



# CME GROUP BERHAD

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

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2012

(The figures have not been audited)

	Unaudited At 30/09/2012 RM '000	Audited At 31/12/2011 RM '000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	7,632	7,710
Investment properties	41,000	41,590
Other investments	904	1,079
Deferred tax assets	58	58
<b>TOTAL NON-CURRENT ASSETS</b>	<b>49,594</b>	<b>50,437</b>
<b>CURRENT ASSETS</b>		
Inventories	1,613	1,260
Amount due from contract customers	7,684	688
Trade receivables and other receivables	2,250	5,273
Fixed deposits with licensed institutions	1,197	1,159
Tax recoverable	311	298
Cash and bank balances	481	559
<b>TOTAL CURRENT ASSETS</b>	<b>13,536</b>	<b>9,237</b>
<b>TOTAL ASSETS</b>	<b>63,130</b>	<b>59,674</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Parent</b>		
Issued capital	40,510	40,110
Other reserves	419	419
Retained profits	364	(183)
	41,293	40,346
<b>Non-controlling interest</b>	129	95
<b>TOTAL EQUITY</b>	<b>41,422</b>	<b>40,441</b>
<b>NON-CURRENT LIABILITIES</b>		
Finance lease payables	507	517
Long-term bank borrowings	1,143	1,133
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>1,650</b>	<b>1,650</b>
<b>CURRENT LIABILITIES</b>		
Amount due to contract customers	-	707
Trade payables and other payables	9,486	8,817
Finance lease payables	137	141
Short-term borrowings	10,398	7,918
Current tax payable	37	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>20,058</b>	<b>17,583</b>
<b>TOTAL LIABILITIES</b>	<b>21,708</b>	<b>19,233</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>63,130</b>	<b>59,674</b>
<b>Net Tangible Assets Per RM0.10 Share</b>	<b>0.102</b>	<b>0.100</b>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statement for the year ended 31 December 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 9-MONTH PERIOD ENDED 30 SEPTEMBER 2012***(The figures have not been audited)*

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current year quarter	Preceding year corresponding quarter	Current year-to-date	Preceding year corresponding period
	30/09/2012 (RM '000)	30/09/2011 (RM '000)	30/09/2012 (RM '000)	30/09/2011 (RM '000)
Revenue	7,836	6,068	19,893	17,295
Cost of sales	(5,924)	(4,719)	(14,807)	(13,216)
<b>Gross profit</b>	<b>1,912</b>	<b>1,349</b>	<b>5,086</b>	<b>4,079</b>
Investment revenue	40	-	40	-
Other gains and losses	1	169	243	392
Administrative expenses	(1,047)	(911)	(3,346)	(2,837)
Other expenses	(448)	(185)	(839)	(632)
Finance costs	(103)	(128)	(380)	(354)
<b>Profit before tax</b>	<b>355</b>	<b>294</b>	<b>804</b>	<b>648</b>
Income tax expense	(93)	(75)	(223)	(142)
<b>Profit for the period</b>	<b>262</b>	<b>219</b>	<b>581</b>	<b>506</b>
<b>Profit attributable to:-</b>				
Owners of the Parent	305	173	547	433
Non-Controlling Interest	(43)	46	34	73
	<b>262</b>	<b>219</b>	<b>581</b>	<b>506</b>
Earnings per share (sen)				
- Basic	0.065	0.054	0.143	0.126
- 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 COMPREHENSIVE INCOME**  
**FOR THE CURRENT QUARTER AND CUMULATIVE 9-MONTH PERIOD ENDED 30 SEPTEMBER 2012**  
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30/09/2012 (RM '000)	Preceding year corresponding quarter 30/09/2011 (RM '000)	Current year-to-date 30/09/2012 (RM '000)	Preceding year corresponding period 30/09/2011 (RM '000)
<b>Profit for the period</b>	<b>262</b>	<b>219</b>	<b>581</b>	<b>506</b>
<b>Other comprehensive income</b>				
Gain arising from revaluation of available-for-sale investment	-	-	-	-
<b>Total comprehensive income for the period/ year, net of tax</b>	<b>262</b>	<b>219</b>	<b>581</b>	<b>506</b>
<b>Total comprehensive income attributable to:-</b>				
Owners of the Parent	<b>305</b>	173	<b>547</b>	433
Non-Controlling Interest	<b>(43)</b>	46	<b>34</b>	73
	<b>262</b>	<b>219</b>	<b>581</b>	<b>506</b>

(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 9-MONTH PERIOD ENDED 30 SEPTEMBER 2012***(The figures have not been audited)*

	Share capital	Non-distributable reserve - Fair value reserve	Distributable reserve - Retained earnings/ (Accumulated losses)	Total attributable to Owners of Parent	Non-controlling interest	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Balance as at 1 January 2011</b>	40,110	-	(460)	39,650	-	39,650
Total comprehensive income for the year	-	419	314	733	(16)	717
Issuance of ordinary shares in subsidiary company	-	-	(37)	(37)	111	74
<b>Balance as at 31 December 2011</b>	40,110	419	(183)	40,346	95	40,441
Total comprehensive income for the period	-	-	547	547	34	581
Issuance of ordinary shares	400	-	-	400	-	400
<b>Balance as at 30 September 2012</b>	40,510	419	364	41,293	129	41,422

*(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 9-MONTH PERIOD ENDED 30 SEPTEMBER 2012***(The figures have not been audited)*

	Current year-to-date 30/09/2012 RM'000	Preceding year corresponding year-to-date 30/09/2011 RM'000
<b>CASH FLOWS USED IN OPERATING ACTIVITIES</b>		
Profit for the period/ year	581	506
Adjustments for:		
Allowance for doubtful receivables :-	-	-
- trade		
Depreciation of property, plant and equipment	349	307
Gain on disposal of investment properties	(40)	-
Gain on disposal of plant and equipment	-	(81)
Income tax expense recognised in income statements	223	142
Interest expenses	380	354
Interest income	(18)	(28)
Other investment written off	175	-
Operating profit before working capital changes	1,650	1,200
Changes in working capital:		
Net changes in current assets	(4,326)	2,672
Net changes in current liabilities	(38)	1,514

Cash (used in) /from operations	(2,714)	5,386
Income tax paid	(199)	(170)
Net cash (used in) /from operating activities	(2,913)	5,216
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>		
Additional interest in subsidiary	-	(120)
Interest income received	18	28
(Placement)/ withdrawal of fixed deposit	(38)	2,932
Proceed from disposal of investment properties	630	-
Proceed from disposal of plant and equipment	-	81
Purchase of other investment	-	(484)
Purchase of property, plant and equipment	(271)	(567)
Net cash from/ (used in) investing activities	339	1,870
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from/ (repayment of) net bank borrowings	2,301	(7,500)
Interest paid	(380)	(354)
Proceed from issuance of share capital	400	-
Proceeds from/ (repayment of) net finance lease obligations	(14)	564
Net cash from/ (used in) financing activities	2,307	(7,290)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(267)	(204)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	(3,627)	(4,202)
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD/ YEAR</b>	(3,894)	(4,406)
<b>Cash and Cash Equivalents are as follows:-</b>		
Fixed deposits with licensed institutions	1,197	843
Cash and bank balances	481	142
Bank overdrafts	(4,375)	(4,548)
Less : - Fixed deposits pledged	(1,197)	(843)
	(3,894)	(4,406)

*(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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## NOTES TO THE INTERIM FINANCIAL STATEMENT – THIRD QUARTER ENDED 30 SEPTEMBER 2012

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

#### 1 Basis of Preparation

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards 134 (MFRS 134), *Interim Financial Reporting* in Malaysia and with IAS 34, *Interim Financial Reporting* and Appendix 9B part A of the Listing Requirements of Bursa Malaysia Securities Berhad.

The unaudited condensed consolidated 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 condensed consolidated 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.



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## 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 30 September 2012 (2011: Nil.).

## 9 Segmental reporting

30.09.2012	Invest. Holding RM '000	Contract Engineering RM '000	Trading RM '000	Others RM '000	Elimination RM '000	Consolidated RM '000
<b>Revenue</b>						
External sales	1,485	14,545	3,863	-	-	19,893
Inter-segment sales	-	7,536	-	-	(7,536)	-
<b>Total revenue</b>	<b>1,485</b>	<b>22,081</b>	<b>3,863</b>	<b>-</b>	<b>(7,536)</b>	<b>19,893</b>
<b>Results</b>						
Segment results	<b>(134)</b>	<b>1,516</b>	<b>(198)</b>	<b>-</b>		<b>1,184</b>
Finance costs						(380)
<b>Profit before tax</b>						<b>804</b>
Income tax expense						(223)
<b>Profit for the year</b>						<b>581</b>
<b>Other information</b>						
Capital additions	2	221	48	-	-	271
Depreciation	4	134	201	10	-	349
<b>Consolidated Balance Sheet</b>						
<b>Assets</b>						
Segment assets	73,354	48,986	15,763	5,522	(81,399)	62,226
Other investment	904	-	-	-	-	904
<b>Consolidated total assets</b>						<b>63,130</b>
<b>Liabilities</b>						
Segment Liabilities	35,987	28,665	26,391	4,287	(73,622)	<b>21,708</b>

**CME GROUP BERHAD***(Company No. 52235-K)  
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<b>30.09.2011</b>	<b>Invest. Holding RM '000</b>	<b>Contract Engineering RM '000</b>	<b>Trading RM '000</b>	<b>Others RM '000</b>	<b>Elimination RM '000</b>	<b>Consolidated RM '000</b>
<b>Revenue</b>						
External sales	1,468	9,413	6,414	-	-	17,295
Inter-segment sales	-	3,472	-	-	(3,472)	-
<b>Total revenue</b>	<b>1,468</b>	<b>12,885</b>	<b>6,414</b>	<b>-</b>	<b>(3,472)</b>	<b>17,295</b>
<b>Results</b>						
Segment results	<b>127</b>	<b>560</b>	<b>315</b>	<b>-</b>	<b>-</b>	<b>1,002</b>
Investment revenue						-
Finance costs						(354)
<b>Profit before tax</b>						<b>648</b>
Income tax expenses						(142)
<b>Profit for the year</b>						<b>506</b>
<b>31.12.2011</b>						
<b>Other information</b>						
Capital additions	2	7	561	-	-	570
Depreciation	4	185	221	13	-	423
<b>Consolidated Balance Sheet</b>						
<b>Assets</b>						
Segment assets	74,852	49,799	16,521	3,767	(86,344)	58,595
Other investments	1,079	-	-	-	-	1,079
<b>Consolidated total assets</b>						<b>59,674</b>
<b>Liabilities</b>						
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 30 September 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**

The Group achieved revenue of RM19.9 million for the third quarter ended 30 September 2012, representing a significant increase of RM2.6 million or 15.0% compared to the corresponding year-to-date of 2011. Profit before tax rose by RM156,000 or 24.0% from a profit before tax of RM648,000 to RM804,000 during the financial period ended 30 September 2012. Profit attributable to equity holders of the Group stood at RM581,000, increased by 12.9% from a profit of RM506,000 in the preceding year-to-date ended 30 September 2011.

The main drivers of the increase in revenue were from the Specialised Mobility Vehicles (“SMV”) Division, which contributed RM14.5 million, the revenue from the SMV Division grew from RM9.4 million to RM14.5 million, an increase of RM5.1 million or 54.5% during the financial period ended 30 September 2012. This was, however, offset by the decline in revenue of RM2.6 million or 39.8% in our Fire Suppression and Prevention Division, mainly due to the delaying of implementation of projects.

Cost of sales increased in tandem with the growth in revenue, by RM1.6 million or 12.0%, albeit at a lower rate of increase compared to revenue. This resulted in a marginal improvement on gross profit margin from 23.6% to 25.6%.

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

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

	30.09.12 RM’000	30.06.12 RM’000	← Variance → RM’000	%
Revenue	7,836	6,510	1,326	20.4
Profit before taxation	355	180	175	97.2

For the nine months period ended 30 September 2012, the Group recorded revenue of RM7.8 million, representing an increase of 20.4% compared to the preceding quarter ended 30 June 2012. The increase in revenue was primarily due to the proportion recognition of contract value for our major project in progress, from our SMV Division.

The Group’s recorded a profit before taxation of RM355,000 for the current quarter as compared to a profit before taxation of RM180,000 in the preceding quarter, mainly due to higher repairs and maintenance costs incurred in the last quarter.

**3 Commentary on Prospects for 2012**

The Directors remain positive of the Group’s prospects for the remaining quarters of 2012 as the Group has on-going contracts exceeding RM20.0 million to last at least until 2013. The management is putting in place its many measures to build on its order book besides concentrating on our traditional core fire fighting vehicles business, the management has been actively exploring new product range/ opportunities within the specialised vehicle industry and is in amidst of discussing selected potential projects which may be implemented in 2012/2013 when secured and this would likely improve the overall sales performance of the Group.

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 RM ‘000	Current Year to Date RM ‘000
Current year provision	(93)	(223)
Deferred taxation	-	-
<b>Total</b>	<b>(93)</b>	<b>(223)</b>

## 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 July 2012, Bursa Malaysia has, vide its letter dated 13 July 2012, granted CME an extension of time of six (6) months from 19 July 2012 to 18 January 2013 to complete the implementation of the Proposed Private Placement.

## 7 Group borrowings and debt securities

	<b>As at 30/09/2012</b>
	<b>Secured</b>
	<i>RM'000</i>
<b>Amount payable within one year</b>	
Bank borrowings	10,398
Finance leases	137
	<u>10,535</u>
<b>Amount payable after one year</b>	
Bank borrowings	1,143
Finance leases	507
	<u>1,650</u>
<b>Total borrowings</b>	<u>12,185</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 30 September 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 RM581,000 (30.09.2011 : RM506,000) by the weighted average number of ordinary shares outstanding as at 30 September 2012 of 405,100,000 (20.09.2011 : 401,100,000). [Refer to page 4]

### (b) Diluted Earnings Per Share

Not Applicable.



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## 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 retained earnings/ (accumulated losses) of the Group as of 30 September 2012 into realized and unrealised profits or losses, pursuant to the directive, is as follows:

	<b>Group</b> <b>As at 30/09/2012</b> <i>RM'000</i>	<b>Group</b> <b>As at 31/12/2011</b> <i>RM'000</i>
Total retained earnings/ (accumulated losses) of the Group:-		
- Realised	568	86
- Unrealised	(204)	(269)
Total group retained earnings/ (accumulated losses) as per consolidated accounts	<u>364</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.

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

**MISS TAN RUEY SHYAN**  
**COMPANY SECRETARY**

**Shah Alam, Selangor Darul Ehsan**  
**23 November 2012**