



CME GROUP BERHAD

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2012

(The figures have not been audited)

	Unaudited At 31/12/2012 RM '000	Audited At 31/12/2011 RM '000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	7,522	7,710
Investment properties	39,230	41,590
Other financial assets	890	1,079
Deferred tax assets	11	58
TOTAL NON-CURRENT ASSETS	47,653	50,437
CURRENT ASSETS		
Inventories	1,566	1,260
Amount due from contract customers	1,582	688
Trade receivables and other receivables	2,212	5,273
Fixed deposits with licensed banks	215	1,159
Tax recoverable	400	298
Cash and bank balances	486	559
TOTAL CURRENT ASSETS	6,461	9,237
TOTAL ASSETS	54,114	59,674
EQUITY AND LIABILITIES		
CAPITAL AND RESERVES		
Issued capital	40,510	40,110
Reserves	244	236
Equity attributable to equity holders of the Company	40,754	40,346
Non-controlling interests	153	95
TOTAL EQUITY	40,907	40,441
NON-CURRENT LIABILITIES		
Hire-purchase payables	400	517
Long-term loan	1,149	1,133
TOTAL NON-CURRENT LIABILITIES	1,549	1,650
CURRENT LIABILITIES		
Amount due to contract customers	-	707
Trade payables and other payables	4,088	8,817
Hire-purchase payables	108	141
Bank borrowings	7,326	7,918
Tax liabilities	136	-
TOTAL CURRENT LIABILITIES	11,658	17,583
TOTAL LIABILITIES	13,207	19,233
TOTAL EQUITY AND LIABILITIES	54,114	59,674
Net Tangible Assets Per RM0.10 Share	0.101	0.100

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statement for the year ended 31 December 2011 and the explanatory notes attached to the interim financial report.)

**CME GROUP BERHAD***(Company No. 52235-K)
(Incorporated in Malaysia)***CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE CURRENT QUARTER AND CUMULATIVE 12-MONTH PERIOD ENDED 31 DECEMBER 2012**
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current year quarter 31/12/2012 (RM '000)	Preceding year corresponding quarter 31/12/2011 (RM '000)	Current year-to-date 31/12/2012 (RM '000)	Preceding year corresponding period 31/12/2011 (RM '000)
Revenue	2,978	5,404	22,871	22,699
Cost of sales	(1,945)	(4,409)	(16,752)	(17,625)
Gross profit	1,033	995	6,119	5,074
Investment revenue	(40)	-	-	-
Other gains	852	233	1,095	625
Administrative expenses	(848)	(175)	(4,194)	(3,012)
Other expenses	(1,047)	(1,153)	(1,886)	(1,785)
Finance costs	(387)	(229)	(767)	(583)
(Loss)/ Profit before tax	(437)	(329)	367	319
Income tax expense	(78)	121	(301)	(21)
(Loss)/ Profit for the period/ year	(515)	(208)	66	298
Other comprehensive income	-	419	-	419
Total comprehensive income for the (loss)/ period/ year	(515)	211	66	717
(Loss)/ Profit attributable to:-				
Equity holders of the Company	(539)	119	8	314
Non-controlling interests	24	92	58	(16)
	(515)	211	66	298
Earnings per share (sen)				
- Basic	(0.133)	0.030	0.002	0.078
- Diluted	N/A	N/A	N/A	N/A

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statement for the year ended 31 December 2011 and the explanatory notes attached to the interim financial report.)

**CME GROUP BERHAD***(Company No. 52235-K)
(Incorporated in Malaysia)***CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 12-MONTH PERIOD ENDED 31 DECEMBER 2012***(The figures have not been audited)*

	Issued capital	Accumulated losses	Non-distributable reserves – Fair value reserve	Equity attributable to equity holders of the Company	Non-controlling Interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2011	40,110	(460)	-	39,650	-	39,650
Total comprehensive income for the year	-	314	419	733	(16)	717
Issuance of ordinary shares in subsidiary company	-	(37)	-	(37)	111	74
Balance as at 31 December 2011	40,110	(183)	419	40,346	95	40,441
Total comprehensive income for the year	-	8	-	8	58	66
Issuance of ordinary shares	400	-	-	400	-	400
Balance as at 31 December 2012	40,510	(175)	419	40,754	153	40,907

*(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Audited Financial Statement for the year ended 31 December 2011 and the explanatory notes attached to the interim financial report.)***CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE 12-MONTH PERIOD ENDED 31 DECEMBER 2012***(The figures have not been audited)*

	Current year-to-date 31/12/2012 RM'000	Preceding year corresponding year-to-date 31/12/2011 RM'000
CASH FLOWS USED IN OPERATING ACTIVITIES		
Profit for the year	66	298
Adjustments for:		
Allowance for diminution on quoted shares	13	-
Depreciation of property, plant and equipment	461	423
Finance costs	767	583
Gain on disposal of investment properties	(245)	(10)
Gain on disposal of property, plant and equipment	-	(81)
Impairment loss recognised on trade receivables	35	290
Income tax expense recognised in profit or loss	301	21
Interest income	(29)	(32)
Inventory written off	641	-
Loss on deemed disposal of investment in a subsidiary company	-	37
Other financial assets written off	175	-
Provision for warranty and free services	146	446
Operating profit before working capital changes	2,331	1,975

**CME GROUP BERHAD**

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Changes in working capital:		
Net changes in current assets	1,186	5,578
Net changes in current liabilities	(5,582)	(920)
	<hr/>	<hr/>
Cash (used in) /from operations	(2,065)	6,633
Income tax paid	(218)	(333)
	<hr/>	<hr/>
Net cash (used in) /from operating activities	(2,283)	6,300
	<hr/>	<hr/>
CASH FLOWS USED IN INVESTING ACTIVITIES		
Withdrawal of fixed deposit	944	2,615
Interest income received	29	32
Proceed from deemed disposal of investment in a subsidiary company	-	37
Proceed from disposal of investment properties	2,605	550
Proceed from disposal of plant and equipment	-	81
Purchase of other investment	-	(485)
Purchase of property, plant and equipment	(273)	(64)
	<hr/>	<hr/>
Net cash from investing activities	3,305	2,766
	<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of bank borrowings	(898)	(7,798)
Interest expense paid	(767)	(583)
Proceed from issuance of issued capital	400	-
Repayment of hire purchase payables	(150)	(110)
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Net cash used in financing activities	(1,415)	(8,491)
	<hr/>	<hr/>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(393)	575
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CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	(3,627)	(4,202)
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT END OF YEAR	(4,020)	(3,627)
	<hr/>	<hr/>
Cash and Cash Equivalents are as follows:-		
Fixed deposits with licensed banks	215	1,159
Cash and bank balances	486	559
Bank overdrafts	(4,506)	(4,186)
	<hr/>	<hr/>
	(3,805)	(2,468)
Less : - Fixed deposits pledged	(215)	(1,159)
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	(4,020)	(3,627)
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(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Audited Financial Statement for the year ended 31 December 2011 and the explanatory notes attached to the interim financial report.)



CME GROUP BERHAD

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(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL STATEMENT – FOURTH QUARTER ENDED 31 DECEMBER 2012

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

1 Basis of Preparation

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

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2011. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2011.

2 Changes in Accounting Policies

2.1. Malaysian Financial Reporting Standards

Malaysian Accounting Standards Board (MASB), in furtherance of its objective of converging the accounting framework for entities other than private entities in Malaysia with International Financial Reporting Standards (IFRS), announced on 19 November 2011 the issuance of Malaysian Financial Reporting Standards (MFRS). Entities other than private entities shall apply the MFRS framework for annual periods beginning on or after 1 January 2012, with the exception of entities subject to the application of MFRS 141 *Agriculture* and/or IC Interpretation 15 *Agreement for the Construction of Real Estate*.

An entity subject to the application of MFRS 141 and/or IC Interpretation 15 and the entity that consolidates or equity accounts or proportionately consolidates the first-mentioned entity, may continue to apply FRSs as its financial reporting framework for annual periods beginning on or after 1 January 2012. The entity shall however comply with the MFRS framework for annual periods beginning on or after 1 January 2013.

In view of the foregoing, the Group has migrated to the MFRS framework from 1 January 2012.

2.2. Effect of Adoption of MFRS Framework

These are the Group’s condensed consolidated interim financial statements for part of the period covered by the Group’s first MFRS framework annual financial statements. In preparing these interim financial statements, the Group has applied MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*. In preparing its opening MFRS Statement of Financial Position as at 1 January 2011, the Group has reviewed its accounting policies and concluded that the transition from FRS to MFRS did not give rise to any significant effects on the financial statements of the Group in the period of initial application of the MFRS framework.

3 Auditors’ Report on Preceding Annual Financial Statements

The auditors’ report on the financial statements for the year ended 31 December 2011 was not subjected to any qualification.

4 Seasonal or cyclical factors

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

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

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

6 Changes in estimates

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

**CME GROUP BERHAD***(Company No. 52235-K)
(Incorporated in Malaysia)***7 Debt and equity securities**

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

8 Dividends paid

There was no dividend paid/declared by the Company for the current quarter ended 31 December 2012 (2011: Nil.).

9 Segmental reporting

31.12.2012	Invest. Holding RM '000	Contract Engineering RM '000	Trading RM '000	Others RM '000	Elimination RM '000	Consolidated RM '000
Revenue						
External sales	2,005	16,762	4,104	-	-	22,871
Inter-segment sales	-	8,235	909	-	(9,144)	-
Total revenue	2,005	24,997	5,013	-	(9,144)	22,871
Results						
Segment results	41	575	251	-	267	1,134
Finance costs						(767)
Profit before tax						367
Income tax expense						(301)
Profit for the year						66
Other information						
Capital additions	2	223	48	-	-	273
Depreciation	5	176	269	11	-	461
Consolidated Balance Sheet						
Assets						
Segment assets	72,436	48,348	15,637	4,906	(88,103)	53,224
Other investment	890	-	-	-	-	890
Consolidated total assets						54,114
Liabilities						
Segment Liabilities	33,982	29,148	25,876	4,818	(80,617)	13,207

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31.12.2011	Invest. Holding RM '000	Contract Engineering RM '000	Trading RM '000	Others RM '000	Elimination RM '000	Consolidated RM '000
Revenue						
External sales	1,985	14,197	6,517	-	-	22,699
Inter-segment sales	-	5,493	1,203	-	(6,696)	-
Total revenue	1,985	19,690	7,720	-	(6,696)	22,699
Results						
Segment results	93	480	329	5	(37)	870
Investment revenue						32
Finance costs						(583)
Profit before tax						319
Income tax expenses						(21)
Profit for the year						298
Other information						
Capital additions	2	7	561	-	-	570
Depreciation	4	185	221	13	-	423
Consolidated Balance Sheet						
Assets						
Segment assets	74,852	49,799	16,521	3,767	(86,344)	58,595
Other investments	1,079	-	-	-	-	1,079
Consolidated total assets						59,674
Liabilities						
Segment liabilities	36,772	30,452	26,893	3,683	(78,567)	19,233

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

10 Valuation of property, plant and equipment

The Group did not carry out any valuations on its property, plant and equipment for the interim financial period under review. The valuations of the property, plant and equipment have been brought forward from the preceding annual financial statements.

11 Material Subsequent Events

There were no material events subsequent to 31 December 2012 that have not been reflected in the interim financial report.

12 Changes in Composition of the Group

There were no major changes in the composition of the Group including business combination, acquisition or disposal of subsidiaries and restructuring or discontinuing of operations during the quarter under review.

13 Contingent Liabilities or Contingent Assets

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

14 Capital Commitments

There were no capital commitments for the financial quarter under review.

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

1 Review of Group performance

Amid the current market condition, the Group achieved a commendable profit before tax of RM367,000 for the year ended 31 December 2012 compared to RM319,000 in the preceding year, a slight increase of RM48,000 or 15.0%. The Group's revenue remained relatively flat, improved marginally by RM172,000 or 0.76% from RM22.7 million to RM22.9 million in the financial year 2012, mainly attributable to the decline in revenue of RM2.4 million or 37.0% in our Fire Suppression and Prevention Division ("FSP") as the implementation and commissioning of few major projects were delayed during the year. Our Specialised Mobility Vehicles ("SMV") Division, remains the largest contributor to the Group's revenue, accounting for 73.2% of the turnover, saw a growth of RM2.6 million or 18.1% in financial year ended 31 December 2012.

Cost of sales, however, decreased marginally, by RM873,000 or 5.0%, and this resulted in a marginal improvement on gross profit margin from 22.4% to 26.8%.

2 Material change in profit before taxation for the quarter compared with the immediate preceding quarter

The comparison of the Group's revenue and (loss)/ profit before taxation for the current quarter and preceding quarter is as follows:

	31.12.12 <u>RM'000</u>	30.09.12 <u>RM'000</u>	← Variance → <u>RM'000</u>	→ <u>%</u>
Revenue	2,978	7,836	(4,858)	(62.0)
(Loss)/ Profit before taxation	(437)	355	(792)	>100

For the current quarter ended 31 December 2012, the Group recorded revenue of RM3.0 million, representing a 62.0% dropped in revenue compared to the preceding quarter ended 30 September 2012. The decreased in revenue was primarily due to the proportional recognition of contract value for our major project in progress, from our SMV Division, during the last quarter.

The Group recorded a loss before taxation of RM437,000 for the current quarter as compared to a profit before taxation of RM355,000 in the preceding quarter, mainly due to other financial assets and obsolete inventory written off during the quarter in review.

3 Commentary on Prospects for 2013

In view of the uncertainties in the global economy coupled with intense competition in domestic market, the Directors expect market conditions in year 2013 to remain challenging.

The SMV division will continue to focus on expanding its market share by tapping into potential new markets with our new product range to enhance its sales and profitability. As for our FSP Division, the management will continue to improve on its products and services coupled with the drive to secure new distributionship to improve overall sales performance of the Group in years to come.

Meanwhile, the Board and the management will continue to explore other viable, synergistic and profitable business ventures to improve the Group's performance.

4 Profit forecast

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

5 Income tax expense/(credit)

The Tax figures consist of the following :-	Current Quarter <i>RM '000</i>	Current Year to Date <i>RM '000</i>
Current year provision	(31)	(254)
Deferred taxation	(47)	(47)
Total	(78)	(301)

6 Corporate Proposals

- Proposed Private Placement

On behalf of the Company, Public Investment Bank Berhad (“PIVB”) had on 15 December 2011 announced that the Company proposes to undertake a private placement of up to 40,110,000 new ordinary shares of RM0.10 each in the Company, representing up to ten percent (10%) of the issued and paid-up share capital of the Company. Bursa Malaysia Securities Berhad (“Bursa Malaysia”) had approved the application on 19 January 2012.

On 15 May 2012, the Company issued 4,000,000 Placement Shares of RM0.10 each. The 4,000,000 Placement Shares, being the first tranche of the Private Placement, represents approximately one percent (1%) of the issued and paid-up share capital of the Company before the new allotment. The Private Placement is implemented on a staggered basis.

As announced by PIVB on 16 January 2013, Bursa Malaysia has, vide its letter dated 15 January 2013, granted CME a further extension of time of five (5) months and one (1) week until 27 June 2013 or until the next Annual General Meeting, whichever is earlier, to complete the implementation of the Proposed Private Placement.

7 Group borrowings and debt securities

	As at 30/12/2012
	Secured
	<i>RM'000</i>
Amount payable within one year	
Bank borrowings	7,326
Finance leases	108
	<u>7,434</u>
Amount payable after one year	
Bank borrowings	1,149
Finance leases	400
	<u>1,549</u>
Total borrowings	<u>8,983</u>

8 Material litigation

There were no material litigations against the Group or taken by the Group at the date of issuance of this Interim Financial Report.

9 Dividend

No dividend had been declared for the financial period ended 31 December 2012.

10 Earnings Per Share (“EPS”)

(a) Basic Earnings Per Share

Basic earnings per share for the period under review is calculated by dividing the net profit attributable to the shareholders of RM8,000 (30.12.2011 : RM314,000) by the weighted average number of ordinary shares outstanding as at 31 December 2012 of 405,100,000 (20.12.2011 : 401,100,000). [Refer to page 1]

(b) Diluted Earnings Per Share

Not Applicable.

11 Realised And Unrealized Profits/Losses Disclosure

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

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

The breakdown of accumulated losses of the Group as of 31 December 2012 into realized and unrealised profits or losses, pursuant to the directive, is as follows:

	As at 31/12/2012 <i>RM'000</i>	As at 31/12/2011 <i>RM'000</i>
Total accumulated losses of the Group:-		
- Realised	(80)	86
- Unrealised	(95)	(269)
Total group accumulated losses as per consolidated accounts	<u>(175)</u>	<u>(183)</u>

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

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

12 Profit before tax

	As at 31/12/2012 <i>RM'000</i>	As at 31/12/2011 <i>RM'000</i>
This is arrived at after charging/ (crediting):-		
Impairment loss recognised on trade receivables	35	290
Depreciation on property, plant and equipment	461	423
Finance costs	767	583
Inventory written off	641	-
Loss on deemed disposal of a subsidiary company	-	37
Gain on disposal of property, plant and equipment	-	(81)
Interest income	(29)	(32)
Gain on disposal of investment properties	(245)	(10)
Other financial assets written off	175	-
Provision for warranty and free services	<u>146</u>	<u>446</u>

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

BY ORDER OF THE BOARD
CME GROUP BERHAD

MISS TAN RUEY SHYAN
COMPANY SECRETARY

Shah Alam, Selangor Darul Ehsan
28 February 2013