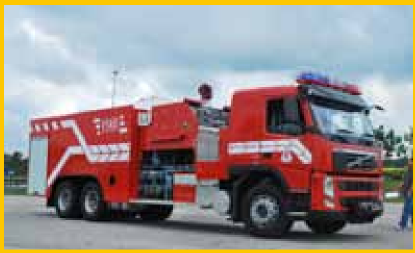
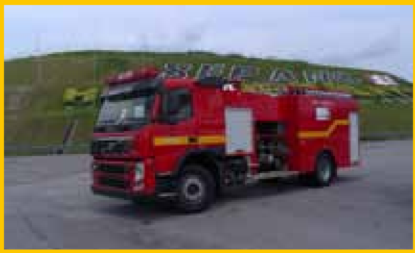
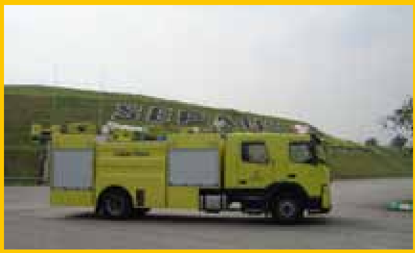
CME GROUP BERHAD

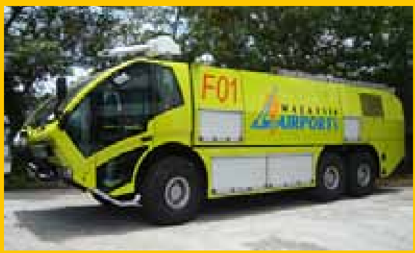
(Company No. 52235-K) - Incorporated in Malaysia



Annual Report 2015







PERFORMANCE & TECHNOLOGY

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NOTICE OF
ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twentieth (20th) Annual General Meeting ("AGM") of the Company will be held at the Delima Room, Lobby Floor, Empress Hotel, Jalan ST 1C/7, Medan 88, Bandar Baru Salak Tinggi, 43900 Sepang, Selangor Darul Ehsan on Monday, 23 May 2016 at 11.00 a.m. to transact the following Businesses:

1 To receive and adopt the Financial Statements for the year ended 31 December 2015 together with the Reports of Directors and Auditors thereon. **Note A**

2 To re-elect the following Director who retires in pursuant to Article 83 of the Company's Articles of Association:-

Y.M. Tunku Nizamuddin Bin Tunku Dato' Seri Shahabuddin (Executive Director) **Resolution 1**

En. Azlan Omry Bin Omar (Executive Director) **Resolution 2**

Miss Lim Bee Hong (Executive Director) **Resolution 3**

3 To re-appoint the following Director pursuant to Section 129(6) of the Companies Act 1965 to hold office until the conclusion of the next Annual General Meeting :-

Y.Bhg. Dato' Khairi Bin Mohamad (Independent Non-Executive Director) **Resolution 4**

4 To approve Directors' fees **Resolution 5**

5 To re-appoint Messrs Deloitte as Auditors and to authorise the Directors to fix their remuneration **Resolution 6**

As Special Business to consider and if thought fit, to pass the following resolution:

6 **ORDINARY RESOLUTION**
PROPOSED AUTHORITY TO ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT,

"THAT pursuant to Section 132D of the Companies Act, 1965 and the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue and allot shares in the Company, at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this resolution in any one financial year does not exceed 10% of the total issued share capital of the Company for the time being and that the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad ("Bursa Malaysia") and that such authority shall continue in force until the conclusion of the next AGM of the Company." **Resolution 7**

7 **ORDINARY RESOLUTION**
RETENTION OF INDEPENDENT DIRECTOR

a. "THAT, **Y.A.D. Dato' Setia Tengku Indera Pahlawan Tengku Putra Alhaj Bin Tengku Azman Shah Alhaj** be and is hereby retained as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code of Corporate Governance 2012." **Resolution 8**

b. "THAT, subject to the passing of Resolution 4, **Y. Bhg. Dato' Khairi Bin Mohamad** be and is hereby retained as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code of Corporate Governance 2012." **Resolution 9**

8 To transact any other business of which, due notice shall have been given in accordance with the Companies Act, 1965 and the Company's Articles of Association.

By Order of the Board

BERNARD LIM BOON SIANG
Company Secretary
Shah Alam, Selangor Darul Ehsan
29 April 2016

Notes:

A. This Agenda item is meant for discussion only. The provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders for the Audited Financial Statement and hence, this Agenda item is not put forward for voting.

1. A proxy need not be a member of the Company and Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.

2. For a proxy to be valid, this form, duly completed must be deposited at the Registered Office of the Company at 36A, Lorong Gelugor, Off Persiaran Sultan Ibrahim, 41300 Klang, Selangor Darul Ehsan not less than forty-eight (48) hours before the time set for the meeting or any adjournment thereof.

3. A member shall be entitled to appoint one (1) or more proxies to attend and vote instead of him at the same meeting and where a member appoints two (2) or more proxies to vote at the same meeting, such appointment shall be invalid unless he specify the proportion of his shareholding to be represented by each proxy.

4. Where a member is an exempt authorised nominee which holds ordinary shares of the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies it may appoint in respect of each omnibus account it holds.

5. In the case of a corporate member, this form must be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised.

6. For the purpose of determining a member who shall be entitled to attend this Twentieth (20th) AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Article 59 of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act 1991 to issue a Record of Depositors as at 17 May 2016. Only a depositor whose name appears on such Record of Depositors shall be entitled to attend the said meeting or appoint proxies to attend and vote on his/her behalf.

EXPLANATORY NOTE ON SPECIAL BUSINESS

7. Ordinary Resolution 7 – Authority to allot and issue shares

The proposed Ordinary Resolution, if passed, will give the Directors of the Company, from the date of the Twentieth (20th) AGM, the authority to issue shares up to a maximum 10% of the issued capital of the Company for the time being for such purpose as the Directors would consider in the best interest of the Company. This authority, unless revoked or varied by the Company at a general meeting will expire at the next AGM of the Company.

The Company has not issued any new shares under the general authority which was approved at the Nineteenth (19th) AGM held on 30 June 2015 and which authority will lapse at the conclusion of the Twentieth (20th) AGM. A renewal of this authority is being sought at the Twentieth (20th) AGM under the proposed Resolution 7.

The renewal mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of future investment projects(s), working capital and/or acquisition.

8. Ordinary Resolution 8 and 9 – Retention of Independent Director

Pursuant to the Malaysian Code of Corporate Governance 2012, the tenure of an Independent Director should not exceed a cumulative term of nine years unless an approval is sought from the Company's shareholders at the Annual General Meeting to retain the said director as an Independent Director.

The Board of Directors ("the Board") via the Nomination Committee has assessed the independence of Y.A.D. Dato' Setia Tengku Indera Pahlawan Tengku Putra Alhaj Bin Tengku Azman Shah Alhaj and Y. Bhg. Dato' Khairi Bin Mohamad who have served as Independent Non-Executive Directors of the Company for a cumulative term of more than nine (9) years and the Board has recommended them to continue to act as Independent Non-Executive Directors of the Company based on the following justifications:-

i) They fulfill the criteria under the definition on Independent Director as defined in the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia;
ii) They are able to bring independent and objective judgment to the Board;
iii) They have been with the Company for more than nine (9) years with incumbent knowledge of the Company and the Group's activities and corporate history which enable them to participate actively and contribute positively during deliberations or discussions at Board meetings;
iv) They have contributed sufficient time and effort and attended the Committee and Board Meetings for an informed and balanced decision making;
v) They do not have any conflict of interest with the Company and have not been entering/are not expected to enter into contract(s) especially material contract(s) with the Company and/or its subsidiary companies; and
vi) They have performed their duties diligently and in the best interest of the Company and provide a broader views, independent and balanced assessment of proposals from the management.

STATEMENT ACCOMPANYING THE NOTICE OF ANNUAL GENERAL MEETING

(1) Venue, Date and Time of the Twentieth Annual General Meeting

Venue	:	Delima Room, Lobby Floor, Empress Hotel, Jalan ST 1C/7, Medan 88, Bandar Baru Salak Tinngi, 43900 Sepang, Selangor Darul Ehsan.
Time & Date	:	11.00 a.m., Monday, 23 May 2016

(2) Directors Standing for Re-election

Y.M. Tunku Nizamuddin Bin Tunku Dato' Seri Shahabuddin (Executive Director), **En. Azlan Omry Bin Omar** (Executive Director) and **Miss Lim Bee Hong** (Executive Director) are standing for re-election pursuant to Article 83 of the Company's Articles of Association. Their profiles are set out in the section on Directors' Profile of this Annual Report.

(3) Directors Standing for Re-appointment

Y.Bhg. Dato' Khairi Bin Mohamad (Independent Non-Executive Director) is standing for re-appointment pursuant to Section 129(6) of the Companies Act, 1965. His profile is set out in the section on Directors' Profile of this Annual Report.

(4) Attendance of Directors at Board Meetings

Details of attendance of Directors at Board meetings held for the financial year ended 31 December 2015 are set out in the Statement of Corporate Governance of this Annual Report.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Y.M. TUNKU NIZAMUDDIN BIN TUNKU DATO' SERI SHAHABUDDIN
Executive Director

Y.A.D. DATO' SETIA TENGKU INDERA PAHLAWAN TENGKU PUTRA ALHAJ BIN TENGKU AZMAN SHAH ALHAJ
Independent Non-Executive Director

YAM TENGKU BESAR TENGKU KAMIL ISMAIL BIN TENGKU IDRIS SHAH
Independent Non-Executive Director

MISS LIM BEE HONG
Executive Director

Y. BHG. DATO' KHAIRI BIN MOHAMAD
Independent Non-Executive Director

EN. AZLAN OMRY BIN OMAR
Executive Director

MISS ONG SUAN PIN
Independent Non-Executive Director

COMPANY SECRETARY

Mr. Bernard Lim Boon Siang
(MACS 01153)

KEY MANAGEMENT OFFICER

Mr. Wong Chee Fatt
Chief Executive Officer

AUDIT COMMITTEE

Y. Bhg. Dato' Khairi Bin Mohamad
Chairman
Miss Ong Suan Pin
Member
YAM Tengku Besar Tengku Kamil Ismail Bin Tengku Idris Shah
Member

NOMINATION COMMITTEE

Y. Bhg. Dato' Khairi Bin Mohamad
Chairman
Miss Ong Suan Pin
Member
Y.A.D. Dato' Setia Tengku Indera Pahlawan Tengku Putra Alhaj Bin Tengku Azman Shah Alhaj
Member

REMUNERATION COMMITTEE

Y. Bhg. Dato' Khairi Bin Mohamad
Chairman
Miss Ong Suan Pin
Member

ESOS COMMITTEE

Dato' Lim Soo Kok
Chairman
Y. Bhg. Dato' Khairi Bin Mohamad
Member
Miss Lim Bee Hong
Member
Mr. Wong Chee Fatt
Member

CORPORATE OFFICE

Lot 19, Jalan Delima 1/1
Taman Perindustrian Teknologi
Tinggi Subang
47500 Subang Jaya
Selangor Darul Ehsan
Tel : 03-5633 1188
Fax : 03-5634 3838
Website : http://www.cme.com.my

SHARE REGISTRAR

Symphony Share Registrars Sdn Bhd
Level 6, Symphony House
Block D13
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Tel : 03-7841 8000
Fax : 03-7841 8150/51

AUDITORS

Deloitte
Chartered Accountants
Level 16, Menara LGB
1 Jalan Wan Kadir
Taman Tun Dr. Ismail
60000 Kuala Lumpur
Tel : 03-7610 8888
Fax : 03-7726 8986

REGISTERED OFFICE

36A, Lorong Gelugor
Off Persiaran Sultan Ibrahim
41300 Klang
Selangor Darul Ehsan
Tel : 03-3343 8148
Fax : 03-3341 4426

PRINCIPAL BANKERS

AmBank (M) Berhad
Public Bank Berhad
Malayan Banking Berhad
RHB Bank Berhad
United Overseas Bank (Malaysia) Berhad

STOCK EXCHANGE LISTING

The Main Market of Bursa Malaysia Securities Berhad
Stock Name : CME
Stock Code : 7018
Date of listing : 3 October 1997

CORPORATE STRUCTURE

CME TECHNOLOGIES SDN BHD
Designing, Manufacturing and Sales of Specialised Mobility Vehicles, Fire Fighting Vehicles, Fire Engines, Specialist Vehicles, Airport Crash Tenders, Hazmat Vehicles, Aerial Access Ladder, Cranes, Fuel Transfer Vehicles including Refuellers, Riot Control Vehicles, Fire Fighting and Rescue Equipment and Fixed Installations

100%

CME EDARAN SDN BHD
Sales and Services of Specialised Mobility Vehicles, Fire Fighting Equipment, Fire Fighting Vehicles, Specialist Vehicles, Fuel Transfer Vehicles and the supply of related spare parts

100%

CME INDUSTRIES SDN BHD
Servicing Fire Fighting and Specialist Vehicles and supply of related spare parts

100%

CME GROUP BERHAD
Company No. 52235-K

100%

CME PROPERTIES SDN BHD
Dormant

100%

CME PYROSHIELD SDN BHD
Sale and Servicing of Fire Fighting Gas System and other safety related products

100%

CME PROPERTIES (AUSTRALIA) PTY LTD
Property Development

DIRECTORS' PROFILE

Y.M. Tunku Nizamuddin Bin Tunku Dato' Seri Shahabuddin
Executive Director

Y.M. Tunku Nizamuddin Bin Tunku Dato' Seri Shahabuddin, aged 45, Malaysian, was appointed to the Board of the Company on 6 May 2009. He holds a Bachelor of Business in Tourism Management from University of New England, Lismore, Australia and MBA in International Management from Thunderbird, The Garvin School of International Management, Arizona, USA. Tunku has over 20 years of experience in the field of advisory and consultancy in all business areas, of which more than 8 years were spent in the oil and gas industry.

He does not have any family relationship with any of the Directors and/or substantial shareholders of the Company or nor has he any personal interest in any business arrangement involving CME. He has no convictions for offences over the past 10 years other than traffic offences.

He is deemed as a substantial shareholder in CME and has no interests in the securities of any subsidiary companies of CME. He also sits on the Board of several other private limited companies.

Miss Lim Bee Hong
Executive Director / Member of ESOS Committee

Miss Lim Bee Hong, aged 50, Malaysian, was appointed to the Board of the Company on 6 May 2005. Miss Lim obtained her Bachelor of Accountancy from University of Malaya in 1991 and a member of Malaysian Institute of Accountants. She has over 26 years of experience in the field of accountancy.

She does not have any family relationship with any of the Directors and/or substantial shareholders of the Company or nor has she any personal interest in any business arrangement involving CME. She has no convictions for offences over the past 10 years other than traffic offences.

She holds 100,540 shares in CME and has no interests in the securities of any subsidiary companies of CME. She also sits on the Board of several other private limited companies.

En. Azlan Omry Bin Omar
Executive Director

En. Azlan Omry Bin Omar, aged 50, Malaysian, was appointed to the Board of the Company on 6 July 2000 as an Independent Non-Executive Director. He has been re-designated as Executive Director on 1 July 2015. He holds a Bachelor of Science degree majoring in Civil Engineering from California State University and a Master of Science degree in Manufacturing Systems Engineering from University of Warwick, England. He started his career as a civil and structural engineer in 1990 before returning to England in 1993 to work for Warwich Manufacturing Group as a Research Associate. He returned to Malaysia and joined Composites Technology Research Malaysia Sdn Bhd ("CTRM") in 1994.

He has been in the business of distribution and retail of consumer and lifestyle products between 2003 and 2014.

He does not have any family relationship with any of the Directors and/or substantial shareholders of the Company or nor has he any personal interest in any business arrangement involving CME. He has no convictions for offences over the past 10 years other than traffic offences.

He does not hold any shares in CME and has no interests in the securities of any subsidiary companies of CME. He also sits on the Board of several other private limited companies.

Y.A.D. Dato' Setia Tengku Indera Pahlawan Tengku Putra Alhaj Bin Tengku Azman Shah Alhaj

Independent Non-Executive Director / Member of Nomination Committee

Y.A.D. Dato' Setia Tengku Indera Pahlawan Tengku Putra Alhaj Bin Tengku Azman Shah Alhaj, aged 65, Malaysian, was appointed to the Board of the Company on 19 June 2000. After completing his formal education in the 1960's, Dato' Setia Tengku was appointed as the Military Aide-de-Camp to His Royal Highness The Sultan of Selangor. He resigned from this position and entered the corporate world in 1995. Since then, he has extensive interests in civil, building construction and property development.

He does not have any family relationship with any of the Directors and/or substantial shareholders of the Company or nor has he any personal interest in any business arrangement involving CME. He has no convictions for offences over the past 10 years other than traffic offences.

He does not hold any shares in CME and has no interests in the securities of any subsidiary companies of CME. He also sits on the Board of several other private limited companies.

Y. Bhg. Dato' Khairi Bin Mohamad

Independent Non-Executive Director / Chairman of Audit Committee / Chairman of Nomination Committee / Chairman of Remuneration Committee / Member of ESOS Committee

Dato' Khairi Bin Mohamad, aged 76, Malaysian, was appointed to the Board of the Company on 19 June 2000. After completing his formal education in 1959, he went on to obtain his Commercial Pilot Licence (CPL) and Airline Transport Pilot Licence (ATPL) in 1960 and 1968 respectively. Between 1962 to 1972, he worked for Malayan Airlines which was later renamed Malaysia-Singapore Airlines (MSA) as a First Officer and was promoted to Captain in 1968 when he obtained his ATPL. In 1972 he joined Malaysia Airlines System (MAS) and was involved in the establishment and setting up of the Airline. During his career with MAS, he has clocked a total Flying Hours of approximately 19,000 hours on multi-engine jets and he has held various senior positions in MAS namely, Senior Flight Instructor, Chief Pilot (Training) and Deputy Director of Flight Operations. He held the position as Director of Flight Operations for more than ten years until he retired. During his spell as Director of Flight Operations, he attended major courses conducted by reputable universities such as the Monash University in Australia, Harvard Business School, Asian Institute of Management and London Business School. The courses attended are Human Factors in Aviation, Senior Management Course, Air Transport Course, Civil Aviation Senior Management Programme and Senior Development Programme. He is also a member of the Harvard Business School Alumni Club of Malaysia.

He does not have any family relationship with any of the Directors and/or substantial shareholders of the Company or nor has he any personal interest in any business arrangement involving CME. He has no convictions for offences over the past 10 years other than traffic offences.

He does not hold any shares in CME and has no interests in the securities of any subsidiary companies of CME. He also sits on the Board of several other private limited companies.

Miss Ong Suan Pin

Independent Non-Executive Director / Member of Audit Committee / Member of Nomination Committee / Member of Remuneration Committee

Miss Ong Suan Pin, aged 58, Malaysian, was appointed to the Board on 24 June 2011. She is a holder of ACCA (The Association of Chartered Certified Accountants) qualification and has more than 35 years of working experience in the field of accountancy. She started her career in 1981 as a lecturer for Institute Technology of Mara before moving to join a public accounting firm, gaining experience in auditing. Presently, she is the Financial Controller for a construction group of companies.

She does not have any family relationship with any of the Directors and/or substantial shareholders of the Company or nor has she any personal interest in any business arrangement involving CME. She has no convictions for offences over the past 10 years other than traffic offences.

She holds 12,470,180 shares in CME and has no interests in the securities of any subsidiary companies of CME.

YAM Tengku Besar Tengku Kamil Ismail Bin Tengku Idris Shah

Independent Non-Executive Director / Member of Audit Committee

YAM Tengku Besar Tengku Kamil Ismail Bin Tengku Idris Shah, aged 66, Malaysian, was appointed to the Board of the Company on 09 March 2015. He held the directorships in C.I Holdings Berhad, Berjaya Group Berhad and TAS Industries Sdn Bhd in the past years. Presently, he is the Chairman of Red Eagle Securities Services Sdn Bhd and Taman Positif Sdn Bhd. He is also the Council Member of Majlis Perbandaran Kuantan. He is active in sport especially badminton. He is the president of Pahang Badminton Association for the past 30 years till todate. He is also the present Vice President of Badminton Association of Malaysia.

He does not have any family relationship with any of the Directors and/or substantial shareholders of the Company or nor has he any personal interest in any business arrangement involving CME. He has no convictions for offences over the past 10 years other than traffic offences.

He does not hold any shares in CME and has no interests in the securities of any subsidiary companies of CME. He also sits on the Board of several other private limited companies.

KEY MANAGEMENT

Mr. Wong Chee Fatt

Chief Executive Officer / Member of ESOS Committee

Mr. Wong holds a Bachelor of Engineering (Hons) in Mechanical Engineering from University of Westminster, United Kingdom and Diploma in Electrical Engineering Technician from City and Guilds of London Institute. Mr. Wong is a member of Institute of Fire Engineers (UK). Mr. Wong began his career as a Project Engineer with CME Edaran Sdn Bhd, a wholly owned subsidiary of CME in 1993, attached to the fire fighting industry division and was subsequently promoted to Project Manager in 1995. He is primarily responsible for project tendering, implementation, strategic planning and all business development aspects of the fire fighting industry business segment. Mr. Wong was appointed as the Chief Operating Office of the Group on 1 June 2012 and then been appointed as the Chief Executive Officer of the Group on 31 October 2014.

He does not have any family relationship with any of the Directors and/or substantial shareholders of the Company or nor has he any personal interest in any business arrangement involving CME. He has no convictions for offences over the past 10 years other than traffic offences.

He holds 38,180 shares in CME and has no interests in the securities of any subsidiary companies of CME.

STATEMENT BY THE BOARD OF DIRECTORS

FINANCIAL REVIEW

For the financial year under review, the Group achieved a marginal increase of 1.4% in revenue to RM22.3 million as compared to RM22.0 million of preceding year. The gross profit decreased to RM3.4 million from RM4.5 million of preceding year mainly due to weakening of Ringgit Malaysia against US Dollar which drive up the cost of sales.

The Group registered a loss before tax of RM13.7 million as a result of a provision made for outstanding amount of approximately RM10.6 million payable to a loan which 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 and a provision made as the JV party has failed to repay the loan.

During the financial year ended 31 December 2015 ("FY2015"), the Group remained focus on its core business of sales and services of Specialised Mobility Vehicles ("SMV). Revenue from SMV Division has accounting for 79.9% of the total turnover, saw an improvement in revenue of RM4.5 million or 34.2% in FY2015.

BUSINESS OUTLOOK AND FUTURE PROSPECT

The past financial year has been a challenging one for nation, our economy and the Group. This contraction is due to an expected global economic slowdown, introduction of a Goods and Services Tax (GST), collapse of commodity prices, depreciation of the Malaysian Ringgit, local political issues and the withdrawal of funds by foreign investors from emerging market due to global risk aversion.

Nonetheless, we are cognizant that the overall outlook of the Group's performance for Year 2016 remains challenging. The Group will continue its efforts to strengthen its business and operational infrastructure, primarily through vigilant implementation and tight monitoring of cost-saving measures, restructuring and rationalisation of its management teams, manpower, assets and process.

Meanwhile, the Management is putting in place its many measures to build on its order book besides concentrating on our traditional core fire fighting vehicles business, the Management has been actively exploring new product range and opportunities within the specialised vehicle industry.

BUSINESS OUTLOOK AND FUTURE PROSPECT (CONT'D)

CME is committed in staying at forefront of the Specialised Mobility Vehicle sector, which include our traditional core fire-fighting industry business segment and the specialised vehicles segment and the fire suppression and prevention industry. Barring any unforeseen events, the Board is optimistic of the Group's future prospect and confident in growing its order book and in turn to increase shareholder's value.

CORPORATE SOCIAL RESPONSIBILITY

The Group views corporate social responsibility as a continuing commitment for businesses to act ethically and contribute to economic and social development while improving the quality of workforce, stakeholders' value and the local community at large.

A variety of activities, such as festive celebration and sport activities were organised for promoting the wellbeing of employees. The Group continues to provide its employees with relevant training programs to help develop technical and soft skills among different level of employees.

DIVIDEND

The Board of Directors, having made due consideration, is not recommending any dividend payment for the financial year ended 31 December 2015.

APPRECIATION AND ACKNOWLEDGEMENT

On behalf of the Board, I sincerely wish to extend my gratitude to our valued customers, financiers/bankers, business associates/partners and shareholders for their confidence, support and loyalty without which our success will not be possible and I look forward for their continuing support in the Group. I would also like to extend my appreciation and gratitude to the relevant regulatory authorities and agencies for their continued support, co-operation and advice.

To the management and staffs, thank you for your loyalty, dedication and commitment that has driven the Group into what it is today and to greater heights in the years ahead.

APPRECIATION AND ACKNOWLEDGEMENT (CONT'D)

Last but not least, my sincere gratitude and thanks to my fellow board members for their strong support and invaluable advice and my special thanks to our shareholders for their continuing trust and confidence in the Group.

Y. BHG. DATO' KHAIRI BIN MOHAMAD
DIRECTOR
Date : 18 April 2016

STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors of CME GROUP BERHAD is fully committed to ensuring high standards of corporate governance being practiced throughout the Group to safeguard and promote the interests of all its stakeholders and for sustainable value creation. As such, the Board is committed to ensure that the relevant principles and recommendations stipulated in the Malaysian Code on Corporate Governance 2012 ("the Code") are applied throughout the Company and its subsidiaries.

The Board is pleased to present the following statement, which summarises the manner in which the Group has applied the principles and the extent of compliance with the best practices of the Code throughout the financial year under review.

1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

Clear Functions of the Board and Management

The Board plays an active role in directing management in an effective and responsible manner. The Directors, collectively and individually, has a legal and fiduciary duty to act in the best interest of the Company and to effectively represent and promote the interests of the shareholders and stakeholders with a view to achieve its vision towards corporate sustainability. The Board delegates the responsibility of implementing the Board approved strategies, business plans, policies and decisions to the Management which is led by the Group Chief Executive Officer.

Board Roles and Responsibilities

The Board assumes, amongst others, the following duties and responsibilities:-

- Reviewing, monitoring and approving the overall strategies, direction and policies of the Group;
- Overseeing the conduct of the Company's business to evaluate and to ensure the business is being properly managed;
- Identifying principal risks and ensuring significant risks are appropriately managed, reviewed and addressed;
- Succession planning, including appointing and determining the compensation of where necessary replacing senior management if required and necessary;
- Considering management recommendations on key issues including acquisition, disposal, restricting and significant capital expenditure; and
- Reviews adequacy and integrity of the Company's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

The following matters shall be reserved to the Board for determination and/or approval:-

- Corporate plans and programmes;
- Annual budgets, including major capital commitments;
- Key matters such as approval of annual and quarterly results;
- Material new ventures;
- Material acquisitions and disposal of undertakings and properties; and
- Changes to the management and control structure within the Company and its subsidiaries.

Code of Conduct and Ethics

The Board shall be guided by the Code of Ethics for Directors issued by the Companies Commission of Malaysia. The Board shall observe the Code of Ethics in performance of their duties.

Corporate Responsibility and Sustainability

The Board places great importance on corporate responsibility and business sustainability. The Company's activities on environment, social and governance for the year under review are disclosed in the ensuing pages of this Annual Report.

1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES (CONT'D)

Supply and Access to Information

The Board has full and unrestricted access to all information pertaining to the businesses and affairs of the Group. Prior to the meetings of the Board and Board Committees, all Directors are furnished with the agenda together with comprehensive board papers containing information relevant to the business of the meetings. This allows the information, clarifications, necessary, at the meetings are focused and constructive to enable the Board to effectively discharge its function. Minutes of each Board meeting are circulated to all Directors for their perusal prior to confirmation, and Directors may raise comments or seek clarifications on the minutes prior to the confirmation of the minutes.

In discharging their duties, all the Directors have full access to the advice and services of the Company Secretary and other senior management. The Directors may, if necessary, also seek external independent professional advice in the furtherance of their duties to the Group's expense.

The Directors are notified of all the Company's announcements to Bursa Malaysia. They are also notified of the restriction in dealing with the securities of the Company at least one (1) month prior to the release of the quarterly financial result announcement.

Besides Board meetings, the Board also exercises control on matters that requires its approval through the circulation of Directors' resolutions.

Company Secretary

The Company Secretary plays an advisory role to the Board in relation to the Company's constitution, Board's policies and procedures and compliance with the relevant regulatory requirements, codes or guidance and legislations. The Company Secretary also ensures that deliberations at the Board meetings are recorded in the minutes.

2. STRENGTHEN COMPOSITION OF THE BOARD

Board Composition

The Board acknowledges the importance of age, nationality, professional background and gender diversity and recognises the benefits that such diversity can bring. The Company is led and managed by a well-balanced Board which consists of members with wide range of business, financial, legal experience and industry specific knowledge which is vital for the successful direction of the Group.

The Board is made up of seven (7) members as follows:

- Four (4) Independent Non-Executive Directors
- Three (3) Executive Directors

The Board composition provides an effective check and balance in the functioning of the Board, and is in compliance with Listing Requirements of Bursa Malaysia which require one-third (1/3) of the Board to be independent directors.

A brief profile of each Director is presented on pages 8 to 10 of this Annual Report.

BOARD COMMITTEES

The Board has established Board Committees namely an Audit Committee, Nomination Committee, Remuneration Committee and The Employees' Share Option Scheme Committee to assist and support the Board in discharging its fiduciary duties and responsibilities.

The Board Committees operate within their own clearly defined terms of references and responsibilities as set out by the Board in compliance with the Code.

2. STRENGTHEN COMPOSITION OF THE BOARD (CONT'D)

BOARD COMMITTEES (CONT'D)

The Board Committees deliberate and examine matters within their operating parameters in greater detail and report to the Board on matters considered together with their recommendations. The ultimate responsibility for the final decision on all matters, however, lies with the Board.

The Board also carries out annual evaluation on the effectiveness of the Board and the Board Committees as a whole. The findings of the evaluation are subsequently tabled at the Remuneration and Nomination Committee meeting for discussion with the Directors.

I) Audit Committee

The Audit Committee reviews issues of accounting policy and presentation for external financial reporting, monitors the work of the internal audit function and ensures an objective and professional relationship is maintained with the external auditors. The Audit Committee has full access to both the internal and external auditors who, in turn, have access at all times to the Chairman of the Audit Committee.

The composition of the Audit Committee, its terms of reference and a summary of its activities are set out in the Audit Committee Report on pages 26 to 29 of this Annual Report.

II) Nomination Committee

The Board has established a Nomination Committee consisting of the following Independent Non-Executive Directors:

Y.Bhg. Dato' Khairi Bin Mohamad	(Chairman)
Miss Ong Suan Pin	(Member)
Y.A.D. Dato' Setia Tengku Indera Pahlawan Tengku Putra Alhaj Bin Tengku Azman Shah Alhaj	(Member)

The Nomination Committee is empowered by the Board and its terms and reference are:-

a. The members of the Nomination Committee shall be appointed by the Board from amongst their number, consisting of wholly or mainly Non-Executives and shall consist of not less than two (2) members.

b. The members of the Committee shall elect the Chairman from amongst their number who shall be Independent Non-Executive Director.

c. If the number of members for any reasons fall below two (2), the Committee shall, within three (3) months of that event, review and recommend for the Board's approval to appoint the appropriate Director to fill the vacancy.

d. The term of office for all members of the Committee is subject to renewal on a yearly basis.

e. The Company Secretary shall be the Secretary of the Committee.

f. Directors do not participate in decisions on their own nomination.

Terms of Reference

a. To propose new nominees for the Board and its subsidiaries whether to be filled by Board members, shareholders or executives.

b. The Committee shall also consider candidates for directorships proposed by the Chief Executive Officer and within the bounds of practicality by any other senior executive or any director or shareholder.

2. STRENGTHEN COMPOSITION OF THE BOARD (CONT'D)

BOARD COMMITTEES (CONT'D)

Terms of Reference (Cont'd)

c. To make recommendations to the Board of Directors to fill seats on Board Committees.

d. To assist the Board annually in reviewing the required mix of skills of experience and other qualities, including core competencies, which Non-Executive Directors should bring to the Board.

e. To annually carry out the process to be implemented by the Board for assessing the effectiveness of the Board as a whole, the Committees of the Board and for assessing the contribution of each individual Director.

f. To review management's proposals for the appointment, dismissal, transfer and promotions of all executives.

Appointment, Re-election and Assessment of Directors

The appointment of Directors is undertaken by the Board as a whole upon recommendation by the Nomination Committee.

In accordance with the Company's Articles of Association (the "Articles"), at each Annual General Meeting ("AGM"), one-third (1/3) of the Directors for the time being, or if their number is not three (3) or multiple of three (3), then the number nearest to one-third (1/3), shall retire from office by rotation and all Directors shall retire from office at least once every three years but shall be eligible to offer themselves for re-election. Directors who are appointed by the Board during the financial year are subject to re-election by the shareholders at the next AGM to be held following their appointments.

Directors who are over seventy (70) years of age shall retire at every AGM and may offer themselves for re-appointment by shareholders in accordance with section 129(6) of the Companies Act, 1965.

The Company Secretary ensure that all appointments are properly made, that all information is obtained from the Directors, both for the Company's own records and for the purposes of meeting statutory obligations, as well as obligations arising from the Listing Requirements or other regulatory requirements.

The names and details of Directors seeking re-election and re-appointment are disclosed in the Notice of AGM in this Annual Report.

Meetings and Procedures

Meetings are to be held as and when necessary. The quorum for each meeting shall be two (2). The Committee will decide its own procedures and other administrative arrangements. Minutes of each meeting shall be kept by the Company Secretary as evidence that the Committee has discharged its functions. The Chairman of the Committee will report to the Board after each Nomination Committee meeting.

During the year ended 31 December 2015, one meeting was held, which was attended by all members of the Nomination Committee.

III) Remuneration Committee

The Board has established a Remuneration Committee consisting of the following Directors:

Y.Bhg. Dato' Khairi Bin Mohamad	(Chairman)
Miss Ong Suan Pin	(Member)

2. STRENGTHEN COMPOSITION OF THE BOARD (CONT'D)

BOARD COMMITTEES (CONT'D)

Membership

a. The members of the Remuneration Committee shall be appointed by the Board from amongst their number, consisting wholly or mainly of Non-Executive Directors and shall consist of not less than two (2) members.

b. The members of the Committee shall elect the Chairman from amongst their number who shall be Independent Non-Executive Directors.

c. If the number of members for any reasons fall below two (2), the Board shall, within three (3) months of that event, appoint such numbers of new members as may be required to make up the minimum number of two (2) members.

d. The term of office for all members of the Committee is subject to renewal on a yearly basis.

e. The Company Secretary shall be the Secretary of the Committee.

f. Directors do not participate in decisions on their own remuneration packages.

Terms of Reference

a. To review and recommend to the Board the remuneration of each of the Executive and Non-Executive Directors in all its forms, drawing from outside advice as necessary.

b. To recommend to the Board after reviewing the management's proposals on:-

- Overall annual salary increment frameworks/policy.
- Annual bonus limits/guidelines and incentive scheme.
- Fees and basic salary levels.
- Remuneration, benefits in kinds and other terms and conditions of employment, which have to be introduced as part of the group's overall human resource development plan. This would include matters such as pegging the Group salaries in line with industry standards and major changes in benefits package.

Directors' Remuneration

The details of Directors' remuneration during the financial year disclosed by category are as follows:-

Category	**Fees (RM'000)**	**Other Emoluments (RM'000)**	**Total (RM'000)**
Executive Directors*	50	358	408
Non-Executive Directors*	147	–	147
Total	**197**	**358**	**555**

2. STRENGTHEN COMPOSITION OF THE BOARD (CONT'D)

BOARD COMMITTEES (CONT'D)

Directors' Remuneration (Cont'd)

The details of Directors' remuneration during the financial year disclosed by category are as follows:- (Cont'd)

Range of Remuneration inclusive Attendance Allowance (RM)	Executive Director	Non-Executive Director
Below RM 50,000		
RM 50,001 – RM100,000*	1	
RM100,001 – RM150,000		
RM150,001 and above	1	
FEES		
RM 5,001 – RM20,000*	3	2
RM20,001 – RM40,000		3

* *A director of the Company held the position of non-executive director from 1 January 2015 to 30 June 2015, and was redesignated as an executive director from 1 July 2015 to 31 December 2015.*

Directors' remuneration is decided and reviewed in line with the objective of attracting and retaining directors of the calibre, expertise and experience needed to lead the Group successfully. Remuneration for the Executive Directors is aligned to individual and corporate performance. Non-Executive Directors are paid fees for the responsibility they shoulder.

The Remuneration Committee recommends to the Board for approval the remuneration of the Executive Directors in accordance with the remuneration policy established. The Board as a whole determines the remuneration of the Non-Executive Directors. Each individual Director abstains from the Board decision on his own remuneration. The fees of the Directors are subject to the approval of the shareholders at the AGM.

Meetings and Procedures

Meetings are to be held as and when necessary. The quorum for each meeting shall be two (2). The Group Chief Executive Officer ("CEO") shall attend and make presentations at meetings, whenever business is not related to Executive Directors' remuneration. The Committee will decide its own procedures and other administrative arrangements.

Minutes of each meeting shall be kept by the Company Secretary as evidence that the Committee has discharged its functions. The Chairman of the Committee will report to the Board after each Remuneration Committee meeting.

During the year ended 31 December 2015, one meeting was held, which was attended by all members of the Remuneration Committee.

IV) The Employees' Share Option Scheme Committee ("ESOS")

The ESOS Committee was established on 04 March 2015. The current composition of the ESOS Committee is as follows:

Chairman	:	Dato' Lim Soo Kok
Member	:	Y. Bhg. Dato' Khairi Bin Mohamad
Member	:	Miss Lim Bee Hong
Member	:	Mr. Wong Chee Fatt

The implementation of the ESOS is to reward and retain employees of the Group who are instrumental to the success and future growth of the Group. The ESOS is allocated to eligible employees (including Directors) in accordance with the Bye-Laws based on the performance, position held and length of service of the respective employees. The Non-Executive Directors are also eligible for the ESOS.

During the financial year, no share option was granted to any employee of the Group.

3. REINFORCE INDEPENDENCE

Annual Assessment of Independent Directors

The Board shall assess the independence of the Independent Directors annually, taking into account the individual Director's ability to exercise independent judgment at all times and to contribute to the effective functioning of the Board.

The Independent Directors are not employees and they do not participate in the day-to-day management as well as the daily business of the Company. All four Non-Executive Directors are independent directors and are able to express their views without any constraint. This strengthens the Board which benefits from the independent views expressed before any decisions are taken. They bring an external perspective, constructively challenge and help develop proposals on strategy, scrutinize the performance of Management in meeting approved goals and objectives, and monitor risk profile of the Company's business and the reporting of monthly business performance.

The Board has assessed the independence of the Independent Directors and is satisfied with the level of independence demonstrated by all the Independent Directors and their ability to act in the best interest of the Company.

Tenure of Independent Directors

In compliance with the recommendation of the Code, the Nomination Committee has reviewed and assessed the Independent Director who has served a tenure of more than nine (9) years each in that capacity of the Company. Y.A.D. Dato' Setia Tengku Indera Pahlawan Tengku Putra Alhaj Bin Tengku Azman Shah Alhaj and Y. Bhg. Dato' Khairi Bin Mohamad, who were appointed as Independent Non-Executive Directors on 19 June 2000, have exercised their objectives and independent judgments on all board deliberations and have not compromised their long relationship with other Board members. The Nomination Committee has recommended to the Board to seek shareholders' approval for Y.A.D. Dato' Setia Tengku Indera Pahlawan Tengku Putra Alhaj Bin Tengku Azman Shah Alhaj and Y. Bhg. Dato' Khairi Bin Mohamad to be retained and re-appointed as Independent Non-Executive Directors of the Company at the forthcoming AGM.

Separation of positions of the Chairman and CEO

The roles and responsibilities of the Chairman and the CEO are distinct and separate; the Chairman being Non-Executive is not involved in the management and day-to-day operations of the Group. The Chairman position has been vacated and the Board will continue to assess the need to fill up the position from time to time.

The CEO has overall responsibilities for the day-to-day management of the business and is responsible for Group strategies, organisational effectiveness and implementation of Board policies and decisions.

Generally, the Executive Directors are responsible for developing, coordinating and implementing business and corporate policies and strategies for the Group. They are accountable to the Board for the profitability, operations and development of the Group, consistent with the primary objective of protecting and enhancing long term stakeholders' value and the financial performance of the Group whilst taking into account the interests of other stakeholders.

The Non-Executive Directors who possess the experience and business acumen contribute effectively to the Board's deliberation and decision making process. The Independent Directors are independent of management and are free from any business or other relationships that could materially interfere with the exercise of independent judgment. They provide independent and balanced assessment and unbiased views and advice to the Board's deliberation and decision-making process, so as to safeguard the interests of the Group and its stakeholders whilst ensuring high standards of conduct and integrity are maintained.

4. FOSTER COMMITMENT

Time Commitment

The Board meets at least four (4) times a year, with additional meetings for particular matters convened as and when necessary. Meetings were scheduled at the start of the year to enable Board members to plan their appointment schedule. During the financial year, the Board met four (4) times and all Directors have complied with the requirement in respect of board meeting attendance as provided in the Listing Requirements of Bursa Malaysia. At these meetings, all members of the Board are encouraged to conduct full deliberation on issues brought up. Senior management and external advisors are invited to attend the Board meetings to brief and advice on relevant agenda items to enable the Board to arrive at a considered decision. At these meetings, the Company Secretary are responsible for ensuring that all relevant procedures are complied with and that accurate and proper records of the proceedings of Board meetings and resolutions passed are recorded and kept in the statutory register at the registered office of CME.

The details of the attendance of each Director at Board Meetings held during the financial year are set out below.

Name	Meetings Attended
Y.M. Tunku Nizamuddin Bin Tunku Dato' Seri Shahabuddin	3/4
Miss Lim Bee Hong	4/4
En. Azlan Omry Bin Omar	4/4
Y.A.D. Dato' Setia Tengku Indera Pahlawan Tengku Putra Alhaj Bin Tengku Azman Shah Alhaj	4/4
Y. Bhg. Dato' Khairi Bin Mohamad	4/4
Miss Ong Suan Pin	4/4
YAM Tengku Besar Tengku Kamil Ismail Bin Tengku Idris Shah *(Appointed w.e.f. 09 March 2015)*	2/4

Directors' Training

The Company is cognizant of the importance of continuous training for Directors to further enhance their knowledge and expertise and to keep abreast with latest developments in regulatory requirements and business practices.

All Directors have attended the Mandatory Accreditation Programme prescribed by the Listing Requirements of Bursa Malaysia. During the financial year, Directors have attended various accredited training programmes/courses and seminars to further broaden their skills, knowledge and perspectives to keep them abreast with new and relevant developments pertaining to changes in legislation, regulations and the market place.

The Board encourages its Directors to attend talks, seminars workshops and conferences to update and enhance their skills and knowledge to enable them to carry out their roles effectively as Directors in discharging their responsibilities towards corporate governance, operational and regulatory issues.

During the financial year under review, the Directors attended the following training programs:-

1) Impact of Goods and Services Tax (GST) on Businesses

5. UPHOLD INTEGRITY IN FINANCIAL REPORTING

Financial Reporting

The Board is responsible for ensuring that financial statements are drawn up in accordance with the provision of the Companies Act, 1965 and Malaysian Accounting Standards Board Approved Accounting Standards in Malaysia. In presenting the financial statements, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates to present a true and fair assessment of the Company's position and prospects. The annual audited financial statements and quarterly announcement of results were reviewed by Audit Committee and approved by the Board prior to release to Bursa Malaysia.

The Statement by Directors made pursuant to Section 169(15) of the Act is set out on page 95 of the Annual Report.

Statement of Directors' Responsibility

The Board of Directors is required under paragraph 15.26(a) of the Listing Requirements of Bursa Malaysia, to issue a statement on its responsibility in the preparation of the annual audited financial statements.

The Directors are responsible to ensure that financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and of the results and the cash flows of the Group and of the Company for the year then ended.

In preparing these financial statements for the year ended 31 December 2015, the Directors have:

- adopted suitable accounting policies and then applied them consistently;
- made estimates and judgments that are reasonable and prudent;
- ensured that applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared the financial statements on the going concern basis.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act, 1965. The Directors are also responsible for the assets of the Company and hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Relationship with External Auditors

The Company's external auditors continue to report to the Company on their findings which are reported in the Company's financial reports with respect to each year of audit on the statutory financial statements. The Audit Committee and the Board have established formal and transparent arrangements to maintain appropriate relationships with the Company's external auditors from whom professional advice on financial reporting is sought.

The Board has established a formal and transparent relationship with the auditors. The Audit Committee recommends the appointment of the external auditors. The appointment of the external auditors is subject to the approval of shareholders in general meetings whilst their remuneration is determined by the Board. From time to time, the auditors highlight to the Audit Committee and the Board on matters that require the Board's attention.

The role of the Audit Committee is further described in the Audit Committee Report set out on pages 26 to 29 of this Annual Report.

6. RECOGNISE AND MANAGE RISK

The Board is responsible for the Group's system of internal control and risk management and for reviewing its adequacy and integrity. While acknowledging their responsibility for the system of internal control, the Board is aware that the Group's system is designed to manage rather than eliminate risks and therefore cannot provide absolute assurance against material misstatements, fraud and loss.

The Statement on Risk Management and Internal Control set out on pages 30 to 31 of this Annual Report provides an overview of the state of risk management and internal controls of the Group and of the Company.

7. ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

Corporate Disclosure Policies

The Board has in place a Corporate Disclosure Policy in line with the Main Market Listing Requirements of Bursa Securities to enable comprehensive, accurate and timely disclosures relating to the Company and its subsidiaries to be made to the regulators, shareholders and investors.

The Board has delegated the authority to the Executive Director to approve all announcements for release to Bursa Securities. The Executive Director work closely with the Board, the Senior Management and the Company Secretary who are privy to the information to maintain strict confidentiality of the information.

Apart from the provisions relating to the 'closed period' for dealing in the company's shares, the directors and senior management privy to price sensitive information are prohibited from dealing in the shares of the company until such information is publicly available.

Leverage on Information Technology for Effective Dissemination of Information

Shareholders and investors can obtain pertinent information on the Group's various activities by accessing its web-site at www.cme.com.my or through the Bursa Malaysia website at www.bursamalaysia.com. CME web-site has a dedicated online investor relation portal providing information about the Group including financials, Annual Report, announcements and media releases.

8. STRENGHTEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

The Board recognises the important of establishing a direct line of communication with shareholders and investors through timely dissemination of information on the Group's performance and major development via appropriate channels of communication.

Platforms for dissemination of information include the AGM and Extraordinary General meetings ("EGM"), if any, distribution of Annual Reports and relevant circulars and prospectuses. Information on the financial performance of the Group is communicated to the public via the announcement of its financial results to Bursa Securities on a quarterly basis.

The AGM is the principal forum for dialogue and interaction among shareholders, the Board and Management. At each AGM, the Board encourages shareholders to participate in the proceedings and ask questions about the resolutions being proposed and corporate developments as well as receiving constructive feedback from shareholders. Shareholders who are unable to attend are allowed to appoint proxy/proxies to attend and vote on their behalf.

The Chairman will ensure that the Shareholders are informed of their rights to demand for poll voting at the commencement of each general meeting.

9. STATEMENT OF COMPLIANCE WITH THE CODE

The Board is of the opinion that it has, in all material aspects, complied with the principles and best practices outlined in the Malaysian Code on Corporate Governance 2012 for the financial year ended 31 December 2015.

This statement was approved by the Board of Directors on 18 April 2016.

10. ADDITIONAL COMPLIANCE INFORMATION

The following information provided is in respect of the financial year ended 31 December 2015.

1. Utilisation of Proceeds

There were no proceeds raised from any proposal during the financial year under review.

2. Share Buy-Backs

During the financial year under review, the Company did not enter into any share buyback transactions.

3. Options, Warrants or Convertible Securities

There were no exercises of options, warrants or convertible securities during the financial year under review.

4. Depository Receipt Programme

During the financial year under review, the Company did not sponsor any depository receipt programme.

5. Sanctions and/or Penalties

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or Management by the relevant regulatory bodies during the financial year ended 31 December 2015.

6. Non-Audit Fees

The total amount of non-audit fees incurred for services rendered to the Company and its subsidiaries for the financial year ended 31 December 2015 by the Company's external auditors and a firm or corporation affiliated to them amounted to RM3,000.00.

7. Variation in Profit Estimate, Forecast or Projections

There were no variations of 10% or more between the audited results and the unaudited results previously announced for the year ended 31 December 2015. There were no profit estimate, forecast or projection been announced by the Company during the year.

8. Profit Guarantee

No profit guarantee was given by the Company and or its subsidiaries in respect of the financial year.

9. Material Contracts

There were no material contracts entered into by the Company and its subsidiaries involving Directors' and major shareholders' interest.

10. Revaluation Policy on Landed Properties

There were no revaluation policies on landed properties adopted by the Group during the financial year under review.

10. ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

11. Recurrent related party transactions of a revenue or trading nature

There were no recurrent transactions with related parties undertaken by the Group during the financial year under review.

11. CORPORATE SOCIAL RESPONSIBILITY ("CSR")

The Board of Directors of CME acknowledges the significance of CSR and views CSR as an extension to the Group's efforts in promoting a strong corporate governance culture. Hence, the Group continues to focus and is committed to the community through various CSR initiatives.

1) The Community

As a caring corporate citizen, the Group continues to extend assistance to the underprivileged of the lesser significant homes and individuals to provide both financial and moral support. We never choose certain groups in contributing because we care to all those in need.

2) The Workplace

As part of the continuous effort to promote human capital development, the Group sponsored the participation of our staff in local and overseas training programmes and seminars to enhance their knowledge and skills to keep them up to date with new relevant developments in furtherance of their duties effectively.

We believe that employees' involvement is vital to the success of the Group and we strive to motivate, develop and retain the best employees and to ensure them to excel and thrive at all times.

In a bid to form a close-knit CME family, we also organised fun-filled events in conjunction with the major festive occasions throughout the year. These events have become a much anticipated platform for CME employees to gather under one roof in the spirit of camaraderie and unity.

3) Environmental

Our employees are hearts of the Company and we have long maintained a safe and healthy working environment for all employees and continuously inculcate safety and health consciousness in them.

AUDIT
COMMITTEE REPORT

CONSTITUTION

The terms of reference of the Audit Committee are set out in pages 28 and 29 of the Annual Report.

COMPOSITION

The Audit Committee comprises three (3) members of the Board with three (3) Independent Non-Executive Directors.

MEMBERSHIP

Members of the Board who serve on the Audit Committee are as follows:-

Name	Membership status
Y. Bhg. Dato Khairi Bin Mohamad	Chairman, Independent Non-Executive Director
Miss Ong Suan Pin	Independent Non-Executive Director
En. Azlan Omry Bin Omar *(Resigned w.e.f. 01 July 2015)*	Independent Non-Executive Director
YAM Tengku Besar Tengku Kamil Ismail Bin Tengku Idris Shah *(Appointed w.e.f. 01 July 2015)*	Independent Non-Executive Director

MEETINGS

The Committee met four (4) times during the financial year ended 31 December 2015. Details of the attendance of each member at the Audit Committee Meeting held during the year are as follows:-

Name	No. of Meeting Attended
Y. Bhg. Dato Khairi Bin Mohamad	4/4
Miss Ong Suan Pin	4/4
YAM Tengku Besar Tengku Kamil Ismail Bin Tengku Idris Shah	1/4
En. Azlan Omry Bin Omar	2/4

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

During the financial year, the Audit Committee conducted its activities in line with its terms of reference which include the followings:-

1. Financial Results

(a) Reviewed the unaudited quarterly financial results and announcements before recommending to the Board for consideration and approval and the release of the Group's results to Bursa Malaysia.

(b) Reviewed the annual audited financial statements before recommending to the Board for consideration and approval. The review was to ensure that the financial reporting and disclosures were in compliance with:-

- Main Market Listing Requirements of Bursa Malaysia;
- Provisions of Companies Act, 1965 and other legal and regulatory requirements; and
- Applicable approved accounting standards of Malaysian Accounting Standards Board.

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE (CONT'D)

2. External Audit

(a) Reviewed and approved the external auditors' audit plan and scope of work for the annual audit.

(b) Reviewed the results from the external audit and highlighted the issues and reservations arising from the audit to the Committee.

(c) Recommended to the Board the re-appointment and remuneration of the external auditors.

(d) Reviewed with the external auditors the impact of new or proposed changes in accounting standards and regulatory requirements and the extent of compliance.

(e) During the review of CME's twelve-month's financial results, the Group External Auditors, Messrs Deloitte was invited to discuss the Group's financial statements for the year ended 31 December 2015. The Management's response to all pertinent issues and findings had been raised and noted by the External Auditors during their examination of the Group's financial statement; together with recommendations in respect of the findings.

3. Internal Audit

(a) Reviewed and approved the internal audit plan for the year prepared by the internal auditors to ensure adequate scope and coverage on the activities of the Group taking into consideration the assessment of the key risks areas.

(b) Reviewed the performance, adequacy, resources and competency of the internal auditors.

(c) Reviewed the internal audit reports, audit recommendations made and Management's response to these recommendations and actions taken to improve system of internal control and procedures.

(d) Held one (1) meeting with internal auditors during the financial year without the presence of the Executive Directors and employees of the Company.

INTERNAL AUDIT FUNCTION

The Internal Audit Function ("IAF") of the Group is outsourced. The cost incurred for the outsourced of internal audit function in respect of the financial year 2015 amounted to RM18,000.00.

The IAF's primary role is to provide assurance to the Audit Committee on the adequacy and effectiveness of the risk, control and governance framework of the Group.

The IAF reports directly to the Audit Committee who reviews and approves the annual internal audit plan.

During the financial year, the activities carried out were as follows:-

(a) Conducted internal audit reviews in accordance with the approved internal audit plan and reported to the Audit Committee on the findings and the actions taken by Management to address the matters highlighted.

(b) Reviewed the adequacy and effectiveness of the system of controls to ensure there is a systematic methodology in identifying, assessing and mitigating risk areas in regard to:

- Reliability and integrity of financial and operational information;
- Effectiveness and efficiency of operations;
- Safeguarding of assets; and
- Compliance with laws, regulations and contractual obligations within the Group's governance, operations and information systems.

INTERNAL AUDIT FUNCTION (CONT'D)

(c) Reviewed and appraised the soundness, adequacy and application of controls in the area of adherence, efficiency and effectiveness.

(d) Identified opportunities to improve the operations and processes of the Group and recommend improvements to existing system of internal controls.

TERMS OF REFERENCE

The Audit Committee is guided by terms of reference, of which the salient points are as follows:-

1. Objectives of the Audit Committee

The Audit Committee shall assist the Board:

(a) in complying with specified accounting standards and the necessary disclosure as required by Bursa Malaysia, relevant accounting standards bodies, and any other laws and regulations as amended from time to time;

(b) in presenting a balanced and understandable assessment of the Company's position and prospects;

(c) in establishing a formal and transparent arrangement for maintaining an appropriate relationship with the Company's auditors;

(d) in maintaining a sound system of internal controls to safeguard shareholders' investment and the Company's assets; and

(e) ensure the independence of the external and internal audit functions.

2. Composition of the Audit Committee

(a) The Audit Committee shall comprise a minimum of three (3) members, of which a majority must be independent directors.

(b) All members of the Audit Committee shall be non-executive directors.

(c) At least one (1) member of the Audit Committee shall be a member of the Malaysian Institute of Accountants or a person who fulfils the requirements of the Listing Requirements.

(d) The Chairman of the Audit Committee shall be an Independent Director.

(e) All members of the Audit Committee shall hold office only for so long as they serve as Directors of the Company.

3. Duties and Responsibilities of the Audit Committee

(a) To nominate and recommend the appointment of the external auditors and considers the adequacy of experience, resources, audit fee and any issues regarding their re-appointment, resignation or dismissal;

(b) To discuss with the external auditors before the audit commences the nature and scope of the audit;

(c) To discuss problems and reservations arising from the interim and final audits, and any matters the auditors may wish to discuss (in the absence of management where necessary);

(d) To review with external auditors, their audit report;

TERMS OF REFERENCE (CONT'D)

The Audit Committee is guided by terms of reference, of which the salient points are as follows:- (Cont'd)

3. Duties and Responsibilities of the Audit Committee (Cont'd)

(e) To perform the following in respect of the IAF:

(i) reviews and reports to the Board on:-

- the adequacy of the scope, authority, functions, resources and competency of the IAF;
- the internal audit programme, processes and the results of the internal audit programme, process or investigations undertaken and whether or not the management takes appropriate action on the recommendation of the IAF;

(ii) discuss and review the major findings of internal audit investigations and Management's response and where necessary, ensures that appropriate actions taken on the recommendations of the IAF;

(iii) reviews any appraisal or assessment of the performance of members of the IAF;

(iv) ensures the independence of the IAF and that it reports directly to the Audit Committee;

(f) To review with the management and the external auditors the quarterly and year-end financial statements before their submission to the Board, focusing particularly on any changes in accounting policies and practices, significant adjustments arising from the audit, the going concern assumptions, and compliance with accounting standards and other statutory requirements;

(g) To review and report to the Board on any related party transactions and conflict of interest situation that may arise within the Group including any transaction, procedure or course of conduct that raises questions of management integrity;

(h) To report to the Board of Directors if there is any breach of Listing Requirements and recommends corrective measures;

(i) To promptly report to Bursa Malaysia where a matter reported by the Audit Committee to the Board has not been satisfactorily resolved resulting in a breach of Listing Requirements; and

(j) To consider other issues as defined by the Board.

STATEMENT ON
RISK MANAGEMENT AND INTERNAL CONTROL

The Statement of Risk Management and Internal Control is made in accordance with paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia which requires Malaysian Public listed companies to outline the nature and scope of risk management and internal control, as a Group, in their Annual Report.

BOARD RESPONSIBILITY

The Board of Directors of CME Group Berhad is responsible for the adequacy and effectiveness of the Group's Risk Management and Internal Control System. The Board is committed to maintain a sound system of internal control and risk management for the Group and is responsible for the establishment of an appropriate control environment, risk management framework, processes and structures, and continually reviewing its adequacy and integrity so as to safeguard shareholders' investment and the assets of the Group.

The Board and Management have implemented a sound system designed to identify and manage risks faced by the Group in pursuit of its business objective including updating the systems in line with changes to business environment, operating conditions and compliance with relevant laws, both local and foreign, all other regulations, policies and procedures. As any system of internal control has inherent limitations, such systems are designed to manage rather than eliminate the risk that may restrict or prevent the achievement of the Group's business objectives. This internal control system, by its nature, can only provide reasonable but not absolute assurance against material misstatement or losses, fraud or breaches of laws or regulations. The Board has received assurance from the CEO that the Company's risk management and internal control systems are operating adequately and effectively in all material aspects.

RISK MANAGEMENT

The Group's overall risk management objective is to ensure that the Group creates value for its shareholders whilst minimising potential adverse effects on its performance and positions.

The Group has in place processes for the identification, evaluation, reporting, treatment, monitoring and review of the major strategic, business and operation risks within the Group. The risk management structure and control mechanism for financial, operational, environmental and compliance matters with Board's participation, is put in place and embedded throughout the Group during the financial year under review and up to the date of approval of this Statement, so as to manage the significant risks that may affect the Group's business objectives on a continuous basis and they also allow any new significant risk identified being subsequently evaluated and managed. The Board shall continue to evaluate the existing risk management practices, and where appropriate and necessary, revise such practices accordingly.

INTERNAL CONTROL SYSTEM

The key processes of the Group's internal control system include the following:

- **Organisational structure**

  The roles and responsible are clearly defined with a clear organisation structure, line of accountability and delegated authority to facilitate the Group's daily operations consistently in line with its corporate objectives, strategies, budget, policies and business directions as approved by the Board.

- **Delegation of authority guidelines**

  Policy guidelines and authority limits are imposed on Executive Directors and Management within the Group in respect of the day to day banking and financing operations, investments, acquisition and disposal of assets. The limits are reviewed and updated regularly to reflect business, operational and structural changes.

- **Policies and procedures**

  Policy and procedures have been established and are regularly updated to reflect changes in business and operational requirements. The Code of Business Conduct was adopted for governing the performance of work and business practices of the Group which includes obtaining authority for major transactions and ensuring compliance with laws and regulations that have significant financial implications. There are guidelines within the Group for recruitment of staff, training, performance appraisals and other relevant procedures.

INTERNAL CONTROL SYSTEM (CONT'D)

The key processes of the Group's internal control system include the following: (Cont'd)

- **Internal audit function**

  As more fully described in the Audit Committee Report, an independent internal audit function has been establishment which provides assurance to the Audit Committee on the adequacy and integrity of the Group's internal controls. Internal audit reviews are executed based on an approved risk-based internal audit plan. The findings of the internal audit reviews together with Management's responses are presented to the Audit Committee.

- **Quality management system audit**

  Audits on quality accreditations of the Group by internal auditors and accreditation bodies to ensure compliance with certification and regulatory requirements were conducted.

- **Control Environment**

  The Group has in place internal control systems at each level of responsibility supported by commitment of management. The Board believes that a sound internal control system reduces, though it cannot eliminate, the possibility of poor judgement in decision making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances.

CONCLUSION

The Board is of the view that the risk management and internal control systems of the Group are satisfactory and have not resulted in material losses or contingencies to the Group for the financial year under review.

The Board has an ongoing commitment to ensure continuous improvement in the effectiveness and integrity of the Group's system of risk management and internal control.

Review of the Statement by External Auditors

This Statement, prepared in accordance with paragraph 15.26(b) of the Main Market Listing Requirement has been reviewed by the external auditors as required under paragraph 15.23 for inclusion in the annual report. Based on their review, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of risk management and internal controls.

This statement is made in accordance with the resolution of the Board of Directors dated 18 April 2016.

FINANCIAL STATEMENTS

The directors of **CME GROUP BERHAD** hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended December 31, 2015.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

The principal activities of the subsidiary companies are disclosed in Note 13 to the Financial Statements.

There have been no significant changes in the nature of the principal activities of the Company and of its subsidiaries during the financial year.

RESULTS OF OPERATIONS

The results of operations of the Group and of the Company for the financial year are as follows:

	The Group RM'000	The Company RM'000
Loss before tax	(13,667)	(651)
Income tax credit	150	58
Loss for the year	(13,517)	(593)
Attributable to:		
Equity holders of the Company	(13,517)	(593)

In the opinion of the directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature except for the provision for forberance payment as disclosed in Note 7 and Note 26 to the financial statements.

DIVIDENDS

No dividends have been paid or declared by the Company since the end of the previous financial year. The directors also do not recommend any dividend payment in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

The Company has not issued any new shares or debentures during the financial year.

EMPLOYEE SHARE OPTION SCHEME

At an Extraordinary General Meeting held on October 14, 2014, the shareholders of the Company approved the resolutions pertaining to the Employee Share Option Scheme ("ESOS") and the granting of options to the eligible employees (including Directors) of the Company.

On March 4, 2015, the ESOS Committee has been established and approved to assist the Board in administering the ESOS. No ESOS was granted to any eligible employees during the year.

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As at the end of the financial year, there were no unissued shares of the Company under options.

OTHER STATUTORY INFORMATION

Before the statements of profit or loss and other comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and had satisfied themselves that no known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.

The Group's net current liabilities is approximately RM22,198,000 mainly as a result of losses incurred in the current financial year and external borrowings obtained in the current and previous financial years. The net current liabilities of the Group as at December 31, 2015 indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. Notwithstanding this, the financial statements of the Group have been prepared in accordance with the accounting principles applicable to a going-concern. This going-concern basis presumes that the realisation of assets and the settlement of liabilities of the Group will occur in the ordinary course of business. In this connection, the Directors are of the opinion that funds will be made available by certain shareholders and financiers in order for the Group to meet its financial obligations as and when they fall due.

Except as stated above, at the date of this report, the directors are not aware of any circumstances:

(a) which would require the writing off of bad debts or render the amount of allowance for doubtful debts inadequate to any substantial extent in the financial statements of the Group and of the Company; or

(b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

(d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

(a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company for the succeeding financial year.

DIRECTORS

The following directors served on the Board of the Company since the date of the last report:

YAD Dato' Setia Tengku Indera Pahlawan Tengku Putra Alhaj bin Tengku Azman Shah Alhaj
Dato' Khairi bin Mohamad
Azlan Omry bin Omar
Lim Bee Hong
Tunku Nizamuddin bin Tunku Dato' Seri Shahabuddin
Ong Suan Pin
YAM Tengku Besar Tengku Kamil Ismail bin Tengku Idris Shah

In accordance with Article 83 of the Company's Articles of Association, Tunku Nizamuddin bin Tunku Dato' Seri Shahabuddin, En Azlan Omry bin Omar and Ms Lim Bee Hong retire by rotation and, being eligible, offer themselves for re-election at the forthcoming Annual General Meeting.

In accordance with Section 129(6) of the Companies Act 1965, Dato' Khairi bin Mohamad who is over seventy (70) years of age, retires at the forthcoming Annual General Meeting and shall seek re-appointment as director under the provisions of the said Act until the next Annual General Meeting.

DIRECTORS' INTERESTS

The shareholdings of directors in the Company of those who were directors at the end of the financial year as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965, are as follows:

	Number of ordinary shares of RM0.10 each			
	Balance as of 1.1.2015	**Bought**	**Sold**	**Balance as of 31.12.2015**
DIRECT INTEREST				
Shares in the Company				
Registered in the name of directors				
Lim Bee Hong	100,540	–	–	100,540
Ong Suan Pin	12,470,180	–	–	12,470,180

		Number of ordinary shares of RM0.10 each			
	Held through	**Balance as of 1.1.2015**	**Bought**	**Sold**	**Balance as of 31.12.2015**
DEEMED INTEREST					
Shares in the Company					
Tunku Nizamuddin bin Tunku Dato' Seri Shahabuddin	Ikram Mulia Holdings Sdn Bhd	80,573,640	–	–	80,573,640

By virtue of their interest in the shares of the Company, the abovementioned directors are deemed to have an interest in the shares of the subsidiary companies to the extent the Company has interest.

None of the other directors in office at the end of the financial year held shares or had any beneficial interests in the shares of the Company or its related companies during and at the end of financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive any benefit (other than the benefits included in the aggregate of emoluments received or fixed salary of full-time employees of certain directors in subsidiary companies as disclosed in the financial statements of the Group and of the Company) by reason of a contract made by the Company or a related company with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any body corporate.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Significant events during the financial year are disclosed in Note 33 to the Financial Statements.

AUDITORS

The auditors, Messrs. Deloitte have indicated their willingness to continue in office.

Signed on behalf of the Board
in accordance with a resolution of the Directors,

TUNKU NIZAMUDDIN BIN
TUNKU DATO' SERI SHAHABUDDIN

LIM BEE HONG

Petaling Jaya,
April 18, 2016

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CME GROUP BERHAD

Report on the Financial Statements

We have audited the financial statements of **CME GROUP BERHAD**, which comprise the statements of financial position as of December 31, 2015 of the Group and of the Company and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 39 to 93.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of these financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of December 31, 2015 and their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2 to the Financial Statements. As of December 31, 2015 the Group's net current liabilities is approximately RM22,198,000 mainly as a result of losses incurred in the current financial year and external borrowings obtained in the current and previous financial years. The net current liabilities of the Group as at December 31, 2015 indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going-concern. Notwithstanding this, the financial statements of the Group have been prepared in accordance with the accounting principles applicable to a going concern. This going concern basis presumes that the realisation of assets and the settlement of liabilities of the Group will occur in the ordinary course of business. In this connection, the Directors are of the opinion that funds will be made available by certain shareholders and financiers in order to meet its financial obligations as and when they fall due. Should these assumptions be negated, the preparation of the financial statements on the going concern basis may no longer be appropriate.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

(a) in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiary companies which we have acted as auditor, have been properly kept in accordance with the provisions of the Act;

(b) we have considered the accounts and auditor's reports of the subsidiary company, of which we have not acted as auditor, which is indicated in Note 13 to the financial statements;

(c) we are satisfied that the account of the subsidiary company that has been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements, and we have received satisfactory information and explanations as required by us for these purposes; and

(d) the auditor's report on the accounts of the subsidiary company did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Reporting Responsibilities

The supplementary information set out in Note 34 to the financial statements is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1 "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements" as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

DELOITTE
AF 0080
Chartered Accountants

WONG KAR CHOON
Partner - 3153/08/16 (J)
Chartered Accountant

April 18, 2016

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2015

		The Group		The Company	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Revenue	5	22,293	21,987	1,372	6,147
Cost of sales		(18,918)	(17,502)	(1,296)	(5,273)
Gross profit		3,375	4,485	76	874
Other gains		3,635	473	3,410	380
Fair value gain on investment properties		–	17,802	–	17,802
Administrative expenses		(5,569)	(7,074)	(2,419)	(2,374)
Other expenses		(12,881)	(2,098)	(293)	(110)
Impairment loss on trade receivables		(463)	(8,771)	(437)	(8,748)
Finance costs	6	(1,764)	(944)	(988)	(619)
(Loss)/Profit before tax	7	(13,667)	3,873	(651)	7,205
Income tax credit/(expense)	8	150	(825)	58	(890)
(Loss)/Profit for the year		(13,517)	3,048	(593)	6,315
Other comprehensive income, net of income tax:					
Item that may be reclassified subsequently to profit or loss:					
Fair value gain on available-for-sale financial assets	14	1,354	2,083	1,354	2,083
Exchange differences on translating foreign operations		3,023	38	–	–
Other comprehensive income for the year, net of tax		4,377	2,121	1,354	2,083
Total comprehensive (loss)/income for the year		(9,140)	5,169	761	8,398
(Loss)/Profit for the year attributable to:					
Equity holders of the Company		(13,517)	3,048	(593)	6,315
Total comprehensive (loss)/income attributable to:					
Equity holders of the Company		(9,140)	5,169	761	8,398
Basic (loss)/earnings per ordinary share (sen) (Note 9)		(3.064)	0.691		

The accompanying Notes form an integral part of the Financial Statements.

STATEMENTS OF FINANCIAL POSITION

AS OF DECEMBER 31, 2015

	Note	The Group 2015 RM'000	The Group 2014 RM'000	The Company 2015 RM'000	The Company 2014 RM'000
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	10	7,022	7,173	44	165
Land held for property development	11	40,532	30,044	7,667	–
Investment properties	12	41,110	56,112	41,110	56,112
Investment in subsidiary companies	13	–	–	8,057	8,146
Other financial assets	14	8,197	4,755	8,197	4,755
Deferred tax assets	15	291	142	–	–
TOTAL NON-CURRENT ASSETS		97,152	98,226	65,075	69,178
CURRENT ASSETS					
Inventories	16	619	589	–	–
Amount due from contract customers	17	4,576	2,198	–	–
Trade receivables	18	2,149	2,118	160	608
Other receivables, deposits and prepaid expenses	18	9,778	6,609	8,291	3,513
Amount owing by subsidiary companies	13	–	–	56,050	55,572
Tax recoverable		535	466	–	–
Fixed deposits with licensed banks	19	–	1,008	–	–
Cash and bank balances	28	474	193	82	63
		18,131	13,181	64,583	59,756
Assets classified as held for sale	20	7,335	4,560	7,335	4,560
TOTAL CURRENT ASSETS		25,466	17,741	71,918	64,316
TOTAL ASSETS		122,618	115,967	136,993	133,494

	Note	The Group 2015 RM'000	The Group 2014 RM'000	The Company 2015 RM'000	The Company 2014 RM'000
EQUITY AND LIABILITIES					
CAPITAL AND RESERVES					
Issued capital	21	44,110	44,110	44,110	44,110
ICULS	22	31,370	31,370	31,370	31,370
Reserves	23	(4,000)	5,140	7,764	7,003
TOTAL EQUITY		71,480	80,620	83,244	82,483
NON-CURRENT LIABILITIES					
Hire-purchase payables - non-current portion	24	568	514	–	89
Long-term loan - non-current portion	25	2,074	2,431	–	–
Deferred tax liabilities	15	832	890	832	890
TOTAL NON-CURRENT LIABILITIES		3,474	3,835	832	979
CURRENT LIABILITIES					
Trade payables	26	9,687	10,791	8,635	8,698
Other payables, accrued expenses and provisions	26	15,810	13,749	4,128	11,133
Amount due to contract customers	17	83	–	–	–
Amount owing to subsidiary companies	13	–	–	32,616	30,099
Hire-purchase payables - current portion	24	133	101	–	9
Bank borrowings	27	21,879	6,853	7,520	75
Tax liabilities		72	18	18	18
TOTAL CURRENT LIABILITIES		47,664	31,512	52,917	50,032
TOTAL LIABILITIES		51,138	35,347	53,749	51,011
TOTAL EQUITY AND LIABILITIES		122,618	115,967	136,993	133,494

The accompanying Notes form an integral part of the Financial Statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2015

The Group	Issued Capital RM'000	ICULS RM'000	(Accumulated losses)/ Distributable reserve - Retained earnings RM'000	Non-distributable reserve – Fair value reserve RM'000	Non-distributable reserve - Foreign currency translation reserve RM'000	Equity attributable to equity holders of the Company RM'000	Non-controlling interests RM'000	Total equity RM'000
Balance as of 1.1.2014	44,110	–	430	7	–	44,547	194	44,741
Profit for the year	–	–	3,048	–	–	3,048	–	3,048
Other comprehensive income for the year	–	–	–	2,083	38	2,121	–	2,121
Total comprehensive income for the year	–	–	3,048	2,083	38	5,169	–	5,169
Issuance of ICULS (Note 22)	–	31,370	–	–	–	31,370	–	31,370
Acquisition of non-controlling interests	–	–	–	(466)	–	(466)	(194)	(660)
Balance as of 31.12.2014/1.1.2015	44,110	31,370	3,478	1,624	38	80,620	–	80,620
Loss for the year	–	–	(13,517)	–	–	(13,517)	–	(13,517)
Other comprehensive income for the year	–	–	–	1,354	3,023	4,377	–	4,377
Total comprehensive (loss)/profit for the year	–	–	(13,517)	1,354	3,023	(9,140)	–	(9,140)
Reclassification	–	–	(60)	60	–	–	–	–
Balance as of 31.12.2015	44,110	31,370	(10,099)	3,038	3,061	71,480	–	71,480

The Company	Issued capital RM'000	ICULS RM'000	(Accumulated losses)/ Distributable reserve - Retained earnings RM'000	Non-distributable reserve - Fair value reserve RM'000	Total equity RM'000
Balance as of 1.1.2014	44,110	–	(996)	(399)	42,715
Profit for the year	–	–	6,315	–	6,315
Other comprehensive income for the year	–	–	–	2,083	2,083
Total comprehensive income for the year	–	–	6,315	2,083	8,398
Issuance of ICULS (Note 22)	–	31,370	–	–	31,370
Balance as of 31.12.2014/1.1.2015	44,110	31,370	5,319	1,684	82,483
Loss for the year	–	–	(593)	–	(593)
Other comprehensive income for the year	–	–	–	1,354	1,354
Total comprehensive income/(loss) for the year	–	–	(593)	1,354	761
Balance as of 31.12.2015	44,110	31,370	4,726	3,038	83,244

The accompanying Notes form an integral part of the Financial Statements.

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2015

	The Group 2015 RM'000	The Group 2014 RM'000	The Company 2015 RM'000	The Company 2014 RM'000
CASH FLOWS (USED IN)/FROM OPERATING ACTIVITIES				
(Loss)/Profit for the year	(13,517)	3,048	(593)	6,315
Adjustments for:				
Provision for forbearance payment	10,618	–	–	–
Finance costs	1,764	944	988	619
Depreciation of property, plant and equipment	493	409	38	10
Impairment loss on trade receivables	463	8,771	437	8,748
Property, plant and equipment written off	90	–	90	–
Provision for warranty and free services	29	298	–	–
Impairment loss on trade receivables no longer required	(3,302)	–	(3,302)	–
Income tax (credit)/expense recognised in profit or loss	(150)	825	(58)	890
Unrealised gain on foreign exchange	(74)	–	–	–
Contract work-in-progress written off	–	1,181	–	–
Fair value gain on investment properties	–	(17,802)	–	(17,802)
Gain on disposal of assets held for sale	–	(380)	–	(380)
Interest income	–	(12)	–	–
Impairment loss on subsidiary	–	–	89	–
Operating Loss Before Working Capital Changes	(3,586)	(2,718)	(2,311)	(1,600)
(Increase)/Decrease in:				
Inventories	(30)	(720)	–	–
Amount due from contract customers	(2,378)	(1,156)	–	–
Trade receivables	2,882	407	3,313	(2,125)
Other receivables, deposits and prepaid expenses	490	(2,907)	(4,778)	(118)
Amount owing by subsidiary companies	–	–	(478)	(33,586)
Increase/(Decrease) in:				
Trade payables	(1,104)	3,056	(63)	2,105
Other payables, accrued expenses and provisions	(8,582)	7,396	(7,005)	5,579
Amount due to contract customers	83	–	–	–
Amount owing to subsidiary companies	–	–	2,517	634
Cash (Used In)/From Operations	(12,225)	3,358	(8,805)	(29,111)
Income tax paid	(72)	(358)	–	(98)
Warranty and free service paid	(4)	(422)	–	–
Net Cash (Used In)/From Operating Activities	(12,301)	2,578	(8,805)	(29,209)

	Note	The Group 2015 RM'000	The Group 2014 RM'000	The Company 2015 RM'000	The Company 2014 RM'000
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES					
Proceeds from disposal of assets held for sale		4,560	1,560	4,560	1,560
Decrease/(Increase) in fixed deposits pledged		1,008	(1,008)	–	–
Increase in refundable deposits		(3,659)	–	–	–
Additions to other financial assets		(2,088)	(2,180)	(2,088)	(2,180)
Purchase of property, plant and equipment (Note)		(103)	(120)	(7)	(69)
Interest received		–	12	–	–
Additions to land held for property development		–	(30,044)	–	–
Payments for the acquisition of non-controlling interests		–	(660)	–	(660)
Net Cash From/(Used In) Investing Activities		(282)	(32,440)	2,465	(1,349)
CASH FLOWS FROM FINANCING ACTIVITIES					
Increase in bank overdrafts		14,899	492	7,520	–
Increase/(dDecrease) in trust receipts/bankers' acceptances		189	(300)	–	–
Finance costs paid		(1,764)	(944)	(988)	(619)
Repayment of hire-purchase payables		(243)	(113)	(98)	(5)
Repayment of long-term loan		(419)	(835)	(75)	(151)
Proceeds from issue of ICULS		–	31,370	–	31,370
Net Cash From Financing Activities		12,662	29,670	6,359	30,595
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		79	(192)	19	37
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		193	347	63	26
Effects of exchange rate changes on cash and cash equivalents		202	38	–	–
CASH AND CASH EQUIVALENTS AT END OF YEAR	28	474	193	82	63

Note: The Group and the Company acquired property, plant and equipment with a total cost of RM432,000 (2014: RM450,000) and RM7,000 (2014: RM172,000) of which RM329,000 (2014: RM330,000) and RMNil (2014: RM103,000) was acquired under hire purchase arrangement. Accordingly, cash payment for the acquisition of property, plant and equipment made by the Group and the Company amounted to RM103,000 (2014: RM120,000) and RM7,000 (2014: RM69,000).

The accompanying Notes form an integral part of the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The principal activity of the Company is investment holding.

The principal activities of the subsidiary companies are disclosed in Note 13.

There have been no significant changes in the nature of the principal activities of the Company and of its subsidiaries during the financial year.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed in Bursa Malaysia Securities Berhad.

The registered office of the Company is located at 36A, Lorong Gelugor, Off Persiaran Sultan Ibrahim, 41300 Klang, Selangor Darul Ehsan.

The principal place of business of the Company is located at Lot 19, Jalan Delima 1/1, Taman Perindustrian Teknologi Tinggi Subang, 47500 Subang Jaya, Selangor Darul Ehsan.

The financial statements of the Group and of the Company have been approved by the Board of Directors and were authorised for issuance on April 18, 2016.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRSs") and the provisions of the Companies Act, 1965 in Malaysia.

The Group's net current liabilities is approximately RM22,198,000 mainly as a result of losses incurred in the current financial year and external borrowings obtained in the current and previous financial years. The net current liabilities of the Group as at December 31, 2015 indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. Notwithstanding this, the financial statements of the Group have been prepared in accordance with the accounting principles applicable to a going-concern. This going-concern basis presumes that the realisation of assets and the settlement of liabilities of the Group will occur in the ordinary course of business. In this connection, the Directors are of the opinion that funds will be made available by certain shareholders and financiers in order for the Group to meet its financial obligations as and when they fall due.

The financial statements are presented in Ringgit Malaysia ("RM") which represents the functional currency of the Group and of the Company and all financial information presented in RM are rounded to the nearest thousand ("RM'000"), unless otherwise stated.

Adoption of New and Revised Malaysian Financial Reporting Standards

In the current financial year, the Group and the Company adopted the following amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are relevant to their operations and effective for annual periods beginning on or after January 1, 2015:

Amendments to MFRS 119	Employee Benefits (Amendments relating to Defined Benefit Plans: Employee Contributions)

Amendments to MFRSs contained in the document entitled Annual Improvements to MFRSs 2010 – 2012 Cycle
Amendments to MFRSs contained in the document entitled Annual Improvements to MFRSs 2011 – 2013 Cycle

The adoption of these revised Amendments has not affected the amounts reported on the financial statements of the Group and of the Company.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONT'D)

Standards and Amendments in issue but not yet effective

At the date of authorisation for issue these financial statements, the new and revised Standards and Amendments which were in issue but not yet effective and not early adopted by the Group and the Company are as listed below:

MFRS 9	Financial Instruments[2]
MFRS 14	Regulatory Deferral Accounts[1]
MFRS 15	Revenue from Contracts with Customers[2]
Amendments to MFRS 9 and MFRS 7	Mandatory Effective Date of MFRS 9 and Transition Disclosures[2]
Amendments to MFRS 10, MFRS 12 and MFRS 128	Investment Entities: Applying the Consolidation Exception[1]
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations[1]
Amendments to MFRS 101	Disclosure Initiative[1]
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation[1]
Amendments to MFRS 116 and MFRS 141	Agriculture: Bearer Plants[1]
Amendments to MFRS 127	Equity Method in Separate Financial Statements[1]

Amendments to MFRSs contained in the document entitled Annual Improvements to MFRSs 2012 - 2014 Cycle[1]

1 Effective for annual periods beginning on or after January 1, 2016
2 Effective for annual periods beginning on or after January 1, 2018
3 Effective date deferred to a date to be determined and announced, with earlier application still permitted

The directors anticipate that the abovementioned Standards and Amendments will be adopted in the annual financial statements of the Group and the Company when they become effective and that the adoption of these Standards and Amendments will have no material impact on the financial statements of the Group and the Company in the period of initial application, except as discussed below.

MFRS 9 Financial Instruments

MFRS 9 (IFRS 9 issued by IASB in July 2014) introduces new requirements for the classification and measurement of financial assets and financial liabilities and for recognition.

Key requirements of MFRS 9:

- all recognised financial assets that are within the scope of MFRS 139 *Financial Instruments: Recognition and Measurement* to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods. In addition, under MFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of equity instrument (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONT'D)

MFRS 9 Financial Instruments (Cont'd)

- with regard to the measurement of financial liabilities designated as at fair value through profit or loss, MFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability, is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under MFRS 139, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

- in relation to the impairment of financial assets, MFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under MFRS 139. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

- the new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in MFRS 139. Under MFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The directors are currently assessing the impact of adoption of MFRS 9 and have not made any accounting policy decision. Thus, the impact of adopting the new MFRS 9 on the Group's and the Company's annual financial statements cannot be determined now until the process is completed.

MFRS 15 Revenue from Contracts with Customers

In May 2014, MFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contract with customers. MFRS 15 will supersede the current revenue recognition guidance including MFRS 118 *Revenue*, MFRS 111 *Construction Contracts* and the related interpretations when it becomes effective.

The core principle of MFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition.

Step 1: Identify the contract with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in MFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by MFRS 15.

The directors anticipate that abovementioned Standards will be adopted in the annual financial statements of the Group and of the Company when they become effective and that the adoption of these Standards and Amendments will have no material impact on the financial statements of the Group and of the Company in the period of initial application.

3. SIGNIFICANT ACCOUNTING POLICES

Basis of Accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the accounting policies below.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group and the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of MFRS 2, leasing transactions that are within the scope of MFRS 117, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in MFRS 102 or value in use in MFRS 136.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) inactive markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

Subsidiaries and Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

3. SIGNIFICANT ACCOUNTING POLICES (CONT'D)

Subsidiaries and Basis of Consolidation (Cont'd)

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Subsidiaries

Investment in subsidiaries which are eliminated on consolidation, are stated at cost less impairment losses, if any, in the Company's separate financial statements.

Business Combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

3. SIGNIFICANT ACCOUNTING POLICES (CONT'D)

Business Combinations (Cont'd)

At acquisition date, the identifiable assets acquired and liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with MFRS 112 *Income Taxes* and MFRS 119 *Employee Benefits* respectively;
- liabilities or equity instruments related to the share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with MFRS 2 *Share-based Paymen*t at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Standard.

Where the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or liability is remeasured at subsequent reporting dates in accordance with MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets,* as appropriate, with the corresponding gain or loss being recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held equity interests in the acquiree are remeasured to fair value at the acquisition date (i.e. the date when the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised at that date.

3. SIGNIFICANT ACCOUNTING POLICES (CONT'D)

Revenue

Revenue is measured at the fair value of consideration received or receivable and represent amounts receivable for goods and services provided in the normal course of business net of returns, trade discounts, allowances and goods and services tax.

The Group and the Company recognise revenue when the amount of the revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Group and the Company, upon satisfying the conditions of the Group's and the Company's activities as set out below.

Contract revenue is the proportion of the total contract value of contracts attributable to work performed determined using the percentage of completion method based on contract costs incurred for work performed todate against the total anticipated costs to completion on the contracts, net of goods and services tax and discounts.

Revenue from sale of equipment and spare parts, net of discounts is recognised upon delivery of products and when the risks and rewards of ownership have passed.

Revenue from rendering of services of equipment is recognised when services are rendered.

Rental income from investment properties is recognised on a straight-line basis over the term of the relevant lease.

Income Tax

Income tax for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the reporting date.

Deferred tax is recognised as an income or an expense and included in profit or loss for the period, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or the amount of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the combination.

Deferred tax is provided for, using the "liability" method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits are available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

The carrying amount of deferred tax assets, if any, is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

3. SIGNIFICANT ACCOUNTING POLICES (CONT'D)

Income Tax (Cont'd)

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The directors of the Company reviewed the Group's investment property portfolios and concluded that the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Nevertheless, the directors have determined that the 'sale' presumption set out in the amendments to MFRS 112 is not rebutted. As a result, the Group has recognised deferred taxes on changes in fair value investment properties based on the expected rate that would apply on disposal of the investment properties.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Goods and Services Tax ("GST")

Revenue, expenses and assets are recognised net of GST, unless the GST is not recoverable from the tax authority. The amount of GST not recoverable from the tax authority is recognised as an expense or as part of cost of acquisition of an asset.

Receivables and payables relate to such revenue, expenses or acquisitions of assets are presented in the statements of financial position inclusive of GST recoverable or GST payables.

GST recoverable from or payable to tax authority may be presented on net basis should such amounts are related to GST levied by the same tax authority and the taxable entity has a legally enforceable right to set off such amounts.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

<u>The Group as lessor</u>

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging on operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

<u>The Group as lessee</u>

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

3. SIGNIFICANT ACCOUNTING POLICES (CONT'D)

Employee Benefits

(i) Short-Term Employee Benefits

Wages, salaries, bonuses and non-monetary benefits are accrued for in the period in which the associated services are rendered by the employees of the Group and of the Company.

(ii) Defined Contribution Plans

The Group and the Company makes monthly statutory contributions to Employees Provident Fund, a statutory defined contribution plan for all its eligible employees. The Group and the Company's contributions, calculated at certain prescribed rates, are charged to profit or loss.

Foreign Currency Conversion

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For purpose of the consolidated financial statements, the results and financial position of each group entity are expressed in Ringgit Malaysia ("RM"), which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the Group and of the Company, transactions in currencies other than the functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when fair value was determined. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in RM using exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to the foreign operation accumulated in a separate component of equity, shall be reclassified from equity to statements of comprehensive income when the gain or loss on disposal is recognised.

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses.

Depreciation of property, plant and equipment, except for freehold land which is not depreciated, is computed on the straight-line method at the following annual rates based on the estimated useful lives of the depreciable assets:

Freehold building	2%
Computers, furniture and fittings, office and workshop equipment and air conditioners	20% - 30%
Motor vehicles	20%

The residual value, depreciation method and estimated useful life of an asset are reviewed at each financial year-end and, if expectations differ from previous estimates, the changes will be accounted for as a change in an accounting estimate.

Gain or loss arising from the disposal of an asset is determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset, and is recognised in the profit or loss for the year.

3. SIGNIFICANT ACCOUNTING POLICES (CONT'D)

Property, Plant and Equipment Acquired Under Hire-Purchase Arrangements

Property, plant and equipment acquired under hire-purchase arrangements are capitalised in the financial statements and the corresponding obligations treated as liabilities. Finance charges are allocated to profit or loss to give a constant periodic rate of interest on the remaining hire-purchase liabilities.

Property, plant and equipment under hire-purchase arrangements are depreciated over their expected useful lives on the same basis as owned assets.

Land Held for Property Development

Land held for property development consists of land on which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as non-current asset and is stated at cost less accumulated impairment losses.

Costs associated with the acquisition of land include the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies. Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount.

Land held for property development is transferred to inventories (under current assets) where development activities have commenced and where the development activities can be completed within the Group's normal operating cycle.

Investment Properties

Investment properties are properties held to earn rentals and/or for capital appreciation, or both rather than for use in production or supply of goods or services or for administrative purposes or sale in the ordinary course of business.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, representing open-market value determined by external valuers. Fair value is based on active market prices, adjusted, if necessary, for any differences in the nature, location or condition of the specific asset. Gains or losses arising from change in fair value of investment properties are recognised in profit or loss in the period in which they arise.

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period of the retirement or disposal.

Impairment of Assets

The carrying amounts of property, plant and equipment, investment in subsidiary companies and other investments are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. All impairment losses are recognised in profit or loss.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICES (CONT'D)

Impairment of Assets (Cont'd)

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Inventories

Inventories are valued at the lower of cost (determined on weighted average method) and net realisable value. The cost comprises the original purchase price plus the cost of bringing these inventories to their present location and condition. Net realisable value is arrived at after considering the allowance for obsolete inventories.

Contract Work-in-Progress

When the outcome of a contract work can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting date, as measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customers.

When the outcome of a contract work cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are probable of recovery. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately as an allowance for foreseeable loss.

Amount due from contract customers represents the excess of cost incurred to date and portion of profit or loss attributable to work performed to date over progress billings while amount due to contract customers represents the excess of progress billings over costs incurred to date and portion of profit or loss attributable to work performed to date.

Provisions

Provisions are made when the Group and the Company have a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount can be made.

Provisions for estimated expenses related to product free service and warranty are made at the time products are delivered and estimated based on service warranty costs experienced over the years. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Financial Instruments

Financial instruments are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instruments.

(i) Financial Assets

Trade and other receivables, cash and cash equivalents and amount owing by subsidiary companies are measured at initial recognition at fair value, and are subsequently measured at amortised cost less impairment losses, if any.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortised cost using the effective interest rate method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

3. SIGNIFICANT ACCOUNTING POLICES (CONT'D)

Financial Instruments (Cont'd)

(i) Financial Assets (Cont'd)

Available for sale (AFS) financial assets are measured at fair value at the end of the reporting period. Fair value is determined in the manner described in Note 29. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

(ii) Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investment have been impacted.

For financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 90 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of AFS equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income.

3. SIGNIFICANT ACCOUNTING POLICES (CONT'D)

Financial Instruments (Cont'd)

(iii) Derecognition of financial assets

The Group and the Company derecognise a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

Financial liabilities and equity instruments issued by the Group and the Company

(a) Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

(b) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group and the Company are recognised at the proceeds received, net of direct issue costs.

(c) Financial guarantee contract liabilities

Financial guarantee contract liabilities are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of the obligation under the contract, as determined in accordance with MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets;* and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies set out above.

(d) Financial liabilities

Trade and other payables, bank borrowing and amount owing to related companies, are initially measured at fair value. These financial liabilities are subsequently measured at amortised cost.

<u>Derecognition of financial liabilities</u>

The Group derecognises financial liabilities when, and only when, the Group's obligation is discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid or payable is recognised in profit or loss.

Statements of Cash Flow

The Group and the Company adopt the indirect method in the preparation of the statements of cash flow.

Cash equivalents are short-term, highly liquid investments that are readily convertible to cash with insignificant risk of changes in value.

3. SIGNIFICANT ACCOUNTING POLICES (CONT'D)

Segment Reporting

Segment reporting is presented for enhanced assessment of the Group's risks and returns. A business segment is a group of assets and operations engaged in providing products or services that are subject to risk and returns that are different from those or other business segments.

Information reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on types of strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the financial information is review regularly by the Board of Directors and Group's Chief Executive Officer. Specifically, the Group's reportable segments under MFRS 8 are therefore as follows:

- Manufacturing — Designing, manufacturing and sales of Specialised Mobility Vehicles, equipment and related products.
- Trading — Sales and Servicing of Fire Fighting Gas System and other safety related products.
- Investment — Investment holdings, investment properties and holding rental of investment property.

Segment revenue, expense, assets and liabilities are those amounts resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment. Segment revenue, expense, assets and segment liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group enterprises within a single segment.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(i) Critical judgements in applying the Group's and the Company's accounting policies

In the process of applying the Group's and the Company's accounting policies, management is of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements.

(ii) Key sources of estimation uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as discussed below:

- **Revenue recognition on contracts**

  The Group recognises revenue from contracts in profit or loss by using the percentage-of-completion method.

  The percentage-of-completion is determined by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs. Estimated losses are recognised in full when determined. Contract cost estimates are reviewed and revised periodically as work progresses and as variation orders are approved.

  Significant judgement is required in determining the stage of completion, the estimated total contract revenue and costs as well as the recoverability of the project undertaken. In making the judgement, the Group evaluates the stage of completion based on past experience and by relying on the work of specialists. If the Group is unable to make reasonably dependable estimates, the Group would not recognise any profit before a contract is completed, but would recognise a loss as soon as the loss becomes evident.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

(ii) Key sources of estimation uncertainty (Cont'd)

- **Revenue recognition on contracts (Cont'd)**

  Adjustments based on the percentage-of-completion method are reflected in contract revenue in the reporting period. To the extent that these adjustments result in a reduction or elimination of previously reported contract revenue and costs, the Group recognises a charge or credit against current earnings and amounts in prior periods, if any, are not restated.

  Note 3 describes the Group's policy to recognise contract revenue using the percentage-of-completion method.

- **Impairment loss recognised on trade receivables**

  The Group assesses at each reporting date whether there is any objective evidence that receivables are impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the trade debtor and default or significant delay in payments.

  Where there is objective evidence of impairment, the amount and present value of estimated future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics and impairment loss is recorded when necessary.

5. REVENUE

Analysis of revenue of the Group and of the Company is as follows:

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Contract revenue	17,036	11,318	–	–
Servicing of equipment	2,237	2,158	–	–
Sale of accessories and equipment	1,648	2,364	–	–
Rental income from investment properties	1,372	1,881	1,372	1,881
Operating lease rental income	–	4,266	–	4,266
	22,293	21,987	1,372	6,147

5. REVENUE (CONT'D)

Operating costs applicable to revenue, classified by nature are as follows:

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Provision for forbearance payment (Note 26)	10,618	–	–	–
Contract costs	13,641	9,445	–	–
Other expenses	6,476	3,805	2,031	1,890
Raw materials and consumables used	1,994	2,030	–	–
Direct operating expenses related to investment properties	1,187	1,198	1,187	1,054
Servicing costs	1,147	1,157	–	–
Directors' remuneration	893	632	555	584
Cost of inventories sold	841	2,137	–	–
Depreciation of property, plant and equipment (Note 10)	493	409	38	10
Impairment loss on trade receivables	463	8,771	437	8,748
Quit rent and assessment	108	144	108	144
Changes in inventories	(30)	461	–	–
Operating lease rental expense	–	4,075	–	4,075
Contract work-in-progress written off	–	1,181	–	–
Impairment loss on subsidiary	–	–	89	–
	37,831	35,445	4,445	16,505

The remuneration of the directors, who are also the key management personnel, is as follows:

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Executive directors:				
Company				
- Fees	50	50	50	50
- Other emoluments	358	394	358	394
	408	444	408	444
Subsidiary companies				
- Fees	26	48	–	–
- Other emoluments	300	–	–	–
- EPF contributions	12	–	–	–
	338	48	–	–
Non-executive directors:				
Company				
- Fees	147	140	147	140
	893	632	555	584

6. FINANCE COSTS

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Interest expense on:				
Other bank borrowings/bank overdrafts	1,704	784	985	608
Hire-purchase	30	27	3	2
Long-term loan	21	70	–	9
Bankers acceptances	9	63	–	–
	1,764	944	988	619

7. (LOSS)/PROFIT BEFORE TAX

(Loss)/Profit before tax of the Group and of the Company is arrived at:

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
After charging:				
Provision for forbearance payment (Note 26)	10,618	–	–	–
Impairment loss on trade receivables	463	8,771	437	8,748
Audit fee	93	75	28	25
Property, plant and equipment written off	90	–	90	–
Provision for warranty and free services - net	29	298	–	–
Contract work-in-progress written off	–	1,181	–	–
Impairment loss on subsidiary	–	–	89	–
and crediting:				
Impairment loss on trade receivables no longer required (Note 18)	3,302	–	3,302	–
Realised gain on foreign exchange	212	9	–	–
Unrealised gain on foreign exchange	74	–	–	–
Fair value gain on investment properties	–	17,802	–	17,802
Gain on disposal of assets held for sale	–	380	–	380
Interest income	–	12	–	–
Employee information:				
Staff costs	3,320	2,461	1,615	1,050
EPF contributions	402	289	192	124

Staff costs include salaries, bonuses and all other staff related expenses.

8. INCOME TAX (CREDIT)/EXPENSE

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Estimated current tax expense:				
- Current year	57	31	–	–
- Overprovision in prior years	–	(14)	–	–
	57	17	–	–
Deferred tax expense (Note 15)				
- Current year	(207)	808	(58)	890
	(150)	825	(58)	890

A reconciliation of income tax (credit)/expense applicable to (loss)/profit before tax at the applicable statutory income tax rate to income tax (credit)/expense at the effective income tax rate of the Group and of the Company is as follows:

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
(Loss)/Profit before tax	(13,667)	3,873	(651)	7,205
Tax at the statutory tax rate of 25%	(3,417)	968	(163)	1,801
Expenses not deductible for tax purposes	3,574	978	105	–
Different tax rate in other jurisdiction	(426)	(100)	–	–
Recognition of deferred tax assets previously not recognised	(191)	–	–	–
Utilisation of deferred tax assets previously not recognised	(133)	(15)	–	–
Deferred tax asset not recognised	443	71	–	–
Income not taxable for tax purposes	–	(1,010)	–	(911)
Overprovision in current tax expense in prior years	–	(14)	–	–
Unutilised deferred tax during the year	–	(53)	–	–
Tax (credit)/expense for the year	(150)	825	(58)	890

Malaysian income tax is calculated at the statutory tax rate of 25% (2014: 25%) of the estimated taxable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The Finance (No. 2) Act 2014 gazetted on December 30, 2014 enacts the reduction of corporate income tax rate from 25% to 24% with effect from year of assessment 2016. The Real Property Gain Tax ("RPGT") is set at 30% for disposal within the first three years, 20% within the fourth year, 15% within the fifth year, and 5% from sixth year onwards, on gain from the disposal of real property effective January 1, 2014. Accordingly, the applicable tax rates to be used for the measurement of any applicable deferred tax will be the expected rates.

8. INCOME TAX (CREDIT)/EXPENSE (CONT'D)

As mentioned in Note 3, the tax effects of deductible temporary differences, unused tax losses and unused tax credits which would give rise to deferred tax asset are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. As of December 31, 2015, the estimated amount of temporary differences, unusued tax losses and unabsorbed capital allowances for which the net deferred tax asset has not been recognised in the financial statements due to uncertainty of realisation, are as follows:

	Deferred Tax Asset The Group	
	2015 RM'000	2014 RM'000
Temporary differences in respect of:		
Property, plant and equipment	(617)	(840)
Accrued expenses and other provisions	294	–
Unused tax losses	11,033	10,866
Unabsorbed capital allowances	65	272
	10,775	10,298

The unused tax losses and unabsorbed capital allowances are subject to the approval by the tax authorities and are available for offset against future taxable profit.

9. BASIC (LOSS)/EARNINGS PER ORDINARY SHARE

	The Group	
	2015 RM'000	2014 RM'000
(Loss)/Profit for the year attributable to ordinary shareholders of the Company	(13,517)	3,048
Weighted average number of ordinary shares in issue ('000)	441,100	441,100
Basic (loss)/earnings per ordinary share (sen)	(3.064)	0.691

The basic (loss)/earnings per ordinary share is calculated by dividing the loss for the year attributable to ordinary shareholders of the Company of RM13,517,000 (2014: profit of RM3,048,000) by the weighted average number of ordinary shares in issue during the year of 441,100,000 (2014: 441,100,000).

The basic and diluted (loss)/earnings per ordinary share is the same as the Company has no potential dilutive ordinary shares.

10. PROPERTY, PLANT AND EQUIPMENT

The Group	Freehold land RM'000	Freehold building RM'000	Computers, furniture and fittings, office and workshop equipment and air conditioners RM'000	Motor vehicles RM'000	Total RM'000
Cost					
As of 1.1.2014	1,820	7,393	747	1,063	11,023
Additions	–	–	72	378	450
As of 31.12.2014/1.1.2015	1,820	7,393	819	1,441	11,473
Additions	–	–	86	346	432
Write-off	–	–	–	(109)	(109)
As of 31.12.2015	1,820	7,393	905	1,678	11,796
Accumulated Depreciation					
As of 1.1.2014	–	2,579	542	770	3,891
Charge for the year	–	148	83	178	409
As of 31.12.2014/1.1.2015	–	2,727	625	948	4,300
Charge for the year	–	145	123	225	493
Write-off	–	–	–	(19)	(19)
As of 31.12.2015	–	2,872	748	1,154	4,774
Net Book Value					
As of 31.12.2015	1,820	4,521	157	524	7,022
As of 31.12.2014	1,820	4,666	194	493	7,173

The freehold land and building of the Group pertaining to a subsidiary company have been charged to a local bank for credit facilities granted to the said subsidiary company as mentioned in Note 27.

Included in property, plant and equipment of the Group are the following fully depreciated property, plant and equipment which are still in use:

	The Group 2015 RM'000	The Group 2014 RM'000
At cost:		
Computers, furniture and fittings, and air-conditioners	423	430
Motor vehicles	505	505
	928	935

10. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Company	Computers, furniture and fittings, office and workshop equipment and air conditioners RM'000	Motor vehicles RM'000	Total RM'000
Cost			
As of 1.1.2014	19	–	19
Additions	63	109	172
As of 31.12.2014/1.1.2015	82	109	191
Additions	7	–	7
Write-off	–	(109)	(109)
As of 31.12.2015	89	–	89
Accumulated Depreciation			
As of 1.1.2014	16	–	16
Charge for the year	10	–	10
As of 31.12.2014/1.1.2015	26	–	26
Charge for the year	19	19	38
Write-off	–	(19)	(19)
As of 31.12.2015	45	–	45
Net Book Value			
As of 31.12.2015	44	–	44
As of 31.12.2014	56	109	165

Included in property, plant and equipment of the Group are the following assets acquired under hire-purchase arrangements:

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Net book value:				
Motor vehicles	521	413	–	109

11. LAND HELD FOR PROPERTY DEVELOPMENT

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
At beginning of the year	30,044	–	–	–
Differences arising from foreign exchange translation	2,821	–	–	–
Additions during the year	–	30,044	–	–
Reclassified from investment properties (Note 12)	7,667	–	7,667	–
At end of the year	40,532	30,044	7,667	–

Note:

a. On February 10, 2015, the Company has entered into a Joint Venture Agreement ("JV") with Tanah Mestika Sdn Bhd ("TMSB") (Note 33(c)) for a mixed development on a piece of leasehold land located in Bandar Indera Mahkota, Kuantan. The piece of land which is owned by the Company and previously classified as investment property, has been reclassified as land held for development during the financial year. The land's carrying amount of RM7,667,000 was fair valued in 2014.

b. Included in the land held for property development of the Group are 2 plots of freehold land in Mandurah, Australia, acquired through its subsidiary company, CME Properties (Australia) Pty Ltd. ("CMEA"), for the purpose of property development. The legal title of the land is registered under the name of its subsidiary company.

   On August 12, 2014, the Lands were used as capital contributions to a joint venture agreement ("JVA") between the Company and CMEA, Ruark No 11 Pty Ltd ("Ruark") and Central Park (Qld) Pty Ltd ("Central Park"). As part of the JVA, the Lands were used as a security for an AUD2,500,000 Development Loan obtained by Ruark for the development of the Lands. The proceeds of the loan were received by Ruark, subsequently defaulted.

   On September 21, 2015, the JVA was terminated by the Company and CMEA (Note 33(d)).

   In view that the defaulted loan was secured via the Lands, the Company and CMEA has proceeded to negotiate with the financial institution. The Board of Directors and management have estimated a provision for forbearance payment amounting to RM10,618,000 (Note 26) based on the Forbearance Deed ("Deed") offered by the financial institution as of year end. Details of the Deed is further disclosed in Note 33(e).

12. INVESTMENT PROPERTIES

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
At beginning of the year	56,112	41,950	56,112	41,950
Reclassified as land held for property development (Note 11)	(7,667)	–	(7,667)	–
Reclassified as assets held for sale (Note 20)	(7,335)	(3,640)	(7,335)	(3,640)
Increase in fair value of investment properties	–	17,802	–	17,802
At end of the year	41,110	56,112	41,110	56,112
Fair value	41,110	56,112	41,110	56,112

12. INVESTMENT PROPERTIES (CONT'D)

The fair values of the investment properties were determined by the directors based on an appraisal opinion given by Henry Butcher Malaysia (Kuantan) Sdn. Bhd., an independent firm of professional valuers in the prior year using the "open market value" basis. All the investment properties have been revalued upwards with a revaluation gain totalling to RM17,802,000 as of December 31, 2014.

As of December 31, 2015, the directors of the Group also assessed the current market prices of properties of similar conditions and locations and the directors are of the view that the carrying amounts of the investment properties of the Group approximate their current fair values. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

Certain investment properties of the Company are charged as securities for banking facilities as mentioned in Note 27.

The rental income and direct operating expenses related to investment properties are disclosed in Note 5.

Details of the Group's investment properties and information on the fair value hierarchy as of December 31, 2015 are as follows:

2015	Level 1 RM	Level 2 RM	Level 3 RM	Fair Value as of 31.12.2015 RM
Leasehold land and shop offices	–	41,110	–	41,110

2014	Level 1 RM	Level 2 RM	Level 3 RM	Fair Value as of 31.12.2014 RM
Leasehold land and shop offices	–	56,112	–	56,112

There were no transfers between Levels 1 and 2 during the financial year.

13. INVESTMENT IN SUBSIDIARY COMPANIES

	The Company 2015 RM'000	2014 RM'000
Unquoted shares, at cost	9,938	9,938
Less: Accumulated impairment loss	(1,881)	(1,792)
At end of the year	8,057	8,146

13. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

The subsidiaries of the Company are as follows:

Companies	Proportion of ownership interest and voting power held by the Group 2015 %	2014 %	Principal Activities
CME Industries Sdn Bhd	100	100	Servicing of fire fighting and specialist vehicles and sale of related spare parts
CME Edaran Sdn Bhd	100	100	Sale and servicing of fire fighting equipment and specialist vehicles and sale of related spare parts
CME Technologies Sdn Bhd	100	100	Manufacturing and sale of fire fighting equipment and fire engines
CME Properties Sdn Bhd	100	100	Dormant
CME Pyroshield Sdn Bhd	100	100	Trading of pyroshield gas and accessories
CME Properties (Australia) Pty Ltd *	100	100	Property development

* Not audited by Deloitte.

Amounts owing by/(to) subsidiary companies which arose mainly from advances to/(by) and payments made on behalf for/(by) its wholly-owned subsidiary companies, are unsecured, interest-free and repayable on demand.

14. OTHER FINANCIAL ASSETS

Available-for-sale investments carried at fair value

	The Group and the Company 2015 RM'000	2014 RM'000
At fair value		
At the beginning of the year	4,755	492
Purchases during the year	2,088	2,180
Fair value gain recognised directly in other comprehensive income	1,354	2,083
At end of the year	8,197	4,755

Available-for-sale financial assets represent investments in quoted equity shares in Australia. The fair value is based on quoted market prices and classified as level 1 in the fair value hierachy.

15. DEFERRED TAX ASSETS/(LIABILITIES)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The net deferred tax assets and liabilities shown on the consolidated statements of financial position after appropriate offsetting are as follows:

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Deferred tax assets	291	142	–	–
Deferred tax liabilities	(832)	(890)	(832)	(890)
Net	(541)	(748)	(832)	(890)

The deferred tax assets represent mainly the tax effects of temporary differences from unused tax losses.

	The Group	
	2015 RM'000	2014 RM'000
Deferred tax assets:		
At beginning of year	142	60
Transferred to profit or loss (Note 8)	149	82
At end of year	291	142

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Deferred tax liabilities:				
At beginning of year	(890)	–	(890)	–
Transferred to profit or loss (Note 8):				
Investment properties	100	(872)	58	(890)
Property, plant and equipment	12	(9)	–	–
Other payables, accrued expenses and provisions	(54)	(9)	–	–
	58	(890)	58	(890)
At end of year	(832)	(890)	(832)	(890)

15. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

The components and movements of deferred tax liabilities during the financial year prior to offsetting are as follows:

	Deferred Tax Liabilities			
	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Temporary difference in respect of:				
Investment properties	(832)	(932)	(832)	(890)
Property, plant and equipment	–	(12)	–	–
Other payables, accrued expenses and provisions	–	54	–	–
At end of year	(832)	(890)	(832)	(890)

16. INVENTORIES

	The Group	
	2015 RM'000	2014 RM'000
At cost:		
Trading merchandise	619	589

17. AMOUNT DUE FROM/(TO) CONTRACT CUSTOMERS

	The Group	
	2015 RM'000	2014 RM'000
Amount due from contract customers	4,576	2,198
Amount due to contract customers	(83)	–
	4,493	2,198
Represented by:		
Contract costs incurred plus recognised profits	23,562	14,419
Less: Progress billings	(19,069)	(12,221)
Net amount due from contract customers	4,493	2,198

18. TRADE RECEIVABLES, OTHER RECEIVABLES, DEPOSITS AND PREPAID EXPENSES

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Trade receivables	8,786	11,594	6,444	9,757
Less: Impairment loss	(6,637)	(9,476)	(6,284)	(9,149)
Net	2,149	2,118	160	608

Trade receivables comprise amounts receivable from the sale of goods and income from renting property. They are recognised at their original invoice amounts which represent their fair values on initial recognition. The credit period granted by the Group and the Company ranges from 30 days to 90 days (2014: 30 days to 90 days). Interest on late payment is charged at the bank's base lending rate by the Company whilst no interest on late payment is charged by the subsidiary companies.

Ageing analysis of trade receivables

The ageing analysis of the Group's and the Company's trade receivables is as follows:

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Neither past due nor impaired	994	1,902	-	-
Past due but not impaired	1,155	216	160	608
Past due and impaired	6,637	9,476	6,284	9,149
	8,786	11,594	6,444	9,757

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group and the Company.

Receivables that are past due but not impaired

The Group and the Company have trade receivables amounting to RM1,155,000 (2014: RM216,000) and RM160,000 (2014: RM608,000) respectively that are past due at the reporting date but not impaired for which the Group and the Company have not made any allowances as there has not been a significant change in the credit quality and the amounts are still considered recoverable. The Group and the Company do not hold any collateral or other credit enhancement over these balances nor do they have a legal right of set-off against any amounts owed by the Group and the Company to the counterparty.

18. TRADE RECEIVABLES, OTHER RECEIVABLES, DEPOSITS AND PREPAID EXPENSES (CONT'D)

Receivables that are impaired

The Group's and the Company's trade receivables that are impaired at the reporting date and the movement of allowance accounts used to record the impairment are as follows:

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
At beginning of the year	9,476	705	9,149	401
Charge for the year (Note 7)	463	8,771	437	8,748
Impairment loss no longer required (Note 7)	(3,302)	–	(3,302)	–
At end of year	6,637	9,476	6,284	9,149

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period.

The currency exposure profile of trade receivables is as follows:

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Ringgit Malaysia	8,476	11,386	6,444	9,757
United States Dollar	310	208	–	–
	8,786	11,594	6,444	9,757

Other receivables, deposits and prepaid expenses consist of:

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Refundable deposits	7,569	3,630	7,213	3,513
Other receivables	1,748	2,979	923	–
GST receivables	306	–	–	–
Prepaid expenses	155	–	155	–
	9,778	6,609	8,291	3,513

Included in refundable deposits of the Group and the Company are deposits made for the acquisition of Amazing Areas Sdn. Bhd. (Note 33(b)) and purchase of a land from an employee totalling to RM810,000 (2014: RMNil) and RM2,849,000 (2014: RMNil) respectively.

19. FIXED DEPOSITS WITH LICENSED BANKS

	The Group	
	2015 RM'000	2014 RM'000
Fixed deposits with licensed banks	–	1,008

Fixed deposits with licensed banks of the Group are pledged to a local bank by a subsidiary company for bank facilities granted to the said subsidiary company as mentioned in Note 27. The fixed deposits have matured and was liquidated during the financial year to settle the financial obligations of the Group.

The average effective interest rate is as follows:

	The Group	
	2015 % p.a	2014 % p.a
Fixed deposits with licensed banks	–	3.05

Fixed deposits with licensed bank have a maturity period of 167 days in 2014.

20. ASSETS CLASSIFIED AS HELD FOR SALE

	The Group and the Company	
	2015 RM'000	2014 RM'000
At beginning of year	4,560	2,100
Transfer from investment properties (Note 12)	7,335	3,640
Disposals	(4,560)	(1,180)
	7,335	4,560

The Company has entered into sale and purchase agreement and offer to purchase by buyers to dispose of all properties which have been reclassified as assets classified as held for sale under current assets. As of December 31, 2015, all the sale and purchase agreements are still pending fulfillment of certain conditions precedent stipulated therein.

21. ISSUED CAPITAL

Issued capital is represented by:

	The Group and The Company			
	No. of shares			
	2015 '000	2014 '000	2015 RM'000	2014 RM'000
Authorised:				
Ordinary shares of RM0.10 each				
At beginning of year	10,000,000	5,000,000	1,000,000	500,000
Created during the year	–	5,000,000	–	500,000
	10,000,000	10,000,000	1,000,000	1,000,000
Issued and fully paid:				
Ordinary shares of RM0.10 each	441,100	441,100	44,110	44,110

22. IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS ("ICULS")

In 2014, the Company implemented a Rights Issue of RM31,370,069 nominal value of ten (10)-year, zero coupon ICULS at 100% of the nominal value of RM0.04 each on the basis of RM0.08 nominal value of the ICULS for every one (1) existing ordinary share of RM0.10 each in the Company. The ICULS were listed and quoted on Bursa Malaysia on November 28, 2014.

23. RESERVES

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Non-distributable:				
Foreign currency translation reserve	3,061	38	–	–
Fair value reserve	3,038	1,684	3,038	1,684
	6,099	1,722	3,038	1,684
Distributable:				
(Accumulated losses)/ Retained earnings	(10,099)	3,418	4,726	5,319
	(4,000)	5,140	7,764	7,003

23. RESERVES (CONT'D)

Foreign currency translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the net investment in CME Properties (Australia) Pty Ltd.

Fair value reserve

Available-for-sale reserve comprises changes in fair value of available-for-sale investments in other financial assets (Note 14).

Retained earnings

The Company is currently under the single-tier tax system. The entire retained earnings is available for distribution of single-tier dividend under the single-tier tax system.

24. HIRE-PURCHASE PAYABLES

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Total outstanding	801	704	–	121
Less: Interest-in-suspense	(100)	(89)	–	(23)
Total principal outstanding	701	615	–	98
Less: Portion due within one year (included under current liabilities)	(133)	(101)	–	(9)
Non-current portion	568	514	–	89

The interest rates implicit in these hire-purchase obligations range from 2.37% to 2.60% (2014: 2.37% to 3.50%) per annum. The non-current portion of the hire-purchase obligations is repayable as follows:

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Financial years ending:				
2016	–	118	–	10
2017	151	90	–	11
2018 and thereafter	417	306	–	68
	568	514	–	89

25. LONG-TERM LOAN

	The Group		The Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Total principal outstanding	2,413	2,832	–	75
Less: Portion due within one year (included under bank borrowings) (Note 27)	(339)	(401)	–	(75)
Non-current portion	2,074	2,431	–	–

The non-current portion of this long-term loan is repayable as follows:

	The Group		The Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Financial years ending:				
2016	–	357	–	–
2017	271	271	–	–
2018 and thereafter	1,803	1,803	–	–
	2,074	2,431	–	–

The details of the long-term loan are disclosed in Note 27.

26. TRADE PAYABLES, OTHER PAYABLES, ACCRUED EXPENSES AND PROVISIONS

(a) Trade and other payables comprise amounts outstanding for trade purchases and ongoing costs. The average credit period granted to the Group and to the Company for trade purchases ranges from 30 to 60 days (2014: 30 to 60 days).

The currency exposure profile of trade payables is as follows:

	The Group		The Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	9,625	10,422	8,635	8,698
US Dollar	10	93	–	–
Sterling Pound	52	219	–	–
SGD	–	51	–	–
Euro	–	6	–	–
	9,687	10,791	8,635	8,698

26. TRADE PAYABLES, OTHER PAYABLES, ACCRUED EXPENSES AND PROVISIONS (CONT'D)

(b) Other payables, accrued expenses and provisions consist of:

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Provision for forbearance payment (Note 33(e))	10,618	–	–	–
Other deposits	2,870	616	2,870	616
Other payables	853	8,070	304	6,020
Rental deposits	671	4,020	738	4,087
Accrued expenses	518	883	186	410
Provisions (c)	192	160	–	–
GST payable	88	–	30	–
	15,810	13,749	4,128	11,133

Other deposits amounting to RM2,870,000 (2014: RM616,000) represent amounts received from acquirers of the Group's assets held for sale (Note 20).

Included in other payables of the Group and the Company is an amount outstanding for the purchase of investment properties amounting to RMNil (2014: RM317,555).

Included in other payables of the Group and the Company in 2014 is an amount of RM2,750,000, representing amount owing to a third party which bears interest at 18% per annum. The amount has subsequently been paid in January 2015.

The currency exposure profile of other payables is as follows:

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Ringgit Malaysia	450	6,112	304	3,840
Australian Dollar	403	1,958	–	2,180
	853	8,070	304	6,020

(c) Provisions:

	The Group			
	Warranty RM'000	Free Service RM'000	Others RM'000	Total RM'000
Balance as of January 1, 2014	156	100	–	256
Additional provisions	268	30	28	326
Utilised during the year	(322)	(100)	–	(422)
Balance as of December 31, 2014/ January 1, 2015	102	30	28	160
Additional provisions	7	22	7	36
Utilised during the year	(4)	–	–	(4)
Balance as of December 31, 2015	105	52	35	192

27. BANK BORROWINGS

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Bank overdrafts	19,698	4,799	7,520	–
Trust receipts/Bankers' acceptances	1,842	1,653	–	–
Long-term loan - current portion (Note 25)	339	401	–	75
	21,879	6,853	7,520	75

The long-term loan of the Company which bear an interest of 7.75% in 2014 has been fully repaid during the year.

Subsidiary Companies

The subsidiary companies have credit facilities consisting of long-term loan, bank overdraft, trade financing, trust receipts and bank guarantee facilities totalling RM27,300,000 (2014: RM18,100,000) from four local banks. These facilities are secured by the following:

(a) a corporate guarantee by the Company;
(b) a negative pledge on assets of the subsidiary companies;
(c) a charge over the freehold land and building of a subsidiary company as mentioned in Note 10; and
(d) A charge over the investment properties of the Company as disclosed in Note 12.

The overdraft and trade financing facilities granted to the subsidiary companies bear interest at range from 7.85% to 8.35% (2014: 8%) per annum.

28. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Fixed deposits with licensed banks	–	1,008	–	–
Cash and bank balances	474	193	82	63
	474	1,201	82	63
Less: Fixed deposits pledged (Note 19)	–	(1,008)	–	–
	474	193	82	63

29. FINANCIAL INSTRUMENTS

Capital Risk Management Policies and Procedures

The primary objective of the Group and the Company's capital management is to ensure that a strong credit rating and healthy capital ratios are maintained in order to support their businesses and maximise shareholder's value.

The Group and the Company manage the capital structure and make adjustments to it in light of changes in economic conditions. The capital structure of the Group and the Company comprises issued capital and retained earnings. The Group and the Company are not subject to any externally imposed capital requirements.

29. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risk Management Objectives and Policies

The operations of the Group and the Company are subject to a variety of financial risks, including interest rate risk, credit risk, equity price risk, liquidity risk, cash flow risk and foreign currency risk. The Group and the Company's principal objective is to minimise the exposure to risks and/or costs associated with the financing, investing and operating activities of the Group and the Company.

Various risk management policies are made and approved by the management for observation in the day-to-day operations for the control and management of the risks associated with financial instruments.

(i) Interest rate risk management

The Group's interest rate risk relates to interest-bearing debts. The Group manages its interest rate risk by actively reviewing its debt portfolio. This strategy will allow the Group to capitalise on more favourable funding in a low interest rate environment and hence, to achieve a certain level of protection against interest rate hikes.

The Group is mainly exposed to interest rate risk through long-term loans at range from 7.75% to 8.35% (2014: 7.75%) per annum. The Group's exposure to interest rate risk via hire-purchase is minimal as these liabilities are subject to fixed interest rate.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for floating rate interest bearing borrowings and is prepared assuming the amount of liability outstanding at the reporting period end date was outstanding for the whole year. A 100 basis point increase or decrease is used.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended December 31, 2015 would decrease/increase by approximately RM221,000 (2014: RM76,000). This is mainly attributable to the Group's exposure to interest rates on its term loans.

(ii) Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group uses other publicly available financial information and its own trading records to rate the major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The carrying amount of receivables and cash and cash equivalents recorded in the financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

The Company is exposed to credit risk mainly from amount owing by subsidiaries and receivables.

29. FINANCIAL INSTRUMENTS (CONT'D)

(iii) Equity price risk management

The sensitivity analyses below have been determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 5% higher/lower, the impact to the Group and the Company is as follows:

- profit for the year ended December 31, 2015 would have been unaffected as the equity investments are classified as available-for-sale and no investments were disposed of or impaired; and
- other comprehensive income for the year ended December 31, 2015 would increase/decrease by RM410,000 (2014: increase/decrease by RM238,000) as a result of the changes in fair value of available-for-sale shares.

The Group and the Company's sensitivity to equity prices has not changed significantly from the prior year.

(iv) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's and Company's short, medium and long-term funding and liquidity management requirements. The Group and Company manage liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following tables detail the liquidity analysis for its financial assets and liabilities, based on the contractual maturity of these financial instruments. The tables have been drawn up based on:

- the undiscounted cash flows of financial assets based on the earliest contractual date on which the Group can be expected to receive; and
- the undiscounted cash flows of financial liabilities based on the earliest contractual date on which the Group can be required to pay.

The inclusion of analysis of financial assets is necessary in order to understand the Group's liquidity risk management as liquidity is managed on a net asset and liability basis. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the fair value as of the date of the statements of financial position.

29. FINANCIAL INSTRUMENTS (CONT'D)

(iv) Liquidity risk management (Cont'd)

	Weighted average effective interest %	The Group Less than 1 month RM'000	1 to 3 months RM'000	3 months to 1 year RM'000	More than 1 year RM'000	Total RM'000
2015						
Financial assets						
Non-interest bearing:						
Cash and bank balances		474	–	–	–	474
Trade receivables		2,149	–	–	–	2,149
Other receivables		1,748	–	7,569	–	9,317
Financial assets available-for-sale		–	–	–	8,197	8,197
Total Financial Assets		4,371	–	7,569	8,197	20,137
Financial liabilities						
Non-interest bearing:						
Trade payables		–	9,687	–	–	9,687
Other payables and accrued expenses		4,912	–	–	–	4,912
		4,912	9,687	–	–	14,599
Interest bearing:						
Long-term loan and bank borrowings	7.80%-7.85%	46	92	21,955	2,711	24,804
Hire-purchase	4.51%-4.84%	14	27	122	638	801
		60	119	22,077	3,349	25,605
Total Financial Liabilities		4,972	9,806	22,077	3,349	40,204

29. FINANCIAL INSTRUMENTS (CONT'D)

(iv) Liquidity risk management (Cont'd)

	The Group					
	Weighted average effective interest %	Less than 1 month RM'000	1 to 3 months RM'000	3 months to 1 year RM'000	More than 1 year RM'000	Total RM'000
2014						
Financial assets						
Non-interest bearing:						
Cash and bank balances		193	–	–	–	193
Trade receivables		2,118	–	–	–	2,118
Other receivables		6,609	–	–	–	6,609
Financial assets available-for-sale		–	–	–	4,755	4,755
		8,920	–	–	4,755	13,675
Interest bearing:						
Fixed deposits with licensed banks		1,008	–	–	–	1,008
Total Financial Assets		9,928	–	–	4,755	14,683
Financial liabilities						
Non-interest bearing:						
Trade payables		10,791	–	–	–	10,791
Other payables and accrued expenses		8,953	–	–	4,636	13,589
		19,744	–	–	4,636	24,380
Interest bearing:						
Long-term loan and bank borrowings	7.80%-7.85%	60	119	6,907	3,264	10,350
Hire-purchase	4.84%-5.50%	10	20	91	583	704
Other payables	18%	2,750	–	–	–	2,750
		2,820	139	6,998	3,847	13,804
Total Financial Liabilities		22,564	139	6,998	8,483	38,184

29. FINANCIAL INSTRUMENTS (CONT'D)

(iv) Liquidity risk management (Cont'd)

	Weighted average effective interest %	The Company Less than 1 month RM'000	1 to 3 months RM'000	3 months to 1 year RM'000	More than 1 year RM'000	Total RM'000
2015						
Financial assets						
Non-interest bearing:						
Cash and bank balances		82	–	–	–	82
Trade receivables		160	–	–	–	160
Other receivables		8,136	–	–	–	8,136
Amount owing by subsidiary companies		–	–	56,050	–	56,050
Financial assets available-for-sale		–	–	–	8,197	8,197
Total Financial Assets		8,378	–	56,050	8,197	72,625
Financial liabilities						
Non-interest bearing:						
Trade payables		8,635	–	–	–	8,635
Other payables and accrued expenses		4,098	–	–	–	4,098
Amount owing to subsidiary companies		–	–	32,616	–	32,616
		12,733	–	32,616	–	45,349
Interest bearing:						
Long-term loan and bank borrowings	7.85%	–	–	7,520	–	7,520
Total Financial Liabilities		12,733	–	40,136	–	52,869

29. FINANCIAL INSTRUMENTS (CONT'D)

(iv) Liquidity risk management (Cont'd)

	Weighted average effective interest %	The Company Less than 1 month RM'000	1 to 3 months RM'000	3 months to 1 year RM'000	More than 1 year RM'000	Total RM'000
2014						
Financial assets						
Non-interest bearing:						
Cash and bank balances		63	–	–	–	63
Trade receivables		608	–	–	–	608
Other receivables		3,513	–	–	–	3,513
Amount owing by subsidiary companies		–	–	55,572	–	55,572
Financial assets available-for-sale		–	–	–	4,755	4,755
Total Financial Assets		4,184	–	55,572	4,755	64,511
Financial liabilities						
Non-interest bearing:						
Trade payables		8,698	–	–	–	8,698
Other payables and accrued expenses		6,430	–	–	4,703	11,133
Amount owing to subsidiary companies		–	–	30,099	–	30,099
		15,128	–	30,099	4,703	49,930
Interest bearing:						
Long-term loan and bank borrowings	7.80%-7.85%	14	27	39	–	80
Hire-purchase	4.84%-5.50%	1	2	11	107	121
Other payables	18%	2,750	–	–	–	2,750
		2,765	29	50	107	2,951
Total Financial Liabilities		17,893	29	30,149	4,810	52,881

29. FINANCIAL INSTRUMENTS (CONT'D)

(v) Financial guarantees

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiary companies. The Company monitors on an ongoing basis the results of the subsidiary companies and repayments made by them.

The maximum exposure to credit risk amounted to RM17,200,000 (2014: RM9,900,000) representing the outstanding banking facilities of the subsidiary companies as at the end of the reporting period.

The financial guarantees have not been recognised since the fair value on initial recognition was not material as the financial guarantees provided by the Company did not contribute towards credit enhancement of the subsidiary companies' borrowings in view of the securities pledged by the subsidiary companies as disclosed in Note 27.

(vi) Foreign currency risk management

The Group has exposure to foreign currency risk as a result of its trade transactions. Foreign exchange exposures in transactional currencies other than the functional currency of the operating entities are kept to an acceptable level.

Foreign currency sensitivity analysis

The Group is mainly exposed to the currency of United States Dollar (USD) and Sterling Pound (GBP).

The following table details the Group's sensitivity to a 10% increase and decrease in the RM against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit and other equity where the RM strengthens 10% against the relevant currency. For a 10% weakening of the RM against the relevant currency, there would be a comparable impact on the profit and other equity, and the balances below would be negative.

	The Group Impact of United States (USD)	
	2015 RM'000	2014 RM'000
Profit or loss	30	11

	The Group Impact of United States (GBP)	
	2015 RM'000	2014 RM'000
Profit or loss	5	22

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the year end exposure does not reflect the exposure during the year.

29. FINANCIAL INSTRUMENTS (CONT'D)

(vii) Categories of financial instruments

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Available for sale				
Other financial assets	8,197	4,755	8,197	4,755
	8,197	4,755	8,197	4,755
Loans and receivables:				
Trade receivables	2,149	2,118	160	608
Other receivables and deposits	9,317	6,609	8,136	3,513
Amount owing by subsidiary companies	–	–	56,050	55,572
Fixed deposits with licensed banks	–	1,008	–	–
Cash and bank balances	474	193	82	63
	11,940	9,928	64,428	59,756
	20,137	14,683	72,625	64,511
Other financial liabilities at amortised cost				
Hire-purchase payables	701	615	–	98
Long-term loan - non current portion	2,074	2,431	–	–
Trade payables	9,687	10,791	8,635	8,698
Other payables and accrued expenses	4,912	13,589	4,098	11,133
Amount owing to subsidiary companies	–	–	32,616	30,099
Bank borrowings	21,879	6,853	7,520	75
	39,253	34,279	52,869	50,103

(viii) Fair Values of Financial Assets and Financial Liabilities

The fair values of financial instruments refer to the amounts at which the instruments could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction. Fair values have been arrived at based on prices quoted in an active, liquid market or estimated using certain valuation techniques such as discounted future cash flows based upon certain assumptions. Amounts derived from such methods and valuation techniques are inherently subjective and therefore do not necessarily reflect the amounts that would be received or paid in the event of immediate settlement of the instruments concerned.

On the basis of the amounts estimated from the methods and techniques as mentioned in the preceding paragraph, the carrying amounts of the various financial assets and financial liabilities shown in the statements of financial position approximate their fair values.

29. FINANCIAL INSTRUMENTS (CONT'D)

(viii) Fair Values of Financial Assets and Financial Liabilities (Cont'd)

The fair values of the financial assets and financial liabilities reported in the statements of financial position approximate the carrying amounts of those assets and liabilities because of the immediate or short-term maturity of these financial instruments, other than the following:

	Carrying Amount		Fair Value	
	2015	2014	2015	2014
The Group	RM'000	RM'000	RM'000	RM'000
Financial Liabilities				
Hire-purchase payables (Note 24)	701	615	722	634
Long-term loan (Note 25)	2,413	2,832	2,429	2,840
The Company				
Financial Liability				
Long-term loan (Note 25)	–	75	–	79

The fair values of long-term loan and hire-purchase payables are estimated using discounted cash flow analysis based on current borrowing rates for similar types of borrowing arrangements.

Cash and cash equivalents, trade and other receivables, trade and other payables, intercompanies indebtedness and short term bank borrowings

The carrying amounts approximate fair value because of the short maturity of these assets and liabilities.

Fair value measurements recognised in the statements of financial position

The Group and the Company adopt the following hierarchy for determining and disclosing fair values of financial instruments:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

29. FINANCIAL INSTRUMENTS (CONT'D)

(viii) Fair Values of Financial Assets and Financial Liabilities (Cont'd)

The table below analyses financial instruments carried at fair value and financial instruments for which fair value is disclosed, by valuation method.

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group				
December 31, 2015				
Financial asset				
Other financial asset (Note 14)	8,197	–	–	8,197
December 31, 2014				
Other financial asset (Note 14)	4,755	–	–	4,755

There were no transfers between hierarchies in both years. The Group and the Company have no financial assets with fair value determined at level 3.

30. OPERATING LEASE ARRANGEMENTS

The Group and the Company do not have an option to purchase the leased assets at the expiry of the lease period.

(i) Payments recognised as an expense

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Minimum lease payments	–	4,075	–	4,075

(ii) Operating lease payments

As of the end of the financial year, non-cancellable long-term lease commitments in respect of the rental of its land are as follows:

	Future Minimum Lease Payable Receaivables			
	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Not longer than 1 year	–	12,225	–	12,225
Longer than 1 year and not longer than 5 years	–	2,038	–	2,038
	–	14,263	–	14,263

30. OPERATING LEASE ARRANGEMENTS (CONT'D)

(iii) Sublease payments receivable

As of the end of the previous reporting period, a portion of the non-cancellable long-term lease commitments in respect of the rental of its land as mentioned in (i) was subleased to third parties.

The future minimum sublease receivables under the sublease arrangement were as follows:

	Future Minimum Lease Payable Receiavables			
	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Not longer than 1 year	–	12,840	–	12,840
Longer than 1 year and not longer than 5 years	–	2,140	–	2,140
	–	14,980	–	14,980

31. CAPITAL COMMITMENT

As of December 31, 2015, the Group and the Company has capital commitments which have been approved and contracted for in respect of purchase of a land from an employee amounting to RM3,700,000 (2014: RMNil). A deposit of RM2,849,000 (2014: RMNil) was made during the year for the said purchase (Note 18).

32. SEGMENTAL REPORTING

For management purposes, the Group is organised into the following operating divisions:

- Manufacturing
- Trading
- Investment holding
- Others (consist of subsidiary companies which are dormant)

Inter-segment sales are charged at cost plus a percentage profit mark-up.

32. SEGMENTAL REPORTING (CONT'D)

2015	Investment holding RM'000	Manufacturing RM'000	Trading RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Revenue						
External sales	1,372	17,803	3,118	–	–	22,293
Inter-segment sales	–	7,909	1,684	–	(9,593)	–
Total revenue	1,372	25,712	4,802	–	(9,593)	22,293
Results						
Segment result	774	(1,069)	571	(8,527)	(3,189)	(11,440)
Impairment loss on trade receivables	(437)	(2)	(24)	–	–	(463)
Finance costs	(988)	(762)	(14)	–	–	(1,764)
(Loss)/Profit before tax	(651)	(1,833)	533	(8,527)	(3,189)	(13,667)
Income tax credit/(expense)	58	(42)	134	–	–	150
(Loss)/Profit for the year	(593)	(1,875)	667	(8,527)	(3,189)	(13,517)
Other information						
Land held for property development	7,667	–	–	32,865	–	40,532
Investment properties	41,110	–	–	–	–	41,110
Capital additions	7	415	10	–	–	432
Depreciation of property, plant and equipment	38	188	265	2	–	493
Consolidated Statement of Financial Position						
Assets						
Segment assets	128,796	53,440	15,839	38,178	(121,832)	114,421
Other investments	8,197	–	–	–	–	8,197
Consolidated total assets	136,993	53,440	15,839	38,178	(121,832)	122,618
Liabilities						
Segment liabilities	53,749	37,230	25,179	48,755	(113,775)	51,138

32. SEGMENTAL REPORTING (CONT'D)

2014	Investment holding RM'000	Manufacturing RM'000	Trading RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Revenue						
External sales	6,147	13,269	2,571	–	–	21,987
Inter-segment sales	–	5,133	1,724	–	(6,857)	–
Total revenue	6,147	18,402	4,295	–	(6,857)	21,987
Results						
Segment result	(1,230)	(1,024)	(18)	(1,942)	–	(4,214)
Fair value gain on investment properties	17,802	–	–	–	–	17,802
Impairment loss on trade receivables	(8,748)	–	(23)	–	–	(8,771)
Finance costs	(619)	(308)	(17)	–	–	(944)
Profit/(Loss) before tax	7,205	(1,332)	(58)	(1,942)	–	3,873
Income tax (expense)/credit	(890)	(35)	100	–	–	(825)
Profit/(Loss) for the year	6,315	(1,367)	42	(1,942)	–	3,048
Other information						
Land held for property development	–	–	–	30,044	–	30,044
Investment properties	56,112	–	–	–	–	56,112
Capital additions	171	274	1	4	–	450
Depreciation of property, plant and equipment	10	130	268	1	–	409
Consolidated Statement of Financial Position						
Assets						
Segment assets	128,739	48,609	15,154	37,519	(118,809)	111,212
Other investments	4,755	–	–	–	–	4,755
Consolidated total assets	133,494	48,609	15,154	37,519	(118,809)	115,967
Liabilities						
Segment liabilities	51,009	30,523	25,162	39,315	(110,662)	35,347

33. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

a) On May 12, 2014, Bellajade has commenced actions against the Company on disputes in relation to a Tenancy Agreement dated February 21, 2013 whereby the Company agreed to rent from Bellajade a 23-Storey Office Building ("the Premise") for a rental of RM1,018,750 per month, commencing from February 20, 2013, for tenancy term of 3 years.

   On May 20, 2015, the Kuala Lumpur High Court has granted in favour of the Company the sum of RM9,411,062 with interest of 4% on the pre-judgment sum and 5% on the post-judgment sum, along with the cost of RM30,000. On June 10, 2015, the Company has been informed by its solicitors that Bellajade's solicitors has filed the Notice of Appeal on June 3, 2015.

   The Court of Appeal on November 26, 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 January 8, 2016 and February 4, 2016 respectively.

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

b) On May 25, 2015, the Company has entered into Share Sales & Purchase Agreement to acquire the entire issued and paid-up share capital of Amazing Areas Sdn Bhd ("AASB"), a company incorporated in Malaysia under the Companies Act 1965, for a cash consideration of RM1,100,000.

   On December 20, 2015, the seller has agreed to postpone the completion date of the acquisition to March 20, 2016 as the Completion Documents has yet to be fully delivered to the Company.

   The acquisition has not been completed at the date of the report.

c) On February 10, 2015, the Company has entered into a Joint Venture Agreement ("JV") with Tanah Mestika Sdn Bhd ("TMSB") for a mixed development on a piece of leasehold land located in Bandar Indera Mahkota, Kuantan ("the Land").

d) The Company and CMEA ("collectively known as CME") had on September 21, 2015, terminated the JVA with Ruark and Central Park on the basis that Ruark's continuing non-compliance to the JVA, including making significant expenditure without any authority of the Management Committee and allegedly failing to account for monies used for the purpose of the development in accordance with the JVA. The Termination Notice has been served to Ruark and Central Park through a firm of lawyers based in Perth, Australia. Ruark has also purported to terminate the JVA, effective on the same day.

   On December 8, 2015, CME served a Writ of Summons and a Statement of Claim against Ruark. CME is seeking a legal claim of AUD2,115,000 (approximated RM6,629,000) plus damages, interest and costs from Ruark.

   On April 12, 2016, the Supreme Court of Western Australia has ruled in favour of CME and has ordered Ruark to pay to CME the sum of AUD2,115,000, and interest on the sum at a rate of 6% per annum from the date of judgment.

e) Pursuant to Note 11 (b) and item (d) above, Ruark, had defaulted on a Development Loan obtained from a financial institution in Australia ("FIA") for the purpose of the development of the Lands in Mandurah, Australia. On December 23, 2015, FIA offered a forbearance deed ("the Deed") to CME, agreeing to forbear from further enforcing the sale of the Lands until the earlier of April 30, 2016 or an Event of Default occurs. The Deed required CME to pay the outstanding amount of approximate of AUD3,300,000 up to April 30, 2016, by instalments. CME has made the first instalment of AUD100,000 on December 23, 2015. CME has further made a provision for forbearance payment of RM10,618,000 (approximated AUD3,388,000) and the FIA has signed the agreement to the Deed on the same date. Subsequent to the financial year end, CME is in negotiation with the FIA for a reassignment of the development loan.

34. SUPPLEMENTARY INFORMATION ON BREAKDOWN OF REALISED AND UNREALISED PROFITS OR LOSSES

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

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

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

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Total (accumulated losses)/retained earnings of the Company and its subsidiaries				
- Realised	(24,491)	(12,073)	(11,974)	(11,593)
- Unrealised	16,923	16,994	16,700	16,912
	(7,568)	4,921	4,726	5,319
Less: Consolidation Adjustments	(2,531)	(1,443)	–	–
Total Group (accumulated losses)/ retained earnings at end of year	(10,099)	3,478	4,726	5,319

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 results from the consumption of resources 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 resources, such credit or charge should not be deemed as realised until the consumption of resources could be demonstrated.

This supplementary information has 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.

STATEMENT BY DIRECTORS

The directors of **CME GROUP BERHAD** state that, in their opinion, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and the Company as of December 31, 2015 and of the financial performance and the cash flows of the Group and the Company for the year ended on that date.

The supplementary information set out in Note 34 which is not part of the financial statements, is prepared in all material respects, in accordance with Guidance on Special Matter No. 1 'Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements' as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed in accordance with a resolution
of the Directors,

TUNKU NIZAMUDDIN BIN
TUNKU DATO' SERI SHAHABUDDIN

LIM BEE HONG

Petaling Jaya,
April 18, 2016

DECLARATION BY THE DIRECTOR

PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, **LIM BEE HONG**, the director primarily responsible for the financial management of **CME GROUP BERHAD**, do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

LIM BEE HONG
April 18, 2016

Subscribed and solemnly declared by the abovenamed **LIM BEE HONG** at **PETALING JAYA** this 18th day of April, 2016.

Before me,

NG SAY HUNG
NO: B185
COMMISSIONER FOR OATHS
Malaysia

LIST OF PROPERTIES

Owned by:
CME GROUP BERHAD

Location	Land Area Built up	Date of Purchase/ Revaluation	Tenure/ (Approximate Age of Building) Years	Description of Property (Existing Use)	Net Book Value As At 31 December RM
45 units of 3 storey Shoplot office :- H.S. (M) 22733 No. PT 23011 to H.S. (M) 22739 No. PT 23017 H.S. (M) 22741 No. PT 23019 to H.S. (M) 22747 No. PT 23025 H.S. (M) 22759 No. PT 23037 to H.S. (M) 22773 No. PT 23051 H.S. (M) 22779 No. PT 23057 to H.S. (M) 22788 No. PT 23066 H.S. (M) 22805 No. PT 23083 to H.S. (M) 22809 No. PT 23087 H.S. (M) 22815 No. PT 23093	18,779 sq.m	February 2015	Leasehold 99 years expiring 25 April 2090	3 Storey	39.280 milion
10 units of 3 storey Shoplot office :- H.S. (M) 22778 No. PT 23056 H.S. (M) 22790 No. PT 23068 H.S. (M) 22792 No. PT 23070 to H.S. (M) 22794 No. PT 23072 H.S. (M) 22796 No. PT 23074 to H.S. (M) 22799 No. PT 23077 H.S. (M) 22803 No. PT 23081	4,097 sq.m	February 2015	Leasehold 99 years expiring 25 April 2090	3 Storey	9.165 milion
Leasehold land :- PM1779, Lot 35895 All in Mukim of Kuala Kuantan Tempat Bandar Indera Mahkota State of Pahang	5,936 sq.m	17 June 2013	Leasehold 99 years expiring 25 April 2090	Property Development	7.667 milion

Owned by:-
CME INDUSTRIES SDN BHD

Location	Land Area Built up	Date of Purchase/ Revaluation	Tenure/ (Approximate Age of Building) Years	Description of Property (Existing Use)	Net Book Value As At 31 December RM
12161, Mukim of Damansara District of Petaling State of Selangor Darul Ehsan	7,307.20 sq.m	14 January 1991	Freehold 24 years	3 Storey Office cum Factory Building	6.341 million

Owned by:-
CME PROPERTIES (AUSTRALIA) PTY LTD

Location	Land Area Built up	Date of Purchase/ Revaluation	Tenure/ (Approximate Age of Building) Years	Description of Property (Existing Use)	Net Book Value As At 31 December RM
20 Henson Street, Local Government Area of City of Mandurah, Australia	11,786 sq.m	3 December 2014	Freehold	Property Development	24.540 million
170 Mandurah Terrace, Local Government Area of City of Mandurah, Australia	3,998 sq.m	3 December 2014	Freehold	Property Development	8.325 million

ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2016

Authorised Share Capital	:	RM 1,000,000,000
Issued and Fully Paid Up	:	RM 44,100,000
Class of Shares	:	Ordinary Shares of RM0.10 each fully paid

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital
Less than 100	214	8.54	16,799	0.00
100 - 1,000	275	10.97	209,514	0.04
1,001 - 10,000	319	12.73	1,794,038	0.41
10,001 - 100,000	1,262	50.36	56,836,369	12.89
100,001 to less than 5% of issued shares	435	17.36	301,669,640	68.39
5% and above of issued shares	1	0.04	80,573,640	18.27
Total	**2,506**	**100.00**	**441,100,000**	**100.00**

DIRECTORS' SHAREHOLDINGS

No.	Name of Directors	No. of Shares Direct Interest	%	No. of Shares Deemed Interest	%
1	Y.M. Tunku Nizamuddin bin Tunku Dato' Seri Shahabuddin	–	–	80,573,640	18.27
2	Y.A.D. Dato' Setia Tengku Indera Pahlawan Tengku Putra Alhaj Bin Tengku Azman Shah Alhaj	–	–	–	–
3	YAM Tengku Besar Tengku Kamil Ismail bin Tengku Idris Shah	–	–	–	–
4	Miss Lim Bee Hong	100,540	0.02	–	–
5	Y.BHG. Dato' Khairi bin Mohamad	–	–	–	–
6	En. Azlan Omry bin Omar	–	–	–	–
7	Miss Ong Suan Pin	12,470,180	2.83	–	–

SUBSTANTIAL SHAREHOLDERS

No.	Name of Substantial Shareholders	No. of Shares	%
1	Ikram Mulia Holdings Sdn Bhd	80,573,640	18.27

THIRTY (30) LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	%
1	IKRAM MULIA HOLDINGS SDN. BHD.	80,573,640	18.27
2	DATO' TAN EE SENG	17,049,300	3.87
3	JEWEL VIEW SDN BHD	16,600,000	3.76
4	KAF NOMINEES (TEMPATAN) SDN.BHD. ONG SUAN PIN	12,400,000	2.81
5	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN LIAN HONG	11,252,200	2.55
6	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN LIAN HONG (8092237)	9,479,400	2.15
7	CIMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG GEOK WAH (B BRKLANG-CL)	5,000,000	1.13
8	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM KING SOON (SIB)	4,784,000	1.08
9	TAN HONG HONG	4,500,000	1.02
10	TEH OOI HEONG	4,200,000	0.95
11	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN KIAN HONG	4,138,500	0.94
12	HEW CHIN KWAI	4,050,000	0.92
13	LEE CHEE MING	4,000,000	0.91
14	CIMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG SEOW PANG	4,000,000	0.91
15	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR PANG KIM HAU	3,878,500	0.88
16	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD RAVINDRAN A/L SINNAYYA	3,601,000	0.82
17	TAN HOCK CHYE	3,300,000	0.75
18	TAN SIEW LUAN	3,048,200	0.69
19	LOW LOONG KUAN	3,000,000	0.68
20	TEH HANN TSONG	2,900,000	0.66
21	NG MUI KIT	2,542,800	0.58
22	LEE SOO HAR	2,500,200	0.57
23	TAN KOH WAH	2,500,000	0.57
24	LIM POH FONG	2,303,800	0.52
25	LIM SHEW POH	2,286,900	0.52
26	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT-AMBANK ISLAMIC BERHAD FOR TAN KIAN HONG(SMART)	2,150,000	0.49
27	YEOW EWE CHUAN	2,120,000	0.48
28	TOH SU-N	2,097,100	0.48
29	LIM KOK HOOI	2,050,000	0.46
30	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LUK TECK HOE (7000043)	2,000,000	0.45
	TOTAL	**224,305,540**	**50.85**

ANALYSIS OF ICULS HOLDINGS

AS AT 31 MARCH 2016

Number of Ten (10) - Years Zero Coupon Irredeemable Covertible Unsecured Loan Stock:
784,250,715 at 100% of its nominal value of RM0.04 each ("ICULS")

DISTRIBUTION OF ICULS HOLDINGS

Size of ICULS Holdings	No. of ICULS Holders	% of ICULS Holders	No. of ICULS Held	% of Issued ICULS Capital
Less than 100	1	0.50	1	0.00
100 - 1,000	7	3.51	2,059	0.00
1,001 - 10,000	20	10.05	106,300	0.02
10,001 - 100,000	111	55.78	5,751,755	0.73
100,001 to less than 5% of issued ICULS	58	29.15	28,390,600	3.62
5% and above of issued ICULS	2	1.01	750,000,000	95.63
Total	**199**	**100.00**	**784,250,715**	**100.00**

DIRECTORS' ICULS HOLDINGS

		No. of ICULS		No. of ICULS	
No.	Name of Directors	Direct Interest	%	Deemed Interest	%
1	Y.M. Tunku Nizamuddin bin Tunku Dato' Seri Shahabuddin	–	–	–	–
2	Y.A.D. Dato' Setia Tengku Indera Pahlawan Tengku Putra Alhaj Bin Tengku Azman Shah Alhaj	–	–	–	–
3	YAM Tengku Besar Tengku Kamil Ismail bin Tengku Idris Shah	–	–	–	–
4	Miss Lim Bee Hong	201,080	0.03	–	–
5	Y.BHG. Dato' Khairi bin Mohamad	–	–	–	–
6	En. Azlan Omry bin Omar	–	–	–	–
7	Miss Ong Suan Pin	–	–	–	–

SUBSTANTIAL ICULS HOLDERS

No.	Name of Substantial ICULS Holders	No. of ICULS	%
1	**Luteum Pty Ltd** Registered with: - RHB Nominees (Asing) Sdn Bhd	560,025,000	71.41
2	**Grand Holdings Pty Ltd** Registered with: - RHB Nominees (Asing) Sdn Bhd	189,975,000	24.22

THIRTY (30) LARGEST ICULS HOLDERS

No.	Name of ICULS Holders	No. of ICULS	%
1	RHB NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LUTEUM PTY LTD	560,025,000	71.41
2	RHB NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GRAND HOLDINGS PTY LTD	189,975,000	24.22
3	RAMLI BIN ABDULLAH	8,185,600	1.04
4	LIEW KUO YAW	3,456,200	0.44
5	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN LI PING (E-SLY/TMW)	1,400,000	0.18
6	NEO KET SHONG @ NEO YEE CHOON	1,000,000	0.13
7	LEE CHEE KEONG	800,000	0.10
8	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR KOK POW PENG @ KOK POH PING (PB)	600,000	0.08
9	RAMLI BIN ABDULLAH	503,000	0.06
10	EU MUI @ EE SOO MEI	500,000	0.06
11	TAN AH KOW @ TAN CHEE LIN	500,000	0.06
12	GAN AH KUAN	450,000	0.06
13	TEO AH CHIEW	400,000	0.05
14	CHAN WAN TECK	400,000	0.05
15	CHIM LUANG ENG	400,000	0.05
16	LEW HUEY FANG	400,000	0.05
17	LIAU LEW EI	400,000	0.05
18	LOH SIN MIN	400,000	0.05
19	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SOH TECK CHIN	400,000	0.05
20	TAN MING SHENG	400,000	0.05
21	TAN YIK SIN	400,000	0.05
22	SIM KAH HOON	391,600	0.05
23	CHIM LUANG ENG	320,000	0.04
24	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR AHMAD HASBI BIN MOHAMED @ ISMAIL	265,000	0.03
25	OOI CHIN AIK	225,000	0.03
26	GAN TIAN SOO @ GAN AH KAN	220,000	0.03
27	LIM BEE HONG	201,080	0.03
28	YEAP THAY OH	200,000	0.03
29	BONG HUA	200,000	0.03
30	YAP KA HAN	200,000	0.03
	TOTAL	**773,217,480**	**98.59**

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Proxy Form

Number of shares held [ ]

CME GROUP BERHAD
(Incorporated in Malaysia) • Company No. 52235-K

I/We, ... NRIC No. ....
(PLEASE USE BLOCK LETTERS)

of ....

being a Member/Members of the CME Group Berhad, hereby appoint ....

.... NRIC No. ....
(PLEASE USE BLOCK LETTERS)

of ....

* and/or failing him/her, ... NRIC No. ....
(PLEASE USE BLOCK LETTERS)

of ....

As my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company, to be held at Delima Room, Lobby Floor, Empress Hotel, Jalan ST 1C/7, Medan 88, Bandar Baru Salak Tinggi, 43900 Sepang, Selangor Darul Ehsan on Monday, 23 May 2016 at 11.00 a.m. or any adjournment thereof.

The proportion of *my/our holding to be represented by *my/our proxies are as follows:-
(The next paragraph should be completed only when two proxies are appointed)

* First Proxy (1) .... % * Second Proxy (2) ....%

I/We direct my/our proxy to vote for against the Resolutions to be proposed at the Meeting as hereinunder indicated

No.	RESOLUTIONS	FOR	AGAINST
1.	To re-elect Y.M. Tunku Nizamuddin Bin Tunku Dato' Seri Shahabuddin as Director		
2.	To re-elect En. Azlan Omry Bin Omar as Director		
3.	To re-elect Miss Lim Bee Hong as Director		
4.	To re-appoint Y. Bhg. Dato' Khairi Bin Mohamad as Director		
5.	To approve the payment of Directors' fees		
6.	To re-appoint Messrs Deloitte as Auditors of the Company		
7.	Authority to issue shares pursuant to Section 132D of the Companies Act, 1965		
8.	Retention of Y.A.D. Dato' Setia Tengku Indera Pahlawan Tengku Putra Alhaj Bin Tengku Azman Shah Alhaj as Independent Director		
9.	Retention of Y. Bhg. Dato' Khairi Bin Mohamad as Independent Director		

(Please indicate with an 'X' in the appropriate box against each resolution how you wish your proxy to vote. If this form of proxy is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he thinks fit).

Date this................day of 2016

....
Signature(s) of Member(s)

Notes:

1. A proxy need not be a member of the Company and Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.

2. For a proxy to be valid, this form, duly completed must be deposited at the Registered Office of the Company at 36A, Lorong Gelugor, Off Persiaran Sultan Ibrahim, 41300 Klang, Selangor Darul Ehsan not less than forty-eight (48) hours before the time set for the meeting or any adjournment thereof.

3. A member shall be entitled to appoint one (1) or more proxies to attend and vote instead of him at the same meeting and where a member appoints two (2) or more proxies to vote at the same meeting, such appointment shall be invalid unless he specify the proportion of his shareholding to be represented by each proxy.

4. Where a member is an exempt authorised nominee which holds ordinary shares of the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies it may appoint in respect of each omnibus account it holds.

5. In the case of a corporate member, this form must be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised.

6. For the purpose of determining a member who shall be entitled to attend this Twentieth (20th) AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Article 59 of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act 1991 to issue a Record of Depositors as at 17 May 2016.. Only a depositor whose name appears on such Record of Depositors shall be entitled to attend the said meeting or appoint proxies to attend and vote on his/her behalf.

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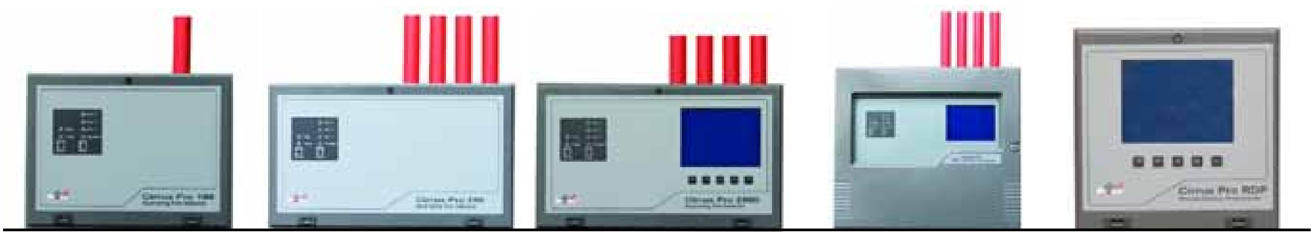
THE COMPANY SECRETARY
CME GROUP BERHAD (52235-K)
36A, Lorong Gelugor
Off Persiaran Sultan Ibrahim
41300 Klang
Selangor Darul Ehsan
Malaysia

Please fold here

www.cme.com.my



Protec Fire Detection (Export) Ltd

CME GROUP BERHAD
(Company No. 52235-K) - Incorporated in Malaysia

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