



# CME GROUP BERHAD

(Company No. 52235-K)

ANNUAL REPORT 2014





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# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Nineteenth (19th) Annual General Meeting (“AGM”) of the Company will be held at the Delima Room, Lobby Floor, Empress Hotel, Jalan ST 1C/7, Medan 88, Bandar Baru Salak Tinggi, 43900 Sepang, Selangor Darul Ehsan on Tuesday, 30 June 2015 at 11.00 a.m. to transact the following Businesses:

- |   |   |   |
|---|---|---|
| 1   | To receive and adopt the Financial Statements for the year ended 31 December 2014 together with the Reports of Directors and Auditors thereon.  | <b>Note A</b>   |
| 2   | To re-elect the following Director who retires in pursuant to Article 83 of the Company’s Articles of Association :-<br><br><b>Y.M. Dato’ Tengku Putra Bin Tengku Azman Shah</b> (Independent Non-Executive Director)   | <b>Resolution 1</b>   |
| 3   | To re-elect the following Director who retires in pursuant to Article 90 of the Company’s Articles of Association :-<br><br><b>YAM Tengku Besar Tengku Kamil Ismail Bin Tengku Idris Shah</b> (Independent Non-Executive Director)  | <b>Resolution 2</b>   |
| 4   | To re-appoint the following Director pursuant to Section 129(6) of the Companies Act 1965 to hold office until the conclusion of the next Annual General Meeting :-<br><br><b>Y.Bhg. Dato’ Khairi Bin Mohamad</b> (Independent Non-Executive Director)  | <b>Resolution 3</b>   |
| 5   | To approve Directors’ fees  | <b>Resolution 4</b>   |
| 6   | To appoint Messrs Deloitte as Auditors of the Company in place of the retiring Auditors, Messrs Deloitte & Touche and to authorise the Directors to fix their remuneration  | <b>Resolution 5</b>   |
| As Special Business to consider and if thought fit, to pass the following resolution: |   |   |
| 7   | <b>ORDINARY RESOLUTION<br/>PROPOSED AUTHORITY TO ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT,</b><br><br>“THAT pursuant to Section 132D of the Companies Act, 1965 and the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue and allot shares in the Company, at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this resolution in any one financial year does not exceed 10% of the total issued share capital of the Company for the time being and that the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad (“Bursa Malaysia”) and that such authority shall continue in force until the conclusion of the next AGM of the Company.” | <b>Resolution 6</b>   |
| 8   | <b>ORDINARY RESOLUTION<br/>RETENTION OF INDEPENDENT DIRECTOR</b><br><br>a. “THAT, subject to the passing of Resolution 1, <b>Y.M. Dato’ Tengku Putra Bin Tengku Azman Shah</b> be and is hereby retained as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code of Corporate Governance 2012.”<br><br>b. “THAT, <b>Encik Azlan Omry Bin Omar</b> be and is hereby retained as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code of Corporate Governance 2012.”<br><br>c. “THAT, subject to the passing of Resolution 3, <b>Y. Bhg. Dato’ Khairi Bin Mohamad</b> be and is hereby retained as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code of Corporate Governance 2012.”  | <b>Resolution 7</b><br><br><b>Resolution 8</b><br><br><b>Resolution 9</b> |

## NOTICE OF ANNUAL GENERAL MEETING

(cont'd)

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

By Order of the Board

### **BERNARD LIM BOON SIANG**

**(MACS 01153)**

Company Secretary  
Selangor Darul Ehsan  
29 May 2015

#### **Notes:**

- A. *This Agenda item is meant for discussion only. The provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders for the Audited Financial Statement and hence, this Agenda item is not put forward for voting.*
1. *A proxy need not be a member of the Company and Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.*
2. *For a proxy to be valid, this form, duly completed must be deposited at the Registered Office of the Company at 36A, Lorong Gelugor, Off Persiaran Sultan Ibrahim, 41300 Klang, Selangor Darul Ehsan not less than forty-eight (48) hours before the time set for the meeting or any adjournment thereof.*
3. *A member shall be entitled to appoint one (1) or more proxies to attend and vote instead of him at the same meeting and where a member appoints two (2) or more proxies to vote at the same meeting, such appointment shall be invalid unless he specify the proportion of his shareholding to be represented by each proxy.*
4. *Where a member is an exempt authorised nominee which holds ordinary shares of the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies it may appoint in respect of each omnibus account it holds.*
5. *In the case of a corporate member, this form must be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised.*
6. *For the purpose of determining a member who shall be entitled to attend this Nineteenth (19th) AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Article 59 of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act 1991 to issue a Record of Depositors as at 23 June 2015. Only a depositor whose name appears on such Record of Depositors shall be entitled to attend the said meeting or appoint proxies to attend and vote on his/her behalf.*

## NOTICE OF ANNUAL GENERAL MEETING

(cont'd)

### EXPLANATORY NOTE ON SPECIAL BUSINESS

#### 7. Ordinary Resolution 6 – Authority to allot and issue shares

*The proposed Ordinary Resolution, if passed, will give the Directors of the Company, from the date of the Nineteenth (19th) AGM, the authority to issue shares up to a maximum 10% of the issued capital of the Company for the time being for such purpose as the Directors would consider in the best interest of the Company. This authority, unless revoked or varied by the Company at a general meeting will expire at the next AGM of the Company.*

*The Company has not issued any new shares under the general authority which was approved at the Eighteenth (18th) AGM held on 30 June 2014 and which authority will lapse at the conclusion of the Nineteenth (19th) AGM. A renewal of this authority is being sought at the Nineteenth (19th) AGM under the proposed Resolution 6.*

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

#### 8. Ordinary Resolution 7, 8 and 9 – Retention of Independent Director

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

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

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

# STATEMENT ACCOMPANYING THE NOTICE OF ANNUAL GENERAL MEETING

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

Venue : Delima Room, Lobby Floor,  
Empress Hotel, Jalan ST 1C/7,  
Medan 88, Bandar Baru Salak Tinggi,  
43900 Sepang, Selangor Darul Ehsan.

Time & Date : 11.00 a.m., Tuesday, 30th June 2015

## (2) Directors Standing for Re-election

**Y.M. Dato' Tengku Putra Bin Tengku Azman Shah** (Independent Non-Executive Director) is standing for re-election pursuant to Article 83 of the Company's Articles of Association. His profile is set out in the section on Directors' Profile of this Annual Report.

**YAM Tengku Besar Tengku Kamil Ismail Bin Tengku Idris Shah** (Independent Non-Executive Director) is standing for re-election pursuant to Article 90 of the Company's Articles of Association. His profile is set out in the section on Directors' Profile of this Annual Report.

## (3) Directors Standing for Re-appointment

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

## (4) Attendance of Directors at Board Meetings

Details of attendance of Directors at Board meetings held for the financial year ended 31 December 2014 are set out in the Statement of Corporate Governance of this Annual Report.

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

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

**Y.M. DATO' TENGKU PUTRA BIN  
TENGKU AZMAN SHAH**  
Independent Non-Executive Director

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

**MISS LIM BEE HONG**  
Executive Director

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

**EN. AZLAN OMRY BIN OMAR**  
Independent Non-Executive Director

**MISS ONG SUAN PIN**  
Independent Non-Executive Director

### COMPANY SECRETARY

Mr. Bernard Lim Boon Siang  
(MACS 01153)

### KEY MANAGEMENT OFFICER

Mr. Wong Chee Fatt  
Chief Executive Officer

### AUDIT COMMITTEE

Y. Bhg. Dato' Khairi Bin Mohamad  
*Chairman*  
En. Azlan Omry Bin Omar  
*Member*  
Miss Ong Suan Pin  
*Member*

### ESOS COMMITTEE

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

### NOMINATION COMMITTEE

Y. Bhg. Dato' Khairi Bin Mohamad  
*Chairman*  
Miss Ong Suan Pin  
*Member*  
Y.M. Dato' Tengku Putra Bin Tengku  
Azman Shah  
*Member*

### REMUNERATION COMMITTEE

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

### CORPORATE OFFICE

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

### SHARE REGISTER

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

### AUDITORS

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

### REGISTERED OFFICE

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

### PRINCIPAL BANKERS

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

### STOCK EXCHANGE LISTING

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

# CORPORATE STRUCTURE



## 100% CME TECHNOLOGIES SDN BHD

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

## 100% CME EDARAN SDN BHD

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

## 100% CME INDUSTRIES SDN BHD

Servicing Fire Fighting and Specialist Vehicles and supply of related spare parts

## 100% CME PROPERTIES SDN BHD

Dormant

## 100% CME PYROSHIELD SDN BHD

Sale and Servicing of Fire Fighting Gas System and other safety related products

## 100% CME PROPERTIES (AUSTRALIA) PTY LTD

Property Development



# DIRECTORS' PROFILE

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

Y.M. Tunku Nizamuddin Bin Tunku Dato' Seri Shahabuddin, aged 44, Malaysian, was appointed to the Board of the Company on 6 May 2009. He holds a Bachelor of Business in Tourism Management from University of New England, Lismore, Australia and MBA in International Management from Thunderbird, The Garvin School of International Management, Arizona, USA. Tunku has over 20 years of experience in the field of advisory and consultancy in all business areas, of which more than 8 years were spent in the oil and gas industry.

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

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

## **MISS LIM BEE HONG** Executive Director / Member of ESOS Committee

Miss Lim Bee Hong, aged 49, Malaysian, was appointed to the Board of the Company on 6 May 2005. Miss Lim obtained her Bachelor of Accountancy from University of Malaya in 1991 and a member of Malaysian Institute of Accountants. She has over 25 years of experience in the field of accountancy.

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

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

## **Y.M. DATO' TENGKU PUTRA BIN TENGKU AZMAN SHAH** Independent Non-Executive Director / Member of Nomination Committee

Dato' Tengku Putra Bin Tengku Azman Shah, aged 64, Malaysian, 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 or nor has he any personal interest in any business arrangement involving CME. He has no convictions for offences over the past 10 years other than traffic offences.

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

## DIRECTORS PROFILE

(cont'd)

### **Y. BHG. DATO' KHAIRI BIN MOHAMAD**

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

Dato' Khairi Bin Mohamad, aged 75, Malaysian, was appointed to the Board of the Company on 19 June 2000. After completing his formal education in 1959, he went on to obtain his Commercial Pilot Licence (CPL) and Airline Transport Pilot Licence (ATPL) in 1960 and 1968 respectively. Between 1962 to 1972, he worked for Malayan Airlines which was later renamed Malaysia-Singapore Airlines (MSA) as a First Officer and was promoted to Captain in 1968 when he obtained his ATPL. In 1972 he joined Malaysia Airlines System (MAS) and was involved in the establishment and setting up of the Airline. During his career with MAS, he has clocked a total Flying Hours of approximately 19,000 hours on multi-engine jets and he has held various senior positions in MAS namely, Senior Flight Instructor, Chief Pilot (Training) and Deputy Director of Flight Operations. He held the position as Director of Flight Operations for more than ten years until he retired. During his spell as Director of Flight Operations, he attended major courses conducted by reputable universities such as the Monash University in Australia, Harvard Business School, Asian Institute of Management and London Business School. The courses attended are Human Factors in Aviation, Senior Management Course, Air Transport Course, Civil Aviation Senior Management Programme and Senior Development Programme. He is also a member of the Harvard Business School Alumni Club of Malaysia.

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

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

### **EN. AZLAN OMRY BIN OMAR**

Independent Non-Executive Director / Member of Audit Committee

En. Azlan Omry Bin Omar, aged 49, Malaysian, 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, California and a Master of Science degree in Manufacturing Systems Engineering from University of Warwick, England. He started his career as a civil and structural engineer in 1990 before returning to England in 1993 to work for Warwick Manufacturing Group as a Research Associate. He returned to Malaysia and joined Composites Technology Research Malaysia Sdn Bhd ("CTRM") in 1994.

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

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

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

## DIRECTORS PROFILE

(cont'd)

### MISS ONG SUAN PIN

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

Miss Ong Suan Pin, aged 57, Malaysian, was appointed to the Board on 24 June 2011. She is a holder of ACCA (The Association of Chartered Certified Accountants) qualification and has more than 34 years of working experience in the field of accountancy. She started her career in 1981 as a lecturer for Institute Technology of Mara before moving to join a public accounting firm, gaining experience in auditing. Presently, she is the Financial Controller for a construction group of companies.

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

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

### YAM TENGKU BESAR TENGKU KAMIL ISMAIL BIN TENGKU IDRIS SHAH

Independent Non-Executive Director

YAM Tengku Besar Tengku Kamil Ismail Bin Tengku Idris Shah, aged 65, Malaysian, was appointed to the Board of the Company on 09 March 2015. He held the directorships in C.I Holdings Berhad, Berjaya Group Berhad and TAS Industries Sdn Bhd in the past years. Presently, he is the Chairman of Red Eagle Securities Services Sdn Bhd and Taman Positif Sdn Bhd. He is also the Council Member of Majlis Perbandaran Kuantan. He is active in sport especially badminton. He is the president of Pahang Badminton Association for the past 30 years till todate. He is also the present Vice President of Badminton Association of Malaysia.

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

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

# KEY MANAGEMENT

## MR. WONG CHEE FATT

Chief Executive Officer / Member of ESOS Committee

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





# STATEMENT BY THE BOARD OF DIRECTORS



## FINANCIAL REVIEW

For the financial year ended 31 December 2014 ("FY2014"), the Group registered lower revenue of RM22.0 million as compared to RM30.0 million in the previous financial year. This was mainly attributed to lower rental income derived from our Property Investment ("PI") division as we have ceased renting and subletting the 23-storey office building block known as Plaza Palas since end of April 2014. This resulted an on-going litigation with the landlord, which contributed to a loss of revenue of approximately RM1 million per month.

Specialised Mobility Vehicle ("SMV") continues to be the largest contributor to the Group's revenue, making up 60.3% of the Group's total turnover. However, this division posted a slight decline in revenue of RM1.2 million or 8.4% in FY2014.

The Group's pretax profit stood at RM3.9 million for FY2014, RM3.0 million higher as compared to preceding year mainly due to a gain on revaluation of our Kuantan's investment properties of RM17.8 million. The surplus gain was however, offset by the increased in professional fees incurred upon corporate exercises, impairment loss recognised on trade receivables of RM9.1 million and unrealised foreign exchange losses of RM1.7 million from our Australia subsidiary.

## BUSINESS OUTLOOK AND FUTURE PROSPECT

In view of the uncertainties in the global economy, particularly with the plunging of crude oil prices while the ringgit exchange rate depreciated across the board against currencies of Malaysia's major trading partners, the Board expects market conditions continue to be challenging for year 2015.

The Board of Directors ("the Board") takes cognizant of the historical financial performance of the Group, where the existing core business has a constant low profit margin. In view of the low profit margin for the past three (3) FYs, the Board had reviewed the existing business model and considered that the earnings base should be widened to include other streams of income.

The Group has diversified into the property development and property investment as long term plan to move the Group forward by expanding the Group's income stream and further strengthening the Group's financial position. The Group through CME Group Berhad ("CME") and CME Properties (Australia) Pty Ltd ("CMEPA"), its wholly-owned subsidiary, had on 12 August 2014, entered into a Joint Venture Agreement ("JVA") with Ruark Properties and Central Park for the development of the lands located at City of Mandurah, Western Australia, Australia. On 10 February 2015, the Company entered into another JVA with Tanah Mestika Sdn Bhd to develop the land acquired in Bandar Indera Mahkota, Pahang. Both JVA entered guarantee a return of AUD25.0 million and RM10.0 million respectively in three to five years' time.

Meanwhile, the Company will continue to explore other viable, synergistic and profitable business ventures to improve the Group's performance and enhancing CME's business platform. We will continue to leverage our experience to develop and build industry leading products and to enhance our customer relationships.

## STATEMENT BY THE BOARD OF DIRECTORS (cont'd)

We remain focus in our commitment to our stakeholders to bringing the Group to better financial performance. Continuous business strategies are being assessed and evaluated to further unlock the assets of the CME Group in order to create greater value to our assets.

### CORPORATE SOCIAL RESPONSIBILITY

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

The Group will continue to extend assistance to the underprivileged of the lesser significant homes and individuals to provide both financial and moral support. In this way, our organisation as well as individual employee had the opportunity to help those in need.

### DIVIDEND

The Board of Directors, having made due consideration, is not recommending any dividend payment for the financial year ended 31 December 2014.

### BOARDROOM CHANGES

On behalf of the Board, I would like to extend a warm welcome to the newly appointed director, YAM Tengku Besar Tengku Kamil Ismail Bin Tengku Idris Shah to the Board. The Group looks forward to benefiting from the experience and wealth knowledge in business that he will bring with him in this appointment.

### APPRECIATION AND ACKNOWLEDGEMENT

On behalf of the Board, I sincerely wish to extend my gratitude to our valued customers, financiers/bankers, business associates/partners and

shareholders for their confidence, support and loyalty and I look forward for their continuing support in the Group. I would also like to extend my appreciation and gratitude to the relevant regulatory authorities and agencies for their continued support, co-operation and advice.

To the management and staffs, thank you for your loyalty, dedication and commitment toward contributing to the Group.

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

**Y. BHG. DATO' KHAIRI BIN MOHAMAD**  
**DIRECTOR**

Date : 25 May 2015



# STATEMENT ON CORPORATE GOVERNANCE

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

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

## 1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

### Clear Functions of the Board and Management

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

### Board Roles and Responsibilities

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

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

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

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

### Code of Conduct and Ethics

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

### Corporate Responsibility and Sustainability

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

## STATEMENT ON CORPORATE GOVERNANCE

(cont'd)

### Supply and Access to Information

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

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

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

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

### Company Secretary

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

## 2. STRENGTHEN COMPOSITION OF THE BOARD

### Board Composition

The Company is led and managed by a well-balanced Board which consists of members with wide range of business, financial, legal experience and industry specific knowledge which is vital for the successful direction of the Group.

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

- Five (5) Independent Non-Executive Directors
- Two (2) Executive Directors

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

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

### BOARD COMMITTEES

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

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

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

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



## STATEMENT ON CORPORATE GOVERNANCE

(cont'd)

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

#### BOARD COMMITTEES (CONT'D)

##### I) Audit Committee

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

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

##### II) Nomination Committee

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

Y.Bhg. Dato' Khairi Bin Mohamad	(Chairman)
Miss Ong Suan Pin	(Member)
Y.M. Dato' Tengku Putra Bin Tengku Azman Shah	(Member)

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

- a. The members of the Nomination Committee shall be appointed by the Board from amongst their number, consisting of wholly or mainly Non-Executives and shall consist of not less than two (2) members.
- b. The members of the Committee shall elect the Chairman from amongst their number who shall be Independent Non-Executive Director.
- c. If the number of members for any reasons fall below two (2), the Committee shall, within three (3) months of that event, review and recommend for the Board's approval to appoint the appropriate Director to fill the vacancy.
- d. The term of office for all members of the Committee is subject to renewal on a yearly basis.
- e. The Company Secretary shall be the Secretary of the Committee.
- f. Directors do not participate in decisions on their own nomination.

#### Terms of Reference

- a. To propose new nominees for the Board and its subsidiaries whether to be filled by Board members, shareholders or executives.
- b. The Committee shall also consider candidates for directorships proposed by the Chief Executive Officer and within the bounds of practicality by any other senior executive or any director or shareholder.
- 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.

## STATEMENT ON CORPORATE GOVERNANCE

(cont'd)

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

#### Appointment, Re-election and Assessment of Directors

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

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

Directors who are over seventy (70) years of age are required to submit themselves for re-appointment by shareholders in accordance with section 129(6) of the Companies Act, 1965.

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

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

#### Meetings and Procedures

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

During the year ended 31 December 2014, one meeting was held, which was attended by all members of the Nomination Committee.

### III) Remuneration Committee

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

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

#### Membership

- 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.
- The members of the Committee shall elect the Chairman from amongst their number who shall be Independent Non-Executive Directors.
- 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.
- The term of office for all members of the Committee is subject to renewal on a yearly basis.
- The Company Secretary shall be the Secretary of the Committee.
- Directors do not participate in decisions on their own remuneration packages.

## STATEMENT ON CORPORATE GOVERNANCE

(cont'd)

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

#### Terms of Reference

- a. To review and recommend to the Board the remuneration of each of the Executive and Non-Executive Directors in all its forms, drawing from outside advice as necessary.
- b. To recommend to the Board after reviewing the management's proposals on:-
  - Overall annual salary increment frameworks/policy.
  - Annual bonus limits/ guidelines and incentive scheme.
  - Fees and basic salary levels.
  - Remuneration, benefits in kinds and other terms and conditions of employment, which have to be introduced as part of the group's overall human resource development plan. This would include matters such as pegging the Group salaries in line with industry standards and major changes in benefits package.

#### Directors' Remuneration

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

Category	Fees (RM'000)	Other Emoluments (RM'000)	Total (RM'000)
Executive Directors*	50	394	444
Non-Executive Directors	140	–	140
<b>Total</b>	<b>190</b>	<b>394</b>	<b>584</b>

#### Range of Remuneration inclusive Attendance Allowance (RM)

	Executive Director	Non-Executive Director
Below RM 50,000		
RM 50,001 – RM100,000		
RM100,001 – RM150,000*	2	
RM150,001 and above	1	
FEES		
RM 5,001 – RM20,000*	3	1
RM20,001 – RM40,000		3

\* including a Director who had resigned on 19th January 2015.

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

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

## STATEMENT ON CORPORATE GOVERNANCE

(cont'd)

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

#### Meetings and Procedures

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

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

During the year ended 31 December 2014, one meeting was held, which was attended by all members of the Remuneration Committee.

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

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

Chairman	:	Dato' Lim Soo Kok (President)
Member	:	Y. Bhg. Dato' Khairi Bin Mohamad (Independent Non-Executive Director)
Member	:	Miss Lim Bee Hong (Executive Director)
Member	:	Mr. Wong Chee Fatt (CEO)

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

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

### 3. REINFORCE INDEPENDENCE

#### Annual Assessment of Independent Directors

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

The Independent Directors are not employees and they do not participate in the day-to-day management as well as the daily business of the Company. They bring an external perspective, constructively challenge and help develop proposals on strategy, scrutinize the performance of Management in meeting approved goals and objectives, and monitor risk profile of the Company's business and the reporting of monthly business performance.

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

#### Tenure of Independent Directors

In compliance with the recommendation of the Code, the Nomination Committee has reviewed and assessed the Independent Director who has served a tenure of more than nine (9) years each in that capacity of the Company. Y.M. Dato' Tengku Putra Bin Tengku Azman Shah and Y. Bhg. Dato' Khairi Bin Mohamad, who were appointed as Independent Non-Executive Directors on 19 June 2000, and Encik Azlan Omry Bin Omar, who was appointed as Independent Non-Executive Directors on 6 July 2000, have exercised their objectives and independent judgments on all board deliberations and have not compromised their long relationship with other Board members. The Nomination Committee has recommended to the Board to seek shareholders' approval for Y.M. Dato' Tengku Putra Bin Tengku Azman Shah, Y. Bhg. Dato' Khairi Bin Mohamad and Encik Azlan Omry Bin Omar to be retained and re-appointed as Independent Non-Executive Directors of the Company at the forthcoming AGM.



### **3. REINFORCE INDEPENDENCE**

#### **Separation of positions of the Chairman and CEO**

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

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

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

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

### **4. FOSTER COMMITMENT**

#### **Time Commitment**

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

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

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

#### **4. FOSTER COMMITMENT (CONT'D)**

##### **Directors' Training**

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

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

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

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

- 1) GST Implementation Workshop;
- 2) GST Series for Specific Industries - Workshop 2: GST impact on Manufacturing Industry;
- 3) Microsoft Excel Training

#### **5. UPHOLD INTEGRITY IN FINANCIAL REPORTING**

##### **Financial Reporting**

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

The Statement by Directors made pursuant to Section 169(15) of the Act is set out on page 88 of the Annual Report.

##### **Statement of Directors' Responsibility**

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

The Directors are responsible to ensure that financial statements are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2014 and of the results and the cash flows of the Group and of the Company for the year then ended.

In preparing these financial statements for the year ended 31 December 2014, the Directors have:

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

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

**5. UPHOLD INTEGRITY IN FINANCIAL REPORTING (CONT'D)**

**Relationship with External Auditors**

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

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

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

**6. RECOGNISE AND MANAGE RISK**

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

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

**7. ENSURE TIMELY AND HIGH QUALITY DISCLOSURE**

**Corporate Disclosure Policies**

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

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

**Leverage on Information Technology for Effective Dissemination of Information**

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

## **8. STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS**

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

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

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

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

## **9. STATEMENT OF COMPLIANCE WITH THE CODE**

The Board is of the opinion that it has, in all material aspects, complied with the principles and best practices outlined in the Malaysian Code on Corporate Governance 2012 for the financial year ended 31 December 2014.

This statement was approved by the Board of Directors on 25 May 2015.

## **10. ADDITIONAL COMPLIANCE INFORMATION**

The following information provided is in respect of the financial year ended 31 December 2014.

### **1. Utilisation of Proceeds**

The Company has on 28th November 2014, issued a right issue of RM31,370,029 nominal value of ten (10)-year, zero coupon ICULS at 100% of the nominal value of RM0.04 each on the basis of RM0.08 nominal value of the ICULS for every one (1) existing ordinary share of RM0.10 each in the Company. The ICULS were listed on Bursa Malaysia on 28th November 2014.

The proceeds from the issuance are used for funding for the acquisition of lands, Goods and Services Tax on the purchase price of the lands, working capital requirements and expenses relating to the corporate exercises.

### **2. Share Buy-Backs**

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

### **3. Options, Warrants or Convertible Securities**

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

### **4. Depository Receipt Programme**

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



**10. ADDITIONAL COMPLIANCE INFORMATION (CONT'D)**

**5. Sanctions and/or Penalties**

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or Management by the relevant regulatory bodies during the financial year ended 31 December 2014.

**6. Non-Audit Fees**

The total amount of non-audit fees incurred for services rendered to the Company and its subsidiaries for the financial year ended 31 December 2014 by the Company's external auditors and a firm or corporation affiliated to them amounted to RMNil.

**7. Variation in Profit Estimate, Forecast or Projections**

There were no variations of 10% or more between the audited results and the unaudited results previously announced for the year ended 31 December 2014. There were no profit estimate, forecast or projection been announced by the Company during the year.

**8. Profit Guarantee**

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

**9. Material Contracts**

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

**10. Revaluation Policy on Landed Properties**

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

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

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

**11. CORPORATE SOCIAL RESPONSIBILITY ("CSR")**

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

**1) The Community**

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

**11. CORPORATE SOCIAL RESPONSIBILITY (“CSR”) (CONT’D)**

**2) The Workplace**

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

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

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

**3) Environmental**

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

# AUDIT COMMITTEE REPORT

## CONSTITUTION

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

## COMPOSITION

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

## MEMBERSHIP

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

Name	Membership status
Y. Bhg. Dato Khairi Bin Mohamad	Chairman, Independent Non-Executive Director
Miss Ong Suan Pin	Independent Non-Executive Director
En. Azlan Omry Bin Omar	Independent Non-Executive Director

## MEETINGS

The Committee met four (4) times during the financial year ended 31 December 2014. Details of the attendance of each member at the Audit Committee Meeting held during the year are as follows:-

Name	No. of Meeting Attended
Y. Bhg. Dato Khairi Bin Mohamad	4/4
Miss Ong Suan Pin	3/4
En. Azlan Omry Bin Omar	4/4

## SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

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

### 1. Financial Results

- (a) Reviewed the unaudited quarterly financial results and announcements before recommending to the Board for consideration and approval and the release of the Group's results to Bursa Malaysia.
- (b) Reviewed the annual audited financial statements before recommending to the Board for consideration and approval. The review was to ensure that the financial reporting and disclosures were in compliance with:-
  - Main Market Listing Requirements of Bursa Malaysia;
  - Provisions of Companies Act, 1965 and other legal and regulatory requirements; and
  - Applicable approved accounting standards of Malaysian Accounting Standards Board.

### 2. External Audit

- (a) Reviewed and approved the external auditors' audit plan and scope of work for the annual audit.
- (b) Reviewed the results from the external audit and highlighted the issues and reservations arising from the audit to the Audit Committee.
- (c) Recommended to the Board the re-appointment and remuneration of the external auditors.

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

### **2. External Audit (Cont'd)**

- (d) Reviewed with the external auditors the impact of new or proposed changes in accounting standards and regulatory requirements and the extent of compliance.
- (e) During the review of CME's twelve-month's financial results, the Group External Auditors, Messrs Deloitte & Touche was invited to discuss the Group's financial statements for the year ended 31 December 2014. The Management's response to all pertinent issues and findings had been raised and noted by the External Auditors during their examination of the Group's financial statement; together with recommendations in respect of the findings.

### **3. Internal Audit**

- (a) Reviewed and approved the internal audit plan for the year prepared by the internal auditors to ensure adequate scope and coverage on the activities of the Group taking into consideration the assessment of the key risks areas.
- (b) Reviewed the performance, adequacy, resources and competency of the internal auditors.
- (c) Reviewed the internal audit reports, audit recommendations made and Management's response to these recommendations and actions taken to improve system of internal control and procedures.
- (d) Held one (1) meeting with internal auditors during the financial year without the presence of the Executive Directors and employees of the Company.

## **INTERNAL AUDIT FUNCTION**

The Internal Audit Function ("IAF") of the Group is outsourced. The cost incurred for the outsourced of internal audit function in respect of the financial year 2014 amounted to RM18,000.00.

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

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

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

- (a) Conducted internal audit reviews in accordance with the approved internal audit plan and reported to the Audit Committee on the findings and the actions taken by Management to address the matters highlighted.
- (b) Reviewed the adequacy and effectiveness of the system of controls to ensure there is a systematic methodology in identifying, assessing and mitigating risk areas in regard to:
  - Reliability and integrity of financial and operational information;
  - Effectiveness and efficiency of operations;
  - Safeguarding of assets; and
  - Compliance with laws, regulations and contractual obligations within the Group's governance, operations and information systems.
- (c) Reviewed and appraised the soundness, adequacy and application of controls in the area of adherence, efficiency and effectiveness.
- (d) Identified opportunities to improve the operations and processes of the Group and recommend improvements to existing system of internal controls.

## **TERMS OF REFERENCE**

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

### **1. Objectives of the Audit Committee**

The Audit Committee shall assist the Board:

- (a) in complying with specified accounting standards and the necessary disclosure as required by Bursa Malaysia, relevant accounting standards bodies, and any other laws and regulations as amended from time to time;
- (b) in presenting a balanced and understandable assessment of the Company's position and prospects;
- (c) in establishing a formal and transparent arrangement for maintaining an appropriate relationship with the Company's auditors; and
- (d) in maintaining a sound system of internal controls to safeguard shareholders' investment and the Company's assets.

### **2. Composition of the Audit Committee**

- (a) The Audit Committee shall comprise a minimum of three (3) members, of which a majority must be independent directors.
- (b) All members of the Audit Committee shall be non-executive directors.
- (c) At least one (1) member of the Audit Committee shall be a member of the Malaysian Institute of Accountants or a person who fulfils the requirements of the Listing Requirements.
- (d) The Chairman of the Audit Committee shall be an Independent Director.
- (e) All members of the Audit Committee shall hold office only for so long as they serve as Directors of the Company.

### **3. Duties and Responsibilities of the Audit Committee**

- (a) To nominate and recommend the appointment of the external auditors and considers the adequacy of experience, resources, audit fee and any issues regarding their re-appointment, resignation or dismissal;
- (b) To discuss with the external auditors before the audit commences the nature and scope of the audit;
- (c) To discuss problems and reservations arising from the interim and final audits, and any matters the auditors may wish to discuss (in the absence of management where necessary);
- (d) To review with external auditors, their audit report;
- (e) To perform the following in respect of the IAF:
  - (i) reviews and reports to the Board on :-
    - the adequacy of the scope, authority, functions, resources and competency of the IAF;
    - the internal audit programme, processes and the results of the internal audit programme, process or investigations undertaken and whether or not the management takes appropriate action on the recommendation of the IAF;
  - (ii) discuss and review the major findings of internal audit investigations and Management's response and where necessary, ensures that appropriate actions taken on the recommendations of the IAF;
  - (iii) reviews any appraisal or assessment of the performance of members of the IAF;
  - (iv) ensures the independence of the IAF and that it reports directly to the Audit Committee;



**TERMS OF REFERENCE (CONT'D)**

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

- (f) To review with the management and the external auditors the quarterly and year-end financial statements before their submission to the Board, focusing particularly on any changes in accounting policies and practices, significant adjustments arising from the audit, the going concern assumptions, and compliance with accounting standards and other statutory requirements;
- (g) To review and report to the Board on any related party transactions and conflict of interest situation that may arise within the Group including any transaction, procedure or course of conduct that raises questions of management integrity;
- (h) To report to the Board of Directors if there is any breach of Listing Requirements and recommends corrective measures;
- (i) To promptly report to Bursa Malaysia where a matter reported by the Audit Committee to the Board has not been satisfactorily resolved resulting in a breach of Listing Requirements; and
- (j) To consider other issues as defined by the Board.

# STATEMENT ON INTERNAL CONTROL

The Statement of Internal Control is made in accordance with paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia which requires Malaysian Public listed companies to make a statement about their internal control, as a Group, in their Annual Report. This is in line with the Code which requires listed companies to maintain a sound system of internal control to safeguard shareholders' investment and the Group's assets.

## Board Responsibility

The Board of Directors of CME Group Berhad is committed to maintain a sound system of internal control for the Group and is responsible for reviewing its adequacy and integrity so as to safeguard shareholders' investment and the assets of the Group.

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

## INTERNAL CONTROL SYSTEM

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

- **Organisational structure**

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

- **Delegation of authority guidelines**

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

- **Policies and procedures**

Policy and procedures have been established and are regularly updated to reflect changes in business and operational requirements. The Code of Business Conduct was adopted for governing the performance of work and business practices of the Group. There are guidelines within the Group for recruitment of staff, training, performance appraisals and other relevant procedures.

- **Internal audit function**

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

- **Quality management system audit**

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

## STATEMENT ON INTERNAL CONTROL

(cont'd)

### CONCLUSION

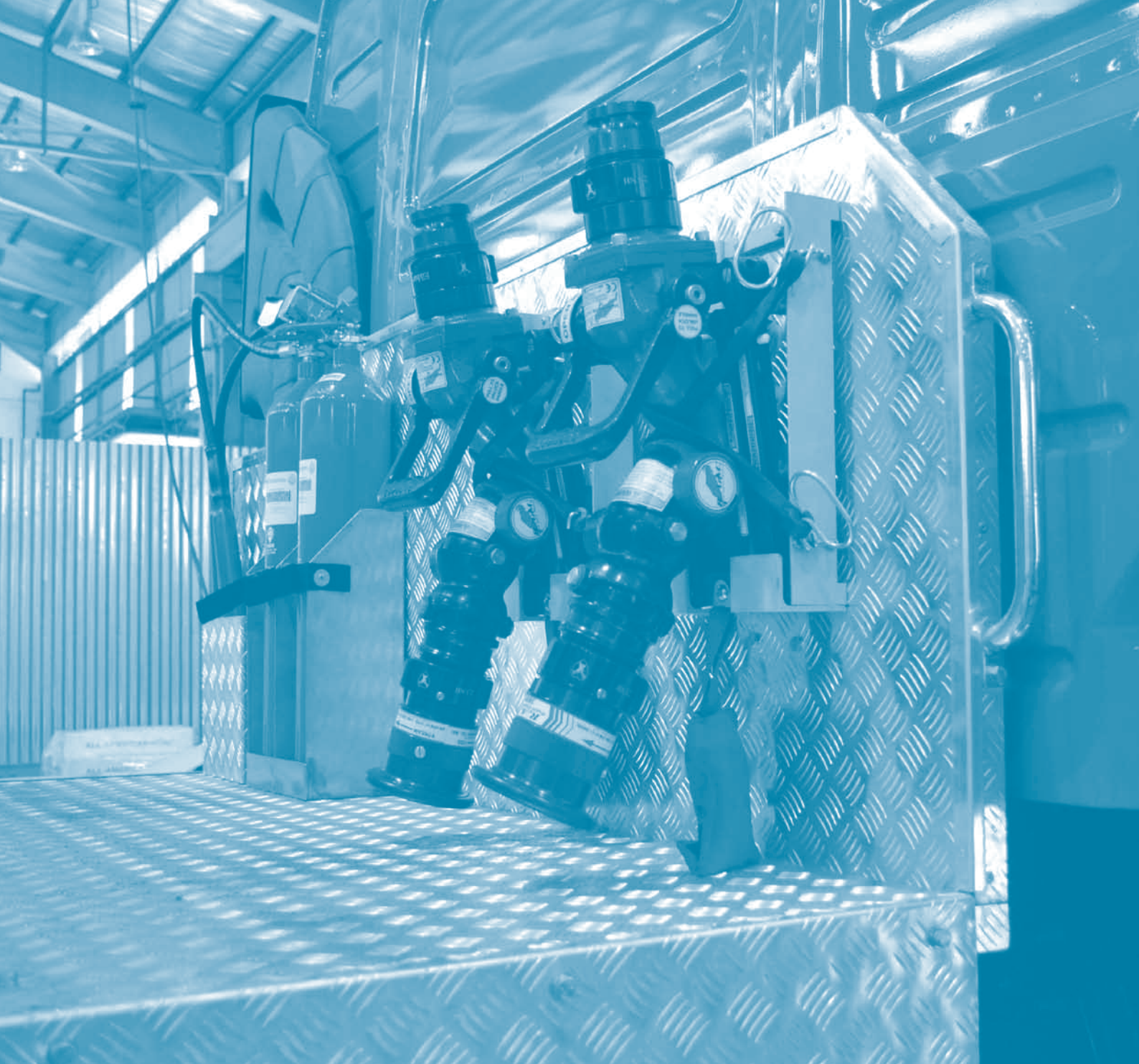
The Board is pleased to report that there were no significant internal control deficiencies or weakness that resulted in material losses or contingencies to the Group for the financial year under review.

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

### Review of the Statement by External Auditors

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

This statement is made in accordance with the resolution of the Board of Directors dated 25 May 2015.



# FINANCIAL **STATEMENTS**

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# DIRECTORS' REPORT

The directors of CME GROUP BERHAD have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended December 31, 2014.

## PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

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

Other than the acquisition of subsidiary as mentioned in Note 13, there have been no significant changes in the nature of the principal 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:

	<b>The Group RM'000</b>	<b>The Company RM'000</b>
Profit before tax	3,873	7,205
Tax expense	(825)	(890)
Profit for the year	3,048	6,315
Attributable to:		
Equity holders of the Company	3,048	6,315

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

During the current financial year, the authorised ordinary share capital of the Company was increased from RM500,000,000 comprising 5,000,000,000 ordinary shares of RM0.10 each to RM1,000,000,000 comprising 10,000,000,000 ordinary shares of RM0.10 each by the creation of 5,000,000,000 new ordinary shares of RM0.10 each in the Company.

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



## DIRECTORS' REPORT

(cont'd)

### Irredeemable Convertible Unsecured Loan Stocks ("ICULS")

As mentioned in Note 22 to the Financial Statements, during the financial year, the Company implemented a Rights Issue of RM31,370,069 nominal value of ten (10)-year, zero coupon ICULS at 100% of the nominal value of RM0.04 each on the basis of RM0.08 nominal value of the ICULS for every one (1) existing ordinary share of RM0.10 each in the Company. The ICULS were listed and quoted on Bursa Malaysia on November 28, 2014.

### Employee Share Option Scheme

At an Extraordinary General Meeting held on October 14, 2014, the shareholders of the Company approved the resolutions pertaining to the Employee Share Option Scheme ("ESOS") and the granting of options to the eligible employees (including Directors) of the Company. The ESOS was implemented on March 4, 2015

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

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.

The Group has current liabilities exceeding current assets by RM13,771,000 as of December 31, 2014. 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 shareholders, 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 of the opinion that the Group and the Company will be able to generate adequate funds to meet their financial obligations as they fall due in the foreseeable future.

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

- (a) which would require the writing off of debts or render the amount of allowance for doubtful debts inadequate to any substantial extent in the financial statements of the Group and of the Company; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

## 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 Omry bin Omar  
Lim Bee Hong  
Tunku Nizamuddin bin Tunku Dato' Seri Shahabuddin  
Ong Suan Pin  
YAM Tengku Besar Tengku Kamil Ismail Bin Tengku Idris Shah (appointed on March 9, 2015)

In accordance with Article 83 of the Company's Articles of Association, Dato' Tengku Putra bin Tengku Azman Shah retires by rotation and, being eligible, offers himself for re-election at the forthcoming Annual General Meeting.

In accordance with Article 90 of the Company's Articles of Association, YAM Tengku Besar Tengku Kamil Ismail Bin Tengku Idris Shah, who was appointed since the last Annual General Meeting, retires and, being eligible, offers himself for re-election at the forthcoming Annual General Meeting.

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

### DIRECTORS' INTERESTS

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

	Number of ordinary shares of RM0.10 each			
	Balance as of 1.1.2014	Bought	Sold	Balance as of 31.12.2014
<b>DIRECT INTEREST</b>				
Shares in the Company				
<b>Registered in the name of director</b>				
Lim Bee Hong	100,540	–	–	100,540
Ong Suan Pin	12,470,180	–	–	12,470,180

## DIRECTORS' REPORT

(cont'd)

### DIRECTORS' INTERESTS (CONT'D)

		Number of ordinary shares of RM0.10 each			
	Held through	Balance as of 1.1.2014	Bought	Sold	Balance as of 31.12.2014
<b>DEEMED INTEREST</b>					
<b>Shares in the Company</b>					
Tunku Nizamuddin bin Tunku Dato' Seri Shahabuddin	Ikram Mulia Holdings Sdn Bhd	80,573,640	–	–	80,573,640

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

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

### DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive any benefit (other than the benefits included in the aggregate of emoluments received or fixed salary of full-time employees of certain directors in subsidiary companies as disclosed in the financial statements of the 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 other than the aforementioned Employee Share Option Scheme.

### AUDITORS

Messrs. Deloitte have indicated their willingness to accept reappointment as auditors of the Company in place of the retiring auditors, Messrs. Deloitte & Touche.

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

**TUNKU NIZAMUDDIN BIN  
TUNKU DATO' SERI SHAHABUDDIN**

**LIM BEE HONG**

Petaling Jaya,  
April 27, 2015

# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF CME GROUP BERHAD

### Report on the Financial Statements

We have audited the financial statements of **CME GROUP BERHAD**, which comprise the statements of financial position as of December 31, 2014 of the Group and of the Company and the statements of profit or loss and comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 40 to 86.

#### *Directors' Responsibility for the Financial Statements*

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

#### *Auditors' Responsibility*

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

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

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

#### *Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of December 31, 2014 and their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

#### *Emphasis of Matter*

Without qualifying our opinion, we draw attention to Note 2 to the Financial Statements. The Group has current liabilities exceeding current assets by RM13,771,000 as of December 31, 2014. 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 shareholders, 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 of the opinion that the Group and the Company will be able to generate adequate funds to meet their financial obligations as they fall due in the foreseeable future.

## INDEPENDENT AUDITORS' REPORT

(cont'd)

### 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 have been properly kept in accordance with the provisions of the Act.
- (b) 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.
- (c) the auditors' 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.

### Other Reporting Responsibilities

The supplementary information set out in Note 33 to the financial statements is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1 "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements" as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

### Other Matters

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

**DELOITTE & TOUCHE**  
**AF 0834**  
**Chartered Accountants**

**HIEW KIM TIAM**  
**Partner - 1717/08/15 (J)**  
**Chartered Accountant**

April 27, 2015



# STATEMENTS OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2014

	Note	The Group		The Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Revenue	5	21,987	30,040	6,147	13,033
Cost of sales		(17,502)	(24,139)	(5,273)	(11,316)
Gross profit		4,485	5,901	874	1,717
Other gains		473	334	380	155
Fair value gain on investment properties		17,802	–	17,802	–
Administrative expenses		(7,074)	(3,863)	(2,374)	(1,349)
Other expenses		(2,098)	(871)	(110)	(42)
Allowance for doubtful debts on trade receivables		(8,771)	(11)	(8,748)	–
Finance costs	6	(944)	(569)	(619)	(181)
<b>Profit before tax</b>	7	3,873	921	7,205	301
Tax expense	8	(825)	(287)	(890)	(131)
<b>Profit for the year</b>		3,048	634	6,315	170
<b>Other comprehensive income, net of income tax:</b>					
Item that may be reclassified subsequently to profit or loss:					
Fair value gain on available-for-sale financial assets during the year	14	2,083	(399)	2,083	(399)
Exchange differences on translating foreign operations		38	–	–	–
Other comprehensive income for the year, net of tax		2,121	(399)	2,083	(399)
<b>Total comprehensive income/(loss) for the year</b>		5,169	235	8,398	(229)

	The Group	
	2014 RM'000	2013 RM'000
Profit for the year attributable to:		
Equity holders of the Company	3,048	593
Non-controlling interests	–	41
	3,048	634
Total comprehensive income attributable to:		
Equity holders of the Company	5,169	194
Non-controlling interests	–	41
	5,169	235
Basic earnings per ordinary share (sen) (Note 9)	0.691	0.140

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

# STATEMENTS OF FINANCIAL POSITION

AS OF DECEMBER 31, 2014

	Note	The Group		The Company	
		2014	2013	2014	2013
		RM'000	RM'000	RM'000	RM'000
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Property, plant and equipment	10	7,173	7,132	165	3
Land held for property development	11	30,044	–	–	–
Investment properties	12	56,112	41,950	56,112	41,950
Investment in subsidiary companies	13	–	–	8,146	7,485
Other financial assets	14	4,755	492	4,755	492
Deferred tax assets	15	142	60	–	–
<b>TOTAL NON-CURRENT ASSETS</b>		<b>98,226</b>	<b>49,634</b>	<b>69,178</b>	<b>49,930</b>
<b>CURRENT ASSETS</b>					
Inventories	16	589	1,050	–	–
Amount due from contract customers	17	2,198	1,042	–	–
Trade receivables	18	2,118	11,296	608	7,231
Other receivables, deposits and prepaid expenses	18	6,609	3,702	3,513	3,395
Amount owing by subsidiary companies	13	–	–	55,572	21,986
Tax recoverable		466	316	–	–
Fixed deposits with licensed banks	19	1,008	–	–	–
Cash and bank balances	27	193	347	63	26
		13,181	17,753	59,756	32,638
Assets classified as held for sale	20	4,560	2,100	4,560	2,100
<b>TOTAL CURRENT ASSETS</b>		<b>17,741</b>	<b>19,853</b>	<b>64,316</b>	<b>34,738</b>
<b>TOTAL ASSETS</b>		<b>115,967</b>	<b>69,487</b>	<b>133,494</b>	<b>84,668</b>
<b>EQUITY AND LIABILITIES</b>					
<b>CAPITAL AND RESERVES</b>					
Issued capital	21	44,110	44,110	44,110	44,110
ICULS	22	31,370	–	31,370	–
Reserves		5,140	437	7,003	(1,395)
<b>Equity attributable to equity holders of the Company</b>		<b>80,620</b>	<b>44,547</b>	<b>82,483</b>	<b>42,715</b>
Non - controlling interests		–	194	–	–
<b>TOTAL EQUITY</b>		<b>80,620</b>	<b>44,741</b>	<b>82,483</b>	<b>42,715</b>

**STATEMENTS OF FINANCIAL POSITION**  
(cont'd)

		<b>The Group</b>		<b>The Company</b>	
	<b>Note</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
		<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>NON-CURRENT LIABILITIES</b>					
Hire-purchase payables					
- non-current portion	23	514	320	89	–
Long-term loan					
- non-current portion	24	2,431	3,102	–	75
Deferred tax liabilities	15	890	–	890	–
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>3,835</b>	<b>3,422</b>	<b>979</b>	<b>75</b>
<b>CURRENT LIABILITIES</b>					
Trade payables	25	10,791	7,735	8,698	6,593
Other payables, accrued expenses and provisions	25	13,749	6,477	11,133	5,554
Amount owing to subsidiary companies		–	–	30,099	29,465
Hire-purchase payables					
- current portion	23	101	78	9	–
Bank borrowings	26	6,853	6,825	75	151
Tax liabilities		18	209	18	115
<b>TOTAL CURRENT LIABILITIES</b>		<b>31,512</b>	<b>21,324</b>	<b>50,032</b>	<b>41,878</b>
<b>TOTAL LIABILITIES</b>		<b>35,347</b>	<b>24,746</b>	<b>51,011</b>	<b>41,953</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>115,967</b>	<b>69,487</b>	<b>133,494</b>	<b>84,668</b>

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

# STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2014

The Group	Issued Capital RM'000	ICULS RM'000	(Accumulated losses)/ Distributable reserve - Retained earnings RM'000	Non-distributable reserve - Fair value reserve RM'000	Non-distributable reserve - Foreign currency translation reserve RM'000	Equity attributable to equity holders of the Company RM'000	Non-controlling interests RM'000	Total equity RM'000
<b>Balance as of 1.1.2013</b>	40,510	-	(163)	406	-	40,753	153	40,906
Issuance of ordinary shares	3,600	-	-	-	-	3,600	-	3,600
Total comprehensive income for the year	-	-	593	(399)	-	194	41	235
<b>Balance as of 31.12.2013/1.1.2014</b>	44,110	-	430	7	-	44,547	194	44,741
Issuance of ICULS (Note 22)	-	31,370	-	-	-	31,370	-	31,370
Acquisition of non-controlling interests	-	-	-	(466)	-	(466)	(194)	(660)
Total comprehensive income for the year	-	-	3,048	2,083	38	5,169	-	5,169
<b>Balance as of 31.12.2014</b>	44,110	31,370	3,478	1,624	38	80,620	-	80,620
<b>The Company</b>								
<b>Balance as of 1.1.2013</b>	40,510	-	-	-	-	-	(1,166)	39,344
Issuance of ordinary shares	3,600	-	-	-	-	-	-	3,600
Total comprehensive loss for the year	-	-	-	(399)	-	(399)	170	(229)
<b>Balance as of 31.12.2013/1.1.2014</b>	44,110	-	-	(399)	-	(399)	(996)	42,715
Issuance of ICULS (Note 22)	-	31,370	-	-	-	-	-	31,370
Total comprehensive income for the year	-	-	-	2,083	-	2,083	6,315	8,398
<b>Balance as of 31.12.2014</b>	44,110	31,370	-	1,684	-	1,684	5,319	82,483

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

# STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2014

	The Group		The Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
<b>CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES</b>				
Profit for the year	3,048	634	6,315	170
Adjustments for:				
Allowance for doubtful debts on trade receivables	8,771	11	8,748	–
Finance costs	944	569	619	181
Provision for warranty and free services	326	435	–	–
Depreciation of property, plant and equipment	409	411	10	5
Tax expense recognised in profit or loss	825	287	890	131
Fair value gain on investment properties	(17,802)	–	(17,802)	–
Contract work-in-progress written off	1,181	–	–	–
Gain on disposal of assets held for sale	(380)	(150)	(380)	(150)
Interest income	(12)	(6)	–	–
Allowance for doubtful debts no longer required	–	(8)	–	–
Operating (Loss)/Profit Before Working Capital Changes	(2,690)	2,183	(1,600)	336
(Increase)/Decrease in:				
Inventories	(720)	516	–	–
Amount due from contract customers	(1,156)	540	–	–
Trade receivables	407	(9,666)	(2,125)	(6,865)
Other receivables, deposits and prepaid expenses	(2,907)	(3,123)	(118)	(3,300)
Amount owing by subsidiary companies	–	–	(33,586)	3,198
Increase/(Decrease) in:				
Trade payables	3,056	7,189	2,105	6,593
Other payables, accrued expenses and provisions	7,368	2,772	5,579	3,188
Amount owing to subsidiary companies	–	–	634	(1,736)
Cash From/(Used In) Operations	3,358	411	(29,111)	1,415
Income tax paid	(358)	(238)	(98)	(66)
Tax refunded	–	57	–	3
Warranty and free service paid	(422)	(274)	–	–
Net Cash From/(Used In) Operating Activities	2,578	(44)	(29,209)	1,352

## CASH FLOWS USED IN INVESTING ACTIVITIES

(Increase)/Decrease of fixed deposits pledged	(1,008)	215	–	–
Interest received	12	6	–	–
Purchase of property, plant and equipment (Note)	(120)	(21)	(69)	–
Additions to land held for property development	(30,044)	–	–	–
Additions to investment properties	–	(6,000)	–	(6,000)
Additions to other financial assets	(2,180)	–	(2,180)	–
Payments for the acquisition of non-controlling interests	(660)	–	(660)	–

## STATEMENTS OF CASH FLOWS

(cont'd)

		The Group		The Company	
	Note	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Proceeds from disposal of assets held for sale		1,560	1,330	1,560	1,330
Net Cash Used In Investing Activities		(32,440)	(4,470)	(1,349)	(4,670)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Proceeds from issue of ICULS		31,370	—	31,370	—
Increase in bank overdrafts		492	4,307	—	—
Finance costs paid		(944)	(569)	(619)	(181)
(Repayment) of /Proceeds from long-term loan		(1,135)	1,653	(151)	(142)
Repayment of hire-purchase payables		(113)	(110)	(5)	—
Issuance of shares		—	3,600	—	3,600
Net Cash From Financing Activities		29,670	8,881	30,595	3,277
<b>NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS</b>		(192)	4,367	37	(41)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		347	(4,020)	26	67
Effects of exchange rate changes on cash and cash equivalents		38	—	—	—
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	27	193	347	63	26

Note: The Group and the Company acquired property, plant and equipment with a total cost of RM450,000 (2013:RM21,000) and RM172,000 (2013:RMNil) of which RM330,000 (2013:RMNil) and RM103,000 (2013:RMNil) was acquired under hire purchase arrangement. Accordingly, cash payment for the acquisition of property, plant and equipment made by the Group and the Company amounted to RM120,000 (2013:RM21,000) and RM69,000 (2013:RMNil).

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



# NOTES TO THE FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

The principal activity of the Company is investment holding.

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

Other than the acquisition of subsidiary as mentioned in Note 13, there have been no significant changes in the nature of the principal 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 in Bursa Malaysia Securities Berhad.

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

The financial statements of the Group and of the Company have been approved by the Board of Directors and were authorised for issuance on April 27, 2015.

## 2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

The Group has current liabilities exceeding current assets by RM13,771,000 as of December 31, 2014. 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 shareholders, 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.

### 2.1 Application of new and revised MFRSs

In the current financial year, the Group and the Company have adopted revised Standards and Amendments issued by the Malaysian Accounting Standards Board ("MASB") that are relevant to their operations and effective for annual periods beginning on or after January 1, 2014 as follows:

Amendments to MFRS 10, MFRS 12 and MFRS 127	Consolidated Financial Statements, Disclosure of Interests in Other Entities and Separate Financials Statements: Investment Entities
Amendments to MFRS 132	Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 136	Impairment of Assets: Recoverable Amounts Disclosures for Non-Financial Assets
Amendments to MFRS 139	Financial Instruments: Novation of Derivatives and Continuation of Hedge Accounting

The adoption of these revised Standards and Amendments has not affected the amounts reported in the financial statements of the Group and of the Company for the current and prior years.

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

### **2.2 Standards in issue but not yet effective**

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

MFRS 9	Financial Instruments <sup>4</sup>
MFRS 15	Revenue from Contracts with Customers <sup>3</sup>
Amendments to MFRS 10, MFRS 12 and MFRS 128	Investment Entities: Applying the Consolidation Exception <sup>2</sup>
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>2</sup>
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations <sup>2</sup>
Amendments to MFRS 101	Disclosure Initiative <sup>2</sup>
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation <sup>2</sup>
Amendments to MFRS 119	Employee Benefits (Amendments relating to Defined Benefit Plans: Employee Contributions) <sup>1</sup>
Amendments to MFRS 127	Equity Method in Separate Financial Statements <sup>2</sup>
Amendments to MFRSs	Annual Improvements to MFRSs 2010 - 2012 Cycle <sup>1</sup>
Amendments to MFRSs	Annual Improvements to MFRSs 2011 - 2013 Cycle <sup>1</sup>
Amendments to MFRSs	Annual Improvements to MFRSs 2012 - 2014 Cycle <sup>2</sup>
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after July 1, 2014

<sup>2</sup> Effective for annual periods beginning on or after January 1, 2016

<sup>3</sup> Effective for annual periods beginning on or after January 1, 2017

<sup>4</sup> Effective for annual periods beginning on or after January 1, 2018

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

## **3. SIGNIFICANT ACCOUNTING POLICES**

### **Basis of Accounting**

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

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

### **3. SIGNIFICANT ACCOUNTING POLICES (CONT'D)**

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

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

The principal accounting policies are set out below.

#### **Subsidiaries and Basis of Consolidation**

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

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

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

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

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

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

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

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

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

## 3. SIGNIFICANT ACCOUNTING POLICES (CONT'D)

### Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the relevant assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable MFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 139 *Financial Instruments: Recognition and Measurement* or, when applicable, the cost on initial recognition of an investment in an associate or joint venture.

### Subsidiaries

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

### Business Combinations

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

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

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

### 3. SIGNIFICANT ACCOUNTING POLICES (CONT'D)

#### Business Combinations (Cont'd)

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

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

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

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

#### 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

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 to completion 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.

## NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

### 3. SIGNIFICANT ACCOUNTING POLICES (CONT'D)

#### Income Tax

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

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

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

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

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

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The directors of the Company reviewed the Group's investment property portfolios and concluded that none of the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, the directors have determined that the 'sale' presumption set out in the amendments to MFRS 112 is rebutted. As a result, the Group has recognised deferred taxes on changes in fair value of the investment properties as the Group is subject to income taxes on the fair value changes of the investment properties on disposal.

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

#### Leasing

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

##### The Group as lessor

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



**3. SIGNIFICANT ACCOUNTING POLICES (CONT'D)**

**Employee Benefits**

**(i) Short-Term Employee Benefits**

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

**(ii) Defined Contribution Plans**

The 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 profit or loss.

**Foreign Currency Conversion**

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

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

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

**Property, Plant and Equipment**

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

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

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

### 3. SIGNIFICANT ACCOUNTING POLICES (CONT'D)

#### Property, Plant and Equipment Acquired Under Hire-Purchase Arrangements

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

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

#### Land Held for Property Development

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

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

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

#### Investment Properties

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

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

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

#### 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.

#### Impairment of Assets

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

## NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

### 3. SIGNIFICANT ACCOUNTING POLICES (CONT'D)

#### Impairment of Assets (Cont'd)

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

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

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

#### Inventories

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

#### Contract Work-in-Progress

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

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

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

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

#### Provisions

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

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

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

### 3. SIGNIFICANT ACCOUNTING POLICES (CONT'D)

#### Financial Instruments

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

##### (i) Financial Assets

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

Available for sale (AFS) financial assets are measured at fair value at the end of the reporting period. Fair value is determined in the manner described in Note 28. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

##### (ii) Impairment of financial assets

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

For financial assets, objective evidence of impairment could include:

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

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

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

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

### 3. SIGNIFICANT ACCOUNTING POLICES (CONT'D)

#### Financial Instruments (Cont'd)

##### (ii) Impairment of financial assets (Cont'd)

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

##### (iii) Derecognition of financial assets

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

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

##### (a) Classification as debt or equity

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

##### (b) Equity instruments

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

##### (c) Financial guarantee contract liabilities

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

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

##### (d) Financial liabilities

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

#### Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

#### 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 that are readily convertible to cash with insignificant risk of changes in value.

## NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

### 3. SIGNIFICANT ACCOUNTING POLICES (CONT'D)

#### Segment Reporting

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

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

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

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

### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

In the process of applying the Group's and the Company's accounting policies, management is of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements (apart from those involving estimations which are dealt with below).

- **Impairment loss recognised on trade receivables**

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

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



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

##### **(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 other than as discussed below:

- Revenue recognition on contracts**

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

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

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

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

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

#### **5. REVENUE**

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

	<b>The Group</b>		<b>The Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Contract revenue	11,318	13,171	—	—
Sale of accessories and equipment	2,364	2,529	—	—
Servicing of equipment	2,158	1,307	—	—
Rental income from investment properties	1,881	1,988	1,881	1,988
Operating lease rental income	4,266	11,045	4,266	11,045
	21,987	30,040	6,147	13,033

## NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

### 5. REVENUE (CONT'D)

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

	The Group		The Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Allowance for doubtful debts on trade receivables	8,771	11	8,748	–
Contract costs	9,445	9,347	–	–
Other expenses	6,142	3,875	2,329	1,096
Contract work-in-progress written off	1,181	–	–	–
Cost of inventories sold	2,137	2,192	–	–
Direct operating expenses related to investment properties	1,198	800	1,198	800
Operating lease rental expense	4,075	10,516	4,075	10,516
Servicing costs	1,157	938	–	–
Depreciation of property, plant and equipment (Note 10)	409	411	10	5
Directors' remuneration*	632	613	584	514
Quit rent and assessment	144	110	144	110
Changes in inventories	461	516	–	–
Allowance for doubtful debts no longer required	–	(8)	–	–
Raw materials and consumables used	2,030	1,307	–	–
	37,782	30,628	17,088	13,041

\* Directors' remuneration:

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

	The Group		The Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Executive directors:				
Company				
- Fees	50	40	50	40
- Other emoluments	394	334	394	334
Subsidiary companies				
- Fees	48	–	–	–
- Other emoluments	–	88	–	–
- EPF contributions	–	11	–	–
	492	473	444	374
Non-executive directors:				
Company				
- Fees	140	140	140	140
	632	613	584	514

## NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

### 6. FINANCE COSTS

	The Group		The Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Interest expense on:				
Other bank borrowings	784	324	608	166
Long-term loan	70	210	9	15
Hire-purchase	27	23	2	–
Bankers acceptances	63	12	–	–
	944	569	619	181

### 7. PROFIT BEFORE TAX

Profit before tax of the Group and of the Company is arrived at:

	The Group		The Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
<b>After charging:</b>				
Allowance for doubtful debts on				
trade receivables	8,771	11	8,748	–
Contract work-in-progress written off	1,181	–	–	–
(Utilisation)/Provision for warranty and				
free services - net	(96)	161	–	–
Audit fee	75	75	25	25
<b>and crediting:</b>				
Fair value gain on investment properties	17,802	–	17,802	–
Gain on disposal of assets held for sale	380	150	380	150
Realised gain on foreign exchange	9	52	–	–
Allowance for doubtful debts no				
longer required	–	8	–	–
Interest income	12	6	–	–
Employee information:				
Staff costs	2,461	2,101	1,050	818
EPF contributions	289	254	124	115

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. TAX EXPENSE

	The Group		The Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Estimated current tax expense:				
- Current year	31	301	–	97
- (Over)/Underprovision in prior years	(14)	35	–	34
	17	336	–	131
Deferred tax expense (Note 15)				
- Current year	808	(39)	890	–
- Overprovision in prior years	–	(10)	–	–
	825	287	890	131

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

	The Group		The Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Profit before tax	3,873	921	7,205	301
Tax at the statutory tax rate of 25%	968	229	1,801	75
Expenses not deductible for tax purposes	978	89	–	22
Different tax rate in other jurisdiction	(100)	–	–	–
Income not taxable for tax purposes	(1,010)	–	(911)	–
Utilisation of deferred tax assets previously not recognised	(15)	(56)	–	–
Deferred tax asset not recognised	71	–	–	–
(Over)/Underprovision in current tax expense in prior years	(14)	35	–	34
Overprovision of deferred tax in prior years	–	(10)	–	–
Unutilised deferred tax during the year	(53)	–	–	–
Tax expense for the year	825	287	890	131

Malaysian income tax is calculated at the statutory tax rate of 25% (2013: 25%) of the estimated taxable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The Budget 2014 announced on October 25, 2013 reduced the corporate income tax rate from 25% to 24% with effect from year of assessment 2016. The real property gains tax (RPGT) is also revised to 30% for disposal within the first three years, 20% within the fourth year, 15% within the fifth year and 5% from sixth year onwards, on gains from the disposal of real property effective January 1, 2014. Accordingly, the applicable tax rates to be used for the measurement of any applicable deferred tax will be the expected rates.

## NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

### 8. TAX EXPENSE (CONT'D)

As mentioned in Note 3, the tax effects of deductible temporary differences, unused tax losses and unused tax credits which would give rise to deferred tax asset are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. As of December 31, 2014, the estimated amount of temporary differences, unused tax losses and unabsorbed capital allowances for which the net deferred tax asset has not been recognised in the financial statements due to uncertainty of realisation, are as follows:

	<b>Deferred Tax Asset</b>	
	<b>The Group</b>	
	<b>2014</b>	<b>2013</b>
	<b>RM'000</b>	<b>RM'000</b>
Temporary differences in respect of property, plant and equipment	(708)	(717)
Unused tax losses	9,867	10,266
Unabsorbed capital allowances	53	7
	9,212	9,556

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

As of December 31, 2014, the Group and the Company have tax exempt income amounting to approximately RM4,002,000 (2013: RM4,002,000) and RM3,136,000 (2013: RM3,136,000) 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, 2014, the Group and the Company have tax exempt income amounting to approximately RM4,222,000 (2013: RM4,222,000) and RM4,000,000 (2013: RM4,000,000) 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 EARNINGS PER ORDINARY SHARE

	<b>The Group</b>	
	<b>2014</b>	<b>2013</b>
	<b>RM'000</b>	<b>RM'000</b>
Profit for the year attributable to ordinary shareholders of the Company	3,048	593
Weighted average number of ordinary shares in issue ('000)	441,100	421,600
Basic earnings per ordinary share (sen)	0.691	0.140

The basic earnings per ordinary share is calculated by dividing the profit for the year attributable to ordinary shareholders of the Company of RM3,048,000 (2013: RM593,000) by the weighted average number of ordinary shares in issue during the year of 441,100,000 (2013: 421,600,000).

**NOTES TO THE FINANCIAL STATEMENTS**  
(cont'd)

**10. PROPERTY, PLANT AND EQUIPMENT**

<b>The Group</b>	<b>Freehold land RM'000</b>	<b>Freehold building RM'000</b>	<b>Computers, furniture and fittings, office equipment and air conditioners RM'000</b>	<b>Motor vehicles RM'000</b>	<b>Total RM'000</b>
<b>Cost</b>					
As of 1.1.2013	1,820	7,393	729	1,064	11,006
Additions	–	–	18	3	21
Disposal	–	–	–	(4)	(4)
As of 31.12.2013/1.1.2014	1,820	7,393	747	1,063	11,023
Additions	–	–	72	378	450
Disposal	–	–	–	–	–
As of 31.12.2014	1,820	7,393	819	1,441	11,473
<b>Accumulated Depreciation</b>					
As of 1.1.2013	–	2,431	452	601	3,484
Charge for the year	–	148	90	173	411
Disposal	–	–	–	(4)	(4)
As of 31.12.2013/1.1.2014	–	2,579	542	770	3,891
Charge for the year	–	148	83	178	409
Disposal	–	–	–	–	–
As of 31.12.2014	–	2,727	625	948	4,300
<b>Net Book Value</b>					
As of 31.12.2014	1,820	4,666	194	493	7,173
As of 31.12.2013	1,820	4,814	205	294	7,132

The freehold land and building of the Group pertaining to a subsidiary company have been charged to a local bank for credit facilities granted to the said subsidiary company as mentioned in Note 26.

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

	<b>The Group</b>	
	<b>2014 RM'000</b>	<b>2013 RM'000</b>
At cost:		
Computers, furniture and fittings, and air-conditioners	430	273
Motor vehicles	505	291
	935	564



**NOTES TO THE FINANCIAL STATEMENTS**  
(cont'd)

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

	<b>Furniture and fittings and computer equipment RM'000</b>	<b>Motor vehicles RM'000</b>	<b>Total RM'000</b>
<b>Cost</b>			
As of 1.1.2013	19	–	19
Additions	–	–	–
Disposal	–	–	–
As of 31.12.2013/1.1.2014	19	–	19
Additions	63	109	172
Disposal	–	–	–
As of 31.12.2014	82	109	191
<b>Accumulated Depreciation</b>			
As of 1.1.2013	11	–	11
Charge for the year	5	–	5
Disposal	–	–	–
As of 31.12.2013/1.1.2014	16	–	16
Charge for the year	10	–	10
Disposal	–	–	–
As of 31.12.2014	26	–	26
<b>Net Book Value</b>			
As of 31.12.2014	56	109	165
As of 31.12.2013	3	–	3

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

	<b>The Group</b>		<b>The Company</b>	
	<b>2014 RM'000</b>	<b>2013 RM'000</b>	<b>2014 RM'000</b>	<b>2013 RM'000</b>
Net book value:				
Motor vehicles	413	213	109	–

## NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

### 11. LAND HELD FOR PROPERTY DEVELOPMENT

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
At beginning of the year	—	—	—	—
Additions during the year	30,044	—	—	—
At end of the year	30,044	—	—	—

During the financial year, the Group completed the acquisition of 2 plots of freehold land in Mandurah, Australia through its subsidiary company, CME Properties (Australia) Pty Ltd., for the purpose of property development. The legal title of the land is registered under the name of its subsidiary company.

### 12. INVESTMENT PROPERTIES

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
At beginning of the year	41,950	37,720	41,950	37,720
Reclassified as assets held for sale (Note 20)	(3,640)	(1,770)	(3,640)	(1,770)
Additions during the year	—	6,000	—	6,000
Increase in fair value of investment properties	17,802	—	17,802	—
At end of the year	56,112	41,950	56,112	41,950
Fair value	56,112	41,950	56,112	41,950

The fair values of the investment properties were determined by the directors based on an appraisal opinion given by Henry Butcher Malaysia (Kuantan) Sdn. Bhd., an independent firm of professional valuers during the year using the "open market value" basis. As of December 31, 2014, the directors of the Group also assessed the current market prices of properties of similar conditions and locations and the directors are of the view that the carrying amounts of the investment properties of the Group approximate their current fair values. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

Certain investment properties of the Company are charged as securities for banking facilities as mentioned in Note 26.

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

Details of the Group's investment properties and information on the fair value hierarchy as of December 31, 2014 are as follows:

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

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

## NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

### 13. INVESTMENT IN SUBSIDIARY COMPANIES

	The Group	
	2014 RM'000	2013 RM'000
Unquoted shares, at cost	9,938	9,277
Less: Accumulated impairment loss	(1,792)	(1,792)
At end of the year	8,146	7,485

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

Companies	Proportion of ownership interest and voting power held by the Group		Principal Activities
	2014 %	2013 %	
CME Industries Sdn Bhd	100	100	Servicing of fire fighting and specialist vehicles and sale of related spare parts
CME Edaran Sdn Bhd	100	100	Sale and servicing of fire fighting equipment and specialist vehicles and sale of related spare parts
CME Technologies Sdn Bhd	100	100	Manufacturing and sale of fire fighting equipment and fire engines
CME Properties Sdn Bhd	100	100	Dormant
CME Pyroshield Sdn Bhd	100	76	Trading of pyroshield gas and accessories
CME Properties (Australia) Pty Ltd	100	–	Property development

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

On September 2, 2014, the Group entered into a Share Sale and Purchase agreement with non-controlling shareholders to acquire the remaining equity interest of 24% in CME Pyroshield Sdn Bhd for a total purchase consideration of RM660,000.

During the financial year, the Company acquired 10 ordinary shares of AUD1.00 each, representing 100% equity in CME Properties (Australia) Pty Ltd., for a total consideration of AUD10.00 (equivalent to RM30.00). The principal activity of the subsidiary is property development.

## NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

### 14. OTHER FINANCIAL ASSETS

#### Available-for-sale investments carried at fair value

	<b>The Group and The Company</b>	
	<b>2014 RM'000</b>	<b>2013 RM'000</b>
<b>At fair value</b>		
At the beginning of the year	492	891
Acquisition during the year	2,180	–
Fair value gain/(loss) recognised directly in reserve	2,083	(399)
At end of the year	4,755	492

Available-for-sale financial assets represent investments in quoted equity shares in Australia. The fair value is based on quoted market prices.

### 15. DEFERRED TAX ASSETS/(LIABILITIES)

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

	<b>Deferred Tax Asset/(Liability)</b>			
	<b>The Group</b>		<b>The Company</b>	
	<b>2014 RM'000</b>	<b>2013 RM'000</b>	<b>2014 RM'000</b>	<b>2013 RM'000</b>
Temporary difference in respect of:				
Investment properties	(890)	–	(890)	–
Property, plant and equipment	(12)	(3)	–	–
Other payables, accrued expenses and provisions	54	63	–	–
Unabsorbed tax losses	100	–	–	–
At end of year	(748)	60	(890)	–

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

	<b>The Group</b>		<b>The Company</b>	
	<b>2014 RM'000</b>	<b>2013 RM'000</b>	<b>2014 RM'000</b>	<b>2013 RM'000</b>
Deferred tax assets	142	60	–	–
Deferred tax liabilities	(890)	–	(890)	–
Net	(748)	60	(890)	–

## NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

### 16. INVENTORIES

	The Group	
	2014 RM'000	2013 RM'000
At cost:		
Trading merchandise	589	1,050

### 17. AMOUNT DUE FROM CONTRACT CUSTOMERS

	The Group	
	2014 RM'000	2013 RM'000
Contract costs incurred plus recognised profits	14,419	8,980
Less: Progress billings	(12,221)	(7,938)
Net amount due from contract customers	2,198	1,042

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

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Trade receivables	11,594	12,001	9,757	7,632
Less: Allowance for doubtful debts	(9,476)	(705)	(9,149)	(401)
Net	2,118	11,296	608	7,231

Trade receivables comprise amounts receivable from the sale of goods and income from renting property. They are recognised at their original invoice amounts which represent their fair values on initial recognition. The credit period granted by the Group and the Company ranges from 30 days to 90 days (2013: 30 days to 90 days). Interest on late payment is charged at the bank's base lending rate by the Company whilst no interest on late payment is charged by the subsidiary companies.

#### Ageing analysis of trade receivables

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

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Neither past due nor impaired	1,902	562	—	1,404
Past due but not impaired	216	10,734	608	5,827
Past due and impaired	9,476	705	9,149	401
	11,594	12,001	9,757	7,632

## NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

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

#### Receivables that are neither past due nor impaired

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

#### Receivables that are past due but not impaired

The Group and the Company have trade receivables amounting to RM216,000 (2013: RM10,734,000) and RM608,000 (2013: RM5,827,000) respectively that are past due at the reporting date but not impaired for which the Group and the Company have not made any allowances as there has not been a significant change in the credit quality and the amounts are still considered recoverable. The Group and the Company do not hold any collateral or other credit enhancement over these balances nor do they have a legal right of set-off against any amounts owed by the Group and the Company to the counterparty.

#### Receivables that are impaired

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

	<b>The Group</b>		<b>The Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At beginning of the year	705	702	401	401
Charge for the year	8,771	11	8,748	–
Provision no longer required	–	(8)	–	–
At end of year	9,476	705	9,149	401

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

The currency exposure profile of trade receivables is as follows:

	<b>The Group</b>		<b>The Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Ringgit Malaysia	11,386	11,778	9,757	7,632
United States Dollar	208	223	–	–
	11,594	12,001	9,757	7,632

## NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

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

Other receivables, deposits and prepaid expenses consist of:

	The Group		The Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Other receivables	2,979	155	—	—
Prepaid expenses	—	36	—	—
Refundable deposits	3,630	3,511	3,513	3,395
	6,609	3,702	3,513	3,39

Included in other receivables of the Group is a refundable GST for the acquisition of freehold lands in Mandurah, Australia totalling RM2,845,000 (2013: RMNil). The refund has been lodged with the Australian Taxation Office and is pending processing.

### 19. FIXED DEPOSITS WITH LICENSED BANKS

	The Group	
	2014	2013
	RM'000	RM'000
Fixed deposits with licensed banks	1,008	—

Fixed deposits with licensed banks of the Group are pledged to a local bank by a subsidiary company for bank facilities granted to the said subsidiary company as mentioned in Note 26.

The average effective interest rate is as follows:

	The Group	
	2014	2013
	RM'000	RM'000
	% p.a	% p.a
Fixed deposits with licensed banks	3.05%	—

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



## NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

### 20. ASSETS CLASSIFIED AS HELD FOR SALE

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
At beginning of year	2,100	1,510	2,100	1,510
Transfer from investment properties (Note 12)	3,640	1,770	3,640	1,770
Disposals	(1,180)	(1,180)	(1,180)	(1,180)
	4,560	2,100	4,560	2,100

The Company has entered into sale and purchase agreements to dispose of all investment properties which have been reclassified as assets classified as held for sale under current assets. As of December 31, 2014, all the sale and purchase agreements are still pending fulfillment of certain conditions precedent stipulated therein.

### 21. SHARE CAPITAL

Share capital is represented by:

	The Group and The Company	
	2014 RM'000	2013 RM'000
<b>Authorised:</b>		
At beginning of year 5,000,000,000 ordinary shares of RM0.10 each	500,000	500,000
Creation of 5,000,000,000 ordinary shares of RM0.10 each	500,000	–
At end of year	1,000,000	500,000
<b>Issued and fully paid-up:</b>		
At beginning of year		
401,100,000 ordinary shares of RM0.10 each	44,110	40,510
Issue of 36,000,000 ordinary shares of RM0.10 each in 2013	–	3,600
At end of year	44,110	44,110

During the current financial year, the authorised ordinary share capital of the Company was increased from RM500,000,000 comprising 5,000,000,000 ordinary shares of RM0.10 each to RM1,000,000,000 comprising 10,000,000,000 ordinary shares of RM0.10 each by the creation of 5,000,000,000 new ordinary shares of RM0.10 each in the Company.

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

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

## NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

### 23. HIRE-PURCHASE PAYABLES

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Total outstanding	704	463	121	–
Less: Interest-in-suspense	(89)	(65)	(23)	–
Total principal outstanding	615	398	98	–
Less: Portion due within one year (included under current liabilities)	(101)	(78)	(9)	–
Non-current portion	514	320	89	–

The interest rates implicit in these hire-purchase obligations range from 2.37% to 3.50% (2013: 4.84% to 6.28%) per annum. The non-current portion of the hire-purchase obligations of the Group is repayable as follows:

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Financial years ending:				
2015	–	63	–	–
2016	118	66	10	–
2017 and thereafter	396	191	79	–
	514	320	89	–

### 24. LONG-TERM LOAN

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Total principal outstanding	2,832	3,666	75	226
Less: Portion due within one year (included under bank borrowings) (Note 26)	(401)	(564)	(75)	(151)
Non-current portion	2,431	3,102	–	75

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

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Financial years ending:				
2015	–	447	–	–
2016	357	559	–	75
2017 and thereafter	2,074	2,096	–	–
	2,431	3,102	–	75

The details of the long-term loan are disclosed in Note 26.

## NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

### 25. TRADE PAYABLES, OTHER PAYABLES, ACCRUED EXPENSES AND PROVISIONS

- (a) Trade and other payables comprise amounts outstanding for trade purchases and ongoing costs. The average credit period granted to the Group for trade purchases ranges from 30 to 60 days (30 to 60 days in 2013).

The currency exposure profile of trade payables is as follows:

	<b>The Group</b>		<b>The Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Ringgit Malaysia	10,422	7,708	8,698	6,593
US Dollar	93	17	—	—
Sterling Pound	219	4	—	—
SGD	51	1	—	—
Euro	6	5	—	—
	10,791	7,735	8,698	6,593

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

	<b>The Group</b>		<b>The Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Other payables	8,070	1,129	6,020	884
Provisions (c)	160	256	—	—
Accrued expenses	883	860	410	371
Rental deposits	4,636	4,232	4,703	4,299
	13,749	6,477	11,133	5,554

Included in other payables of the Group and the Company is an amount outstanding for the purchase of investment properties amounting to RM317,555 (2013: RM854,998).

As of December 31, 2014, the Group and the Company have other payables totalling RM2,750,000 (2013: RMNil) owing to a third party which bears interest at 18% per annum (2013: Nil). This amount was subsequently paid in January 2015.

The currency exposure profile of other payables is as follows:

	<b>The Group</b>		<b>The Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Ringgit Malaysia	6,112	1,129	3,840	884
Australian Dollar	1,958	—	2,180	—
	8,070	1,129	6,020	884

## NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

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

(c) Provisions:

	The Group			
	Warranty RM'000	Free Service RM'000	Others RM'000	Total RM'000
Balance as of January 1, 2013	89	4	2	95
Additional provisions	282	153	–	435
Utilised during the year	(215)	(57)	(2)	(274)
Balance as of December 31, 2013/January 1, 2014	156	100	–	256
Additional provisions	268	30	28	326
Utilised during the year	(322)	(100)	–	(422)
Balance as of December 31, 2014	102	30	28	160

### 26. BANK BORROWINGS

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Long-term loan - current portion (Note 24)	401	564	75	151
Bank overdrafts	4,799	4,307	–	–
Trust receipts/Bankers' acceptances	1,653	1,954	–	–
	6,853	6,825	75	151

The long-term loan of the Company bears interest at 7.75% per annum (2013: 7.75%) and is repayable in 120 equal monthly installments of RM13,769 each commencing in December 2004. The long-term loan is secured by a first legal charge over three units of 3-storey shop office of the Company included under investment properties as mentioned in Note 12.

#### Subsidiary Companies

The subsidiary companies have credit facilities consisting of long-term loan, bank overdraft, trade financing, trust receipts and bank guarantee facilities totalling RM18.1 million (2013: RM14.57 million) from four local banks. These facilities are secured by the following:

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

The overdraft and trade financing facilities granted to the subsidiary companies bear interest at 8% (2013: 8%) per annum.

## NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

### 27. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Fixed deposits with licensed banks	1,008	—	—	—
Cash and bank balances	193	347	63	26
	1,201	347	63	26
Less: Fixed deposits pledged (Note 19)	(1,008)	—	—	—
	193	347	63	26

### 28. FINANCIAL INSTRUMENTS

#### Capital Risk Management Policies and Procedures

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

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

#### Financial Risk Management Objectives and Policies

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

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

#### (i) Interest rate risk

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

The Group is mainly exposed to interest rate risk through long-term loans at 7.75% (2013: 7.75%) per annum. The Group's exposure to interest rate risk via hire-purchase is minimal as these liabilities are subject to fixed interest rate.

Under the current stable interest rate environment, management anticipates that any changes in interest rate in the near term are not expected to have a significant impact on the Group's profit or loss. Accordingly, no sensitivity analysis is prepared.

### 28. FINANCIAL INSTRUMENTS (CONT'D)

#### Financial Risk Management Objectives and Policies (Cont'd)

##### (ii) Credit risk

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

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

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

##### (iii) Equity price risk

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

If equity prices had been 5% higher/lower:

- profit for the year ended December 31, 2014 would have been unaffected as the equity investments are classified as available-for-sale and no investments were disposed of or impaired; and
- other comprehensive income for the year ended December 31, 2014 would increase/decrease by RM238,000 (2013: increase/decrease by RM25,000) as a result of the changes in fair value of available-for-sale shares.

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

##### (iv) Liquidity risk

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS**  
(cont'd)

**28. FINANCIAL INSTRUMENTS (CONT'D)**

**Financial Risk Management Objectives and Policies (Cont'd)**

**(iv) Liquidity risk (Cont'd)**

		← The Group →				
	Weighted average effective interest %	Less than 1 month RM'000	1 to 3 months RM'000	3 months to 1 year RM'000	More than 1 year RM'000	Total RM'000
2014						
Financial assets						
Non-interest bearing:						
Cash and bank balances		193	–	–	–	193
Trade and other receivables		5,097	–	–	–	5,097
Amount due from contract customers		2,198	–	–	–	2,198
Financial assets available -for-sale		–	–	–	4,755	4,755
		7,488	–	–	4,755	12,243
Interest bearing:						
Fixed deposits with licensed banks		1,008	–	–	–	1,008
Total Financial Assets		8,496	–	–	4,755	13,251
Financial liabilities						
Non-interest bearing:						
Trade and other payables and accrued expenses		16,994	–	–	4,636	21,630
Interest bearing:						
Long-term loan and bank borrowings	7.80%-7.85%	60	119	6,907	3,264	10,350
Hire-purchase	4.84%-5.50%	10	20	91	583	704
Other payables (Note 25)	18%	2,750	–	–	–	2,750
		2,820	139	6,998	3,847	13,804
Total Financial Liabilities		19,814	139	6,998	8,483	35,434



28. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risk Management Objectives and Policies (Cont'd)

(iv) Liquidity risk (Cont'd)

		The Group				
	Weighted average effective interest %	Less than 1 month RM'000	1 to 3 months RM'000	3 months to 1 year RM'000	More than 1 year RM'000	Total RM'000
2013						
Financial assets						
Non-interest bearing:						
Cash and bank balances		347	–	–	–	347
Trade and other receivables		11,451	–	–	–	11,451
Amount due from contract customers		1,042	–	–	–	1,042
Financial assets available-for-sale		–	–	–	492	492
Total Financial Assets		12,840	–	–	492	13,332
Financial liabilities						
Non-interest bearing:						
Trade and other payables		9,724	–	–	4,232	13,956
Interest bearing:						
Long-term loan and bank borrowings		70	141	634	4,157	5,002
Hire purchase	4.84	8	16	71	369	463
		78	157	705	4,526	5,465
Total Financial Liabilities		9,802	157	705	8,758	19,421

**NOTES TO THE FINANCIAL STATEMENTS**  
(cont'd)

**28. FINANCIAL INSTRUMENTS (CONT'D)**

**Financial Risk Management Objectives and Policies (Cont'd)**

**(iv) Liquidity risk (Cont'd)**

		The Group				
	Weighted average effective interest %	Less than 1 month RM'000	1 to 3 months RM'000	3 months to 1 year RM'000	More than 1 year RM'000	Total RM'000
2014						
Financial assets						
Non-interest bearing:						
Cash and bank balances		63	–	–	–	63
Trade and other receivables		608	–	–	–	608
Amount owing by subsidiary companies		–	–	–	55,572	55,572
Financial assets available -for-sale		–	–	–	4,755	4,755
Total Financial Assets		671	–	–	60,327	60,998
Financial liabilities						
Non-interest bearing:						
Trade and other payables and accrued expenses		12,378	–	–	4,703	17,081
Amount owing to subsidiary companies		–	–	–	30,099	30,099
		12,378	–	–	34,802	47,180
Interest bearing:						
Long-term loan and bank borrowings	7.80%-7.85%	14	27	39	–	80
Hire-purchase	4.84%-5.50%	1	2	11	107	121
Other payables (Note 25)	18%	2,750	–	–	–	2,750
		2,765	29	50	107	2,951
Total Financial Liabilities		15,143	29	50	34,909	50,131

## 28. FINANCIAL INSTRUMENTS (CONT'D)

### Financial Risk Management Objectives and Policies (Cont'd)

#### (iv) Liquidity risk (Cont'd)

		← The Group →				
	Weighted average effective interest %	Less than 1 month RM'000	1 to 3 months RM'000	3 months to 1 year RM'000	More than 1 year RM'000	Total RM'000
2013						
Financial assets						
Non-interest bearing:						
Cash and bank balances		26	–	–	–	26
Trade and other receivables		7,231	–	–	–	7,231
Amount owing by subsidiary companies		–	–	–	21,986	21,986
Financial assets available -for-sale		–	–	–	492	492
Total Financial Assets		7,257	–	–	22,478	29,735
Financial liabilities						
Non-interest bearing:						
Trade and other payables		7,848	–	–	4,299	12,147
Amount owing to subsidiary companies		–	–	–	29,465	29,465
		7,848	–	–	33,764	41,612
Interest bearing:						
Long-term loan and bank borrowings	7.80	14	27	123	244	408
Total Financial Liabilities		7,862	27	123	34,008	42,020

#### (v) Financial guarantees

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

The maximum exposure to credit risk amounted to RM9.9 million (2013: RM10.3 million) representing the outstanding banking facilities of the subsidiary companies as at the end of the reporting period.

The financial guarantees have not been recognised since the fair value on initial recognition was not material as the financial guarantees provided by the Company did not contribute towards credit enhancement of the subsidiary companies' borrowings in view of the securities pledged by the subsidiary companies as disclosed in Note 26.

## 28. FINANCIAL INSTRUMENTS (CONT'D)

### Financial Risk Management Objectives and Policies (Cont'd)

#### (vi) Foreign currency risk

The Group has exposure to foreign currency risk as a result of its trade transactions. The currencies giving rise to this risk are the United States Dollar (USD) and Sterling Pound (GBP). Foreign exchange exposures in transactional currencies other than the functional currency of the operating entities are kept to an acceptable level.

#### Foreign currency sensitivity analysis

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

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

	<b>Impact of United States (USD)</b>	
	<b>2014 RM'000</b>	<b>2013 RM'000</b>
Profit or loss	11	20
<hr/>		
	<b>Impact of Sterling Pound (GBP)</b>	
	<b>2014 RM'000</b>	<b>2013 RM'000</b>
Profit or loss	22	–
<hr/>		

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

## NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

### 28. FINANCIAL INSTRUMENTS (CONT'D)

#### Financial Risk Management Objectives and Policies (Cont'd)

##### (vii) Categories of financial instruments

	The Group		The Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
<b>Available for sale</b>				
Other financial assets	4,755	492	4,755	492
	4,755	492	4,755	492
<b>Loans and receivables:</b>				
Trade receivables	2,118	11,296	608	7,231
Other receivables and deposits	6,609	3,666	3,513	3,395
Amount owing by subsidiary companies	—	—	55,572	21,986
Fixed deposits with licensed banks	1,008	—	—	—
Cash and bank balances	193	347	63	26
	9,928	15,309	59,756	32,638
	14,683	15,801	64,511	33,130
<b>Other financial liabilities at amortised cost</b>				
Hire-purchase payables	615	398	98	—
Long-term loan - non current portion	2,431	3,102	—	75
Trade payables	10,791	7,735	8,698	6,593
Other payables and accrued expenses	13,589	6,221	11,133	5,554
Amount owing to subsidiary companies	—	—	30,099	29,465
Bank borrowings	6,853	6,825	75	151
	34,279	24,281	50,103	41,838

##### (viii) Fair Values of Financial Assets and Financial Liabilities

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

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

## 28. FINANCIAL INSTRUMENTS (CONT'D)

### Financial Risk Management Objectives and Policies (Cont'd)

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

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

The Group	Carrying Amount		Fair Value	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
<b>Financial Liabilities</b>				
Hire-purchase payables (Note 23)	615	398	634	404
Long-term loan (Note 24)	2,832	3,666	2,840	3,672
<b>The Company</b>				
<b>Financial Liability</b>				
Long-term loan (Note 24)	75	226	79	218

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.

#### Other Investment

The market value of other investments as at the end of the reporting period represents their fair value.

#### Investment Properties

The Company	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
Fair value as at 31.12.2014	–	56,112	–
Fair value as at 31.12.2013	–	41,950	–

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.

## NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

### 28. FINANCIAL INSTRUMENTS (CONT'D)

#### Financial Risk Management Objectives and Policies (Cont'd)

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

##### Fair value measurements recognised in the statements of financial position

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

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

There were no transfers between hierarchies in both years. The fair value of marketable securities has been determined by reference to quoted prices in an active market for identical assets at the close of the reporting date (level 1). The Group and the Company have no financial assets with fair value determined at levels 2 & 3.

### 29. RELATED PARTY TRANSACTIONS

Included under the following accounts are significant outstanding balances arising from non-trade transactions with related parties.

	The Group	
	2014 RM'000	2013 RM'000
<b>Other receivables (Note 18)</b>		
Advances to Non-controlling interest	—	41
<b>Other payables (Note 25)</b>		
Advances from a director of Non-controlling interest	—	49

### 30. OPERATING LEASE ARRANGEMENTS

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

#### (i) Payments recognised as an expense

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Minimum lease payments	4,075	10,516	4,075	10,516



## NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

### 30. OPERATING LEASE ARRANGEMENTS (CONT'D)

(ii) Operating lease payable

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

	Future Minimum Lease Payable		Receivables	
	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Not longer than 1 year	12,225	12,225	12,225	12,225
Longer than 1 year and not longer than 5 years	2,038	14,263	2,038	14,263
	14,263	26,488	14,263	26,488

(iii) Sublease payments receivable

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

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

	Future Minimum Lease Payable		Receivables	
	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Not longer than 1 year	12,840	12,840	12,840	12,840
Longer than 1 year and not longer than 5 years	2,140	14,980	2,140	14,980
	14,980	27,820	14,980	27,820

### 31. COMPARATIVE FIGURES

The bank overdraft of the Group amounting to RM4,799,000 (2013: RM4,307,000) has been reclassified from cash and cash equivalents to be part of bank borrowing and the comparative figure has been reclassified to conform with their presentation in the current period.

### 32. SEGMENTAL REPORTING

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

### 32. SEGMENTAL REPORTING (CONT'D)

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

## NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

### 32. SEGMENTAL REPORTING (CONT'D)

2013	Investment holding RM'000	Manufacturing RM'000	Trading RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
<b>Revenue</b>						
External sales	13,034	14,478	2,528	–	–	30,040
Inter-segment sales	–	4,906	1,916	–	(6,822)	–
<b>Total</b>	<b>13,034</b>	<b>19,384</b>	<b>4,444</b>	<b>–</b>	<b>(6,822)</b>	<b>30,040</b>
<b>Results</b>						
Segment result	482	762	226	20	–	1,490
Finance costs	(181)	(368)	(20)	–	–	(569)
Profit before tax	301	394	206	20	–	921
Tax expenses	(131)	(140)	(16)	–	–	(287)
<b>Profit for the year</b>	<b>170</b>	<b>254</b>	<b>190</b>	<b>20</b>	<b>–</b>	<b>634</b>
Other information						
Investment properties	41,950	–	–	–	–	41,950
Capital additions	–	9	7	5	–	21
Depreciation of property, plant and equipment	4	135	271	1	–	411
<b>Consolidated Balance Sheet</b>						
<b>Assets</b>						
Segment assets	84,176	48,401	14,295	4,169	(82,046)	68,995
Other investments	492	–	–	–	–	492
<b>Consolidated total assets</b>	<b>84,668</b>	<b>48,401</b>	<b>14,295</b>	<b>4,169</b>	<b>(82,046)</b>	<b>69,487</b>
<b>Liabilities</b>						
Segment liabilities	41,953	28,949	24,344	4,061	(74,561)	24,746

## NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

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

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

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

The breakdown of the retained earnings/(accumulated losses) of the Group and of the Company as of December 31, 2014 into realised and unrealised profits or losses, pursuant to the directive, is as follows:

	<b>The Group</b>		<b>The Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Total retained earnings/(accumulated losses) of the Company and its subsidiaries				
- Realised	4,586	1,746	7,003	(1,395)
- Unrealised	(160)	(257)	–	–
	4,426	1,489	7,003	(1,395)
Less: Consolidation Adjustments	(948)	(1,060)	–	–
Total Group unappropriated profit/(accumulated losses) as of December 31, 2014	3,478	429	7,003	(1,395)

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

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

# STATEMENT BY DIRECTORS

The directors of **CME GROUP BERHAD** state that, in their opinion, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of December 31, 2014 and of the financial performance and the cash flows of the Company for the year ended on that date.

The supplementary information set out in Note 33, which is not part of the financial statements, is prepared in all material respects, in accordance with Guidance on Special Matter No. 1 'Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements' as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed in accordance with a resolution  
of the Directors,

**TUNKU NIZAMUDDIN BIN  
TUNKU DATO' SERI SHAHABUDDIN**

**LIM BEE HONG**

Petaling Jaya,  
April 27, 2015

## DECLARATION BY THE DIRECTORS PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

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

**LIM BEE HONG**  
April 27, 2015

Subscribed and solemnly declared by the abovenamed **LIM BEE HONG** at **PETALING JAYA** this 27th day of April, 2015.

Before me,

**NG SAY HUNG**  
NO: B185  
COMMISSIONER FOR OATHS  
Malaysia

# LIST OF PROPERTIES

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
<b>Owned by: CME GROUP BERHAD</b>					
47 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) 22815 No. PT 23093	19,950 sq.m	February 2015	Leasehold 99 years expiring 25 April 2090	3 Storey	41.740 million
12 units of 3 storey Shoplot office :-  H.S. (M) 22778 No. PT 23056  H.S. (M) 22789 No. PT 23067 to H.S. (M) 22790 No. PT 23068  H.S. (M) 22792 No. PT 23070 to H.S. (M) 22794 No. PT 23072  H.S. (M) 22796 No. PT 23074 to H.S. (M) 22800 No. PT 23078  H.S. (M) 22803 No. PT 23081	4,982 sq.m	February 2015	Leasehold 99 years expiring 25 April 2090	3 Storey	11.265 million
Leasehold land :-  PM1779, Lot 35895  All in Mukim of Kuala Kuantan Tempat Bandar Indera Mahkota State of Pahang	5,936 sq.m	17 June 2013	Leasehold 99 years expiring 25 April 2090	Property Development	7.667 million

## LIST OF PROPERTIES

(cont'd)

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
<b>Owned by:- CME INDUSTRIES SDN BHD</b>					
12161, Mukim of Damansara District of Petaling State of Selangor Darul Ehsan	7,307.20 sq.m	14 January 1991	Freehold 24 years	3 Storey Office cum Factory Building	7.041 million
<b>Owned by:- CME PROPERTIES (AUSTRALIA) PTY LTD</b>					
20 Henson Street, Local Government Area of City of Mandurah, Australia	11,786 sq.m	3 December 2014	Freehold	Property Development	22.434 million
170 Mandurah Terrace, Local Government Area of City of Mandurah, Australia	3,998 sq.m	3 December 2014	Freehold	Property Development	7.610 million



# ANALYSIS OF SHAREHOLDINGS

AS AT 15 MAY 2015

Authorised Share Capital : RM1,000,000,000  
 Issued and Fully Paid Up : RM44,110,000  
 Class of Shares : Ordinary shares of RM0.10 each fully paid

## DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital
Less than 100	214	7.64	16,779	0.00
100 - 1,000	274	9.79	211,357	0.05
1,001 - 10,000	378	13.50	2,263,435	0.51
10,001 - 100,000	1,465	52.32	66,684,409	15.12
100,001 to less than 5% of issued shares	467	16.68	263,350,380	59.70
5% and above of issued shares	2	0.07	108,573,640	24.62
Total	2,800	100.00	441,100,000	100.00

## DIRECTORS' SHAREHOLDINGS

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

## SUBSTANTIAL SHAREHOLDERS

No.	Name of Substantial Shareholders	No. of Shares	%
1	Ikram Mulia Holdings Sdn Bhd	80,573,640	18.27
2	Jewel View Sdn Bhd	28,000,000	6.35

## ANALYSIS OF SHAREHOLDINGS

(cont'd)

### THIRTY (30) LARGEST SHAREHOLDERS

NO.	NAME OF SHAREHOLDERS	NO. OF SHARES	%
1	IKRAM MULIA HOLDINGS SDN. BHD.	80,573,640	18.27
2	JEWEL VIEW SDN BHD	28,000,000	6.35
3	DATO' TAN EE SENG	17,049,300	3.87
4	KAF NOMINEES (TEMPATAN) SDN.BHD. ONG SUAN PIN	12,400,000	2.81
5	MAYBANK NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR TAN LIAN HONG</i>	8,211,500	1.86
6	CIMSEC NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR NG GEOK WAH (B BRKLANG-CL)</i>	5,000,000	1.13
7	TEH OOI HEONG	4,200,000	0.95
8	HEW CHIN KWAI	4,050,000	0.92
9	NG SEOW PANG	4,034,530	0.91
10	LEE CHEE MING	4,000,000	0.91
11	PUBLIC NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR LOW AH SUAN (E-KLC)</i>	3,818,180	0.87
12	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD RAVINDRAN A/L SINNAYYA	3,601,000	0.82
13	CHEW HUN SENG	3,580,000	0.81
14	RHB NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR TAN KIAN HONG</i>	3,138,500	0.71
15	PUBLIC NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR RAMANATHAN A/L KULANTHAIVELAN (E-KPG)</i>	3,100,000	0.70
16	LOW LOONG KUAN	3,000,000	0.68
17	KENANGA NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR PANG KIM HAU</i>	2,959,500	0.67
18	CHEW HUN SENG	2,400,000	0.54
19	YEOW EWE CHUAN	2,120,000	0.48

## ANALYSIS OF SHAREHOLDINGS

(cont'd)

### THIRTY (30) LARGEST SHAREHOLDERS (CONT'D)

NO.	NAME OF SHAREHOLDERS	NO. OF SHARES	%
20	MAYBANK NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR TAN LIAN HONG (8092237)</i>	2,117,100	0.48
21	RHB NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR LIM KING SOON (SIB)</i>	2,062,100	0.47
22	MAYBANK NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR JAMALUDIN BIN MUHAMAD YUSOF</i>	2,000,000	0.45
23	SIM KAH HOON	2,000,000	0.45
24	TEH HANN TSONG	2,000,000	0.45
25	ALLIANCE GROUP NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR TAN LIAN HONG (8092237)</i>	1,958,000	0.44
26	CHEW LENG SOON	1,830,000	0.41
27	RHB NOMINEES (TEMPATAN) SDN BHD AMARA INVESTMENT MANAGEMENT SDN BHD FOR LIM SOO KA	1,725,000	0.39
28	WONG GOANG CHING	1,700,000	0.39
29	KENANGA NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR WONG SU YONG</i>	1,600,000	0.36
30	YEOH SIEW KOK	1,600,000	0.36
<b>TOTAL</b>		<b>215,828,350</b>	<b>48.93</b>

# ANALYSIS OF ICULS HOLDINGS

AS AT 15 MAY 2015

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

## DISTRIBUTION OF ICULS HOLDINGS

Size of ICULS Holdings	No. of ICULS holders	% of ICULS holders	No. of ICULS Held	% of Issued ICULS Capital
Less than 100	1	0.45	80	0.00
100 - 1,000	5	2.26	2,400	0.00
1,001 - 10,000	22	9.91	116,600	0.02
10,001 - 100,000	121	54.50	6,226,435	0.79
100,001 to less than 5% of issued ICULS	71	31.98	27,905,200	3.56
5% and above of issued ICULS	2	0.90	750,000,000	95.63
<b>Total</b>	<b>222</b>	<b>100.00</b>	<b>784,250,715</b>	<b>100.00</b>

## DIRECTORS' ICULS HOLDINGS

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

## SUBSTANTIAL ICULS HOLDERS

No.	Name of Substantial ICULS Holders	No. of ICULS	%
1	RHB Nominees (Asing) Sdn Bhd Pledged Securities Account For Luteum Pty Ltd	560,025,000	71.41
2	RHB Nominees (Asing) Sdn Bhd Pledged Securities Account For Grand Holdings Pty Ltd	189,975,000	24.22

## ANALYSIS OF ICULS HOLDINGS

(cont'd)

### THIRTY (30) LARGEST ICULS HOLDERS

NO.	NAME OF ICULS HOLDERS	NO. OF ICULS	%
1	RHB NOMINEES (ASING) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR LUTEUM PTY LTD</i>	560,025,000	71.41
2	RHB NOMINEES (ASING) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR GRAND HOLDINGS PTY LTD</i>	189,975,000	24.22
3	KENANGA NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR WONG SU YONG</i>	3,850,000	0.49
4	RHB NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR TAN KIAN HONG</i>	2,600,000	0.33
5	PUBLIC NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR TAN LI PING (E-SLY/TMW)</i>	1,400,000	0.18
6	NEO KET SHONG @ NEO YEE CHOON	1,000,000	0.13
7	SIM KAH HOON	880,000	0.11
8	LEE CHEE KEONG	800,000	0.10
9	MAYBANK NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR LIM CHEOW SEONG</i>	800,000	0.10
10	CIMSEC NOMINEES (TEMPATAN) SDN BHD <i>CIMB FOR KOK POW PENG @ KOK POH PING (PB)</i>	600,000	0.08
11	KENANGA NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR YONG FEE MING</i>	584,000	0.07
12	EU MUI @ EE SOO MEI	500,000	0.06
13	TAN AH KOW @ TAN CHEE LIN	500,000	0.06
14	GAN AH KUAN	450,000	0.06
15	MAYBANK NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR KEK LIAN KIAT</i>	415,200	0.05
16	TEO AH CHIEW	400,000	0.05
17	CHAN WAN TECK	400,000	0.05
18	LEW HUEY FANG	400,000	0.05
19	LOH SIN MIN	400,000	0.05

## ANALYSIS OF ICULS HOLDERS

(cont'd)

### THIRTY (30) LARGEST ICULS HOLDERS (CONT'D)

NO.	NAME OF ICULS HOLDERS	NO. OF ICULS	%
20	MAYBANK NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR SOH TECK CHIN</i>	400,000	0.05
21	TAN MING SHENG	400,000	0.05
22	CHIM LUANG ENG	400,000	0.05
23	KENANGA NOMINEES (TEMPATAN) SDN BHD AMARA INVESTMENT MANAGEMENT SDN BHD FOR LAI MEE LIN	400,000	0.05
24	LIAU LEW EI	400,000	0.05
25	TAN YIK SIN	400,000	0.05
26	HLIB NOMINEES (TEMPATAN) SDN BHD HONG LEONG BANK BHD FOR CHOO SIEW HOO	357,100	0.05
27	KUEK TIAN HWEE	334,100	0.04
28	KENANGA NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR JULIAN CHEAH WAI MENG</i>	324,600	0.04
29	CHIM LUANG ENG	320,000	0.04
30	CHIN POH LING	301,000	0.04
<b>Total</b>		<b>770,016,000</b>	<b>98.18</b>

**Proxy Form**  
**Number of**  
**shares held**



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

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

of \_\_\_\_\_

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

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

of \_\_\_\_\_

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

of \_\_\_\_\_

As my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company, to be held at Delima Room, Lobby Floor, Empress Hotel, Jalan ST 1C/7, Medan 88, Bandar Baru Salak Tinggi, 43900 Sepang, Selangor Darul Ehsan on Tuesday, 30 June 2015 at 11.00 a.m. or any adjournment thereof.

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

\* First Proxy (1) \_\_\_\_\_ % \* Second Proxy (2) \_\_\_\_\_ %

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

No.	RESOLUTIONS	FOR	AGAINST
1.	To re-elect Y.M. Dato' Tengku Putra Bin Tengku Azman Shah as Director		
2.	To re-elect YAM Tengku Besar Tengku Kamil Ismail Bin Tengku Idris Shah as Director		
3.	To re-appoint Y. Bhg. Dato' Khairi Bin Mohamad as Director		
4.	To approve the payment of Directors' fees		
5.	To appoint Messrs Deloitte as Auditors of the Company in place of the retiring Auditors, Messrs Deloitte & Touche		
6.	Authority to issue shares pursuant to Section 132D of the Companies Act, 1965		
7.	Retention of Y.M. Dato' Tengku Putra Bin Tengku Azman Shah as Independent Director		
8.	Retention of Encik Azlan Omry Bin Omar as Independent Director		
9.	Retention of Y. Bhg. Dato' Khairi Bin Mohamad as Independent Director		

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

Date this \_\_\_\_\_ day of \_\_\_\_\_ 2015

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

**Notes:**

- 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.*
- For a proxy to be valid, this form, duly completed must be deposited at the Registered Office of the Company at 36A, Lorong Gelugor, Off Persiaran Sultan Ibrahim, 41300 Klang, Selangor Darul Ehsan not less than forty-eight (48) hours before the time set for the meeting or any adjournment thereof.*
- A member shall be entitled to appoint one (1) or more proxies to attend and vote instead of him at the same meeting and where a member appoints two (2) or more proxies to vote at the same meeting, such appointment shall be invalid unless he specify the proportion of his shareholding to be represented by each proxy.*
- Where a member is an exempt authorised nominee which holds ordinary shares of the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies it may appoint in respect of each omnibus account it holds.*
- In the case of a corporate member, this form must be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised.*
- For the purpose of determining a member who shall be entitled to attend this Nineteenth (19th) AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Article 59 of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act 1991 to issue a Record of Depositors as at 23 June 2015. Only a depositor whose name appears on such Record of Depositors shall be entitled to attend the said meeting or appoint proxies to attend and vote on his/her behalf.*



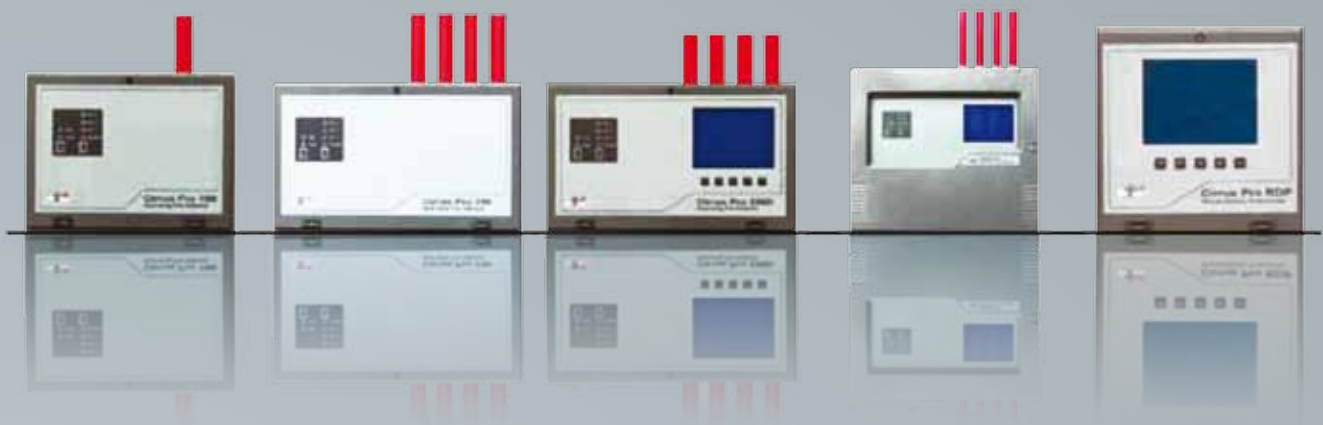
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The Company Secretary  
**CME GROUP BERHAD (52235-K)**  
36A, Lorong Gelugor  
Off Persiaran Sultan Ibrahim  
41300 Klang  
Selangor Darul Ehsan  
Malaysia

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**CME GROUP BERHAD** (52235-K)

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[www.cme.com.my](http://www.cme.com.my)