



To Serve At A Moment's Notice...



CME
CME GROUP BERHAD
(Company No.52235-K)

Annual Report 2008

Contents

2–3

Notice Of Annual General Meeting

4–5

**Statement Accompanying The Notice
Of Annual General Meeting**

6

Corporate Information

7

Corporate Structure

8–11

Directors' Profile

12–13

Statement By The Board Of Directors

14–21

Corporate Governance Statement

22–25

Audit Committee

26–27

Statement On Internal Control

28

**Statement Of Directors'
Responsibilities**

29–70

Financial Statements

71

List Of Properties

72–74

Analysis Of Shareholdings

Form Of Proxy

PETRONAS
PENAPISAN
TERENGGANU SDN BHD

BOMBA

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Thirteenth Annual General Meeting of the Company will be held at the Puteri Room, M Floor, Empress Hotel, Jalan ST 1C/7, Medan 88, Bandar Baru Salak Tinggi, 43900 Sepang, Selangor Darul Ehsan on Tuesday, 23 June 2009 at 11.30 a.m. to transact the following business:

1. To receive and adopt the Financial Statements for the year ended 31 December 2008 together with the Reports of Directors and Auditors thereon. **Resolution 1**

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

Dato' Khairi Bin Mohamad (Independent Non-Executive Director) **Resolution 2**

En Azlan Omry Bin Omar (Non-Independent Non-Executive Director) **Resolution 3**

3. To approve Directors' fees **Resolution 4**

4. To re-appoint Messrs Deloitte & Touche as Auditors and to authorise the Directors to fix their remuneration **Resolution 5**

5. As special Business
To consider and, if thought fit, to pass the following Ordinary and Special Resolutions:

ORDINARY RESOLUTION 1

-Authority to allot shares pursuant to Section 132D of the Companies Act, 1965

"THAT subject to the Companies Act, 1965 and the approval of the relevant government and/or regulatory authorities, the Directors be and are hereby empowered pursuant to Section 132D of the Companies Act, 1965, to issue shares of the Company from time to time upon such terms and conditions and for such purposes and to such person or persons whomsoever as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution shall not exceed 10% of the issued capital for the time being and such authority shall continue in force until the conclusion of the next annual general meeting of the Company."

Resolution 6

By Order of the Board

LEONG KWOK FAI

Secretary

Shah Alam,
Selangor Darul Ehsan
28 May 2009

Notice Of Annual General Meeting (cont'd)

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote for him. 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. The instrument appointing a proxy must be deposited at the Company's Registered Office not less than 48 hours before the time set for the meeting or any adjournment thereof.

3. **Ordinary Resolution**

-Authority to allot shares pursuant to Section 132D of the Companies Act, 1965

The proposed Ordinary Resolution if passed will give the Directors the authority to issue shares up to a maximum ten per centum (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. The authority unless revoked or varied by the Company at a general meeting will expire at the next Annual General Meeting of the Company.

Statement Accompanying The Notice Of Annual General Meeting

1. Directors standing for re-election at the Thirteenth Annual General Meeting of the Company pursuant to Article 83 of the Articles of Association of the Company are :-

Dato Khairi Bin Mohamad (Independent Non-Executive Director)

En Azlan Omry Bin Omar (Non-Independent Non-Executive Director)

2. Details of attendance of Directors at Board Meetings

A total of four (4) Board of Directors' meeting was held during the financial year ended 31 December 2008. Details of attendance of Directors at the Board Meetings are as follows :-

Name	Attendance
Y.M. Dato' Tengku Putra Bin Tengku Azman Shah	4/4
Y.Bhg. Dato' Khairi Bin Mohamad	3/4
Azlan Omry Bin Omar	4/4
Mr Ooi Giap Ch'ng	4/4
Miss Lim Bee Hong	4/4

3. Date, Time and Venue of the Board Meetings

Date & Time	Venue
27 February 2008 2.30 pm	Lot 19, Jalan Delima 1/1, Subang Hitech Industrial Park, Batu Tiga, 40000 Shah Alam, Selangor D.E.
27 May 2008 11.00 am	
26 August 2008 11.00 am	
28 November 2008 11.00 am	

Statement Accompanying The Notice Of Annual General Meeting (cont'd)

4. Further details of retiring Directors who is standing for re-election.

Name	Dato' Khairi Bin Mohamad
Age	69
Nationality	Malaysian
Qualification & Working Experience	Refer to Director's Profile (page 9)
Position in Company	Independent Non-Executive Director
Any other directorships of public companies	None
The securities holdings in the Company and its subsidiaries	Nil
The family relationship with any Director and/or Substantial Shareholder of the Company	Nil
Any conflict of interest that he has with the Company	Nil
List of convictions for offences within the past 10 years other than traffic offences, if any	Nil
Name	En Azlan Omy Bin Omar
Age	43
Nationality	Malaysian
Qualification & Working Experience	Refer to Director's Profile (page 10)
Position in Company	Non-Independent Non-Executive Director
Any other directorships of public companies	None
The securities holdings in the Company and its subsidiaries	Nil
The family relationship with any Director and/or Substantial Shareholder of the Company	Nil
Any conflict of interest that he has with the Company	Nil
List of convictions for offences within the past 10 years other than traffic offences, if any	Nil

Corporate Information

Board of Directors

TUNKU NIZAMUDDIN BIN TUNKU SHAHABUDDIN

Executive Director

LIM BEE HONG

Executive Director

Y.M. DATO' TENGKU PUTRA BIN TENGKU AZMAN SHAH

Non-Independent Non-Executive Director

Y. BHG. DATO' KHAIRI BIN MOHAMAD

Independent Non-Executive Director

AZLAN OMRY BIN OMAR

Non-Independent Non-Executive Director

OOI GIAP CH'NG

Independent Non-Executive Director

Chief Executive Officer

DING CHO HEE

Company Secretary

LEONG KWOK FAI (LS 004938)

Registered Office

Lot 19, Jalan Delima 1/1
Subang Hi-tech Industrial Park, Batu Tiga
40000 Shah Alam, Selangor Darul Ehsan
Tel: 03-5633 1188
Fax: 03-5634 3838
Homepage: <http://www.cme.com.my>

Registrar

Symphony Share Registrars Sdn Bhd
Level 26, Menara Multi Purpose, Capital Square
No. 8, Jalan Munshi Abdullah
50100 Kuala Lumpur
Tel: 03-2721 2222
Fax: 03-2721 2530 & 03-2721 2531

Auditors

Deloitte & Touche
Chartered Accountants
Level 19, Uptown 1
1, Jalan SS 21/58
Damansara Uptown
47400 Petaling Jaya
Tel: 7723 6500
Fax: 7726 3986

Principal Bankers

AmBank (M) Berhad
Bank Perusahaan Kecil &
Sederhana Malaysia Berhad
Malayan Banking Berhad
Rhb Bank Berhad
Public Bank Berhad

Stock Exchange Listing

Bursa Malaysia Securities Berhad
("BURSA SECURITIES")
Second Board

Stock Name

CME

Bursa Securities Stock No

Stock Code: 7018



Corporate Structure



100%

CME Technologies Sdn Bhd

Designing, Manufacturing and Sales of 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 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 Properties Sdn Bhd

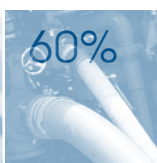
Dormant



100%

CME Pyroshield Sdn Bhd

Sale and servicing of fire fighting gas system and other safety related products



60%

Istilah Permai Sdn Bhd

Dormant



Directors' Profile

Tunku Nizamuddin Bin Tunku Shahabuddin

Executive Director

Tunku Nizamuddin Bin Tunku Shahabuddin, aged 38, 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 14 years of experience in the field of advisory and consultancy in all business areas.

He does not have any family relationship with any of the Directors and/or substantial shareholders of the Company.

He does not have any conflict of interest nor any personal interest in any business arrangement involving the Company.

He has no convictions for offences over the past 10 years.

Tunku Nizamuddin Bin Tunku Shahabuddin is deemed as a substantial shareholder in CME.

Tunku Nizamuddin Bin Tunku Shahabuddin also sits on the Board of several other private limited companies.

Lim Bee Hong

Executive Director

Miss Lim Bee Hong, aged 43 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 19 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.

She does not have any conflict of interest nor any personal interest in any business arrangement involving the Company.

She has no convictions for offences over the past 10 years.

She has attended all the Board Meetings of CME held during the financial year ended 31 December 2008.

Miss Lim Bee Hong hold 540 shares in CME.

Miss Lim Bee Hong also sits on the Board of several other private limited companies.

Directors' Profile (cont'd)

Y.M. Dato' Tengku Putra Bin Tengku Azman Shah

Non-Independent Non-Executive Director

Dato' Tengku Putra Bin Tengku Azman Shah, aged 58, was appointed to the Board of the Company on 19 June 2000. After completing his formal education in the 1960's, Dato' 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.

He does not have any conflict of interest nor any personal interest in any business arrangement involving the Company.

He has no convictions for offences over the past 10 years.

He has attended all Board Meetings of CME held during the financial year ended 31 December 2008.

Y.M. Dato' Tengku Putra Bin Tengku Azman Shah does not hold any shares in CME.

Y.M. Dato' Tengku Putra Bin Tengku Azman Shah 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

Dato' Khairi Bin Mohamad, aged 69, 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 – 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.

Directors' Profile (cont'd)

He does not have any family relationship with any of the Directors and/or substantial shareholders of the Company.

He does not have any conflict of interest nor any personal interest in any business arrangement involving the Company.

He has no convictions for offences over the past 10 years.

He has attended three (3) Board Meetings of CME held during the financial year ended 31 December 2008.

Y.Bhg. Dato' Khairi Bin Mohamad does not hold any shares in CME.

Y.Bhg. Dato' Khairi Bin Mohamad is subject to retirement by rotation at the forthcoming Annual General Meeting and has offered himself for re-election.

Y.Bhg. Dato' Khairi Bin Mohamad also sits on the Board of several other private limited companies.

Azlan Omry Bin Omar

Non-Independent Non-Executive Director
Member of Audit Committee

Azlan Omry Bin Omar, aged 43, was appointed to the Board of the Company on 6 July 2000. He holds a Bachelor of Science degree majoring in Civil Engineering from California State University, Sacramento, California and a Master of Science degree in Manufacturing Systems Engineering from University of Warwick, England. Upon his return from England, he worked for MR Perunding Consulting Engineers Sdn Bhd as a civil and structural engineer from 1990 to 1992. He then returned to England for two years (1993-1994) to work for the Warwick Manufacturing Group, in Coventry, England as a Research Associate. After gaining relative experience in composites technology in the UK, he returned to Malaysia and joined Composites Technology Research Malaysia Sdn Bhd (CTRM) in 1994. CTRM was a wholly owned subsidiary of Khazanah National Berhad established by the Government to spearhead the composites industry in Malaysia. At CTRM he was responsible for the project management of the overall development and construction of the CTRM / Eagle Aircraft Malaysia Manufacturing Facility including the procurement and designing of the Manufacturing and IT Systems in the Aircraft Manufacturing Facility. In 1998, he started Omryn Meredien Sdn Bhd, an IT services company specialising in the sales of computer networking components and Internet services. He is currently the managing director of Omryn Corporation, an investment holding company. He is also a director of Comtrac Sabkar Development Sdn. Bhd. a subsidiary of DRB Hicom Berhad and is actively involved in the company's business of property development and construction.

He does not have any family relationship with any of the Directors and/or substantial shareholders of the Company.

He does not have any conflict of interest nor any personal interest in any business arrangement involving the Company.

Directors' Profile (cont'd)

He has no convictions for offences over the past 10 years.

He has attended all the Board Meetings of CME held during the financial year ended 31 December 2008.

En Azlan Omry Bin Omar does not hold any shares in CME.

En Azlan Omry Bin Omar is subject to retirement by rotation at the forthcoming Annual General Meeting and has offered himself for re-election.

En Azlan Omry Bin Omar also sits on the Board of several other private limited companies.

Ooi Giap Ch'ng

Independent Non-Executive Director

Member of Audit Committee

Mr Ooi Giap Ch'ng, aged 50 was appointed to the Board on 6 May 2005. He holds a Bachelor of Economics degree from Australia National University holds a Bachelor of Law degree and entered on the Roll of Barrister and Solicitors of the Supreme Court of the Australian Capital Territory. He was called to the Malaysian Bar in 1987 and has over 20 years of experience in law practice, mainly in the area of commercial, company litigation, property conveyance, banking and corporate services for financial institutions and public listed companies, corporate restructuring and listing and IPO. He is the founding partner of Messrs Abdullah, Ooi and Chan.

He does not have any family relationship with any of the Directors and/or substantial shareholders of the Company.

He does not have any conflict of interest nor any personal interest in any business arrangement involving the Company.

He has no convictions for offences over the past 10 years.

He has attended all the Board Meetings of CME held during the financial year ended 31 December 2008.

Mr Ooi Giap Ch'ng does not hold any shares in CME.

Currently, Mr Ooi sits on the Board of Meda Inc. Berhad, Infotec Alliance Bhd and several other private limited companies.

Statement By The Board Of Directors

On behalf of the Board of Directors of CME Group Berhad ("CME"), it is my great pleasure to present the Annual Report and Financial Statements of the Group for financial year ended 31 December 2008.

FINANCIAL REVIEW

For financial year ended 31 December 2008, the Group recorded a total revenue of RM37.251 million as compared to RM191.391 million in 2007. Despite the reduction in revenue, with the concerted effort, stringent cost control and efficient cashflow management, the Group managed to record an after tax loss of RM1.260 million. The basic (loss) per share for 2008 is (0.57) sen based on RM0.10 per share as compared to earning per share of 34.67 sen in 2007 (RM1.00 per share).

OVERVIEW AND FUTURE DIRECTION

The exemplary performance in 2007 has resulted in CME being awarded the winner of KPMG Shareholder Value Award Program in the Manufacturing business segment amongst the public listed companies using an Economic Value Management (EVM) valuation methodology to measure the shareholder value.

Fire Fighting Industry Segment

2008 has been a very eventful time for CME and its subsidiaries. The Group has managed to complete and deliver 200 units of LFRT fire vehicle to Jabatan Bomba Dan Penyelamat way ahead of schedule. On export market, the Group has also managed to design, manufacture and deliver 2 units of fire fighting vehicle to PTT Chem and PTTAR (both are petrol chemical plant) in Thailand with the balance of 4 units (1 unit for Esso Sriracha, an oil refinery company and 3 units for PTTPE, a petrol chemical plant in Thailand) at an advanced stage of completion. All these projects run concurrently. The Board believed that the demand for fire fighting vehicles would remain constant both domestically and internationally, as the Group is still receiving enquiries locally as well as from countries around the Asean region and the Middle East.

In order to keep CME abreast of our competitors, we have invested in a test pit/pond (NFPA design) that holds approximately 30,000 litres of water. This test pit/pond is used for pump test that can go up to a flow rate of 3,500 us gallons per minute. We believe this is the first NFPA approved test pit/pond in this region.

In the midst of the recent concerned on global warming, the Board is of the opinion that the Pyroshield IG55 total flooding fire suppression system (an environmental friendly gas system) will contribute positively towards the Group's performance. Authorised agents/dealers have been appointed in Thailand, Indonesia and Vietnam to assist in the marketing of our product.

The Group will continue in its effort to improve on its product range in the fire fighting industry and is exploring new methods of production with new materials to reduce the cost of manufacturing without sacrificing the quality and performance of CME designed fire fighting vehicles.

Statement By The Board Of Directors (cont'd)

Property Rental Business Segment

The occupancy rate on our investment properties has improved since 2007. This is reflected in the increase of approximately 23% in rental income for 2008. With fast maturing development around this new state administration hub, the Board is of the opinion that this business segment would improve further.

CORPORATE EVENTS

On June 18, 2008 the shareholders of the Company approved the subdivision of the issued and unissued ordinary share of RM1.00 par value each in the capital of the Company into ordinary shares of RM0.10 par value each ("Share Split"). The Share Split was effected on June 20, 2008 and was completed with the listing and quotation of the new ordinary on the Second Board of Bursa Malaysia Securities Berhad on July 8, 2008.

DIVIDEND

Your Board does not propose a dividend for the financial year under review in order to conserve the Group's cash position for the Group's development and operations.

BOARDROOM CHANGES

On behalf of the Board, I would like to extend a warm welcome to the newly appointed director, Tunku Nizamuddin Bin Tunku Shahabuddin to the Board. The Group looks forward to benefiting from the experience and wealth of knowledge in business that he will bring with him in his appointment.

APPRECIATION AND ACKNOWLEDGEMENT

On behalf of the Board, I wish to record our appreciation to the Management and Staff of the Group for their dedication, efforts and diligent contributions towards our achievement during the year and I believe this level of commitment will continue to be strengthened as we move forward.

I also sincerely wish to thank all our valued customers, financiers/bankers, business associates/partners 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.

Finally, my sincere gratitude and thanks to my fellow Directors for their invaluable support and advice and my special thanks to our shareholders for their continuing trust and confidence in the Group.

Y.M. DATO' TENGKU PUTRA BIN TENGKU AZMAN SHAH
DIRECTOR

28 May 2009

Corporate Governance Statement

The Board of CME Group Berhad is fully committed to ensure that the highest standard of Corporate Governance is practiced throughout the Group with the objective of strengthening the Group's growth, corporate accountability and safeguarding the interests of the shareholders.

The Board of Directors is pleased to report a statement to the shareholders on how the Group has applied the principles of good governance and compliance of the best practices set out in the Malaysian Code of Corporate Governance for financial year ended 31 December 2008.

COMPOSITION OF THE BOARD

The composition of the current Board is made up of six Directors, of whom two are Executive, two Non-Independent Non-Executive and two Independent Non-Executive. The Company has complied with paragraph 15.02 of the Listing Requirements of Bursa Malaysia Securities Berhad, which requires at least two Directors or one-third of the Board, whichever is the higher, are of independent Directors. There is sufficient balance of directors with a wide range of professional skills such that decision made are fully discussed and examined taking into account the long term interest of shareholders, employees, customers and the many communities in which the Group conduct its business. The presence of Independent Non-Executive Directors is essential as they provide unbiased and independent views, advice and judgement as well to safeguard the interest of other parties such as minority shareholders. A brief profile of each director is presented in this annual report on pages 8 to 11.

None of the Directors has family relationship with other directors / major shareholders. None of the Directors of the Company has any conflict of interest with the Company. All Directors have no convictions for offences within the past ten years.

None of the directors of the Company hold more than ten (10) directorships in public listed company or more than 15 in non-public listed companies, as required by the Listing Requirements.

ROLE AND RESPONSIBILITIES OF THE BOARD

The Board meets regularly during the year to approve the quarterly results and the audited financial statements on a pre-scheduled basis. Additional meetings are convened whenever necessary. The Audit Committee reports the outcome of committee meetings to the Board and such reports are incorporated as part of the minutes of the Board meetings. During the financial year ended 31 December 2008, the Company held four (4) meetings of the Board of Directors. At its regularly scheduled meeting, there were full financial and business reviews and discussions including trading performance to date. All directors fulfilled the requirements of the Articles of Association in respect of board meeting attendance.

To enable the Board to carry out its duties, regular status reports and board papers, including quarterly and year-to-date performance reports are provided to the Board. Where a potential conflict of interest may arise, it is mandatory practice for the Director concerned to declare his or her interest and to abstain from the decision making process.

The Board had established various Board Committees namely the Audit Committee, the Remuneration Committee and the Nomination Committee which is delegated with certain responsibilities as well as operates within the clearly define terms of reference. The Board may, whenever required, set up Board Committees delegated with specific powers and responsibilities.

Corporate Governance Statement (cont'd)

RE-ELECTION

The Articles of Association of the Company provides that at least one third or the nearest one third of the directors are subject to retirement by rotation at each Annual General Meeting but shall be eligible for re-election.

Directors over the age of seventy (70) years of age are required to offer themselves for re-election at each Annual General Meeting in accordance with Section 129(6) of the Companies Act, 1965. None of the Company's Directors has attained 70 years old.

BOARD ATTENDANCE

The Board met a total of four (4) times in the year.

Details of each Director's attendance of the Board meetings are as follows:-

Name of Director	Attendance	% of Attendance
Dato Tengku Putra Bin Tengku Azman Shah	4/4	100%
Dato Khairi Bin Mohamad	3/4	75%
Ooi Giap Ch'ng	4/4	100%
Azlan Omry Bin Omar	4/4	100%
Lim Bee Hong	4/4	100%
Tunku Nizamuddin Bin Tunku Shahabuddin (Appointed on 6 May 2009)	—	—

Dates and Place of Meeting Held

27 February 2008

27 May 2008

26 August 2008

28 November 2008

All meetings were held at Lot 19, Jalan Delima 1/1, Subang Hitech Industrial Park, Batu Tiga, 40000 Shah Alam, Selangor D.E.

ACCESS TO INFORMATION AND ADVICE

The Board has full and unrestricted access to all information with regards to the Group. The Board is furnished with all relevant information from the Management prior to the respective Board Meeting to enable the Board to effectively discharge their responsibilities. The Directors also have direct access to the advice and services of the Company Secretary in furtherance of its role and responsibilities.

Corporate Governance Statement (cont'd)

DIRECTORS' TRAINING

The Directors are provided with the opportunity for relevant training programmes on an on-going basis to keep them abreast with the latest issues and developments in various relevant fields. During the year, all the Directors have attended various training programmes under the Continuing Education Programmes pursuant to the requirements of Bursa Malaysia Securities Bhd. The requisite Mandatory Accreditation Programme has been completed by them previously.

BOARD COMMITTEES

The Board has three committees to specifically address their respective responsibilities. The respective committees have clearly defined terms of reference to assist the Board and to make the respective recommendations to the Board for its consideration and decision.

AUDIT COMMITTEE

The Audit Committee's terms of reference, which outline the Committee's functions and duties, are furnished separately on pages 22 to 25 of the Annual Report.

NOMINATION COMMITTEE

The Nomination Committee comprises the following directors during the year:

Dato' Khairi Bin Mohamad	Chairman, Independent Non-Executive Director
Ooi Giap Ch'ng	Independent Non-Executive Director

The Nomination Committee consists of entirely of Independent Non-Executive Directors. 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 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.

Corporate Governance Statement (cont'd)

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.
- 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.

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 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 2008, one meeting was held, which was attended by all members of the Nomination Committee.

REMUNERATION COMMITTEE

The Remuneration Committee comprises the following directors during the year:

Dato' Khairi Bin Mohamad
Ooi Giap Ch'ng

Chairman, Independent Non-Executive Director
Independent Non-Executive Director

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.

Corporate Governance Statement (cont'd)

Membership (cont'd)

- 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.

Meetings and Procedures

Meetings are to be held as and when necessary. The quorum for each meeting shall be two (2). The Chief Executive Officer 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 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 2008, one meeting was held, which was attended by all members of the Remuneration Committee.

DIRECTORS' REMUNERATION

All the Independent Non-Executive Directors will receive director fees subject to shareholders approval at the forthcoming Annual General Meeting. The level of remuneration of each Director reflects the level of responsibility and commitment, which goes with the Board membership. It is the Board's and Remuneration Committee's duty to ensure that the level of remuneration is sufficient to attract and retain the Directors of the caliber needed to run the group successfully.

Corporate Governance Statement (cont'd)

DIRECTORS' REMUNERATION (cont'd)

The Remuneration Committee will deliberate and submit its recommendation to the Board for their endorsement. During the Board's deliberation on the respective Director's remuneration, the Directors play no part in deciding their own remuneration and shall abstain from discussion and decision in respect of their own remuneration.

The aggregate remuneration packages of the directors for the financial year ended 31 December 2008 are as follows: -

Category	Fees	Other Emoluments	(RM '000) Total
Executive Directors	40	178	218
Non-Executive Directors	120		120
Total	160	178	338

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

RELATIONSHIP WITH SHAREHOLDERS AND INVESTORS

The Group believes in clear communication with its shareholders. The Annual Report and the quarterly announcements are primary modes of communication to report on the Group's business activities and financial performance to all shareholders. Shareholders also have the opportunity to put questions at the Annual General Meeting where the Directors are available to discuss aspects of the Group's business activities and performance. The corporate, financial and market information of the Company are accessible from the Bursa Securities website at <http://www.bursamalaysia.com>. The Company has established its corporate website at <http://www.cme.com.my> for investors and shareholders to access corporate information on the Company and the Group.

FINANCIAL REPORTING

The Company's financial statements are drawn up in accordance with the provision of the Companies Act 1965 and the applicable approved accounting standards in Malaysia. The Board is responsible to ensure that the financial statements of the Group and Companies give a true and fair view of the state of affairs of the Group at the end financial year and of their operations and cashflows for the period then ended.

Corporate Governance Statement (cont'd)

FINANCIAL REPORTING (cont'd)

In this regard, the Board will ensure that the Company has applied consistently appropriate accounting policies and made reasonable and prudent judgements and estimates. The Board also has to ensure that all applicable approved Accounting Standards have been complied.

Prior to release to Bursa Malaysia Securities Berhad, the quarterly and year end financial statements are presented to the board of Audit Committee and reviewed by the Board of Directors towards ensuring that the financial statements present a balanced and understandable assessment of the Group's position and prospects.

RELATIONSHIP WITH EXTERNAL AUDITORS

The Board has, through the Audit Committee, established a formal, transparent and appropriate relationship with the Group's Auditors, both external and internal. The Audit Committee meets regularly with the external and internal auditors to discuss and review the audit plan, quarterly financial results, annual financial statements, internal audit report. At every Board meeting, the Chairman of the Audit Committee briefed the Board on significant matters discussed and deliberated at each meeting and makes recommendations for the Board's approval and endorsement as the case may be.

INTERNAL CONTROL

The Directors acknowledge their responsibility for the Group's system of internal controls covering not only financial controls but also operational and compliance controls as well as risk management. The internal control system is designed to meet the Group's particular needs and to manage the risk exposure.

The Statement of Internal Control is set out on pages 26 to 27 of the annual report provides an overview of the state of internal controls within the Group.

CORPORATE SOCIAL RESPONSIBILITY

As responsible corporate citizen, we are committed to ensuring that our actions not only to benefit our shareholders but also our employees, community and the environment.

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. We also 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.

Our Group recognizes the importance of minimising the environment impact and risks through promoting environmental care activities such as practicing of paperless environment, reduce the usage of paper via electronic communication and recycle paper waste.

The Company understands the importance of good corporate governance to protect and enhance shareholder value and financial performance. Management and staff are continuously reminded to uphold high standard of conduct in the performance of their duties and practice good business ethics.

Corporate Governance Statement (cont'd)

ADDITIONAL COMPLIANCE INFORMATION

1. Share Buy-Backs

During the year, there were no share buy-backs by the Company.

2. Options, Warrants or Convertible Securities

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

3. American Depositary Receipt ("ADR") or Global Depositary Receipt ("GDR") Programme

The Company did not sponsor any ADR or GDR programme during the year.

4. Non-Audit Fees

There were no payment of non-audit fees to the External Auditors for the financial year.

5. Profit Estimate, Forecast, Projections and Variation in Results

There were no variations of 10% or more between the audited results and the unaudited results previously announced for the year ended 31 December 2008. The Company did not make any release on the profit estimate, forecast and projections for the year.

6. Profit Guarantee

The Company did not give any profit guarantee during the year.

7. Material Contracts

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

8. Contract Relating to Loans

There were no contracts relating to loans by the Company and its subsidiaries involving Directors' and major shareholders' interests.

9. Revaluation Policy on Landed Properties

The Group has not adopted a policy on regular revaluation on its landed properties and/or investment properties.

10. Recurrent Related Party Transactions

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

11. Sanctions and/or Penalties Imposed

There were no public sanctions and/or penalties imposed on the Company and its other subsidiaries, directors or management by any other relevant authorities.

Audit Committee

The Board of Directors of CME Group Berhad is pleased to present the report on the Audit Committee and its activities for the financial year ended 31 December 2008.

The Audit Committee met five (5) times during the financial year ended 31 December 2008. Members of the Audit Committee during the financial year together with their attendances at the meeting during the year are as follows :-

Name	Membership status	Attendance
Dato Khairi Bin Mohamad	Chairman, Independent Non-Executive Director	4/5
Ooi Giap Ch'ng	Independent Non-Executive Director	5/5
Azlan Omry Bin Omar	Non-Independent Non-Executive Director	5/5

TERMS OF REFERENCE

Membership

The Committee shall be appointed by the Board from amongst its members and shall consist of not less than three (3) members, all of whom are Non-Executive Directors. An Independent Director shall be one who fulfills the requirement as provided in the Bursa Securities Listing Requirements.

At least one (1) member of the Audit Committee must be a member of the Malaysian Institute of Accountants; or if he is not a member of the Malaysian Institute of Accountants, must have at least three (3) years working experience and either have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967 or possess a degree/masters/doctorate in accounting or finance and at least three (3) years past qualification experience in accounting or finance or at least seven (7) years' experience being a chief financial officer of a corporation or having the function of being primarily responsible for the management of the financial affairs of a corporation or fulfill such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad.

The Chairman of the Committee shall be appointed by the members of the Audit Committee who shall be an Independent Non-Executive Director. Members of the Committee may relinquish their membership with prior written notice to the Company Secretary and may continue to serve as Director of the Company.

In the event of any vacancy in the Committee, the vacancy shall be filled within three (3) months and the Nomination Committee shall review and recommend for the Board's approval another appropriate Director to fill the vacancy.

The Board must ensure that no Alternate Director is appointed as a member of the Audit Committee.

Audit Committee (cont'd)

Terms of Reference

Objective

- To serve as a focal point for communication between Non-Committee Directors and external auditors, internal auditors and the management on matters in connection with financial accounting, reporting and controls.
- To assist the Board of Directors in fulfilling its fiduciary responsibilities relating to corporate accounting, system of internal controls, management and financial reporting practices of the Group.
- To enhance the independence of the functions of the Company's external auditors and internal auditors through active participation in the audit progress.

Authority & Rights

The Committee shall in accordance with the procedure determined by the Board and at the cost of the Company:

- a. has authority to investigate any activity within its Terms of Reference;
- b. has the resources which are required to perform its duties;
- c. has full and unrestricted access to any information pertaining to the Group;
- d. has direct communication channels with the External Auditors and person(s) carrying out the internal audit function or activity (if any);
- e. has authority to obtain independent professional or other advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary; and
- f. be able to convene meetings with External Auditors, excluding the attendance of executive members of the Group, whenever deemed necessary.

Duties and Responsibilities

- a. To consider the appointment of the external auditors, the audit fee and questions of resignation or dismissal;
- b. To discuss with the external auditors before the annual audit commences, the nature and scope of the audit plan;
- c. To review the quarterly, and annual financial statements of the Company and the Group focusing particularly on:-

Audit Committee (cont'd)

Duties and Responsibilities (cont'd)

- (i) Any changes in accounting policies and practices
 - (ii) Significant adjustments arising from the audit
 - (iii) The going concern assumption
 - (iv) Compliance with accounting standards and other legal requirements;
- d. To discuss problems and reservations arising from the final and any interim audits, evaluation of the system of internal controls and any matters the external auditors may wish to discuss including assistance given by the employees of the Group to the auditors; and to review the auditors' audit report, management letter and management's response;
- e. To consider any related party, inter company transactions and conflict of interest that may arise within the Company/Group and any related parties outside the Group including any transaction, procedure or course of conduct that raises questions of management integrity;
- f. To review the scope, functions, procedures of internal audit and results of any internal audit conducted and whether or not appropriate actions, where necessary have been taken; and
- g. Such other functions as may be agreed by the Audit Committee and the Board of Directors.

Meeting and Minutes

The meeting held shall not be not less than four (4) times a year. Additionally, the Chairman shall convene a meeting of the Committee if requested to do so by its member, management or the internal or external auditors to consider any matters within the scope and responsibilities of the Committee. The external auditors have the right to appear and be heard at any meeting of the Committee and shall appear before the Committee when required to do so by the Committee. The Committee may invite any Board member or any member of the Senior Management or any relevant employee within the Company who the Committee thinks fit to attend its meeting to assist in resolving and clarifying matters raised in audit reports. Any two (2) members of the Committee present at the meeting shall constitute a quorum. If at any meeting the Chairman of the Committee is not present within 10 minutes after the time appointed for holding the meeting, the Members present may choose one of their numbers who is an Independent Non-Executive Director to be Chairman of the meeting. The Chairman of the Audit Committee shall engage on a continuous basis with the senior management such as the chairman, chief executive officer, finance director, the head of internal control and the external auditors in order to be kept informed of matters affecting the Company.

The Audit Committee members shall meet with external auditors without Executive Board members at least once a year. An Agenda shall be sent to all the members of the Committee and any persons that may be required to attend. Minutes of each meeting shall be kept and distributed to each member of the Company and also the members of the Board of Directors.

The Company Secretary shall be Secretary of the Committee.

Audit Committee (cont'd)

SUMMARY OF ACTIVITIES

During the financial year under review, the Audit Committee conducted its activities in accordance with its existing terms of reference, which included the review of the external auditors' scope of work and annual audit plan.

The internal auditors have conducted audit reviews on internal control assessment for budgeting controls and processes.

Five (5) meetings of the Committee were held during the financial year ended 31 December 2008.

- a. At each of these Audit Committee's meetings, the accountants of the Group's respective wholly owned subsidiaries were invited to brief the Audit Committee on specific issues.
- b. The reviews of the Group's quarterly and year-to-date unaudited financial statements were made before submission to the Board for their consideration and approval. During the respective Board Meetings, the Chairman of the Audit Committee briefed the Board on issues raised in respect of the financial statements and the recommendations of the Committee thereon.
- c. During the review of the Group's twelve-month's financial results, representatives of the External Auditors, Messrs Deloitte & Touche was invited to discuss the Group Accounts for the year ended 31st December 2008. Management's response to all pertinent issues and findings had been raised and noted by the External Auditors during their examination of the said Group Accounts; together with recommendations in respect of the findings; and
- d. Reviewed the internal audit reports presented and considered the significant findings of internal audit in the Group's operating subsidiaries through the review of internal audit reports tabled and management responses thereto and ensuring significant findings were adequately addressed by Management.

Statement On Internal Control

INTRODUCTION

The Board is pleased to make the following disclosures pursuant to Paragraph 15.27(b) of the Listing Requirements of Bursa Malaysia Securities Berhad, which requires the Board of Directors of public listed companies to include in its annual report "a statement about the state of internal control of the listed issuer as a group".

BOARD'S RESPONSIBILITY

In accordance with Principle D II in part 1 of the Malaysian Code on Corporate Governance, the Board recognizes the importance of maintaining a sound internal control to safeguard shareholders' investment and the Group's assets. Accordingly, the Board acknowledges its responsibility for the Group's overall system internal control as well as reviewing its adequacy and integrity. However, due to the limitations that are inherent in any system of internal control, the system is designed to manage rather than eliminate the risk of failure to achieve the Group's business objectives. Accordingly, it can only provide reasonable and not absolute assurance against material misstatement or loss.

BOARD'S DISCLOSURE ON RISK MANAGEMENT

The Group's activities expose it to a variety of risks including market risk, credit risk, liquidity and cash flow risks.

The Board confirms that there is an ongoing process for identifying, evaluating and managing the significant risk faced by the Group, that had been in place for the financial year, and that the process is regularly reviewed by the Board and accords with The Statement on Internal Control – Guidance for Directors of Public Listed Companies. Other parts of the business entities in the Group also play important roles in ensuring that the risk management process is being carried out on an ongoing basis. These includes the Credit Control Department which is primarily responsible for managing credit risk related activities and the supervision of funding and liquidity risk activities is under the purview of the Accounts Department.

INTERNAL AUDIT

In view of the size and nature of the Group's operations, it is not cost justifiable for the Group to maintain an in-house function for the review of the Group's internal control system, which forms part of the internal audit function. The Group's internal audit function is outsourced to an independent audit firm. The internal auditor will report directly to the Audit Committee. Being an independent third party, the internal auditor is able to perform the internal audit function with impartiality, proficiency and due professional care. The internal audit function facilitates the Board in carrying out its responsibility to review and evaluate the adequacy and integrity of the Group's internal control systems. The full Board through the Audit Committee will meet to review, discuss and direct actions on matters pertaining to the internal auditor's report, which among other matters, include findings relating to the adequacy and integrity of the internal control system of the Group. Internal audit will be carried out annually to provide independent assessments on the adequacy, efficiency and effectiveness of the Group's internal control systems in anticipating potential risk exposures over key business systems and processes and in controlling the proper conduct of business within the Group. The internal auditor adopts a risk-based approach and prepares its audit strategy and plan based on the risk profiles of the Group. The audit plan will be presented to the Audit Committee for approval annually. The resulting reports from the audits undertaken will be reviewed by the Audit Committee and then forwarded to the operational management for attention and necessary corrective actions. The operational management is responsible for ensuring the corrective actions on reported weaknesses are taken within the required time frame.

Statement On Internal Control (cont'd)

ADDITIONAL INFORMATION

Apart from internal audit, the Board has put in place an organisation structure with formally defined lines of responsibility and delegation of authority. A process of hierarchical reporting has been established which provides for a documented and auditable trail of accountability. The monitoring and management of the Group is delegated to the Executive Director and senior operational management. The Executive Director through his involvement in the business operations and attendance at senior management level meetings, manage and monitor the Group's financial performance, key business indicators, operational effectiveness and efficiency, discuss and resolve significant business issues and ensure compliance with applicable laws, regulations, rules, directives and guidelines. These senior management meetings serve as a two-way platform for the Board, through the Executive Director, to communicate and address significant matters in relation to the Group's business and financial affairs and provide update on significant changes in the business and the external environment that may result in any significant risks. Internal control procedures has been set out in a series of standard operating practice manuals and business process manuals to serve as a guidance for proper measures to be undertaken and are subject to regular review, enhancement and improvement.

CONCLUSION

The Board is of the opinion that the system of internal control that has been instituted throughout the Group was satisfactory and has not resulted in any material losses that would require disclosure in the Group's annual report. Notwithstanding this, the Board will continue to review the control procedures to ensure the effectiveness and adequacy of the internal control system of the Group.

Statement Of Directors' Responsibilities

The following statement, which should be read in conjunction with the report of the auditors set out on pages 34 to 35, is made pursuant to paragraph 15.27(a) of the Listing Requirements of Bursa Malaysia Securities Berhad, to explain the responsibilities of the Directors in relation to the preparation of the annual financial statements.

The Directors are required by law to prepare financial statements which give a true and fair view of the state of affairs of the Group and of the Company as at the end of each financial year and of the results and cash flows of the Group and of the Company for the financial year then ended. The Directors consider that, in preparing the financial statements of the Group and of the Company for the year ended 31 December 2008, the Group and the Company have used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all accounting standards which they consider to be applicable have been followed. The Directors also took steps to ensure that the Group and the Company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and which enable them to ensure that the financial statements comply with the Companies Act, 1965 and the applicable approved accounting standards in Malaysia.

CME GROUP BERHAD (52235-K) • Incorporated in Malaysia

Financial Statements

30–33

Directors' Report

34–35

Report Of The Auditors To The Members

36

Income Statements

37–38

Balance Sheets

39

Statements Of Changes In Equity

40–41

Cash Flow Statements

42–69

Notes To The Financial Statements

70

Statement By Directors

70

Declaration By The Officer Primarily Responsible For The Financial Management



Directors' Report

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, 2008.

PRINCIPAL ACTIVITIES

The principal activity of the Company is that of investment holding.

The principal activities of the subsidiary companies are disclosed in Note 12 to the Financial Statements.

There have been no significant changes in the nature of activities of the Company and its subsidiary companies 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	(782)	(1,690)
Income tax expense	(478)	(28)
Loss for the year	(1,260)	(1,718)

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.

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

At an Extraordinary General Meeting held on June 18, 2008, the shareholders of the Company approved the subdivision of the issued and unissued ordinary shares of RM1.00 par value each in the capital of the Company into ordinary shares of RM0.10 par value each ("Share Split"). The Share Split was effected on June 20, 2008 and was completed with the listing and quotation of the new ordinary shares on the Second Board of Bursa Malaysia Securities Berhad on July 8, 2008.

Other than the above, the Company has not issued any new shares or debentures during the financial year.

Directors' Report (cont'd)

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 FINANCIAL INFORMATION

Before the income statements and balance sheets 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 receivables and the making of allowance for doubtful receivables, and have satisfied themselves that all known bad receivables has been written off and that adequate allowance has been made for doubtful receivables; and
- (b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values.

The Group and the Company have incurred current year's operating loss of RM1,260,000 and RM1,718,000 respectively for the year ended December 31, 2008 and the Group's and the Company's current liabilities have exceeded current assets by RM9,159,000 and RM10,546,000 respectively as of December 31, 2008. However, the financial statements of the Group and of the Company have been prepared on the basis of accounting principles applicable to a going-concern. This going-concern basis presumes that the Group and the Company will be able to operate profitably in the foreseeable future and funds will continue to be made available from financiers and creditors, and, consequently, the realisation of assets and the settlement of liabilities will occur in the ordinary course of business. In this connection, the directors are satisfied that the Group and the Company will be able to generate adequate funds to meet their financial obligations as they fall due for the foreseeable future.

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

- (a) which would render the amount of any bad receivables written off or the amount of allowance for doubtful receivables 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.

Directors' Report (cont'd)

OTHER FINANCIAL INFORMATION (cont'd)

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 liability 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:

Dato' Tengku Putra bin Tengku Azman Shah
Dato' Khairi bin Mohamad
Azlan Omy bin Omar
Lim Bee Hong
Ooi Giap Ch'ng

In accordance with Article 83 of the Company's Articles of Association, Messrs. Dato' Khairi bin Mohamad and Azlan Omy bin Omar retire by rotation and, being eligible, offer themselves for re-election at the forthcoming 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:

	Balance as of 1.1.2008	Number of ordinary shares of RM0.10 each			Balance as of 31.12.2008
		Bought	Share split	Sold	
Shares in Company					
Registered in the name of director					
Lim Bee Hong	54	—	486	—	540

Directors' Report (cont'd)

DIRECTORS' INTERESTS (cont'd)

By virtue of the above director's interest in the shares of the Company, she is deemed to have an interest in the shares of the subsidiary companies to the extent the Company has interest.

The other directors in office at the end of the financial year did not hold shares or has 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 Company and of the Group) 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.

AUDITORS

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

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

**DATO' TENGKU PUTRA BIN
TENGKU AZMAN SHAH**

LIM BEE HONG

Shah Alam,
April 28, 2009

Independent Auditors' Report to The Members Of CME GROUP BERHAD (Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of CME GROUP BERHAD, which comprise the balance sheets as of December 31, 2008 of the Group and of the Company and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 36 to 69.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the applicable Malaysian Accounting Standards Board approved accounting standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purposes. We do not assume responsibility towards any other person for the content of this report.

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 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 and fair presentation of the financial statements 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 have been properly drawn up in accordance with the applicable Malaysian Accounting Standards Board approved accounting standards and 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 of December 31, 2008 and their financial performance and cash flows for the year then ended.

Independent Auditors' Report (cont'd)

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2 to the Financial Statements. The Group and the Company have incurred current year's operating loss of RM1,260,000 and RM1,718,000 respectively for the year ended December 31, 2008 and the Group's and the Company's current liabilities have exceeded current assets by RM9,159,000 and RM10,546,000 respectively as of December 31, 2008. However, the financial statements of the Group and of the Company have been prepared on the basis of accounting principles applicable to a going-concern. This going-concern basis presumes that the Group and the Company will be able to operate profitably in the foreseeable future and funds will continue to be made available from financiers and creditors, and, consequently, the realisation of assets and the settlement of liabilities will occur in the ordinary course of business. In this connection, the directors are satisfied that the Group and the Company will be able to generate adequate funds to meet their financial obligations as they fall due for the foreseeable future. Should these assumptions be negated, the basis of 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 of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- b) We have considered the financial statements and the auditors' report of the subsidiary company of which we have not acted as auditors, as mentioned in Note 12 to the Financial Statements, being financial statements that have been included in the consolidated financial statements.
- c) We are satisfied that the financial statements of the subsidiary companies that have 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.
- d) The reports on the financial statements of the subsidiary companies were not subject to any qualification and did not include any comment made under sub-section (3) of Section 174 of the Act.

DELOITTE & TOUCHE

AF 0834

Chartered Accountants

LOO CHEE CHOU

Partner - 2783/09/10 (J)

Chartered Accountant

April 28, 2009

Income Statements

For The Year Ended December 31, 2008

	Note	The Group 2008 RM'000	2007 RM'000	The Company 2008 RM'000	2007 RM'000
Revenue	5	37,251	191,391	795	1,845
Cost of sales		(32,758)	(169,104)	(226)	(175)
Gross profit		4,493	22,287	569	1,670
Investment revenue		161	204	–	–
Other gains		631	55	–	–
Administrative expenses		(4,221)	(4,215)	(489)	(625)
Other expenses		(1,276)	(815)	(1,718)	(1)
Finance costs	6	(570)	(466)	(52)	(52)
(Loss)/Profit before tax	7	(782)	17,050	(1,690)	992
Income tax expense	8	(478)	(3,144)	(28)	(271)
(Loss)/Profit for the year		(1,260)	13,906	(1,718)	721
Attributable to:					
Equity holders of the parent		(1,260)	13,906		
Minority interest		–	–		
		(1,260)	13,906		
Basic (loss)/earnings per ordinary share (sen)	9	(0.57)	3.47		

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

Balance Sheets

As Of December 31, 2008

	Note	The Group 2008 RM'000	2007 RM'000	The Company 2008 RM'000	2007 RM'000
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	10	7,866	7,845	–	–
Investment properties	11	42,130	31,490	42,130	31,490
Investment in subsidiary companies	12	–	–	7,657	9,157
Other investments	13	175	175	175	175
TOTAL NON-CURRENT ASSETS		50,171	39,510	49,962	40,822
CURRENT ASSETS					
Inventories	14	1,704	1,438	–	–
Amount due from contract customers	15	2,355	9,237	–	–
Trade receivables	16	3,025	7,807	87	105
Other receivables, deposits and prepaid expenses	16	753	3,007	31	2,124
Amount owing by subsidiary companies	12	–	–	28,549	28,174
Fixed deposits with licensed institutions	17	85	31,919	–	–
Cash and bank balances		3,933	8,307	29	3
TOTAL CURRENT ASSETS		11,855	61,715	28,696	30,406
TOTAL ASSETS		62,026	101,225	78,658	71,228
EQUITY AND LIABILITIES					
CAPITAL AND RESERVES					
Issued capital	18	40,110	40,110	40,110	40,110
(Accumulated losses)/Retained earnings		(520)	740	(1,281)	437
Equity attributable to equity holders of the Company		39,590	40,850	38,829	40,547
Minority interest		1	1	–	–
TOTAL EQUITY		39,591	40,851	38,829	40,547

Balance Sheets (cont'd)

	Note	The Group 2008 RM'000	2007 RM'000	The Company 2008 RM'000	2007 RM'000
NON-CURRENT LIABILITIES					
Hire-purchase payables - non-current portion	19	205	185	–	–
Long-term loan - non current portion	20	1,216	1,515	587	728
TOTAL NON-CURRENT LIABILITIES		1,421	1,700	587	728
CURRENT LIABILITIES					
Amount due to contract customers	15	1,078	1,746	–	–
Trade payables	21	2,185	41,872	–	–
Other payables, accrued expenses and provisions	21	8,354	7,011	4,781	4,830
Amount owing to subsidiary companies	12	–	–	34,348	25,010
Hire-purchase payables - current portion	19	150	115	–	–
Bank borrowings	22	8,944	6,330	113	113
Tax liabilities		303	1,600	–	–
TOTAL CURRENT LIABILITIES		21,014	58,674	39,242	29,953
TOTAL LIABILITIES		22,435	60,374	39,829	30,681
TOTAL EQUITY AND LIABILITIES		62,026	101,225	78,658	71,228

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

Statements of Changes In Equity

For The Year Ended December 31, 2008

The Group	Issued capital RM'000	Retained earnings/ (Accumulated loss) RM'000	Minority interest RM'000	Total equity RM'000
Balance as of 1.1.2007	40,110	(13,166)	1	26,945
Total recognised income and expenses - profit for the year	–	13,906	–	13,906
Balance as of 31.12.2007	40,110	740	1	40,851
Balance as of 1.1.2008	40,110	740	1	40,851
Total recognised income and expenses - loss for the year	–	(1,260)	–	(1,260)
Balance as of 31.12.2008	40,110	(520)	1	39,591
The Company				
Balance as of 1.1.2007	40,110	(284)	–	39,826
Total recognised income and expenses - profit for the year	–	721	–	721
Balance as of 31.12.2007	40,110	437	–	40,547
Balance as of 1.1.2008	40,110	437	–	40,547
Total recognised income and expenses - loss for the year	–	(1,718)	–	(1,718)
Balance as of 31.12.2008	40,110	(1,281)	–	38,829

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

Cash Flow Statements

For The Year Ended December 31, 2008

Note	The Group 2008 RM'000	2007 RM'000	The Company 2008 RM'000	2007 RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES				
(Loss)/Profit for the year	(1,260)	13,906	(1,718)	721
Adjustments for:				
Income tax expense recognised in income statements	478	3,144	28	271
Impairment loss on investment in a subsidiary company	—	—	1,500	—
Interest expense	570	466	52	52
Depreciation of property, plant and equipment	333	304	—	—
Allowance for doubtful receivables:				
- trade	370	177	218	—
- non-trade	175	32	—	—
Bad receivables written off	—	90	—	3
Amount owing by contract customers written off	249	—	—	—
Inventories written off	37	31	—	—
Interest income	(161)	(204)	—	—
Provision of further costs no longer required	(354)	—	—	—
Gain on disposal of property, plant and equipment	—	(48)	—	—
Property, plant and equipment written off	4	—	—	—
Allowance for foreseeable losses no longer required	(25)	—	—	—
Operating Profit Before Working Capital Changes	416	17,898	80	1,047
(Increase)/Decrease in:				
Inventories	(303)	(1,111)	—	—
Amount due from contract customers	6,658	(7,749)	—	—
Trade receivables	4,412	2,764	(200)	(105)
Other receivables, deposits and prepaid expenses	(148)	1,908	(35)	1,416
Amount owing by subsidiary companies	—	—	(375)	(194)
Increase/(Decrease) in:				
Amount due to contract customers	(668)	(6,486)	—	—
Trade payables	(39,333)	40,225	—	—
Other payables, accrued expenses and provisions	(2,548)	(4,185)	(3,940)	(4,183)
Amount owing to subsidiary companies	—	—	9,338	2,201
Cash (Used In)/From Operations	(31,514)	43,264	4,868	182
Income tax refunded	1	14	1	—
Income tax paid	(1,881)	(1,475)	(29)	(16)
Net Cash (Used In)/From Operating Activities	(33,394)	41,803	4,840	166

Cash Flow Statements (cont'd)

	Note	The Group 2008 RM'000	2007 RM'000	The Company 2008 RM'000	2007 RM'000
CASH FLOWS FROM/(USED IN)					
INVESTING ACTIVITIES					
Withdrawal of sinking fund		8,739	—	—	—
Interest received		365	—	—	—
Withdrawal/(placement) of fixed deposit		195	(70)	—	—
Acquisition of investment properties		(4,621)	—	(4,621)	—
Purchase of property, plant and equipment *		(162)	(237)	—	—
Proceeds from disposal of property, plant and equipment		—	60	—	—
Amount deposited into sinking funds		—	(8,739)	—	—
Net Cash From/(Used In) Investing Activities		4,516	(8,986)	(4,621)	—
CASH FLOWS FROM/(USED IN) FINANCING					
ACTIVITIES					
Drawdown of bank borrowings		4,329	—	—	—
Repayment of bank borrowings		(1,868)	(2,540)	—	—
Interest expense paid		(570)	(466)	(52)	(52)
Repayment of term loan		(284)	(135,456)	(141)	(122)
Repayment of hire-purchase payables		(141)	(105)	—	—
Drawdown of term loan		—	137,197	—	—
Proceeds from bank borrowings		—	325	—	—
Additions of hire-purchase payables		—	71	—	—
Net Cash From/(Used In) Financing Activities		1,466	(974)	(193)	(174)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(27,412)	31,843	26	(8)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		27,383	(4,460)	3	11
CASH AND CASH EQUIVALENTS AT END OF YEAR	23	(29)	27,383	29	3

* Purchase of property, plant and equipment consists of the following:

	The Group 2008 RM'000	2007 RM'000
Payment by cash	162	237
Hire-purchase	196	68
Total (Note 10)	358	305

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 that of investment holding.

The principal activities of the subsidiary companies are as disclosed in Note 12.

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

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Second Board of the Bursa Malaysia Securities Berhad.

The registered office and principal place of business of the Company are located at Lot 19, Jalan Delima 1/1, Subang Hi-Tech Industrial Park, Batu Tiga, 40000 Shah Alam, 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 28, 2009.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared in accordance with the provisions of the Companies Act, 1965 and Financial Reporting Standards ("FRSs"), the applicable approved accounting standards in Malaysia issued by the Malaysian Accounting Standards Board ("MASB").

The financial statements of the Group and of the Company have also been prepared on the basis of accounting principles applicable to a going-concern. This going-concern basis presumes that the Group and the Company will be able to operate profitably in the foreseeable future and funds will continue to be made available from financiers and creditors, and, consequently, the realisation of assets and the settlement of liabilities will occur in the ordinary course of business. In this connection, the directors are satisfied that the Group and the Company will be able to generate adequate funds to meet their financial obligations as they fall due for the foreseeable future.

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.

(a) Adoption of Revised FRSs and Issues Committee ("IC") Interpretations

During the financial year, the Group and the Company adopted the following revised FRSs and IC Interpretations issued by the MASB that are relevant to their operations and effective for annual periods beginning on or after January 1, 2008:

Revised FRSs and IC Interpretations

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes

Notes To The Financial Statements (cont'd)

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (cont'd)**(a) Adoption of Revised FRSs and Issues Committee ("IC") Interpretations (cont'd)**

FRS 118	Revenue
Amendment to FRS 121	The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets
IC Interpretation 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Interpretation 8	Scope of FRS 2

The adoption of the above FRSs and IC Interpretations does not have significant financial impact on the financial statements of the Group and of the Company for the current and previous financial years.

(b) FRSs and IC Interpretations Issued but Not Effective

At the date of authorisation of issue of the Financial Statements of the Group and of the Company, the following FRSs and IC Interpretations were in issue but not yet effective:

FRS 4	Insurance Contracts**
FRS 7	Financial Instruments: Disclosures**
FRS 8	Operating Segments*
FRS 139	Financial Instruments: Recognition and Measurement **
IC Interpretation 9	Reassessment of Embedded Derivatives**
IC Interpretation 10	Interim Financial Reporting and Impairment**

* Effective for annual periods beginning on or after July 1, 2009

** Effective for annual periods beginning on or after January 1, 2010

Save for FRS 139, the directors anticipated that the adoption of these FRSs and IC Interpretations in future periods will have no material financial effect on the financial statements of the Group and of the Company.

By virtue of the exemption in paragraph 103AB of FRS 139, the impact on the financial statements upon first adoption of this standard as required by paragraph 30(b) of FRS 108, Accounting Policies, Changes in Accounting Estimates and Errors is not disclosed.

In addition, FRS 7 requires the Group and the Company to provide disclosures in their financial statements that enable users to evaluate:

- (a) the significance of financial instruments for the entity's financial position and performance; and
- (b) the nature and extent of risks arising from financial instruments to which the Group and the Company are exposed during the period and at the end of the reporting period, and how the Group and the Company manage those risks.

Notes To The Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention, except for investment properties which are stated at fair value.

Basis of Consolidation

The consolidated financial statements include the audited financial statements of the Company and its subsidiary companies made up to the end of the financial year. Subsidiary companies are those companies in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their activities. All significant inter-company transactions and balances are eliminated on consolidation.

Control is presumed to exist when the Group owns, directly or indirectly through subsidiary companies, more than half of the voting power of the entity.

The results of subsidiary companies acquired or disposed of during the financial year are included in the consolidated financial statements from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Business Combinations

The acquisition of subsidiary companies is accounted for using the purchase method. The cost of acquisition is measured at the aggregate of the fair values, at the date of exchange of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition under FRS 3 are recognised at their fair values at acquisition date.

Goodwill arising on consolidation is recognised as an asset and initially measured at cost, being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceed the cost of business combination, the excess is recognised in the income statements.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

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 and trade discounts and allowances.

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.

Notes To The Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Revenue (cont'd)

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 to date against the total anticipated costs on the contracts, net of sales 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 balance sheet date.

Deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax is recognised as an income or an expense and included in the income statements for the period, except when it arises from a transaction which is recognised directly in equity, in which 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 balance sheet 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 balance sheet 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 balance sheet date. Deferred tax is recognised in the income statements.

Notes To The Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)**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.

The Company makes monthly statutory contributions to Employees Provident Fund, a statutory defined contribution plan for all its eligible employees. The Company's contributions, calculated at certain prescribed rates, are charged to the income statements, as disclosed in Note 7.

Foreign Currency Conversion

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (its "functional currency"). The consolidated financial statements of the Group are presented in Ringgit Malaysia, which is also the functional currency of the Company.

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 balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet 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.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the income statements for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in income statements for the year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

The closing rates per unit of Ringgit Malaysia used for the translation of foreign currency amounts are as follows:

Currency	2008	2007
US Dollar	0.2884	0.3024
Euro	0.2047	0.2051
Sterling Pound	0.1995	0.1514
Australian Dollar	0.4160	0.3430
Rand	—	1.1340

Notes To The Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 income statements.

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 the income statements 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.

Investment Properties

Investment properties are properties held to earn rentals and/or for capital appreciation and are stated at fair value, determined based on valuation by external valuers using the "open market value" basis. Changes in the fair value of investment properties are included in income statements for the period in which they arise.

Investment in Subsidiary Companies

Investment in subsidiary companies, which is eliminated on consolidation, is stated at cost less any impairment losses in the separate financial statements of the Company.

Other Investments

Other investments consist of investment in golf club memberships. The investment in golf club memberships is stated at cost less allowances for diminution in value of investment to recognise any decline, other than a temporary decline, in the value of the investment.

Notes To The Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Impairment of Assets

The carrying amounts of property, plant and equipment, investment in subsidiary companies and other investments are reviewed at each balance sheet 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 the income statements, unless the asset is carried at revalued amount, in which case, the impairment loss is treated as a revaluation decrease.

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 the income statements.

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 the income statements.

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 balance sheet 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.

Notes To The Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Receivables

Trade and other receivables are stated at nominal value as reduced by the appropriate allowances for estimated irrecoverable amounts. Known bad receivables are written off and allowance is made for any receivables considered to be doubtful of collection.

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. These estimates are estimated, having regard to 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 balance sheet date.

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

Payables

Trade and other payables are stated at the nominal value of the amount to be paid for goods and services received.

Financial Assets

The Group's principal financial assets are other investments, fixed deposits with licensed banks, cash and bank balances and trade and other receivables. The principal financial assets of the Company also include amount owing by subsidiary companies.

Financial Liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangement entered into. Financial liabilities of the Group include trade and other payables, hire-purchase payables, borrowings and term loans which are stated at their nominal values. The financial liabilities of the Company also include amount owing to subsidiary companies.

Dividends on ordinary share are recognised in shareholder's equity in the year in which they are declared.

Bank borrowings are recorded at the proceeds received, net of direct issue costs.

Equity instruments are recorded at the proceeds received, net of direct issue costs.

Cash Flow Statements

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

Cash equivalents are short term, highly liquid investments with maturities of three months or less from date of acquisition and are readily convertible to cash with insignificant risk of changes in value.

Notes To The Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (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 of other business segments.

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 (apart from those involving estimations which are dealt with below).

- **Allowances for doubtful receivables**

The Group makes allowances for doubtful receivables based on an assessment of the recoverability of trade and other receivables. Allowances are applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of doubtful receivables requires use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful receivables expenses in the period in which such estimate has been changed.

- **Revenue recognition on construction contracts**

The Group recognises construction contracts in the income statements by using the stage of percentage-of-completion method.

The stage of completion is determined by the proportion that construction contract costs incurred for work performed to date bear to the estimated total construction costs. Estimated losses are recognised in full when determined. Construction contract expenses 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 extent of the construction contracts incurred, the estimated total construction contract revenue and costs as well as the recoverability of the project undertaken. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

Notes To The Financial Statements (cont'd)

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)**(i) Critical judgements in applying the Group's and the Company's accounting policies (cont'd)**

- Revenue recognition on construction contracts (cont'd)**

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.

Adjustments based on the percentage-of-completion method are reflected in construction contract revenue in the reporting period. To the extent that these adjustments result in a reduction or elimination of previously reported construction 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 construction contract revenue using the percentage-of-completion method.

(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 balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

5. REVENUE

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

	The Group		The Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Contract revenue	34,450	189,043	—	—
Sale of accessories and equipment	1,379	1,257	—	—
Servicing of equipment	627	446	—	—
Dividend income from subsidiary company	—	—	—	1,200
Rental income from investment properties	795	645	795	645
	37,251	191,391	795	1,845

Direct costs relating to rental income from investment properties of the Group and of the Company amounted to RM226,000 (RM175,000 in 2007) during the financial year.

Notes To The Financial Statements (cont'd)

5. REVENUE (cont'd)

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

	The Group		The Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Contract costs	32,520	168,604	–	–
Raw materials and consumables used	278	1,405	–	–
Changes in inventories	(266)	(1,080)	–	–
Directors' remuneration *	493	324	160	160
Depreciation of property, plant and equipment (Note 10)	333	304	–	–
Allowance for doubtful receivables:				
- trade	370	177	218	–
- non-trade	175	32	–	–
Amount owing by contract customers written off	249	–	–	–
Impairment loss on investment in a subsidiary company (Note 12)	–	–	1,500	–
Other expenses	4,524	4,663	458	522
Quit rent and assessment	149	171	149	171
	38,825	174,600	2,485	853

* Directors' remuneration:

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

	The Group		The Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Executive directors:				
Company				
- Fees	40	60	40	60
Subsidiary companies				
- Other emoluments	295	145	–	–
- EPF contributions	38	19	–	–
	373	224	40	60
Non-executive directors:				
Company				
- Fees	120	100	120	100
	493	324	160	160

Notes To The Financial Statements (cont'd)

6. FINANCE COSTS

	The Group		The Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Interest expense on:				
Bank overdrafts	366	311	–	–
Short-term project loan	135	90	–	–
Long-term loan	52	52	52	52
Hire-purchase	17	13	–	–
	570	466	52	52

7. (LOSS)/PROFIT BEFORE TAX

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

	The Group		The Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
After charging:				
Audit fee	65	66	18	15
Inventories written off	37	31	–	–
Rental expense	31	44	–	–
Property, plant and equipment written off	4	–	–	–
Bad receivables written off	–	90	–	3
And crediting:				
Provision for further costs no longer required	354	–	–	–
Interest income from fixed deposits	161	204	–	–
Allowance for foreseeable losses no longer required	25	–	–	–
Gain on disposal of property, plant and equipment	–	48	–	–
Realised gain on foreign exchange	–	5	–	–
Employee information:				
Staff costs	2,173	2,031	59	54
EPF	256	229	6	7

Staff costs include salaries, bonuses, contributions to Employees Provident Fund ("EPF") and all other staff related expenses.

Notes To The Financial Statements (cont'd)

8. INCOME TAX EXPENSE

	The Group		The Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Estimated tax payable:				
- Current year	619	3,250	–	324
- (Over)/Underprovision in prior years	(141)	(106)	28	(53)
	478	3,144	28	271

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

	The Group		The Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit before tax	(782)	17,050	(1,690)	992
Tax at the statutory tax rates of:				
20% on the first RM500,000 of chargeable income	(162)	26	–	–
26% (27% in 2007) on the balance of the chargeable income	(468)	4,568	(439)	268
Expenses not deductible for tax purposes	1,289	1,319	439	56
Utilisation of deferred tax assets not previously recognised	(40)	(2,663)	–	–
(Over)/Underprovision in prior years	(141)	(106)	28	(53)
Tax expense for the year	478	3,144	28	271

As mentioned in Note 3, the tax effects of deductible temporary differences, unused tax losses and unused tax credits which would give rise to net deferred tax asset are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences, unused tax losses and unused tax credits can be utilised. As of December 31, 2008, the estimated amount of net deferred tax asset which has not been recognised in the financial statements due to uncertainty of its realisation, is as follows:

	Deferred Tax Assets/(Liabilities)	
	The Group	
	2008	2007
	RM'000	RM'000
Tax effects of:		
Temporary differences in respect of property, plant and equipment	(121)	(98)
Unused tax losses	1,866	1,893
Unabsorbed capital allowances	249	239
Net deferred tax asset	1,994	2,034

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

Notes To The Financial Statements (cont'd)

8. INCOME TAX EXPENSE (cont'd)

As of December 31, 2008, the Group and the Company have tax exempt income amounting to approximately RM4,658,000 (RM4,658,000 in 2007) and RM3,136,000 (RM3,136,000 in 2007) respectively under the Income Tax (Amendment) Act, 1999 which would enable the Company and the respective subsidiary companies to distribute tax exempt dividends up to the same amount.

As of December 31, 2008, the Group and the Company have tax exempt income amounting to approximately RM4,222,000 (RM4,222,000 in 2007) and RM4,000,000 (RM4,000,000 in 2007) respectively under the Promotion of Investment Act, 1986 which would enable the Company and the subsidiary company to distribute tax exempt dividends up to the same amount.

9. BASIC (LOSS)/EARNINGS PER ORDINARY SHARE

	The Group 2008 RM'000	2007 RM'000
(Loss)/Profit attributable to ordinary shareholders	(1,260)	13,906
Weighted average number of ordinary shares in issue ('000)	220,605	401,100
Basic (loss)/earnings per ordinary share (sen)	(0.57)	3.47*

* The comparative figures were recomputed based on the enlarged number of ordinary shares in issue after the share split exercise which was completed on July 8, 2008.

The basic (loss)/earnings per ordinary share is calculated by dividing the loss attributable to ordinary shareholders of RM1,260,000 (profit attributable to ordinary shareholders of RM13,906,000 in 2007) by the weighted average number of ordinary shares in issue during the year of 220,605,000 (401,100,000 in 2007).

10. PROPERTY, PLANT AND EQUIPMENT

The Group	Freehold land RM'000	Freehold building RM'000	Computers, furniture and fittings, office equipment and workshop air conditioners RM'000	Motor vehicles RM'000	Total RM'000
Cost					
As of 1.1.2007	1,868	7,195	3,097	743	12,903
Additions	—	—	233	72	305
Disposal	—	—	—	(168)	(168)
As of 31.12.2007/1.1.2008	1,868	7,195	3,330	647	13,040
Additions	—	93	38	227	358
Written off	—	—	—	(8)	(8)
As of 31.12.2008	1,868	7,288	3,368	866	13,390

Notes To The Financial Statements (cont'd)

10. PROPERTY, PLANT AND EQUIPMENT (cont'd)

The Group	Freehold land RM'000	Freehold building RM'000	Computers, furniture and fittings, office equipment and workshop equipment and air conditioners RM'000	Motor vehicles RM'000	Total RM'000
Accumulated Depreciation					
As of 1.1.2007	–	1,551	3,062	434	5,047
Charge for the year	–	145	47	112	304
Disposal	–	–	–	(156)	(156)
As of 31.12.2007/1.1.2008	–	1,696	3,109	390	5,195
Charge for the year	–	145	59	129	333
Written off	–	–	–	(4)	(4)
As of 31.12.2008	–	1,841	3,168	515	5,524
Net Book Value					
As of 31.12.2008	1,868	5,447	200	351	7,866
As of 31.12.2007	1,868	5,499	221	257	7,845

The freehold land and building of the Group registered under a subsidiary company have been charged to a local bank for credit facilities granted to the said subsidiary company as mentioned in Note 22.

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	
	2008 RM'000	2007 RM'000
At cost:		
Computers, furniture and fittings, office and workshop equipment and air-conditioners	3,081	3,031
Motor vehicles	135	131
	3,216	3,162

Notes To The Financial Statements (cont'd)

10. PROPERTY, PLANT AND EQUIPMENT (cont'd)

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

	The Group	
	2008	2007
	RM'000	RM'000
Net book value:		
Motor vehicles	349	255
Computer, furniture and fittings, office and workshop equipment and air-conditioners	60	63
	409	318

11. INVESTMENT PROPERTIES

	The Group and The Company	
	2008	2007
	RM'000	RM'000
At beginning of the year	31,490	31,490
Acquisitions during the year	10,640	–
At end of the year	42,130	31,490
Market value	42,130	31,490

The fair value of the investment properties were determined by the directors based on a valuation carried out by Henry Butcher Malaysia (Kuantan) Sdn. Bhd. on 9th February, 2009, an independent firm of professional valuers, using the "open market value" basis.

Certain investment properties of the Company are charged as securities for banking facilities as mentioned in Note 22.

12. INVESTMENT IN SUBSIDIARY COMPANIES

	The Company	
	2008	2007
	RM'000	RM'000
Unquoted shares, at cost	9,157	9,157
Less: Impairment loss during the year (Note 5)	(1,500)	–
	7,657	9,157

Notes To The Financial Statements (cont'd)

12. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

The subsidiary companies, all incorporated in Malaysia, are as follows:

Companies	Effective Percentage of Ownership		Principal Activities
	2008 %	2007 %	
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 ("CMEP")	100	100	Trading of pyroshield gas and accessories
Istilah Permai Sdn Bhd *	60	60	Dormant

* The financial statements of this subsidiary company were not audited by Deloitte & Touche, the auditors of the Company.

Amounts owing by/(to) subsidiary companies which arose mainly from advances to/(by) and payments made on behalf for/(by) its wholly-owned subsidiary, are unsecured, interest-free and have no fixed terms of repayment.

Significant transaction during the financial year between the Company with its subsidiary company is as follows:

	The Company	
	2008 RM'000	2007 RM'000
Dividend received from a subsidiary company		
- CME Edaran Sdn Bhd	—	1,200

13. OTHER INVESTMENTS

	The Group and The Company	
	2008 RM'000	2007 RM'000
Investment in golf club membership	175	175
Market value	175	175

Notes To The Financial Statements (cont'd)

14. INVENTORIES

	The Group	
	2008	2007
	RM'000	RM'000
At cost:		
Trading merchandise	955	657
Machinery and spare parts	25	9
Vehicles	724	724
	1,704	1,390
At net realisable value:		
Machinery and spare parts	–	48
	1,704	1,438

15. AMOUNT DUE FROM CONTRACT CUSTOMERS

	The Group	
	2008	2007
	RM'000	RM'000
Contract costs incurred plus recognised profits	7,673	196,540
Less: Progress billings	(6,396)	(189,049)
Amount due from contract customers	1,277	7,491
Amount due from contract customers	2,355	9,237
Amount due to contract customers	(1,078)	(1,746)
Net	1,277	7,491

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

	The Group		The Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Trade receivables	3,519	8,225	305	105
Less: Allowance for doubtful receivables	(494)	(418)	(218)	–
Net	3,025	7,807	87	105

The credit period granted by the Group and by the Company to customers ranges from 60 to 90 days (60 to 90 days in 2007). An allowance of RM494,000 and RM218,000 (RM418,000 and RMNil in 2007) has been made by the Group and by the Company respectively for estimated irrecoverable amounts of trade receivables. This allowance has been determined by reference to past default experience.

During the financial year, bad receivables of the Group amounting to RM294,000 (RM315,000 in 2007) were written off against the allowance for doubtful receivables.

Notes To The Financial Statements (cont'd)

16. TRADE RECEIVABLES, OTHER RECEIVABLES, DEPOSITS AND PREPAID EXPENSES (cont'd)

Other receivables, deposits and prepaid expenses consist of:

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Other receivables	473	681	5	36
Less: Allowance for doubtful receivables	(175)	(32)	–	–
	298	649	5	36
Refundable deposits	255	2,298	23	2,085
Tax recoverable	108	3	3	3
Prepaid expenses	92	57	–	–
	753	3,007	31	2,124

An allowance has been made by the Group for estimated irrecoverable amounts of other receivables of RM175,000 (RMNil in 2007). This allowance has been determined by reference to past default experience.

During the financial year, bad receivables of the Group amounting to RM32,000 (RM25,000 in 2007) respectively were written off against the allowance for doubtful receivables.

17. FIXED DEPOSITS WITH LICENSED INSTITUTIONS

	The Group	
	2008 RM'000	2007 RM'000
Deposits with:		
Licensed banks	85	23,180
Licensed trust fund company	–	8,739
	85	31,919

Included under fixed deposits with licensed institutions of the Group is an amount of RM85,000 (RM280,000 in 2007) pledged to a local bank by subsidiary companies for bank overdraft and bank guarantee facilities granted to the said subsidiary companies. A subsidiary company has deposited RMNil (RM8,739,107 in 2007) into a sinking fund trust account for project loan facilities as disclosed in Note 22.

The average effective interest rate is as follows:

	The Group	
	2008 %	2007 %
Deposits with:		
Licensed banks	3.0 - 3.7	2.75 - 3.7
Licensed trust fund company	3.0 - 3.5	3.5 - 3.6

Deposits of the Group have a maturity period of 365 days (365 days in 2007).

Notes To The Financial Statements (cont'd)

18. SHARE CAPITAL

Share capital of the Company is represented by:

	The Group and The Company	
	2008 RM'000	2007 RM'000
Authorised:		
500,000,000 ordinary shares of RM1 each	500,000	500,000
Issued and fully paid-up:		
401,100,000 ordinary shares of RM0.10 (40,110,000 ordinary shares of RM1 in 2007) each	40,110	40,110

At an Extraordinary General Meeting held on June 18, 2008, the shareholders of the Company approved the subdivision of the issued and unissued ordinary shares of RM1.00 par value each in the capital of the Company into ordinary shares of RM0.10 par value each ("Share Split"). The Share Split was effected on June 20, 2008 and was completed with the listing and quotation of the new ordinary shares on the Second Board of Bursa Malaysia Securities Berhad on July 8, 2008.

19. HIRE-PURCHASE PAYABLES

	The Group	
	2008 RM'000	2007 RM'000
Total outstanding	403	342
Less: Interest-in-suspense	(48)	(42)
Total principal outstanding	355	300
Less: Portion due within one year included under current liabilities	(150)	(115)
Non-current portion	205	185

The interest rates implicit in these hire-purchase obligations range from 4.68% to 5.71% (4.68% to 11.19% in 2007) per annum. The non-current portion of the hire-purchase obligations of the Group is repayable as follows:

	The Group	
	2008 RM'000	2007 RM'000
Financial years ending:		
2009	–	115
2010	79	44
2011	51	14
2012	58	12
2013	17	–
	205	185

Notes To The Financial Statements (cont'd)

20. LONG-TERM LOAN

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Total principal outstanding	1,544	1,828	700	841
Less: Portion due within one year included under bank borrowings (Note 22)	(328)	(313)	(113)	(113)
Non-current portion	1,216	1,515	587	728

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

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Financial years ending:				
2009	–	313	–	113
2010	313	313	113	113
2011	330	313	113	113
2012 and thereafter	573	576	361	389
	1,216	1,515	587	728

The details of the long-term loan is disclosed in Note 22.

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

- (a) Trade and other payables comprise amounts outstanding for trade purchase and ongoing costs. The average credit period granted to the Group for trade purchases ranges from 30 to 60 days (30 to 60 days in 2007).

The currency exposure profile of trade payables is as follows:

	The Group	
	2008 RM'000	2007 RM'000
Ringgit Malaysia	2,081	41,412
US Dollar	102	15
Sterling Pound	2	433
Euro	–	8
Rand	–	4
	2,185	41,872

Notes To The Financial Statements (cont'd)

21. TRADE PAYABLES, OTHER PAYABLES, ACCRUED EXPENSES AND PROVISIONS (cont'd)

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

	The Group		The Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Other payables	4,833	5,809	4,000	4,531
Provisions (c)	2,051	86	–	–
Accrued expenses	964	962	275	145
Deposits	506	154	506	154
	8,354	7,011	4,781	4,830

Included in other payables of the Group and the Company is an amount outstanding for the purchase of investment properties amounting to RM3,890,984 (RM4,476,243 in 2007).

(c) Provisions:

	The Group			
	Warranty	Free Service	Others	Total
	RM'000	RM'000	RM'000	RM'000
Balance as of January 1, 2008	58	18	10	86
Additional provisions	1,391	696	–	2,087
Utilised during the year	(121)	(1)	–	(122)
Balance as of December 31, 2008	1,328	713	10	2,051

22. BANK BORROWINGS

	The Group		The Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Long-term loan - current portion (Note 20)	328	313	113	113
Bank overdrafts (Note 23)	3,962	3,824	–	–
Trust receipts	4,654	325	–	–
Short-term project loan	–	1,868	–	–
	8,944	6,330	113	113

The long-term loan of the Company bears interest at 7.75% (7.75% in 2007) per annum and is repayable in equal monthly installments of RM13,769 each over 120 months commencing December 2004. The long-term loan facility is secured by first legal charge over three units of 3-storey shop office of the Company included under investment properties as mentioned in Note 11.

Notes To The Financial Statements (cont'd)

22. BANK BORROWINGS (cont'd)**Subsidiary Companies**

The subsidiary companies have credit facilities consisting of long-term loan, bank overdraft, trade financing, trust receipts and bank guarantee facilities totalling RM12 million (RM12 million in 2007) from three local banks. These facilities are secured by the following:

- (a) corporate guarantee by the Company;
- (b) negative pledge on assets of subsidiary companies;
- (c) credit guarantee by Credit Guarantee Corporation Berhad; and

The overdraft and trade financing facilities granted to the subsidiary companies bear interest at a rate of 8% (8% in 2007) per annum.

A subsidiary company has a project loan facility of RM80,560,000 (RM85,060,000 in 2007) from a financial institution. This facility bears interest at 8.50% (8.50% in 2007) per annum and is secured by the following:

- (a) corporate guarantee from the Company;
- (b) placement of fixed deposits of RM85,000 by the subsidiary company, as mentioned in Note 17;
- (c) deed of assignment of contract proceeds from a project secured by the subsidiary company; and
- (d) third party charge over certain investment properties of the Company as mentioned in Note 11.

23. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Fixed deposits with licensed institutions	85	31,919	–	–
Cash and bank balances	3,933	8,307	29	3
Bank overdrafts (Note 22)	(3,962)	(3,824)	–	–
	56	36,402	29	3
Less: Fixed deposit pledged (Note 17)	(85)	(280)	–	–
Amount deposited into sinking fund trust account (Note 17)	–	(8,739)	–	–
	(29)	27,383	29	3

Notes To The Financial Statements (cont'd)

24. FINANCIAL INSTRUMENTS

Financial Risk Management Objective and Policies

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

Foreign currency risk

The Group has undertaken trade transactions with its foreign suppliers, operating outside of Malaysia, where the amounts owing are exposed to currency translation risks.

Interest rate risk

The Group and the Company are exposed to interest rate risk through the impact of rate changes on interest bearing fixed deposits, long-term loan and bank borrowings. The interest rates of fixed deposits, hire-purchase payables and bank borrowings of the Group and of the Company are disclosed in Notes 17, 19 and 22 respectively.

Credit risk

The Group is exposed to credit risk mainly from trade receivables. The Group has no major concentration of credit risk and manages these risks by monitoring credit ratings and limiting the aggregate financial exposure to any individual counterparty.

The Group extends credit to its customers based upon careful evaluation of the customer's financial condition and credit history.

The Group's exposure to credit risk in relation to its trade receivables, should all its customers fail to perform their obligations as of December 31, 2008, is the carrying amount of these receivables as disclosed in the balance sheets.

Liquidity risk

The Group and the Company practice prudent liquidity risk management to minimise the mismatch of financial assets and liabilities and to maintain sufficient credit facilities for contingent funding requirement of working capital.

Cash flow risk

The Group and the Company review its cash flow position regularly to manage its exposure to fluctuations in future cash flows associated with its monetary financial instruments.

Notes To The Financial Statements (cont'd)

24. FINANCIAL INSTRUMENTS (cont'd)*Fair value of financial assets and liabilities*

The carrying amount and the estimated fair value of the Group's and the Company's financial assets and liabilities as of December 31, 2008 are as follows:

The Group	Carrying Amount		Fair Value	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Financial Asset				
Other investments (Note 13)	175	175	175	175
Financial Liabilities				
Hire-purchase payables (Note 19)	355	300	250	270
Long-term loan (Note 20)	1,544	1,828	1,398	1,411
The Company				
Financial Asset				
Other investments (Note 13)	175	175	175	175
Financial Liability				
Long-term loan (Note 20)	700	841	540	622

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.

The market value of other investments as at balance sheet date represents their fair value.

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

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

25. CONTINGENT LIABILITIES

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Unsecured:				
Guarantees given to banks for credit facilities granted to its wholly-owned subsidiary companies	—	—	95,880	95,880

As of December 31, 2008, a third party had initiated a legal suit against a subsidiary company for RM723,824 for the supply of chassis for the construction of two units of prototype to the subsidiary company. The directors of the subsidiary company and the Company, supported by legal advice, believe the probability of a material loss beyond the amount accrued to be remote; however, the ultimate liability for this matter is uncertain. The subsidiary company and the Company believe they have substantial defenses to the claim made and intend to vigorously defend this case.

Notes To The Financial Statements (cont'd)

26. RENTAL COMMITMENT

As of December 31, 2008, the Group has a rental commitment in respect of rental of premises lot as follows:

	The Group	
	2008	2007
	RM'000	RM'000
Financial year ending:		
2008	–	48,000

27. CAPITAL COMMITMENT

	The Group and The Company	
	2008	2007
	RM'000	RM'000
Approved and contracted for:		
Purchase of shoplots	–	8,512

28. COMPARATIVE FIGURES

Certain comparative figures in prior year have been reclassified to conform with their presentation in the current financial year as follows:

2007	As previously reported RM'000	Reclassification RM'000	As restated RM'000
Income Statement			
The Group			
Revenue	190,746	645	191,391
Cost of sales	(168,929)	(175)	(169,104)
Other gains	700	(645)	55
Administrative expenses	(4,386)	171	(4,215)
Other expenses	(819)	4	(815)
The Company			
Revenue	1,200	645	1,845
Cost of sales	–	(175)	(175)
Other gains	645	(645)	–
Administrative expenses	(796)	171	(625)
Other expenses	(5)	4	(1)
Balance Sheet			
The Group			
Trade receivables	7,702	105	7,807
Other receivables, deposits and prepaid expenses	3,112	(105)	3,007
The Company			
Trade receivables	–	105	105
Other receivables, deposits and prepaid expenses	2,229	(105)	2,124

Notes To The Financial Statements (cont'd)

29. SEGMENTAL REPORTING

2008	Investment holding RM'000	Manufacturing RM'000	Trading RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Revenue						
External sales	795	35,029	1,427	–	–	37,251
Inter-segment sales	–	9,387	1,601	–	(10,988)	–
Total revenue	795	44,416	3,028	–	(10,988)	37,251
Results						
Segment result	(1,638)	(247)	140	(128)	1,500	(373)
Finance costs						(570)
Investment revenue						161
Loss before tax						(782)
Income tax expense						(478)
Loss for the year						(1,260)
Other information						
Capital additions	–	260	98	–	–	358
Investment properties additions	10,640	–	–	–	–	10,640
Depreciation of property, plant and equipment	–	91	241	1	–	333
Consolidated Balance Sheet						
Assets						
Segment assets	78,483	45,683	15,625	1,657	(79,597)	61,851
Other investments	175	–	–	–	–	175
Consolidated total assets						62,026
Liabilities						
Segment liabilities	39,829	26,763	26,551	1,559	(72,267)	22,435

Notes To The Financial Statements (cont'd)

29. SEGMENTAL REPORTING (cont'd)

2007	Investment holding RM'000	Manufacturing RM'000	Trading RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Revenue						
External sales	645	189,687	1,059	–	–	191,391
Inter-segment sales	–	–	1,059	–	(1,059)	–
Dividend income	1,200	–	–	–	(1,200)	–
Total revenue	1,845	189,687	2,118	–	(2,259)	191,391
Results						
Segment result	1,044	17,770	(166)	(136)	(1,200)	17,312
Finance costs						(466)
Investment revenue						204
Profit before tax						17,050
Income tax expense						(3,144)
Profit for the year						13,906
Other information						
Capital additions	–	305	–	–	–	305
Depreciation of property, plant and equipment	–	60	243	1	–	304
Consolidated Balance Sheet						
Assets						
Segment assets	71,053	194,133	15,765	1,217	(181,118)	101,050
Other investments	175	–	–	–	–	175
Consolidated total assets						101,225
Liabilities						
Segment liabilities	30,681	174,225	26,438	991	(171,961)	60,374

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

Statement By Directors

The directors of **CME GROUP BERHAD**, state that, in their opinion, the accompanying balance sheets and the statements of income, changes in equity and cash flows are drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable Malaysian Accounting Standards Board approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as of December 31, 2008 and of the results and the cash flows of the Group and the Company for the year ended on that date.

Signed in accordance with a resolution
of the Directors,

**DATO' TENGKU PUTRA BIN
TENGKU AZMAN SHAH**

LIM BEE HONG

Shah Alam,
April 28, 2009

Declaration By The Officer Primarily Responsible For The Financial Management Of The Company

I, **LEONG KWOK FAI**, the officer primarily responsible for the financial management of **CME GROUP BERHAD**, do solemnly and sincerely declare that the accompanying balance sheets and the statements of income, changes in equity and cash flows 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.

Subscribed and solemnly declared by the abovenamed **LEONG KWOK FAI** at **PETALING JAYA** this 28th day of April, 2009.

Before me,

S. SELVARAJAH

No: B144

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
51 units of 3 storey Shoplot office :- H.S.(M) 22733 No. PT 23011 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) 22804 No. PT 23082 to H.S. (M) 22809 No. PT 23087 H.S. (M) 22811 No. PT 23089 to H.S. (M) 22815 No. PT 23093	21,429 sq.m	14 January 2003	Leasehold 99 years expiring 25 April 2090	3 Storey	31.490 million
17 units of 3 storey Shoplot office :- H.S. (M) 22777 No. PT 23055 to H.S. (M) 22778 No. PT 23056 H.S. (M) 22789 No. PT 23067 to H.S. (M) 22803 No. PT 23081 All in Mukim of Kuala Kuantan Tempat Bandar Indera Mahkota State of Pahang	6,934 sq.m	18 March 2008	Leasehold 99 years expiring 25 April 2090	3 Storey	10.640 million

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 18 years	3 Storey Office cum Factory Building	7.315 million

Analysis of shareholdings

As At 30 April 2009

Authorised Shares Capital	:	RM500,000,000
Issued and Fully Paid Up	:	RM40,110,000
Class of Shares	:	Ordinary Shares Of RM0.10 Each Fully Paid

DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital
Less than 100	102	6.88	8,770	0.00
100 – 1,000	314	21.19	266,900	0.07
1,001 – 10,000	175	11.81	717,600	0.18
10,001 – 100,000	765	51.62	23,554,960	5.87
100,001 to less than				
5% of issued shares	124	8.37	174,648,130	43.54
5% and above of issued shares	2	0.13	201,903,640	50.34
Grand Total	1,482	100.00	401,100,000	100.00

DIRECTORS' SHAREHOLDINGS

No.	Names of Directors	No. of Shares	
		Direct Interest	%
1.	Y.M. Dato' Tengku Putra Bin Tengku Azman Shah	–	–
2.	Lim Bee Hong	540	0.00
3.	Y. Bhg. Dato' Khairi Bin Mohamad	–	–
4.	Azlan Omry Bin Omar	–	–
5.	Ooi giap Ch'ng	–	–

SUBSTANTIAL SHAREHOLDERS

No.	Names of Substantial Shareholders	No. of Shares	%
1.	Ikram Mulia Holdings Sdn Bhd	112,103,640	27.95
2.	Lim Gik Tong	89,800,000	22.39
	- HDM Nominees (Tempatan) Sdn Bhd	89,800,000	
	Malaysia Assurance Alliance Berhad for Lim Gik Tong		
3.	Aspire Assets Sdn Bhd	27,407,810	6.83
	- Aspire Assets Sdn Bhd	460,000	
	- Aspire Assets Sdn Bhd	7,000,000	
	KAF Nominees (Tempatan) Sdn Bhd	19,947,810	
	- Pledged Securities Account for Aspire Assets Sdn Bhd		

analysis of shareholdings (cont'd)

THIRTY (30) LARGEST SHAREHOLDERS

	Names of Shareholders	Holdings	
		No. of Shares	%
1.	Ikram Mulia Holdings Sdn. Bhd.	112,103,640	27.95
2.	HDM Nominees (Tempatan) Sdn Bhd <i>Malaysian Assurance Alliance Berhad For Lim Gik Tong</i>	89,800,000	22.39
3.	KAF Nominees (Tempatan) Sdn.Bhd. <i>Pledged Securities Account For Aspire Assets Sdn Bhd</i>	19,947,810	4.97
4.	Cimsec Nominees (Tempatan) Sdn Bhd <i>CIMB For Tan Ang Khan @ Chan Yin Kong (PB)</i>	19,172,900	4.78
5.	Midf Amanah Investment Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For SelvaNdran A/L Ponniah (CTS-SEP0002C)</i>	16,634,450	4.15
6.	HLG Nominee (Tempatan) Sdn Bhd <i>Pledged Securities Account For Lee Siah Sian @ Lee Hay Hian</i>	15,000,000	3.74
7.	AMSEC Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Lim Cheng Seng</i>	9,470,000	2.36
8.	KAF Nominees (Tempatan) Sdn.Bhd. <i>Pledged Securities Account For Shariman Bin Nordin (SA1439)</i>	8,340,000	2.08
9.	Chiew Cheik Yee	8,026,560	2.00
10.	Chiew Cheik Yee	7,678,900	1.91
11.	Aspire Assets Sdn Bhd	7,000,000	1.75
12.	Low Pak Tong	4,186,740	1.04
13.	Ng Seow Pang	4,034,530	1.01
14.	KAF Nominees (Tempatan) Sdn.Bhd. <i>Pledged Securities Account For Low Pak Tong (LO1729)</i>	4,000,000	1.00
15.	Shariman Bin Nordin	3,845,200	0.96
16.	Public Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Low Ah Suan (E-KLC)</i>	3,818,180	0.95
17.	Lim Cheng Seng	3,693,000	0.92

analysis of shareholdings (cont'd)

THIRTY (30) LARGEST SHAREHOLDERS (cont'd)

Names of Shareholders		Holdings No. of Shares	%
18.	Few Pak Yin @ Hew Pak Yin	2,500,000	0.62
19.	Chong Sim Bee	2,400,000	0.60
20.	Leong Kwok Fai	1,600,000	0.40
21.	HLG Nominee (Tempatan) Sdn Bhd <i>Hong Leong Bank Bhd For Shariman Bin Nordin</i>	1,527,500	0.38
22.	ECML Nominees (Tempatan) Sdn. Bhd <i>CIMB Bank For Lee Siah Sian @ Lee Hay Hian (M52003)</i>	1,300,000	0.32
23.	AMSEC Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Chong Sim Bee</i>	1,200,000	0.30
24.	Yii Leh Kiew	1,000,000	0.25
25.	Siah Gim Siew	971,200	0.24
26.	Vertical Source Sdn Bhd	919,000	0.23
27.	Wong Yan Kheong	849,250	0.21
28.	AMSEC Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Ng Cheng Kuai</i>	848,180	0.21
29.	Sven Bjorn Henrik Otterbeck	820,180	0.20
30.	Harbans Kaur A/P Ranjit Singh	734,100	0.18
Total		353,421,320	88.11

Proxy Form

Number of shares held

I/We, _____
(PLEASE USE BLOCK LETTERS)

of _____

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

of _____

or failing him _____

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 the Puteri Room, M Floor, Empress Hotel, Jalan ST 1C/7, Medan 88, Bandar Baru Salak Tinggi, 43900 Sepang, Selangor Darul Ehsan on Tuesday, 23 June 2009 at 11.30 a.m. or any adjournment thereof.

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

No.	Resolution	For	Against
1.	To receive and adopt the Reports and Audited Financial Statements		
2.	To re-elect Dato' Khairi Bin Mohamad as Director		
3.	To re-elect En Azlan Omry Bin Omar as Director		
4.	To approve the payment of Directors' fees		
5.	To re-appoint Messrs Deloitte & Touche as Auditors of the Company		
6.	Special Business – Ordinary Resolution		

(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 _____ 2009

Signature(s) of Member(s)

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote for him. 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. The instrument appointing a proxy must be deposited at the Company's Registered Office not less than 48 hours before the time set for the meeting or any adjournment thereof.
3. Ordinary Resolution
– Authority to allot shares pursuant to Section 132D of the Companies Act, 1965
The proposed Ordinary Resolution if passed will give the Directors the authority to issue shares up to a maximum ten per centum (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. The authority unless revoked or varied by the Company at a general meeting will expire at the next Annual General Meeting of the Company.

Fold This Flap For Sealing (Staple or Glue)

Please Fold Along This Line

Affix Stamp

To: The Company Secretary
 CME GROUP BERHAD (52235-K)
 Lot 19, Jalan Delima 1/1
 Subang Hi-Tech Industrial Park
 Batu Tiga
 40000 Shah Alam

Please Fold Along This Line

This form is intended to facilitate the lodgement of complaints with the Bursa Malaysia, by investors against Public Listed Companies (PLCs) in Malaysia. Investors are encouraged, in the first instance, to amicably settle any differences directly with the PLC concerned.

Q: When can you make a complaint?

A: At anytime, preferably as soon as the problem occurs.

Below are some instances when a complaint may be lodged against a PLC;

- Misleading/inaccurate/insufficient disclosure of information;
- Failure to disclose material information in financial statements or annual reports;
- Action/lack of actions detrimental to the interest of shareholders;
- Directors of PLCs;
- Management of PLCs;
- Share Registrars of PLCs;
- and
- Others (to specify)

Q: What are the procedures to make a complaint?

A: Procedure is very simple. For clarity, it is best to be in written form and directed to the Bursa Malaysia. You can use any of the following methods to submit your complaints;

- mail the attached Complaint Form to Bursa Malaysia; or
- fax the Complaint Form to 03-2710 2308

Q: How will Bursa Malaysia handle the complaint?

A: Bursa Malaysia will handle the matter promptly and in any event, will contact the complainant not later than 14 days from receipt of the complaint.

Details of Complainant

Name: _____

NRIC no: _____

CDS no: _____

Address: _____

Telephone no: _____

House _____

Office _____

H/Phone _____

Details of Public Listed Company

Name : _____

Address: _____

Details of Complaint

Have you tried to resolve this complaint with the relevant Public Listed Company?

☐ Yes

☐ No

If yes, kindly indicate the name of the person contacted and his/her department.

Type of Complaint:

☐ Misleading/inaccurate/insufficient disclose of information;

☐ Failure to disclose material information in financial statements or annual reports;

☐ Action/lack of actions detrimental to the interest of shareholders;

☐ Directors of PLCs;

☐ Management of PLCs;

☐ Share Registrars of PLCs; and

☐ Others (to specify)

If others, please specify:

MY COMPLAINT IS AS FOLLOWS

(Please provide a detailed account of the complaint in chronological order). You may type additional notes in a separate piece of paper.

Signature : _____

Date : _____

For Bursa Malaysia's use :

Ref. No : _____

Dated received : _____

Officer in charge : _____

Dated of first contact with complainant: _____

Status after 14 days :

☐ Resolved

☐ Pending

For Bursa Malaysia's use :

Details :

Bursa Malaysia Berhad



complaint against
public listed company

Contact details :

Group Communications Division
Bursa Malaysia Berhad
6th Floor, Exchange Square
Bukit Kewangan
50200 Kuala Lumpur
Tel : (03) 2034 7000
Fax : (03) 2710 2308



CME GROUP BERHAD

(Company No. 52235-K)
Incorporated in Malaysia

Lot 19, Jalan Delima 1/1
Subang Hi-Tech Industrial Park, Batu 3
40000 Shah Alam
Selangor Darul Ehsan
Malaysia

Tel • 03-5633 1188
Fax • 03-5634 3838

