

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS OF 31 MARCH 2016**

*(The figures have not been audited)*

	<b>Unaudited</b> <b>At 31/03/2016</b> <b>RM '000</b>	<b>Audited</b> <b>At 31/12/2015</b> <b>RM '000</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	18,181	7,022
Land held for property development	39,060	40,532
Investment properties	41,110	41,110
Other financial assets	5,903	8,197
Deferred tax assets	291	291
<b>TOTAL NON-CURRENT ASSETS</b>	<b>104,545</b>	<b>97,152</b>
<b>CURRENT ASSETS</b>		
Inventories	632	619
Amount due from contract customers	3,347	4,576
Trade receivables and other receivables	14,300	11,927
Tax recoverable	518	535
Cash and bank balances	477	474
	19,274	18,131
Assets classified as held for sale	6,435	7,335
<b>TOTAL CURRENT ASSETS</b>	<b>25,709</b>	<b>25,466</b>
<b>TOTAL ASSETS</b>	<b>130,254</b>	<b>122,618</b>
<b>EQUITY AND LIABILITIES</b>		
<b>CAPITAL AND RESERVES</b>		
Issued capital	44,110	44,110
ICULS	31,370	31,370
Reserves	3,597	(4,000)
<b>TOTAL EQUITY</b>	<b>79,077</b>	<b>71,480</b>
<b>NON-CURRENT LIABILITIES</b>		
Hire-purchase payables	537	568
Long-term loan	2,264	2,074
Deferred tax liabilities	832	832
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>3,633</b>	<b>3,474</b>
<b>CURRENT LIABILITIES</b>		
Trade payables and other payables	25,000	25,497
Amount due to contract customers	2,555	83
Hire-purchase payables	187	133
Bank borrowings	19,730	21,879
Tax liabilities	72	72
<b>TOTAL CURRENT LIABILITIES</b>	<b>47,544</b>	<b>47,664</b>
<b>TOTAL LIABILITIES</b>	<b>51,177</b>	<b>51,138</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>130,254</b>	<b>122,618</b>
<b>Net Tangible Assets Per RM0.10 Share</b>	<b>0.179</b>	<b>0.162</b>

*(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statement for the year ended 31 December 2015 and the explanatory notes attached to the interim financial report.)*

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
 FOR THE CURRENT QUARTER AND CUMULATIVE 3-MONTH PERIOD ENDED 31 MARCH 2016**

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current year quarter 31/03/2016 (RM '000)	Preceding year corresponding quarter 31/03/2015 (RM '000)	Current Year-to-date 31/03/2016 (RM '000)	Preceding year corresponding period 31/03/2015 (RM '000)
Revenue	7,131	4,500	7,131	4,500
Cost of sales	(5,824)	(4,058)	(5,824)	(4,058)
<b>Gross profit</b>	<b>1,307</b>	442	<b>1,307</b>	442
Other gains	103	2,046	103	2,046
Administrative expenses	(1,190)	(2,255)	(1,190)	(2,255)
Other expenses	(202)	(312)	(202)	(312)
Finance costs	(406)	(244)	(406)	(244)
<b>Loss before tax</b>	<b>(388)</b>	(323)	<b>(388)</b>	(323)
Income tax expense	-	-	-	-
<b>Loss for the period</b>	<b>(388)</b>	(323)	<b>(388)</b>	(323)
<b>Other comprehensive income</b>				
Foreign currency translation	(1,006)	40	(1,006)	40
Gain on revaluation of property, plant and equipment	11,285	-	11,285	-
Other comprehensive (loss)/ gain	(2,294)	550	(2,294)	550
	7,985	590	7,985	590
<b>Total comprehensive income for the period</b>	<b>7,597</b>	267	<b>7,597</b>	267
Loss for the period attributable to:-				
Equity holders of the parent	(388)	(323)	(388)	(323)
Non-controlling interests	-	-	-	-
	(388)	(323)	(388)	(323)
Total comprehensive income attributable to:-				
Equity holders of the parent	7,597	267	7,597	267
Non-controlling interests	-	-	-	-
	7,597	267	7,597	267
<b>Loss per share RM0.10 shares</b>				
<b>Basic (sen):-</b>				
• Before mandatory conversion of Irredeemable Convertible Unsecured Loan Stocks 2014/2024 ("ICULS")	-0.088	-0.073	-0.088	-0.073
• After mandatory conversion of ICULS	-0.051	-0.043	-0.051	-0.043
<b>Diluted (sen)</b>	-0.051	-0.043	-0.051	-0.043

(The Condensed Consolidated Statement of Profit Or Loss And Other Comprehensive Income should be read in conjunction with the Annual Audited Financial Statement for the year ended 31 December 2015 and the explanatory notes attached to the interim financial report.)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
 FOR THE 3-MONTH PERIOD ENDED 31 MARCH 2016**

*(The figures have not been audited)*

	Share capital	ICULS	Retained earnings/ (Accumulated losses)	< -----Non-distributable----- >			Total equity
				Revaluation reserve	Fair value reserve	Foreign currency translation reserve	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Balance as at 1 January 2015</b>	44,110	31,370	3,478	-	1,624	38	80,620
Total comprehensive (loss)/ income for the year	-	-	(13,517)	-	1,354	3,023	(9,140)
Reclassification	-	-	(60)	-	60	-	-
<b>Balance as at 31 December 2015</b>	44,110	31,370	(10,099)	-	3,038	3,061	71,480
Total comprehensive (loss)/ income for the year	-	-	(388)	11,285	(2,294)	(1,006)	7,597
<b>Balance as at 31 March 2016</b>	44,110	31,370	(10,487)	11,285	744	2,055	79,077

*(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Audited Financial Statement for the year ended 31 December 2015 and the explanatory notes attached to the interim financial report.)*

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
 FOR THE 3-MONTH PERIOD ENDED 31 MARCH 2016**  
 (The figures have not been audited)

	<b>Current year-to-date 31/03/2016 RM'000</b>	<b>Preceding year corresponding year-to-date 31/03/2015 RM'000</b>
<b>CASH FLOWS FROM/ (USED IN) OPERATING ACTIVITIES</b>		
Loss for the period	(388)	(323)
Adjustments for:		
Allowance for doubtful debts on trade receivables no longer required	-	(2,140)
Depreciation of property, plant and equipment	126	126
Finance costs	406	244
Gain on disposal of investment properties	(60)	-
Gain on disposal of property, plant and equipment	-	(16)
Income tax expense recognised in profit or loss	-	-
Interest income	-	5
Property, plant and equipment written off	-	108
Unrealised currency translation on land held for property development	1,472	534
Operating profit/ (loss) before working capital changes	1,556	(1,462)
Changes in working capital		
Net changes in current assets	(1,157)	(2,975)
Net changes in current liabilities	1,975	(7,617)
Cash from/ (used in) operations	2,374	(12,054)
Income tax paid	(16)	(17)
Income tax refunded	33	-
Net cash from/ (used in) operating activities	2,391	(12,071)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	-	(5)
Withdrawal of fixed deposit	-	972
Purchase of property, plant and equipment	-	(45)
Proceed from disposal of assets held for sale	960	4,560
Purchase of other financial assets	-	(2,089)
Net cash from investing activities	960	3,393
<b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>		
Interest expense paid	(406)	(244)
Repayment of bank borrowings	(1,863)	(1,619)
Proceed from/ (Repayment of) hire purchase payables	23	(61)
Net cash used in financing activities	(2,246)	(1,924)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	1,105	(10,602)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	(19,224)	(4,606)
Effects of exchange rate changes on cash and cash equivalents	(1,006)	40
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	(19,125)	(15,168)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
 FOR THE 3-MONTH PERIOD ENDED 31 MARCH 2016 (Cont.)**

*(The figures have not been audited)*

**Cash and Cash Equivalents are as follows:-**

Fixed deposits with licensed banks  
 Cash and bank balances  
 Bank overdrafts

Less:- Fixed deposits pledged

<b>Current year-to-date</b>	<b>Preceding year corresponding year-to-date</b>
<b>31/03/2016</b>	<b>31/03/2015</b>
<i>RM'000</i>	<i>RM'000</i>
-	36
477	582
(19,602)	(15,750)
<u>(19,125)</u>	<u>(15,132)</u>
-	(36)
<u>(19,125)</u>	<u>(15,168)</u>

*(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Audited Financial Statement for the year ended 31 December 2015 and the explanatory notes attached to the interim financial report.)*

**NOTES TO THE INTERIM FINANCIAL STATEMENT – FIRST QUARTER ENDED 31 MARCH 2016**

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

**1 Basis of Preparation**

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

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2015. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2015.

**2 Financial Reporting Standards**

Significant accounting policies adopted by the Group in these interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2015.

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

The Group has also adopted all the new and revised MFRSs and IC Interpretations that are relevant and effective for accounting periods beginning on or after 1 January 2016. The adoption of these new and revised MFRS and IC Interpretations have not resulted in any material impact upon the financial statements of the Group.

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

**3 Auditors’ Report on Preceding Annual Financial Statements**

The auditors’ report on the financial statements for the year ended 31 December 2015 was not subjected to any qualification.

**4 Seasonal or cyclical factors**

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

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

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

**6 Changes in estimates**

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

**7 Debt and equity securities**

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

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

There was no dividend paid/ declared by the Company for the current quarter ended 31 March 2016 (2015: Nil.).

**9 Segmental reporting**

<b>31.03.2016</b>	<b>Invest. Holding RM ‘000</b>	<b>Contract Engineering RM ‘000</b>	<b>Trading RM ‘000</b>	<b>Properties RM ‘000</b>	<b>Elimination RM ‘000</b>	<b>Consolidated RM ‘000</b>
<b>Revenue</b>						
External sales	279	6,473	379	-	-	7,131
Inter-segment sales	-	3,313	528	-	(3,841)	-
<b>Total revenue</b>	<b>279</b>	<b>9,786</b>	<b>907</b>	<b>-</b>	<b>(3,841)</b>	<b>7,131</b>
<b>Results</b>						
Segment results	<b>(709)</b>	<b>425</b>	<b>302</b>	<b>-</b>	<b>-</b>	<b>18</b>
Finance costs						(406)
<b>Loss before tax</b>						<b>(388)</b>
Income tax expense						-
<b>Loss for the year</b>						<b>(388)</b>
<b>Other information</b>						
Capital additions	-	-	-	-	-	-
Depreciation	5	55	66	-	-	126
<b>Consolidated Balance Sheet</b>						
<b>Assets</b>						
Segment assets	129,317	51,353	27,019	36,800	(120,138)	124,351
Other investment	5,903	-	-	-	-	5,903
<b>Consolidated total assets</b>	<b>135,220</b>	<b>51,353</b>	<b>27,019</b>	<b>36,800</b>	<b>(120,138)</b>	<b>130,254</b>
<b>Liabilities</b>						
Segment Liabilities	54,860	34,964	24,777	48,657	(112,081)	51,177
<b>31.03.2015</b>						
<b>Revenue</b>						
External sales	379	4,092	29	-	-	4,500
Inter-segment sales	-	1,795	582	-	(2,377)	-
<b>Total revenue</b>	<b>379</b>	<b>5,887</b>	<b>611</b>	<b>-</b>	<b>(2,377)</b>	<b>4,500</b>
<b>Results</b>						
Segment results	<b>618</b>	<b>(472)</b>	<b>(225)</b>	<b>-</b>	<b>-</b>	<b>(79)</b>
Finance costs						(244)
<b>Loss before tax</b>						<b>(323)</b>
Income tax expense						-
<b>Loss for the year</b>						<b>(323)</b>
<b>Other information</b>						
Capital additions	-	45	-	-	-	45
Depreciation	23	36	66	1	-	126

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

**9 Segmental reporting (Cont.)**

31.03.2015	Invest. Holding RM '000	Contract Engineering RM '000	Trading RM '000	Others RM '000	Elimination RM '000	Consolidated RM '000
<b>Consolidated Balance Sheet</b>						
<b>Assets</b>						
Segment assets	127,941	47,984	15,542	37,670	(120,781)	108,356
Other investment	7,394	-	-	-	-	7,394
<b>Consolidated total assets</b>	<b>135,335</b>	<b>47,984</b>	<b>15,542</b>	<b>37,670</b>	<b>(120,781)</b>	<b>115,750</b>
<b>Liabilities</b>						
Segment Liabilities	51,162	30,579	25,779	39,979	(112,636)	<b>34,863</b>

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

**10 Valuation of property, plant and equipment**

The valuation of property, plant and equipment were brought forward without any amendments from the preceding annual financial statements, except for the following:

During the interim financial period ended 31 March 2016, a revaluation exercise was carried out by the Group on land and buildings classified as property, plant and equipment. The revaluation resulted in a property revaluation surplus of RM11.3 million being included in property revaluation reserve. The valuations were carried out by professional independent valuer, Knight Frank Malaysia Sdn Bhd.

**11 Material Subsequent Events**

There were no material events subsequent to 31 March 2016 that have not been reflected in the interim financial report.

**12 Changes in Composition of the Group**

On 25 May 2015, the Company acquired the entire issued and paid-up share capital of Amazing Areas Sdn Bhd (“AASB”), a company incorporated in Malaysia under the Companies Act 1965. AASB has two wholly owned subsidiaries, Moms Care Sdn Bhd (“Moms Care”) and Modern Mum Sdn Bhd (“Modern Mum”). Both subsidiaries are incorporated in Malaysia under the Companies Act 1965. With the Acquisition, CME will become ultimate holding company of Moms Care and Modern Mum. As at the latest practicable date (“LPD”), the Acquisition not completed and the financial results of these subsidiaries are not consolidated into CME Group’s account as at 31 December 2015.

On 29th April 2016 acquired two (2) ordinary shares of RM1.00 each representing 100% of the issued and paid-up share capital of three (3) shelf companies, namely Hati Takzim Sdn. Bhd., Jernih Iras Sdn. Bhd. and Titi Sanjung Sdn. Bhd.; each of which has an authorised share capital of RM400,000.00 and 2 shares of RM1.00 each which have been issued and fully paid-up. With the Acquisition, CME will become the holding company of these three companies.

**13 Contingent Liabilities or Contingent Assets**

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

**14 Capital Commitments**

Capital commitment for investment property not provided for as at 31 March 2016 is as follows:-

Capital expenditure commitments	As at 31-Mar-2016 RM'000
Authorised and contracted for - Investment Properties	851



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

**1 Review of Group performance**

For the first quarter ended 31 March 2016, the Group recorded consolidated revenue of approximately RM7.1 million. The cost of sales for the quarter under review amounted to approximately RM5.8 million.

The consolidated revenue for the current quarter under review has increased by 58.5%, from RM4.5 million in the preceding year corresponding quarter to RM7.1 million. The increase in revenue were mainly attributable to better performance from the Specialised Mobility Vehicles (“SMV”) and Fire Suppression and Prevention (“FSP”) division, which saw a growth of RM2.4 million or 58.2% and RM350,000 or >100% respectively. The increased was however, offset by the decline in revenue from the Property Investment division (“PI”), which saw a decrease of RM100,000 or 26.4%.

Loss before tax for the quarter under review increased by RM65,000, from a loss of RM323,000 recorded in the corresponding preceding year 2015, to a loss of RM388,000, mainly due to losses derived from the PI division.

**2 Material change in loss before tax for the quarter compared with the immediate preceding quarter**

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

	31.03.16 <u>RM’000</u>	31.12.15 <u>RM’000</u>	← Variance → <u>RM’000</u>	→ <u>%</u>
Revenue	7,131	6,855	276	4.0
Loss before tax	(388)	(13,788)	13,400	>100

For the current quarter ended 31 March 2016, the Group recorded revenue of RM7.1 million, a slight increase in revenue of 4.0% compared to the preceding quarter ended 31 December 2015.

The Group recorded a loss before tax of RM388,000 for the current quarter as compared to a loss before tax of RM13.8 million in the preceding quarter, mainly due to a provision made for outstanding amount of approximately RM 10.6 million payable to a loan in the 4<sup>th</sup> Quarter of 2015.

**3 Commentary on Prospects for 2016**

The Directors remain positive of the Group’s prospects for the remaining quarters of 2016 despite recording a loss for first quarter 2016 as the Group has on-going contracts under SMV division for delivery of vehicles for 2016. SMV division will continue to focus on expanding its market share by tapping into potential new markets with our new product range to enhance its sales and profitability. As for our FSP Division, the management will continue to improve on its products and services coupled with the drive to secure new distributionship to improve overall sales performance of the Group in years to come.

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

Meanwhile, the board is putting in place its many measures to build up the sales and will continue to explore other viable, synergistic and profitable business ventures to improve the Group’s performance.

**4 Profit forecast**

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

**5 Income tax expense/ (credit)**

The Tax figures consist of the following :-

	<b>Current Quarter</b> <i>RM ’000</i>	<b>Current Year to Date</b> <i>RM ’000</i>
Current year provision	-	-
	-	-

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

**6 Corporate Proposals**

As at 17th May 2016, being the LPD of this interim financial report, there were no other corporate proposals announced by the Company and pending completion saved as disclosed below, which is not earlier than 7 days from the date of issue of this interim financial report.

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

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

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

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

**7 Group borrowings and debt securities**

	<b>As at 31/03/2016</b>
	<b>Secured</b>
	<i>RM'000</i>
<b>Amount payable within one year</b>	
Bank borrowings	19,730
Finance leases	187
	<u>19,917</u>
<b>Amount payable after one year</b>	
Bank borrowings	2,264
Finance leases	537
	<u>2,801</u>
<b>Total borrowings</b>	<u><u>22,718</u></u>

**8 Material litigation**

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

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

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

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

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

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

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

On 10 June 2015, the Company was informed by its solicitors that Bellajade's Solicitors had filed and served a Notice of Appeal on 3 June 2015.

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

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

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

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

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

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

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

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

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

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

(a) a declaration that:-

- (i) the Joint Venture Agreement was validly terminated by the Plaintiffs;
- (ii) pursuant to the terms of the Joint Venture Agreement, the development relating to the Joint Venture now vests in the Plaintiffs.

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

(c) in the alternative:-

- (i) an account of the Prime loan monies received by the Defendant or paid out to third parties by the Defendant; and
- (ii) an order for the payment by the Defendant to the Plaintiffs of the amount found due to the Plaintiffs under the Joint Venture Agreement or otherwise on the taking of the such account.

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

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

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

(e) alternatively equitable compensation.

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

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

(h) costs.

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

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

On 12 April 2016, the Supreme Court of Western Australia had ordered that:-

1. It is declared that:
  - i. the Joint Venture Agreement dated 12 August 2014 between the parties as varied by the Joint Venture Agreement Deed of Variation dated 18 December 2014 ("the Joint Venture Agreement") was validly terminated by the Plaintiffs on 21 September 2015.
  - ii. the development described in the Joint Venture Agreement vests in the First and Second Plaintiff.
2. The Defendant pay to the Plaintiffs the sum A\$2,115,051.41.
3. The Defendant pay to the Plaintiffs interest on the sum of A\$2,115,051.41 at the rate of 6% per annum from the date of judgment.
4. The Defendant pay the Plaintiffs' costs of the action and the application for summary judgment, including any reserved costs, such costs to be taxed if not agreed.
5. The Plaintiffs have liberty to apply for damages to be paid by the Defendant to be assessed.

**9 Dividend**

No dividend had been declared for the financial period ended 31 March 2016.

**10 Loss Per Share**

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

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

**10 Loss Per Share (Cont.)**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current year quarter 31/03/2016 (RM '000)	Preceding year corresponding quarter 31/03/2015 (RM '000)	Current Year-to-date 31/03/2016 (RM '000)	Preceding year corresponding period 31/03/2015 (RM '000)
Loss attributable to equity holders of the parent	<b>(388)</b>	(323)	<b>(388)</b>	(323)
Weighted average number of ordinary shares	<b>441,100</b>	441,100	<b>441,100</b>	441,100
Adjustment for assumed conversion of ICULS	<b>313,700</b>	313,700	<b>313,700</b>	313,700
Adjusted weighted average number of ordinary shares	<b>754,800</b>	754,800	<b>754,800</b>	754,800
<b>Basic per RM0.10 shares (sen):-</b>				
• Before mandatory conversion of ICULS	<b>-0.088</b>	-0.073	<b>-0.088</b>	-0.073
• After mandatory conversion of ICULS	<b>-0.051</b>	-0.043	<b>-0.051</b>	-0.043
<b>Diluted per RM0.10 shares (sen)</b>	<b>-0.051</b>	-0.043	<b>-0.051</b>	-0.043

**11 Realised And Unrealised Profits/Losses Disclosure**

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

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

The breakdown of accumulated losses of the Group as of 31 March 2016 into realised and unrealised profits or losses, pursuant to the directive, is as follows:

	As at 31/03/2016 RM'000	As at 31/12/2015 RM'000
Total accumulated losses of the Company and its subsidiaries		
- Realised	(23,396)	(24,491)
- Unrealised	16,036	16,923
	(7,360)	(7,568)
Less: Consolidation Adjustments	(3,127)	(2,531)
Total Group accumulated losses as per consolidated accounts	<b>(10,487)</b>	<b>(10,099)</b>

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

**11 Realised And Unrealised Profits/Losses Disclosure (Cont.)**

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

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

**12 Loss before tax**

	<b>As at 31/03/2016 RM'000</b>	<b>As at 31/12/2015 RM'000</b>
This is arrived at after charging/ (crediting):-		
Audit fee	43	93
Depreciation on property, plant and equipment	126	493
Finance costs	406	1,764
Impairment loss on trade receivables	-	463
Provision for warranty and free services	-	29
Impairment loss on trade receivables no longer required	-	(3,302)
Interest income	-	-
Gain on disposal of investment properties	(60)	-

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

**BY ORDER OF THE BOARD  
 CME GROUP BERHAD**

**Lim Bee Hong**  
 Executive Director

**Subang Jaya, Selangor Darul Ehsan  
 23 May 2016**