

ANNUAL REPORT 2024

CME

CME GROUP BERHAD



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CME Group Berhad

(Incorporated in Malaysia, Registration No. 197901007949 (52235-K))

Corporate Information

Corporate Profile

CME Group Berhad (“CME”) was incorporated in Malaysia on 14 November 1979 under the Companies Act, 1965 as a private limited company under the name of Beijer (Malaysia) Sdn Bhd. The name was changed to Construction and Mining Equipment Holdings Sdn Bhd on 27 February 1984 to reflect its activities at that time. On 5 January 1991, the Company changed its name to CME Group Sdn Bhd.

The Company subsequently converted its status into a public company and assumed its present name on 26 December 1995. The Company was listed on the Second Board of the Kuala Lumpur Stock Exchange on the 3 October 1997.

The existing principal activity of the Group is providing comprehensive solutions in relation to designing, manufacturing and sales of various types of specialised mobility vehicles, and fire fighting and safety vehicles. The Group designs and builds various types of fire fighting vehicles, specialist vehicles, airport crash tenders, hazmat vehicles, fuel transfer vehicles, riot control vehicles and fire rescue equipment.

CME of today has become an experience comprehensive solutions provider to the fire fighting industries with a reputation for delivering customized, value driven vehicle solutions that incorporate safety and reliability that comply with the highest standards such as NFPA, ICAO and CEN. The products manufactured by the Group’s meet and comply with ISO 9001 certification. CME now stands proudly at the forefront of the industry in the country. The customers of CME Group are mainly from public sector and oil and gas industry.

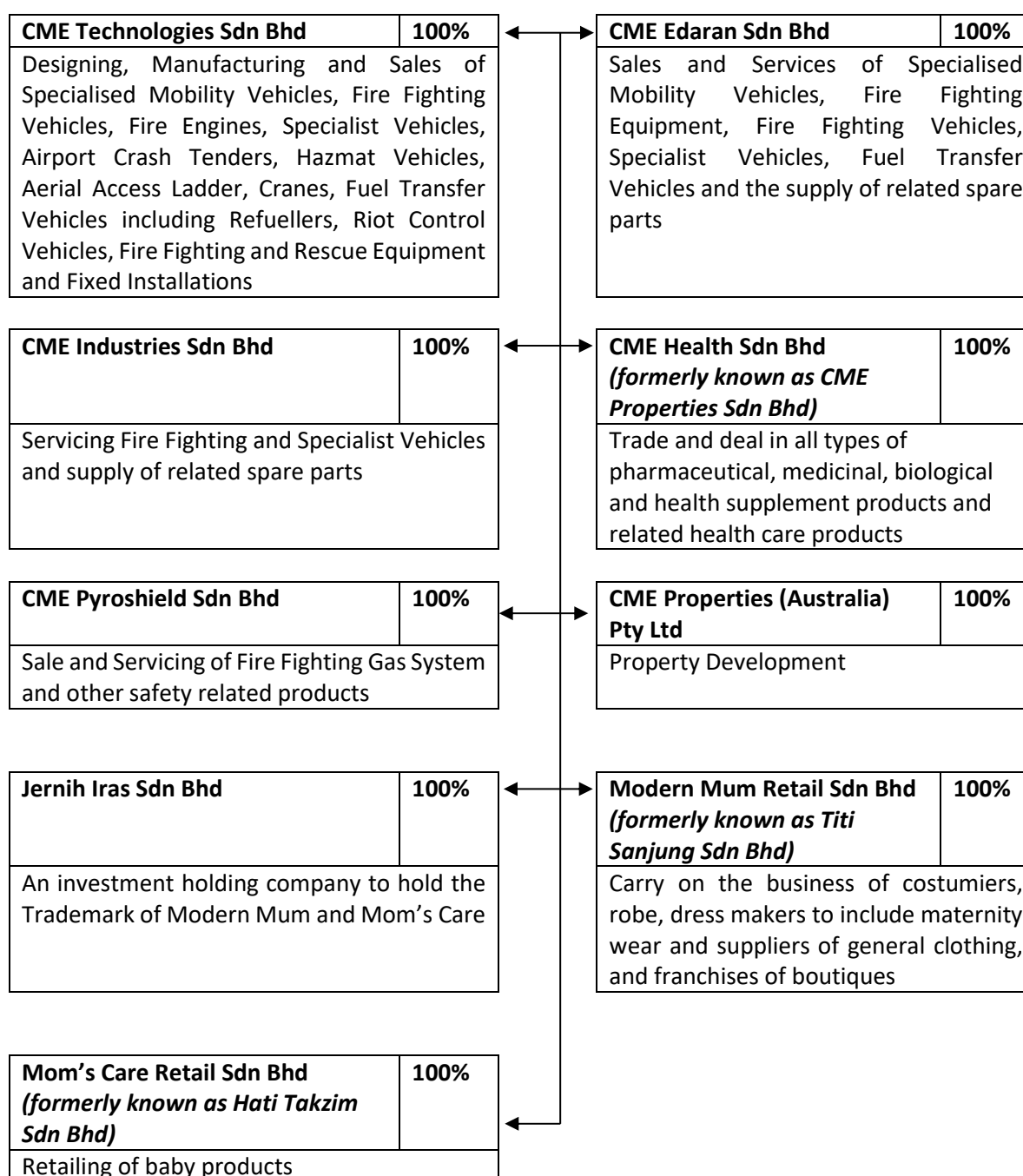
In recent years, the Group has diversified into the property development, property investment and retail business. The diversification is intended to be part of a long term plan to move the Group forward by expanding the Group’s income stream and further strengthening the Group’s financial position.

CME Group Berhad

(Incorporated in Malaysia, Registration No. 197901007949 (52235-K))

Group Corporate Structure

CME Group Berhad
Investment holding company



CME Group Berhad

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Y.M. Tunku Nizamuddin Bin Tunku Dato'Seri Shahabuddin
Executive Director

YAM Tengku Besar Tengku Kamil Bin Tengku Idris Shah
Independent Non-Executive Director

En. Azlan Omry Bin Omar
Executive Director

Mr Andrew Ho Tho Kong (appointed wef 04.11.24)
Independent Non-Executive Director

Dato' Azmil Bin Mohd Zabidi (resigned wef 30.09.24)
Independent Non-Executive Director

YM Tengku Munawirah Putra (appointed wef 02.02.24)
Independent Non-executive Director

Miss Ong Suan Pin
Non-Independent Non-Executive Director

Company Secretary

Mr. Cheam Tau Chern
(PC No: 20190800002)

Key Management

Mr. Yap Wai Yee

Chief Executive Officer

Pn Maizatul Akmam Abdul Malik
General Manager

Mr Tay Thian San, Joseph
Finance Manager

Audit Committee

Mr Andrew Ho Tho Kong (appointed wef 04.11.24)
Chairman. Independent Non-Executive Director

Miss Ong Suan Pin
Non-Independent Non-Executive Director

YAM Tengku Besar Tengku Kamil Bin Tengku Idris
Shah *Independent Non-Executive Director*

Dato' Azmil bin Mohd Zabidi (resigned wef 30.09.24)
Independent Non-Executive Director

YM Tengku Munawirah Putra (appointed wef 02.02.24)
Independent Non-Executive Director

Nominating Committee

Mr Andrew Ho Tho Kong (appointed wef 04.11.24)
Chairman. Independent Non Executive Director

Miss Ong Suan Pin
Non-Independent Non-Executive Director

YAM Tengku Besar Tengku Kamil Bin Tengku Idris
Shah *Independent Non-Executive Director*

Dato' Azmil bin Mohd Zabidi (resigned wef 30.09.24)
Independent Non-Executive Director

YM Tengku Munawirah Putra (appointed 02.02.24)
Independent Non-Executive Director

Remuneration Committee

Mr Andrew Ho Tho Kong (appointed wef 04.11.24)
Chairman. Independent Non-Executive Director

Miss Ong Suan Pin
Non-Independent Non-Executive Director

YAM Tengku Besar Tengku Kamil Bin Tengku Idris
Shah.

Independent Non-Executive Director

Dato' Azmil Bin Mohd Zabidi (resigned wef 30.09.24)
Independent Non-Executive Director

YM Tengku Munawirah Putra (appointed wef 02.02.24)
Independent Non-Executive Director

Corporate Office

Lot 19, Jalan Delima 1/1, Taman
Perindustrian Teknologi Tinggi Subang
47500 Subang Jaya

Tel : 03-5633 1188 Fax : 03-5634 3838

Website: <http://www.cme.com.my>

Share Registrar

Boardroom Share Registrars Sdn Bhd

11th Floor, Menara Symphony, No.5

Jalan Prof. Khoo Kay Sim, Seksyen 13

46200 Petaling Jaya, Selangor

Tel : 03-7890 4700 Fax : 03-7890 4670

Auditors

Messrs. Kreston John & Gan Chartered Accountants

Unit B-10-8, Megan Avenue II

Jalan Yap Kwan Seng

50450 Kuala Lumpur

Tel : 03-2381 2828

Registered Office

No. 22C, Jalan Gelugor

41050 Klang, Selangor

Tel : 03-3342 0608 Fax : 03-3342 7653

Principal Bankers

Public Bank Berhad

United Overseas Bank (Malaysia) Berhad

Small Medium Enterprise Development

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

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Directors' Profile

Y.M. Tunku Nizamuddin Bin Tunku Dato' Seri Shahabuddin

Executive Director

Y.M. Tunku Nizamuddin Bin Tunku Dato' Seri Shahabuddin, aged 53, 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 more than 20 years of experience in the field of advisory and consultancy in all business areas, of which more than 10 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 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.

En. Azlan Omry Bin Omar

Executive Director

En. Azlan Omry Bin Omar, aged 58, Malaysian, was appointed to the Board of the Company on 6 July 2000 as Independent Non-Executive Director. He has re-designated as Executive Director on 1 July 2015. He holds a Bachelor of Science degree majoring in Civil Engineering from California State University 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 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.

YAM Tengku Besar Tengku Kamil Bin Tengku Idris Shah

Independent Non-Executive Director

Member of Audit Committee, Nominating Committee, Remuneration Committee

YAM Tengku Besar Tengku Kamil Ismail Bin Tengku Idris Shah, aged 74, Malaysian, was appointed to the Board of the Company on 9 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 Taman Positif Sdn Bhd. He is also the Chairman of Sultan Ahmad Shah Pekan Pahang Mosque. He is active in sport especially badminton. He is the president of Pahang Badminton Association for the past 30 years till today. 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 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.

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Miss Ong Suan Pin

Non-Independent Non-Executive Director

Member of Audit Committee, Nominating Committee, Remuneration Committee

Miss Ong Suan Pin, aged 66, 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 35 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 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 7,666,000 shares in CME and has no interests in the securities of any subsidiary companies of CME.

Mr Andrew Ho Tho Kong

Independent Non-Executive Director

Chairman of Audit Committee, Nominating Committee, Remuneration Committee

Mr Andrew Ho Tho Kong, aged 58, Malaysian, was appointed to the Board of the Company on 4 November 2024 as Independent Non-Executive Director. He holds a Bachelor of Accountancy degree from National University of Singapore and is a Fellow Chartered Accountant (FCA) from Institute of Singapore Chartered Accountants. He is also a Chartered Financial Analyst (CFA) in the Institute of Chartered Financial Analyst, Singapore.

He has extensive experience with thirty (30) years in accounting, investment banking and private equity. He was the Acting Chief Executive Officer in Maybank Private Equity in 2012. Prior to these, he was a Director in Kenanga Investment Bank from 2008 to 2011, where he headed the Private Equity Department and subsequently, the investment banking office. His experience extended to Venture Capital, with particular focus in the technology sector in the region when he served as Senior Vice President with Malaysia Venture Capital Company. In addition, during his employment with UEM Group from 2001 -2007, he was also involved

In Business Development with Time Engineering where he was primarily responsible for overseeing overseas acquisitions and partnerships for the group and had oversight of the technology business strategy within the UEM Group companies.

Currently, he is a Partner at Nautilus Capital Asia, a boutique corporate advisory services for initial public offerings (IPO), buyouts, mergers and acquisitions and fund raising

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

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YM Tengku Munawirah Putra

Independent Non-Executive Director

Member of Audit Committee, Nominating Committee, Remuneration committee

Tengku Munawirah Putra, aged 53, Malaysian, was appointed to the Board of the Company on 2 February 2024 as Independent Non-Executive Director. She holds a Master Of Science In Mass Communication and a Bachelor of Science in Professional Studies from Boston University, Boston USA.

She has more than 20 years experience in various fields mainly in Business Development , Communication & Advertising where she started her career in 1995. In 1999, she joined Natseven TV Sdn Bhd. (NTV7), where the company line of business includes broadcasting visual programs by television to the public. She was the Head of Network Brand Group at NTV7, in charge of the decision making of the brand marketing and leading profit. She was also the former Head of Business Development Malaysia Of Stanton Technologies (m) Sdn Bhd. where she led the business development team to secure new business venture with Celcom (m) Bhd back in 2009 . In 2010, she was appointed as a Director of Dunia Diyari Sdn. Bhd. where she set up, led, managed and sourced for fund to developed mobile app content, named Send Doa. She also became a columnist for The Star and The Edge.

She is currently appointed as the Honorary Secretary of Parent Action Group for Education (PAGE).

She does not have any family relationship with any of the Directors and/or substantial shareholders of the Company 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 does not hold any shares in CME and has no interests in the securities of any subsidiary companies of CME.

Key Management

Mr. Yap Wai Yee

Chief Executive Officer

Mr. Yap Wai Yee, age 60, holds a Masters of Management Science and Bachelor Degree of Engineering majoring in Electrical Engineering from Imperial College London.

Mr. Yap has over 30 years of experience in management and operations of business. He began his career with Hume Industries (M) Bhd as an engineer in 1989 before embarking into the financial industry. He joined D&C Mitsui Merchant Bankers Bhd in 1991 where he specialized in corporate finance and advisory including mergers and acquisitions and initial public offering. In 1996, in his capacity in a management consultancy company, he was assigned as the General Manager of Seacera Tiles Bhd where his role is to bring the company to listing on the Main Market of Bursa Malaysia. Mr. Yap also has extensive experience in the property development sector, being the Deputy Chief Operating Officer for SBC Corporation Bhd and the Senior General Manager of Fitters Properties Sdn Bhd, a subsidiary of Fitters Diversified Bhd.

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

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Pn Maizatul Akmam Abdul Malik

General Manager

Pn Maiza age 48, graduated with Degree in Engineering (Aerospace) from University Putra Malaysia. She also majors in French Language, Cultural and Arts from Universite Da Stasbourg, France and is a registered engineer with BEM.

She has more than 23 years of experience as an Engineer and Project Leader in the production, maintenance and marketing of civilian and military specialized vehicles such as Fire Vehicles, Ambulances, Traffic Management Vehicles, Milk Tankers and Bridge Transporters. She had acted as Director of Business Development for Samawah Engineering Sdn Bhd from 2015 to 2023 where she was also in charge of establishing good relationship and growth opportunities with government agencies, commercial conglomerates as well as initiating international business alliances and partnerships.

She is currently in charge of overseeing the project management, production and service division of CME Group.

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

Mr Tay Thian San, Joseph

Finance Manager

Mr Tay Thian San age 66, graduated with Diploma In Business Studies (Financial Accounting) from Tunku Abdul Rahman College,(TARC) Malaysia. He has over 35 years of experience, starting from auditing in Public Accountants firms in Singapore and Malaysia as audit senior and audit manager for 9 years. From 1990 -1997, he joined as a Finance Manager in LB Aluminum Berhad, a manufacturer and retailer in aluminum extrusions. During his tenure in LBA , beside being in charge of the Finance, Accounting and Corporate Affairs, he was involved in the Corporate Planning and Restructuring which included IPO exercise, leading to the Company being listed on the Second Board of the Kuala Lumpur Stock Exchange Malaysia in 1994. In addition, he has also served as Senior Finance Manager for 15 years in Kencana Petroleum Berhad Group of Companies which specialized in integrated engineering and fabrication of oil and gas production facilities, drilling rigs, specialized fabrication and infrastructure construction. He was also involved in the Company Corporate Exercise , leading to the listing of Kencana Petroleum Berhad on the Main Board of Bursa Malaysia Berhad in 2009.

He is responsible for all financial and treasury related matters for the CME Group which covers the overall financial management and planning to support decision making on operational and strategic issues of the Group.

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

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Statement By The Board of Directors

Dear valued shareholders,

On behalf of the Board of Directors (“Board”), we are pleased to present the Annual Report and Audited Financial Statements of CME Group Berhad (“CME” or “Company”) and its subsidiaries (“Group”) for the financial year from 1 October 2023 to 30 September 2024 (“FYE 2024”). The previous financial year covered a period of fifteen (15) months from 1 July 2022 to 30 September 2023 (“FPE 2023”) due to change in its financial year end from 30 June to 30 September.

Introduction.

The Group revenue for the financial ended 30 September 2024 recorded a total of RM 27.22 million. The loss before tax is reported at RM 2.25 million and the earnings per share is a negative of RM0.24 for the financial year under review.

Manufacturing Segment continues to be the main core business for the group in terms of revenue, which accounted for 84.3 %, followed by Trading and Services Segment which accounted for 11.4% of the total revenue for the FYE 2024 respectively.

Business Outlook and Future Prospect

The local and global economy will continue to be challenging in 2024/2025. However the Group remains cautiously optimistic on the outlook of the specialized mobility vehicles industry particularly in the after sales market. Fluctuations in exchange rates and commodity prices will continue to have an impact on the Group’s financial performance and position. In order to maintain its market competitiveness, the Board will need to constantly review its price structure and react accordingly. The Group will continue its effort to enhance operating efficiency programs to mitigate as much as possible the impact of higher costs.

The Directors will continue to exercise due care in order to preserve and enhance shareholders’ value. The Board and the Management will continue to access all business opportunities with prudence and leverage on its core strengths and competencies built over the years, to improve the profitability of the Group.

Corporate Social Responsibility

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

The Group continues to provide its employees with relevant training programs to help develop technical and soft skills among different level of employees.

Dividend

The Board, having made due consideration, is not recommending any dividend payment for the financial year ended 30 September 2024.

Appreciation and Acknowledgement

I wish to take this opportunity to express my heartfelt appreciation to my fellow Board of Directors, the Management Team and employees of CME Group for their commitment and contributions to the Group. I wish to also extend our gratitude and thanks to our shareholders, customers, financiers, government authorities, regulatory bodies and all other stakeholders for their continuous support and confidence in the Group. We look forward to your continuous support as we strive to build a stronger business organization and deliver a sustainable growth in the years to come.

Y.M. Tunku Nizamuddin Bin Tunku Dato’ Seri Shahabuddin
EXECUTIVE DIRECTOR

CME Group Berhad

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FIVE-YEAR FINANCIAL HIGHLIGHTS

	FYE 30 June 2020	FYE 30 June 2021	FYE 30 June 2022	15 months Financial Period Ended 30 Sept 2023	FYE 30 Sept 2024
FINANCIAL PERFORMANCE (RM'000)					
Revenue	29,173	4,145	15,955	12,944	27,222
Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA")	2,611	2,105	(3,518)	117	(621)
Profit/(Loss) Before Taxation	895	627	(4,920)	(1,939)	(2,252)
Profit/(Loss) After Taxation	177	2,502	(5,148)	(2,082)	(2,502)
Net Profit/(Loss) Attributed to Equity Holders	177	2,502	(5,148)	(2,082)	(2,502)
KEY BALANCE SHEET DATA (RM'000)					
Total Assets	90,434	103,834	89,924	118,499	111,190
Total Liabilities	53,434	45,934	37,527	68,366	63,949
Equity Attributable to owners of the Company	37,000	57,900	52,397	50,133	47,241
SHARE INFORMATION					
Basic Earnings Per Share (sen)	0.03	0.31	(0.53)	(0.21)	(0.24)
Diluted Earnings Per Share (sen)	0.01	0.18	(0.33)	(0.14)	(0.16)
FINANCIAL RATIOS					
Current Ratio (times)	0.356	0.655	0.407	0.657	0.560
Net Assets Per Share (RM)	0.063	0.071	0.053	0.049	0.045

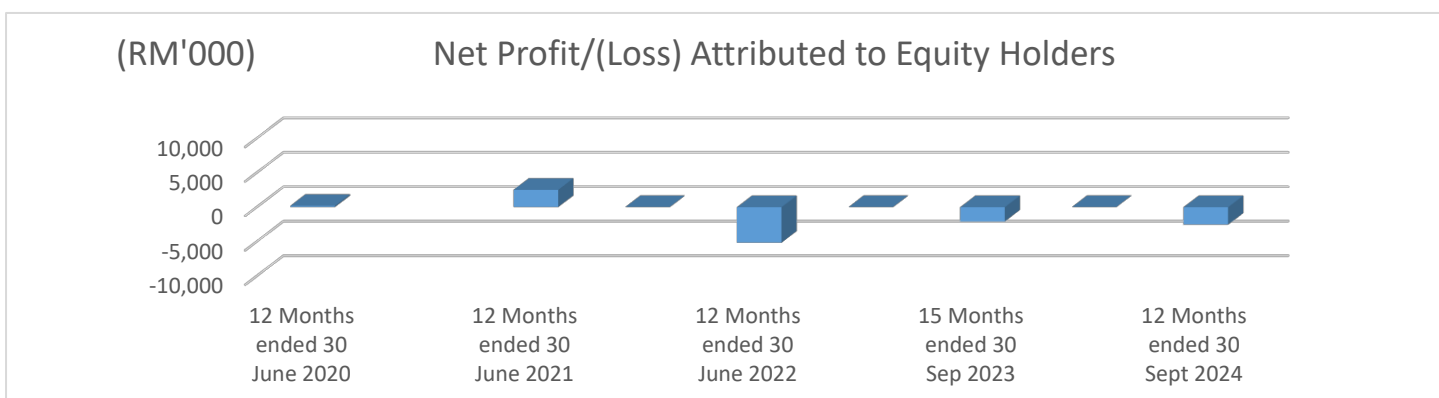
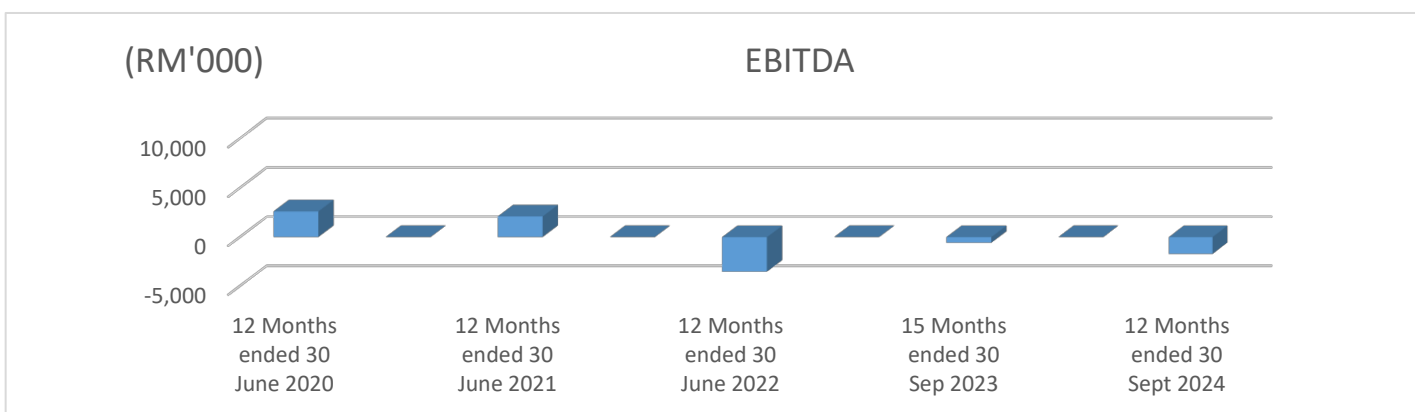
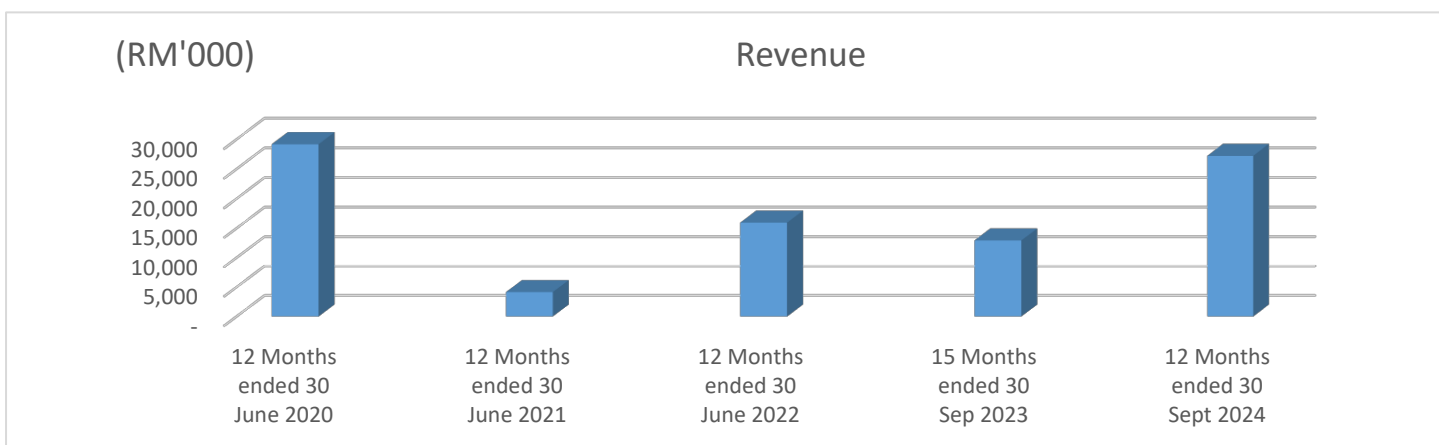
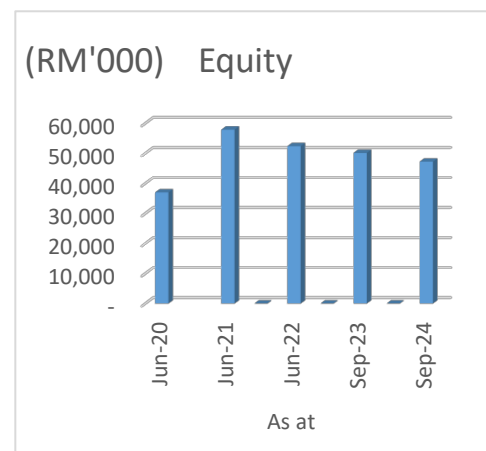
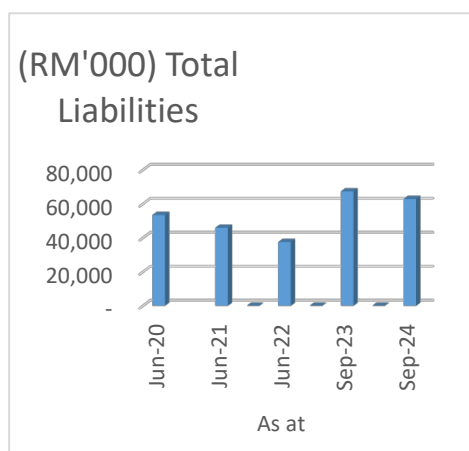
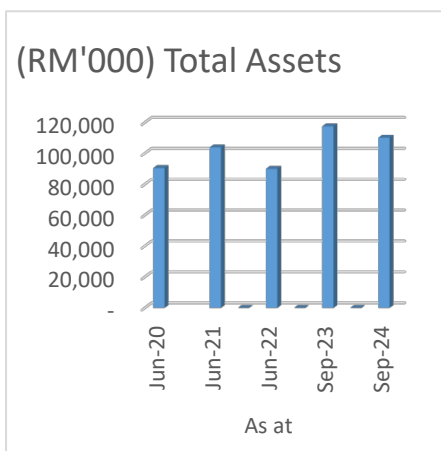
Notes:

1 Earnings per share ("EPS") is computed by dividing the Net Profit/(Loss) Attributed to Equity Holders by the weighted average number of ordinary shares in issue during the financial year.

2 The diluted earnings per ordinary share is same as the basic earnings per share because the effect of the assumed conversion of warrants outstanding will be anti-dilutive and the Company has no other dilutive potential ordinary share in issue as at the end of the reporting period.

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Management Discussion and Analysis

Overview

CME Group Berhad (“CME” or the “Company”) and its subsidiaries (“CME Group” or “our Group”) are principally involved in providing comprehensive solutions in relation to designing, manufacturing and sales of various types of specialised mobility vehicles, and fire fighting and safety vehicles. Our Group has become an experienced comprehensive solutions provider to the fire fighting industries with a reputation for delivering customised, value driven vehicle solutions that incorporate safety and reliability that comply with the highest standards. Examples of our products are fire fighting vehicles, specialist vehicles, airport crash tenders, hazmat vehicles, fuel transfer vehicles, riot control vehicles and fire rescue equipment.

The world experienced a broad-based and sharper than expected slowdown in 2024/2025, due to a variety of factors, including the ongoing military conflict in Ukraine, the cost of living crisis, interest rate hikes, tightening financial conditions in most regions, the global energy crisis. Furthermore, the ongoing disruptions in supply chain and price increases in various economic sectors have caused inflation to be higher than it has been in previous decades.

CME continues to focus on business development activities and is continuously seek market opportunities in the domestic and foreign markets to strengthen our market share and enhance profitability. The Group’s products are expected to remain competitive in the market, largely attributable to our established track record (i.e. 20 years of experience in automotive coachwork industry) with our capability in delivering customised, value driven vehicle solutions that incorporate safety and reliability that comply with the international standards.

Performance

The financial year under review remains challenging for the Group especially the fluctuations in exchange rates and commodity prices which will continue to have an impact on the Group’s financial performance and position.

Our Group is involved in the manufacturing and sales of specialized mobility vehicles, fire fighting and other safety related products. For FYE 2024, manufacturing remains the core business of our Group and accounted for 84% of the Group’s revenue of RM 27.22 million as compared to the Group’s revenue of RM12.94 million in FPE 2023, followed by Trading and Services segment which accounted for 11% for FYE 2024 as compared to 6% for the FPE 2023.

The Group’s revenue for the FYE 2024 increased by RM14.28 million to RM27.22 million (FPE 2023 : increased by RM3.02 million to RM12.94 million), mainly due to higher revenue recorded from manufacturing segment and trading segment as a result of higher delivery of vehicles to its customers during FYE 2024. Despite higher revenue recorded for FYE 2024, the Group recorded a higher loss before tax of RM2.25 million as compared to loss before tax of RM1.94 million for the FPE 2023 mainly due to the volatility in ringgits which result in increased in our cost component.

The Group’s cash and bank balances reduced RM1.41 million to RM6.15million as at FYE 2024 from RM7.56 million in the FPE 2023. Total loans borrowings decreased to RM32.29 million for the FYE 2024 as compared to RM36.56 million for the FPE 2023, mainly due to the repayment of project loan secured to finance the operating of ongoing projects.

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Business Segments Review

Investment Holding

Our Group owns 49 units of 3-storey shop offices in Bandar Indera Mahkota, Kuantan, Pahang under the Investment Holding segment which are held to earn rental income and/or capital appreciation.

Investment Holding reported a total income of RM1.16 million during the FYE 2024, representing 4.3% of the Group's total income (FPE 2023: RM1.57 million) whilst its loss before tax was RM0.49 million (15-month FPE 30 September 2023 : RM0.34 million), mainly attributed to lower expenses.

Currently, there is no plan to expand the portfolio of investment properties.

Manufacturing

Manufacturing is operated by its subsidiaries, CME Edaran Sdn Bhd and CME Technologies Sdn Bhd, which remain the core business of the Group and has accounted for 84.3% or RM23.77 million of the Group's total revenue for the FYE 2024. (FPE 2023: 63.8% or RM8.25 million).

The loss before tax for FYE 2024 has increased to RM1.79 million as compared to loss before tax of RM1.55 million for FPE 2023.

The Group has secured a contract from the Ministry of Housing & Local Government (Malaysia) to supply 150 units compact fire rescue tender (CFRT) complete with fittings and accessories for Fire and Rescue Department (FRDM), a value of RM 145.8 million. This order is to be fulfilled in few batches over the period of 6 years. The order is expected to contribute positively to the Group's earnings for the next financial year onwards.

Trading & Services

Under this segment, our Group is involved in the sales of fire fighting gas system and other safety related products and servicing of fire fighting vehicles which accounted for 11.4% and 24.1% of our Group's revenue for the FYE 2024 and FPE 2023, respectively.

The segment recorded a profit before tax of RM 0.72 million for FYE 2024 as compared to RM0.57 million for the FPE 2023.

Others

Other segment are made up of the property development division of the Group. Currently, our Group owns 2 parcels of land held for property development located on the South Western intersection of Mandurah Terrace and Henson Street in Mandurah, Australia which is approximately 1.5 km north of the Mandurah Town Centre. The land falls under the zonings of residential, tourism accommodation and mixed use and commercial.

Other segment recorded a loss before tax before tax of RM0.54 million for FYE 2024 mainly due to impairment loss on land held for property development.

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Prospects

The global economic environment for 2023/2024 remains challenging. The International Monetary Fund (IMF) anticipate the global economy to slow down due to the cost of living crisis, tightening financial conditions in most regions and negative spillover from the Ukraine-Russia war. Furthermore, any new adverse development could push the global economy into recession.

The Malaysia business environment continue to remain volatile and uncertain with global inflationary pressures and growing threat of economy recession.

Moving ahead, the Group remains cautiously optimistic and continue to work towards tendering and securing more contracts from both government and oil and gas sector to further grow our revenue stream. The Group will continue to formulate new strategy to improve project execution and delivery in order to remain competitive in this challenging business environment.

Dividends

The Board had not proposed any dividend for the FYE 30 September 2024.

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Sustainability Statement

CME Group Berhad (“CME”) is pleased to present its Sustainability Statement for the financial period from 1 October 2023 to 30 September 2024 (“FYE 2024”). This statement is prepared in accordance with Practice Note 9 of the Main Market Listing Requirement of Bursa Malaysia Securities Berhad.

Structure

CME does not have a Sustainability Committee at the Board of Directors level. Our sustainability strategy is developed and directed by the Chief Executive Officer and Senior Management of the Group based on guidelines provided by the Board.

Scope

This report focuses on our core business activities that were conducted during the financial year in respect of manufacturing and sales of specialised mobility vehicles, fire fighting and safety vehicles and other safety related products.

Stakeholder

CME has identified the following stakeholders in the course of our core business operations. We regularly engage our key stakeholders to gain an external perspective on various aspects of our core business and work to constantly improve our sustainability practices to meet their expectations.

No.	Stakeholders	Engagement channel	Frequency of engagement	Stakeholders' concerns
1	Customers	<ul style="list-style-type: none">MeetingsCustomer feedback	As needed As needed	<ul style="list-style-type: none">Customers' specific preferences and requirements (Customer satisfactions)Product qualityAfter sales services
2	Vendors/ Contractors	<ul style="list-style-type: none">Meetings	As needed	<ul style="list-style-type: none">Prompt payment
3	Employees	<ul style="list-style-type: none">AppraisalsTrainingsOpen communications	Annual As needed	<ul style="list-style-type: none">RemunerationsStaff welfareCareer advancement
4	Regulators	<ul style="list-style-type: none">Statutory reporting	As required	<ul style="list-style-type: none">Compliance with legal regulations
5	Shareholders & Investors	<ul style="list-style-type: none">Annual General MeetingExtraordinary Meeting	Annual As needed	<ul style="list-style-type: none">ProfitabilityDividend

Identification of Material sustainability matters

The Group's senior management had identified the following matters which are deemed material to the Group's core business and stakeholders:

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1. Customer

i. Customer satisfaction

Our Group core business are manufacturing and sales of specialised mobility vehicles, firefighting and safety vehicles and other safety related products. We recognizes that keeping customers satisfied is key factor for the sustainable success of the Group's business. Hence, engagement channels such as meeting, email, and phone calls with customers to get a deeper understanding of customers' needs. Our business goals is to develop and sell products that appeal to our customers. We will maintain our competitive advantage by ensuring prompt delivery, price competitiveness of our products and consistent quality.

ii. After sale services

Our Group has also provide after sale service to customers and is confident that we will maintain our good relationship. Although we have not conducted any former customer satisfaction surveys, our project team had always welcomed feedback which would provide us with insights into customers' expectations that enabled us to develop and deliver better products and services. Knowing what customers expect from us makes it easier for us to strengthen and market our product and services.

2. Employees

CME recognizes that our employees are a key assets that plays a major role in influencing the performance of the Group. Human capital is the most valuable asset, the Group committed to provide a safe working environment for all its employees and promotes a balance and healthy lifestyle.

In line with this objective, we committed to the following:

	Welfare	Our Commitment
i.	Health and safety	<ul style="list-style-type: none">• Workplace safety is our utmost priority, we provide safety handbook to all level of employees to improve and enhance awareness amongst staff, especially those who work with the factory.• The Group, through CME Sport Club, promotes a balance and healthy lifestyle for the employees and their immediate family. We contributed to CME Sport Club for various outdoor activities, recreational and sport activities for the benefit of its members.
ii.	Employee welfare	<ul style="list-style-type: none">• Equal opportunities for career advancement based on performance to all employees irrespective of gender, age or ethnicity.• Fair and competitive compensation and benefits.• Complies with local statutory requirement to contributes to the Employees' Provident Fund, social security protection and annual leave provision.• Provides medical benefits for outpatient, accident insurance, hospitalization and surgical insurance coverage to employees and their family members.
iii.	Continuous training	<ul style="list-style-type: none">• We recognized that continuous training are important to increase the competency of our employees. We provided both internal training and also send employees for external training. Among the trainings attended were:<ol style="list-style-type: none">i. Induction Training on ISO 9001:2015 Quality Management Systemsii. Niosh Oil & Gas Safety Passportiii. Niosh TNB Safety Passport

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3. Environment

i. Environment friendly

We recognize the needs and important of environment protection. As a responsible corporate citizen, the Group has initiated various measures to promote a “greener” mindset among our employees and stakeholders. Employees are encouraged to cut down wastage on energy, water and paper consumption.

We promote and recommend to our customers environmentally friendly product namely “Pyroshield”. Pyroshield is an IG55 inert gas extinguishing system, complies to NFPA 2001 – Standard on Clean Agent Fire Extinguishing Systems, with zero ozone depleting potential, zero global warming potential and no atmospheric life. Technically, no decomposition by-products that will damage equipment, no thermal shock to sensitive electronic and electrical equipment and no clean-up after discharge.

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Corporate Governance Overview Statement

The Board of Directors (“the Board”) of CME Group Berhad (“the Group”) recognises the importance of sound corporate governance and is fully committed to exercise 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 (“the Code”) are applied throughout the Company and its subsidiaries. This Corporate Governance Overview Statement should be read together with the Corporate Governance Report for the financial period from 1 October 2023 to 30 September 2024 (“FYE 2024”), which is available for download from the Company’s website at www.cme.com.my.

The Board is pleased to provide the following statement, which sets out 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

1.1 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 assured of a balanced and independent view at all Board deliberations.

To assist the Board in the discharge of its oversight function, the Board has established Board Committees namely an Audit Committee, Nominating Committee, Remuneration Committee and The Employees’ Share Option Scheme Committee. The Board Committees operate within their own clearly defined terms of references and responsibilities as set out by the Board.

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.

Other than as specifically reserved for the Board, 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 (“CEO”).

The CEO and the management assumes, amongst others, the following duties and responsibilities:

- Putting in place its many measures to build on its core business of sales and services of Specialised Mobility Vehicles;
- Exploring new product range and opportunities within the specialised vehicle industry;
- Explore other viable and profitable business ventures to improve the Group’s performance;
- Reviewing and monitor the performances of the Group’s operating divisions;
- Review shared initiatives and update the operational policies; and
- Identify opportunities and risks affecting the Group’s business and find ways of dealing with them.

The CEO shall attend Board Meetings by invitation. Non-Executive Directors may communicates with members of the management team at any time. The Board is assured of a balanced and independent view at all Board deliberations largely due to the presence of its Non-Executive Directors who are independent from management.

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1.2 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.

1.3 Code of Conduct and Ethics and Whistleblowing Policy

This Code of Ethics and Conduct sets out the principles, values and standards of business ethics and conduct to guide the Board of Directors, the management and employees of the Group and its subsidiaries.

This Code is not a comprehensive guide that covers every ethical situation Employees and Directors when performing their duties but it provides a minimum standard of conduct in which the board and the employees of CME in their daily conduct.

Where there are doubts over matters relating to the Code, employees are to seek guidance from their respective Heads of Subsidiaries, Heads of Division or Heads of Department, who may if necessary, seek guidance from the senior

The Board is alert to the possibility of potential conflicts of interest involving the Directors, its employees and the Company. In line with good corporate governance practices and with the introduction of Whistleblower Protection Act 2010, the Board recognises the important of formalising a Whistleblowing Policy and Procedures to provide an avenue for all employees of the Group or external party to raise concerns about any improper conduct within the Group.

The objective of the Whistleblowing Policy and Procedures is to ensure that whistleblower, through understanding the Whistleblowing Policy and Procedures, will come forward to express his or her concerns about a (suspected) malpractice, without fear of punishment or unfair treatment. The Whistleblowing Policy and Procedures is posted on the Company's website at www.cme.com.my.

1.4 Anti-Bribery Corruption Policy

The Group is committed to conducting its business ethically and in compliance with all applicable laws and regulations in the countries where it does business. These laws include but are not limited to the Malaysian Penal Code (revised 1977), the Malaysian Anti-Corruption Commission Act 2009 (revised 2018) and the Malaysian Companies Act 2016. These laws prohibit acts of bribery and corruption, and mandate that companies establish and maintain adequate procedures to prevent bribery and corruption. The Group has adopted a zero-tolerance for bribery and corrupt activities and committed to acting professionally, fairly, and with integrity in all business dealings and relationships, wherever in the country we operate.

This anti-bribery policy applies to all employees (whether temporary, fixed-term, or permanent), consultants, contractors, trainees, seconded staff, home workers, casual workers, agency staff, volunteers, interns, agents, sponsors, or any other person or persons associated with us (including third parties), or any of our subsidiaries or their employees, no matter where they are located (within or outside of the Malaysia). The policy also applies

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to Officers, Trustees, Board, and/or Committee members at any level. The Anti-Bribery and Corruption Policy is available on the Company's website at www.cme.com.my.

1.5 Strategies that Promote 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 Sustainability Statement of this Annual Report.

1.6 Access to Information and Advice

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.

1.7 Qualified and competent Company Secretary

The Company Secretary of the Group has legal qualification and qualified to act as 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 ensures that deliberations at the Board meetings are recorded in the minutes. The Company Secretary also ensures that accurate and proper record of the proceedings and resolutions passed are taken and maintained in the statutory registers of the company.

1.8 Board Charter

The Board is guided by Board Charter which provides reference for directors in relation to the Board's role, ensure the member acting on behalf of the Company are aware of their duties and responsibilities as Board members and the various legislations and regulations affecting their conduct and that the principles and practice of good Corporate Governance are applied in all their dealings in respect and on behalf of the Company.

The Board Charter is reviewed periodically to ensure its relevance and compliance. The Board Charter can be viewed on the Company's website at www.cme.com.my.

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2. STRENGTHEN COMPOSITION OF THE BOARD

2.1 Nominating Committee

The Board has established a Nominating Committee comprises of the following Directors:

Dato' Azmil Bin Mohd Zabidi	(Chairman) <i>(Resigned w.e.f. 30 September 2024)</i>
Andrew Ho Tho Kong	(Chairman) <i>(Appointed w.e.f. 4 November 2024)</i>
Miss Ong Suan Pin	(Member)
YAM Tengku Besar Tengku Kamil Ismail	
Bin Tengku Idris Shah	(Member)

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

- a. The members of the Nominating Committee shall be appointed by the Board from amongst their number, consisting of wholly non-executives, a majority of whom must be independent 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.

2.1.1 Terms of Reference of Nominating Committee

- 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. In identifying candidates for the Board, the Committee shall not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.
- d. If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Committee should explain why these source(s) suffice and other sources were not used.
- e. 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.
- f. 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.

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- g. To review management's proposals for the appointment, dismissal, transfer and promotions of all executives.
- h. 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 Nominating Committee meeting.

2.2 Develop, maintain and review criteria for recruitment and annual assessment of Directors

2.2.1 Appointment to the Board

The appointment of Directors is undertaken by the Board as a whole upon recommendation by the Nominating Committee with due consideration given to the mix of expertise and experience required for an effective Board.

2.2.2 Gender Diversity Policy

Currently, the Company does not have a policy on gender diversity but believes in providing equal opportunity to all candidates. The Board has one female director for the time being. The Board remains committed to achieve 30% female representation on the Board.

2.2.3 Annual Assessment

The Nominating Committee will carries out annual evaluation on the effectiveness of the Board and the Board Committees as a whole. The evaluation will be done at least once a year for assessing the effectiveness of the Board. During the year, the performance evaluation indicated that the Board continue to function effectively.

2.2.4 Assessment of Independent Directors

Pursuant to the Malaysian Code of Corporate Governance, the tenure of an Independent Director does not exceed a term limit of nine (9) years. Upon completion of the nine (9) years, an independent director may continue to serve on the board as a non-independent director. If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process at the general meeting.

The Board through the Nominating Committee assessed the independence of Independent Non-Executive Directors of the Company 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 broader views, independent and balanced assessment of proposals from the management.

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2.2.5 Re-election of Directors

In accordance with the Constitution of the Company (the “Constitution”), 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 by rotation and all Directors shall retire from office at least once every three years but shall be eligible to offer themselves 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.

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.

2.2.6 Directors’ Fit and Proper Policy

In line with the new rule of the Main LR, the Board had on 30 September 2022 adopted the Directors’ Fit and Proper Policy. The Fit and Proper Policy sets out the Group’s approach to the assessment on any person identified to be appointed as a Director or to continue holding the position as Director to ensure they have the required character, experience, integrity, competence and commitment of time to effectively discharge their duties and responsibilities in tandem with good corporate governance practice. The Directors’ Fit and Proper Policy is available at the Company’s corporate website at www.cme.com.my.

2.3 Remuneration Committee

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

Dato’ Azmil Bin Mohd Zabidi	(Chairman) <i>(Resigned w.e.f. 30 September 2024)</i>
Andrew Ho Tho Kong	(Chairman) <i>(Appointed w.e.f. 4 November 2024)</i>
YAM Tengku Kamil Bin Tengku Idris Shah	(Member)
Miss Ong Suan Pin	(Member)

- a. The members of the Remuneration Committee shall be appointed by the Board from amongst their number, consisting wholly of Non-Executive Directors and shall consist of not less than two (2) members.
- b. The members of the Committee shall elect the Chairman from amongst their number who shall be Independent Non-Executive Directors.
- c. If the number of members for any reasons fall below two (2), the Board shall, within three (3) months of that event, appoint such numbers of new members as may be required to make up the minimum number of two (2) members.
- d. The term of office for all members of the Committee is subject to renewal on a yearly basis.
- e. The Company Secretary shall be the Secretary of the Committee.
- f. Directors do not participate in decisions on their own remuneration packages.

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2.3.1 Remuneration Policy

The responsibilities of Remuneration Committee are set out in the Term of Reference as below:

- 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.

2.3.2 Remuneration Procedures

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.

2.3.3 Disclosure of Directors' Remuneration

The details of Directors' remuneration during the FYE 2024 disclosed by category are as follows:

Directors	Fee (RM)	Salary (RM)	Statutory Contribution (RM)	Incentive (RM)	Total (RM)
From the Company					
Executive Directors					
Y.M. Tunku Nizamuddin Bin Tunku Dato' Seri Shahabuddin	20,000	-	-	-	20,000
En. Azlan Omry Bin Omar	20,000	-	-	-	20,000
Non-Executive Directors					
Dato' Azmil Bin Mohd Zabidi (Resigned w.e.f. 30.9.2024)	40,000	-	-	-	40,000
YM Tengku Munawirah Putra	15,000	-	-	-	15,000

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(Appointed w.e.f. 2.2.2024)					
Ong Suan Pin	40,000	-	-	-	40,000
YAM Tengku Besar Tengku Kamil Ismail Bin Tengku Idris Shah	40,000	-	-	-	40,000
From the Group Executive Directors					
Y.M. Tunku Nizamuddin Bin Tunku Dato' Seri Shahabuddin	20,000	-	-	-	20,000
En. Azlan Omry Bin Omar	20,000	63,000	8,519	-	91,519
Non-Executive Directors					
Dato' Azmil Bin Mohd Zabidi (Resigned w.e.f. 30.9.2024)	40,000	-	-	-	40,000
YM Tengku Munawirah Putra (Appointed w.e.f. 2.2.2024)	15,000	-	-	-	15,000
Miss Ong Suan Pin	40,000	-	-	-	40,000
YAM Tengku Besar Tengku Kamil Ismail Bin Tengku Idris Shah	40,000	-	-	-	40,000

The Company respects the confidentiality of the remuneration of the Senior Management in view of the competitive nature of human resource market. Thus, the Company does not have the intention to adopt the recommendation to disclose the details of each member of senior management in bands of RM50,000 on a named basis.

However, the Company would endeavor to ensure that the remuneration packages of the employees are in line with the industry practices and the annual increments and bonuses pay-out are based on individual performance.

3. REINFORCE INDEPENDENCE**3.1 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. All three Non-Executive Directors are independent directors and are able to express their views without any constraint. This strengthens the Board which benefits from the independent views expressed before any decisions are taken. They bring an external perspective, constructively challenge and help develop proposals on strategy, scrutinise 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.

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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.

3.2 Tenure of Independent Directors

In compliance with the recommendation of the Code, the Nominating Committee has reviewed and assessed the Independent Director who has served a tenure of more than nine (9) years in that capacity of the Company. YAM Tengku Besar Tengku Kamil Ismail Bin Tengku Idris Shah who was appointed as an Independent Non-Executive Directors on 9 March 2015, has exercised objective and independent judgments on all Board deliberations and has not compromised his long relationship with other Board members. The Nominating Committee has recommended to the Board to seek shareholders' approval through a two-tier voting process for YAM Tengku Besar Tengku Kamil Ismail Bin Tengku Idris Shah to be retained and re-elected as an Independent Director of the Company at the forthcoming AGM.

3.3 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, organisational 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.

3.4 Composition of the Board

The Board acknowledges the importance of age, nationality, professional background and gender diversity and recognises the benefits that such diversity can bring. 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 six (6) members as set out below:

- Three (3) Independent Non-Executive Directors
- One (1) Non-Independent Non-Executive Director, and
- 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 5 to 7 of this Annual Report.

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4. FOSTER COMMITMENT

4.1 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 FYE 2024, 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 FYE 2024 are set out below.

<u>Name</u>	<u>Meetings Attended</u>
Y.M. Tunku Nizamuddin Bin Tunku Dato' Seri Shahabuddin	4/4
En. Azlan Omry Bin Omar	4/4
Dato' Azmil Bin Mohd Zabidi*	4/4
YM Tengku Munawirah Putra**	3/3
Miss Ong Suan Pin	4/4
YAM Tengku Besar Tengku Kamil Ismail Bin Tengku Idris Shah	3/4

* Resigned w.e.f. 30 September 2024

** Appointed w.e.f. 2 February 2024

4.2 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. From time to time, all directors are provided with reading materials and internal briefings pertaining to their roles and responsibilities by Company Secretary.

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 FYE 2024, the Director attended the following training programme:

<u>Name</u>	<u>Programme</u>
Y.M. Tunku Nizamuddin Bin Tunku Dato' Seri Shahabuddin	Senior Management and Portfolios
En. Azlan Omry Bin Omar	
YM Tengku Munawirah Putra	
YAM Tengku Besar Tengku Kamil Ismail Bin Tengku Idris Shah	
Miss Ong Suan Pin	

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5. UPHOLD INTEGRITY IN FINANCIAL REPORTING

5.1 Compliance with applicable financial reporting standards

5.1.1 Financial Reporting

The Board is responsible for ensuring that financial statements are drawn up in accordance with the Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards and the requirements of the Companies Act 2016 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.

5.2 Assessment of suitability and independence of 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. 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 and the Audit Committee Members meet with the External Auditors at least twice a year without the presence of the Executive Director and Management.

For the financial year under review, the External Auditors confirmed that they are and have been independent throughout the audit engagement.

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 on Risk Management and Internal Control set out on pages 35 to 38 of this Annual Report provides an overview of the state of risk management and internal controls of the Group and of the Company.

7. ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

7.1 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, Key Management and Company Secretary who are privy to the information to maintain strict confidentiality of the information.

Apart from the provisions relating to the ‘closed period’ for dealing in the company’s shares, the directors and key management privy to price sensitive information are prohibited from dealing in the shares of the company until such information is publicly available.

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7.2 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 website at www.cme.com.my or through the Bursa Malaysia website at www.bursamalaysia.com. CME website 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 important 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 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.

This statement was approved by the Board of Directors on 24 January 2025.

ADDITIONAL COMPLIANCE INFORMATION

The following information provided is in respect of the FYE 30 September 2024.

1. Utilisation of Proceeds

The Issuance of 14,500,000 Placement Shares at an issue price of RM0.0243 per Placement Shares under the Proposed Private Placement of New Ordinary Shares in CME which was completed on 22 January 2024.

The status of utilisation of proceeds as at 30 September 2024 is as follows.

Proposed utilisation of proceeds	Proceeds raised (RM'000)	Utilised as at 30/09/2024 (RM'000)	Time frame for utilisation
Working Capital for the contracts for supply of specialized mobility vehicles, equipment and related parts and service	309	309	Within 12 months
Estimated expenses in relation to Private Placement	44	44	Within 1 month
	353	353	

2. Debts and Equity Securities

During the financial under review, there were no share buyback, shares cancelation, share held as treasury shares and resale of treasury shares, except for:-

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1) Issuance of 14,500,000 Placement Shares at an issue price of RM0.0243 per Placement Shares under the Proposed Private Placement of New Ordinary Shares in CME which was completed on 22 January 2024.

3. Audit and Non-Audit Fees

During the financial year, the amounts of audit and non-audit fees paid and payable by the Company and the Group to the External Auditors are as follows:

	Company (RM'000)	Group (RM'000)
Audit Fees	50	137
Non-Audit Fees	8	8

4. Material Contracts

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

5. 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.

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Audit Committee Report

The Board of Directors of CME Group Berhad is pleased to present the Audit Committee Report for the financial year ended 30 September 2024 ("FYE 2024").

CONSTITUTION

The terms of reference of the Audit Committee are set out in pages 33 to 34 of the Annual Report.

COMPOSITION

The Audit Committee comprises three (3) members of the Board with two (2) Independent Non-Executive Directors and one (1) Non-Executive Non-Independent Director.

MEMBERSHIP

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

<u>Name</u>	<u>Membership status</u>
Dato' Azmil Bin Mohd Zabidi <i>(Resigned w.e.f. 30 September 2024)</i>	Chairman, Independent Non-Executive Director
Andrew Ho Tho Kong <i>(Appointed w.e.f. 4 November 2024)</i>	Chairman, Independent Non-Executive Director
Miss Ong Suan Pin	Member, Non-Executive Non-Independent Director
YAM Tengku Besar Tengku Kamil Ismail Bin Tengku Idris Shah	Member, Independent Non-Executive Director

MEETINGS

The Committee met five (4) times during the FYE 2024. Details of the attendance of each member at the Audit Committee Meeting held during the period are as follows:

<u>Name</u>	<u>No. of Meeting Attended</u>
Dato' Azmil Bin Mohd Zabidi <i>(Resigned w.e.f. 30 November 2024)</i>	4/4
Miss Ong Suan Pin	4/4
YAM Tengku Besar Tengku Kamil Ismail Bin Tengku Idris Shah	3/4

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.

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- (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 2016 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 Committee.
- (c) Recommended to the Board the appointment and remuneration of the external auditors.
- (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 Kreston John & Gan were invited to discuss the Group's financial statements for the FYE 30 September 2024. 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.

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 FYE 2024 amounted to RM12,000.00.

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 FYE 2024, 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.

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- (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.
- (e) ensure the independence of the external and internal audit functions.

2. Composition of the Audit Committee

- (a) The Audit Committee shall comprise a minimum of three (3) members and the Audit Committee should comprise majority of 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.

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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;
- (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.

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STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Statement of Risk Management and Internal Control (“Statement”) is made pursuant to Paragraph 15.26(b) and Practice Note 9 of Bursa Malaysia Securities Berhad Main Market Listing Requirements of which requires Malaysian Public listed companies to outline the nature and scope of risk management and internal control, as a Group, in their Annual Report. The Board of Directors (“The Board”) of CME Group Berhad (“The Group”) is pleased to present the following statement which outlines the nature and scope of internal control of the Company.

BOARD RESPONSIBILITY

The Board recognizes the importance of good practice of corporate governance and is responsible for the adequacy and effectiveness of the Group’s Risk Management and Internal Control System. The Board is committed to maintain a sound system of internal control and risk management for the Group and is responsible for the establishment of an appropriate control environment, risk management framework, processes and structures, and continually 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 compliance with relevant laws, both local and foreign, all other regulations, policies and procedures. 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 but not absolute assurance against material misstatement or losses, fraud or breaches of laws or regulations. 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.

RISK MANAGEMENT

The Group’s overall risk management objective is to ensure that the Group creates value for its shareholders whilst minimising potential adverse effects on its performance and positions.

The Group has in place processes for the identification, evaluation, reporting, treatment, monitoring and review of the major strategic, business and operation risks within the Group. The risk management structure and control mechanism for financial, operational, environmental and compliance matters with Board’s participation, is put in place and embedded throughout the Group during the financial year under review and up to the date of approval of this Statement, so as to manage the significant risks that may affect the Group’s business objectives on a continuous basis and they also allow any new significant risk identified being subsequently evaluated and managed. The Board shall continue to evaluate the existing risk management practices, and where appropriate and necessary, revise such practices accordingly.

Enterprise Risk Management (“ERM”) Framework

The Board is endeavoured to identify the relevant and major risk faced by the Group and regards risk management as an integral part of the Group’s business operations and has oversight over this critical area through the Audit Committee. The Audit Committee, supported by the outsourced Internal Audit department, provides an independent assessment of the effectiveness of the Group’s ERM framework and reports to the Board. The Group’s ERM framework is consistent with the ERM framework and involves systematically identifying, analysing, measuring, monitoring and reporting on the risks that may affect the achievement of its business objectives. This framework helps to reduce the uncertainties surrounding the Group’s internal and

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external environment, thus allowing it to maximise opportunities and minimise adverse incidences that may arise. The major risks to which the Group is exposed are strategic, operational, regulatory, financial, market, technological, products and reputational risks.

GROUP'S ERM FRAMEWORK

The ERM process is based on the following principles:

- Consider and manage risks enterprise-wide;
- Integrate risk management into business activities;
- Manage risk in accordance with the Risk Management framework;
- Tailor responses to business circumstances; and
- Communicate risks and responses to Management

All identified risks are displayed on a 1-to-3 risk matrix based on their risk ranking to assist Management in prioritising their efforts and appropriately managing the different classes of risks. The Board and Management drive a proactive risk management culture and regular risk awareness and coaching sessions are held to ensure that the Group's employees have a good understanding and application of risk management principles. There is no dedicated ERM department, however, Group Chief Operating Officer work closely with the Group's operational managers to continuously strengthen the risk management initiatives within the Group so that it responds effectively to the constantly changing business environment and is thus able to protect and enhance shareholder value.

The Board acknowledged the importance of effective ERM in enhancing shareholder value while upholding a high standard of corporate governance. Combining a strong and sustained commitment from the Board and Senior Management with a clear direction and oversight from all levels of leadership, the Group embraces a holistic risk management approach to achieve its business targets with minimal surprises.

INTERNAL CONTROL SYSTEM

The Board further recognises its responsibility for having an effective internal control system as part of the Internal Audit function of the Group. 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, the Group in its efforts to provide adequate and effective internal control system had appointed T. H. Kuan & Co, ("TH Kuan"), an independent consulting firm to review the adequacy and integrity of its system of internal control. The internal auditor work closely with management to understand all aspects of CME Group's business environment and recommend measures to improve the internal controls, where appropriate. They concentrate on areas in which risk exposures are high and management's area of concern as well as areas which have significant financial impact to the Group. This is to provide reasonable assurance that such systems continue to operate satisfactorily and effectively within the Group.

For the Financial Year Ended 30 September 2024, the area of reviews by TH Kuan include:

- a) Human resource management
 - compliance with established policies and procedures
 - hiring and termination of personal
 - recording and computing of payroll
 - approval and disbursement of payroll, overtime and staff claim
 - maintenance of payroll master files
 - manpower planning and budgeting
 - staff training and development program

- b) Property, plant & equipment

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- approval of acquisition of assets
 - completeness of recording
 - safeguard measures
- c) Inventory management
- stock count procedures and process
 - stock card system
 - recording system for stocks
 - security for storage of inventories
 - provision for stock obsolescence

The findings of the internal audit reviews together with Management's responses are circulated to the Audit Committee and Board by TH Kuan. The objective of the internal audit review is to assist the board of directors in performing its oversight responsibilities, and to help increase shareholders' confidence in the Group's system of internal controls.

The review is to determine whether there are significant areas of non-compliance with controls and procedures as indicated in the policies and procedures of the Group that may be detrimental to the Group's financial position.

The Key Elements of The Group's Internal Control System include:

1. 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;
2. 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. There are guidelines within the Group for recruitment of staff, training, performance appraisals and other relevant procedures;
3. Quarterly Board meetings and monthly management meetings are held where information is provided to the Board and management covering financial performances and operations;
4. Training and development are provided as and when required by employees with the objective of enhancing their knowledge and competency; and
5. Management accounts and reports are prepared regularly for monitoring of actual performance.

Audits on quality accreditations of the Group by internal auditors and accreditation bodies to ensure compliance with certification and regulatory requirements were conducted. The Group has in place internal control systems at each level of responsibility supported by commitment of management. The Board believes that a sound internal control system reduces, though it cannot eliminate, the possibility of poor judgement in decision making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the external auditors have reviewed this Statement on Internal Control and Risk Management. Their limited assurance review was performed in accordance with ISAE 3000 (Revised), Assurance Engagements other than Audit or Reviews of Historical Financial Information and AAPG 3, Guidance for Auditors on Engagement to Report to the Statement on Risk Management and Internal Control Included in the Annual Report issued by the

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Malaysian Institute of Accountants. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

Based on their procedures performed, the External Auditors have reported to the Board that nothing has come to their attention that caused them to believe that the Statement is not prepared, in all material aspects, in accordance with the disclosures required by Paragraph 41 and 42 of the Guidelines to be set out, nor is it factually inaccurate.

CONCLUSION

The CEO, being the person primarily responsible for the overseeing and managing of the operational affairs of the Company has provided assurance to the Board that the Group's risk management and internal control system, have been operated adequately and effectively, in all material aspects, based on the Group's policies and procedures. Under the purview of the CEO and the General Managers, the heads of department are empowered with the responsibility of managing their respective operations.

The Board is of the view that the risk management and internal control systems of the Group are satisfactory and have not 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 risk management and internal control.

This statement is made in accordance with the resolution of the Board of Directors dated 24 January 2025.

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STATEMENT OF DIRECTORS' RESPONSIBILITY

The Directors are responsible to ensure that financial statements are drawn up in accordance with the Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 September 2024 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 financial period ended 30 September 2024, 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 Group and of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2016. The Directors are also responsible for the assets of the Group and of the Company and hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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Financial Statements

30 September

2024

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Directors' Report

for the financial year ended 30 September 2024

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 30 September 2024.

Principal activities

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiary companies are set out in Note 7 to the financial statements.

Results

	Group RM'000	Company RM'000
Loss for the financial year after taxation attributable to owners of the Company	<u>(2,502)</u>	<u>(485)</u>

Dividend

No dividend has been paid or declared by the Company since the end of the previous financial period.

The directors do not recommend the payment of any dividends in respect of the current financial year.

Reserves and provisions

There were no material transfers to or from reserves or provisions during the financial period other than those as disclosed in the financial statements.

Bad and doubtful debts

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and were of the opinion that it was not necessary to write off any debts and that adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would require the amount written off for bad debts, or render the amount of the allowance for doubtful debts, in the Group or in the Company inadequate to any substantial extent.

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Directors' Report

for the financial year ended 30 September 2024

Current assets

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain whether any current assets, other than debts, were unlikely to realise in the ordinary course of business their value as shown in the accounting records of the Group and of the Company and to the extent so ascertained were written down to an amount that they might be expected to realise.

At the date of this report, the directors are not aware of any circumstances that would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

Valuation methods

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

Contingent and other liabilities

At the date of this report, there does not exist : -

- i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person, or
- ii) any contingent liability in respect of the Group and of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of the Group or of the Company 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 or of the Company to meet its obligations as and when they fall due.

Change of circumstances

At the date of this report, the directors are not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Group and of the Company, that would render any amount stated in the financial statements misleading.

Items of an unusual nature

The results of the operations of the Group and of the Company for the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the current financial year.

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Directors' Report

for the financial year ended 30 September 2024

Shares and debentures

During the financial year, the issued and paid-up share capital of the Company was increased from 1,033,563,635 ordinary shares to 1,048,063,635 ordinary shares by ways of issue of : -

- i) 14,500,000 new ordinary shares by way of private placement at an issue price of RM0.0243 per placement shares on 22 January 2024.

The new ordinary shares issued during the financial year rank pari-passu in all respects with the existing ordinary shares of the Company.

During the financial year, the Company did not issue any debentures.

Options granted over unissued shares

No options were granted to any person to take up the unissued shares of the Company during the financial year.

Directors of the Company

The directors of the Company in office at any time during the financial year and since the end of the financial year are : -

YM Tunku Nizamuddin Bin Tunku Dato' Seri Shahabuddin
YAM Tengku Besar Tengku Kamil Ismail Bin Tengku Idris Shah
Azlan Omry Bin Omar
Ong Suan Pin
Tengku Munawirah Putra (appointed on 2 February 2024)
Dato' Azmil Bin Mohd Zabidi (resigned on 30 September 2024)

The directors who hold office in the subsidiary companies (excluding directors who are also directors of the Company) during the financial year until the date of this report are : -

Nicola Lim Lian Li
Sean Lian Siong Lim
Dato' Sri Adnan Bin Wan Mamat

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Directors' Report

for the financial year ended 30 September 2024

Directors' interests

According to the register of directors' shareholding under Section 59 of the Companies Act 2016, the interests of directors in office at the end of the financial year in the ordinary shares of the Company and its related corporations during the financial year are as follows : -

	Number of ordinary shares			At
	<u>At 1.10.2023</u>	<u>Addition</u>	<u>Disposal</u>	<u>30.9.2024</u>
Direct interests : -				
Ong Suan Pin	7,666,000	-	-	7,666,000
Azlan Omry Bin Omar	50,000	-	-	50,000
Indirect interests : -				
YM Tunku Nizamuddin Bin Tunku Dato' Seri Shahabuddin*	174,449,400	-	-	174,449,400

	Numbers of Warrants 2018/2028			At
	<u>At 1.10.2023</u>	<u>Addition</u>	<u>Conversion/ Disposal</u>	<u>30.9.2024</u>
Direct interests : -				
Ong Suan Pin	75,000	-	-	75,000
Indirect interests : -				
YM Tunku Nizamuddin Bin Tunku Dato' Seri Shahabuddin*	17,144,700	-	-	17,144,700

* By virtue of Section 8 of the Companies Act 2016, YM Tunku Nizamuddin Bin Tunku Dato' Seri Shahabuddin is deemed to be interested in the shares of the Company to the extent that Best Birdnest Sdn. Bhd. has an interest.

None of the other directors holding office at the end of the financial year held any interest in the ordinary shares of the Company and of its related corporations.

Directors' remuneration

The details of the remuneration paid to or receivable by the directors of the Group and of the Company in respect of the financial year ended 30 September 2024 are as follows : -

	Group RM'000	Company RM'000
Directors' remuneration		
- Fees	175	175
- Other emoluments	105	-
- Defined contribution plan	11	-
	<u>291</u>	<u>175</u>

None of the directors or past directors of the Company have received any other benefits otherwise than in cash from the Company or any of its subsidiary companies during the financial year.

CME Group Berhad

(Incorporated in Malaysia, Registration No. 197901007949 (52235-K))

Directors' Report

for the financial year ended 30 September 2024

Directors' remuneration (Cont'd.)

No payment has been paid to or payable to any third party in respect of the services provided to the Company or any of its subsidiary companies by the directors or past directors of the Company during the financial year.

Indemnifying Directors, Officers or Auditors

No indemnity has been given to or insurance premium paid, during or since the end of the financial year, for any person who is or has been the director, officer or auditor of the Company.

Directors' benefits

Since the end of the previous financial period, no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by director shown in the financial statements, or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

There were no arrangement during and at the end of the financial year, to which the Company or its subsidiary companies is a party, which had the object of enabling the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

CME Group Berhad

(Incorporated in Malaysia, Registration No. 197901007949 (52235-K))

Directors' Report

for the financial year ended 30 September 2024

Auditors

- a) Detail of the auditors' remuneration for the Group and the Company for the financial year ended 30 September 2024 are as follows :-

	Group RM	Company RM
Auditors' remuneration :-		
- Kreston John & Gan		
- statutory audit	125,000	50,000
- other services	8,000	8,000
- other auditors	11,743	-
	<u>144,743</u>	<u>58,000</u>

- b) The auditors, Kreston John & Gan, Chartered Accountants, have indicated their willingness to accept re-appointment.

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

Azlan Omry Bin Omar

**YM Tunku Nizamuddin Bin Tunku Dato'
Seri Shahabuddin**

Kuala Lumpur,
Date: 24 January 2025

Independent Auditors' Report

to the members of CME Group Berhad
(Incorporated in Malaysia, Registration No. 197901007949 (52235-K))

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of CME Group Berhad, which comprise the statements of financial position as at 30 September 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the financial year then ended, and notes to the financial statements, including a summary of material accounting policy information, as set out on pages 12 to 97.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 September 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with *the By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Material Uncertainty Related to Going Concern

We draw attention to Note 2(a) to the financial statements, which disclosed that the Group and the Company recorded accumulated losses of RM76,583,000 and RM74,785,000 respectively during the financial year ended 30 September 2024 and, as of that date, the Group's and the Company's current liabilities exceeded their current assets by RM25,250,000 and RM41,871,000 respectively, thereby indicating the existence of a material uncertainty which may cast significant doubt about the Group's and the Company's ability to continue as going concerns. The ability of the Group and the Company to continue as a going concern is dependent on continuous financial support from a substantial shareholder, ability to generate positive future cash flows and have sufficient banking credit facilities to meet its obligations and liabilities as and when they fall due. Our opinion is not modified in respect of this matter.

Independent Auditors' Report

to the members of CME Group Berhad
(Incorporated in Malaysia, Registration No. 197901007949 (52235-K))

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of the most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How our audit addresses these matters
<p data-bbox="193 685 794 779"><i>Freehold land and building, investment properties and land held for development (Notes 4, 6 and 8)</i></p> <p data-bbox="193 808 794 1048">The carrying amount of the Group's freehold land and building (in property, plant and equipment), investment properties and land held for development (in inventory) amounted to RM29,041,000, RM35,030,000 and RM11,563,000 respectively, which represented 99% of the Group's total non-current assets as at 30 September 2024.</p> <p data-bbox="193 1084 794 1263">The management has assessed if there are any indication of impairment and performed an assessment on the carrying amount of the freehold land and building (in property, plant and equipment), investment properties and land held for development (in inventory).</p> <p data-bbox="193 1299 794 1572">We focused on this area due to complexities in determining the fair value of the freehold land and building (in property, plant and equipment), investment properties and land held for development (in inventories), which involved significant estimates and judgements in determining the appropriate valuation methodologies and estimating the underlying assumption to be applied.</p>	<p data-bbox="810 685 1398 714">Our audit performed and responses thereon : -</p> <ul data-bbox="810 750 1398 1084" style="list-style-type: none"><li data-bbox="810 750 1398 869">• Review the valuation methodology on recoverable amount on adopted by the Group in accordance to the requirements of MFRS 136 Impairment of Assets;<li data-bbox="810 904 1398 994">• Comparing the Group's assumption to externally derived data as well as our assessment; and<li data-bbox="810 1030 1398 1084">• Testing the mathematical accuracy of the impairment assessment.

Independent Auditors' Report

to the members of CME Group Berhad
(Incorporated in Malaysia, Registration No. 197901007949 (52235-K))

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the Directors' Report, Management Discussion and Analysis, Corporate Governance Overview Statement and Audit Committee Report included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also :-

Independent Auditors' Report

to the members of CME Group Berhad
(Incorporated in Malaysia, Registration No.197901007949 (52235-K))

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd.)

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditors' Report

to the members of CME Group Berhad
(Incorporated in Malaysia, Registration No.197901007949 (52235-K))

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary of which we have not acted as auditors, are disclosed in Note 7 to the financial statements.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

Kreston John & Gan
(AF 0113)
Chartered Accountants

Thien Tze Vui
Approval No: 03653/04/2026 J
Chartered Accountant

Kuala Lumpur,
Date: 24 January 2025

CME Group Berhad

(Incorporated in Malaysia, Registration No. 197901007949 (52235-K))

Statements of Financial Position

As at 30 September 2024

		Group		Company	
	Note	2024	2023	2024	2023
		RM'000	RM'000	RM'000	RM'000
ASSETS					
Non-Current Assets					
Property, plant and equipment	4	28,799	27,414	-	-
Right-of-use assets	5	125	180	-	-
Investment properties	6	35,030	35,030	35,030	35,030
Investment in subsidiaries	7	-	-	35,630	35,630
Inventories	8	11,563	12,318	-	-
Intangible assets	9	-	350	-	-
Other investment	10	596	423	596	423
Total Non-Current Assets		76,113	75,715	71,256	71,083
Current Assets					
Inventories	8	18,902	23,755	-	-
Trade receivables	11	2,942	2,323	661	382
Other receivables, deposits and prepayments	12	6,830	9,008	3,797	4,001
Amount due from subsidiaries	13	-	-	2,956	1,923
Current tax assets		256	136	-	-
Cash and bank balances	14	6,147	7,562	10	53
Total Current Assets		35,077	42,784	7,424	6,359
TOTAL ASSETS		111,190	118,499	78,680	77,442
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	15	86,037	85,684	86,037	85,684
ICULS	16	16,099	16,099	16,099	16,099
Reserves	17	(54,895)	(51,650)	(72,751)	(72,266)
Total equity		47,241	50,133	29,385	29,517
Non-Current Liabilities					
Borrowings	18	1,303	1,191	-	-
Lease Liabilities	19	-	77	-	-
Provisions	20	102	30	-	-
Deferred tax liabilities	21	2,217	1,967	-	-
Total Non-Current Liabilities		3,622	3,265	-	-

CME Group Berhad

(Incorporated in Malaysia, Registration No. 197901007949 (52235-K))

Statements of Financial Position (Cont'd.)

As at 30 September 2024

		Group		Company	
		2024	2023	2024	2023
	Note	RM'000	RM'000	RM'000	RM'000
Current Liabilities					
Contract liabilities	22	13,623	16,095	-	-
Trade payables	23	2,316	2,075	82	321
Other payables, accruals and deposits	24	12,107	11,394	9,034	8,900
Borrowings	18	31,989	35,368	2,952	3,174
Lease liabilities	19	80	93	-	-
Provisions	20	212	76	-	-
Amount due to subsidiaries	13	-	-	37,227	35,530
Total Current Liabilities		60,327	65,101	49,295	47,925
Total Liabilities		63,949	68,366	49,295	47,925
Net current liabilities		(25,250)	(22,317)	(41,871)	(41,566)
Total Equity and Liabilities		111,190	118,499	78,680	77,442

The accompanying accounting policies and explanatory notes form an integral part of the financial statement

CME Group Berhad

(Incorporated in Malaysia, Registration No. 197901007949 (52235-K))

**Statements of Profit or Loss and
Other Comprehensive Income**

for the financial year ended 30 September 2024

	Note	Group		Company	
		1.10.2023 to 30.9.2024 RM'000	1.7.2022 to 30.9.2023 RM'000	1.10.2023 to 30.9.2024 RM'000	1.7.2022 to 30.9.2023 RM'000
Revenue	25	27,222	12,944	1,160	1,571
Cost of sales		(22,842)	(9,219)	(167)	(226)
Gross Profit		4,380	3,725	993	1,345
Other income	26	608	344	173	41
Administrative expenses		(3,176)	(3,664)	(666)	(821)
Other operating expenses		(2,855)	(794)	(185)	(7)
(Loss)/Profit from operations		(1,043)	(389)	315	558
Finance costs	27	(1,209)	(1,550)	(800)	(911)
Loss before taxation	28	(2,252)	(1,939)	(485)	(353)
Income tax expense	31	(250)	(143)	-	-
Loss for the financial year/period, representing total comprehensive loss for the financial year/period		(2,502)	(2,082)	(485)	(353)
Other comprehensive income, net of tax :-		-	-	-	-
Items that may be reclassified subsequently to profit or loss :-					
Exchange differences on transaction of foreign operation		(743)	18	-	-
Total comprehensive loss for the financial year/period		(3,245)	(2,064)	(485)	(353)
Loss for the financial year/period attributable to :-					
Owners of the Company		(2,502)	(2,082)		
Total comprehensive loss for the financial year/period attributable to :-					
Owners of the Company		(3,245)	(2,064)		
Basic earning per share (sen)	32	(0.24)	(0.21)		
Diluted earning per share (sen)	32	(0.16)	(0.14)		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements

CME Group Berhad

(Incorporated in Malaysia, Registration No. 197901007949 (52235-K))

Statements of Changes in Equity

for the financial year ended 30 September 2024

Group	<-----Non distributable----->					Distributable	
	Share capital RM'000	ICULS RM'000	Revaluation reserve RM'000	Foreign currency transaction reserve RM'000	Warrant reserve RM'000	Accumulated losses RM'000	Total equity RM'000
At 1 July 2022	80,851	20,899	19,929	656	2,061	(71,999)	52,397
Transactions with owners :-							
- Conversion of ICULS (Note 16)	4,800	(4,800)	-	-	-	-	-
- Conversion of warrants (Note 17)	33	-	-	-	(27)	-	6
	4,833	(4,800)	-	-	(27)	-	6
Loss for the financial period	-	-	-	-	-	(2,082)	(2,082)
Other comprehensive loss for the financial period	-	-	(206)	18	-	-	(188)
Total comprehensive loss for the financial period	-	-	(206)	18	-	(2,082)	(2,270)
At 30 September 2023	85,684	16,099	19,723	674	2,034	(74,081)	50,133

CME Group Berhad

(Incorporated in Malaysia, Registration No. 197901007949 (52235-K))

Statements of Changes in Equity

for the financial year ended 30 September 2024

Group	<-----Non distributable----->					Distributable	
	Share capital RM'000	ICULS RM'000	Revaluation reserve RM'000	Foreign currency transaction reserve RM'000	Warrant reserve RM'000	Accumulated losses RM'000	Total equity RM'000
At 1 October 2023	85,684	16,099	19,723	674	2,034	(74,081)	50,133
Inssuance of share capital	353	-	-	-	-	-	353
Loss for the financial year	-	-	-	-	-	(2,502)	(2,502)
Other comprehensive loss for the financial year	-	-	-	(743)	-	-	(743)
Total comprehensive loss for the financial year	-	-	-	(743)	-	(2,502)	(3,245)
At 30 September 2024	86,037	16,099	19,723	(69)	2,034	(76,583)	47,241

CME Group Berhad

(Incorporated in Malaysia, Registration No. 197901007949 (52235-K))

Statements of Changes in Equity

for the financial year ended 30 September 2024

	<-----Non distributable----->			Distributable	Total equity RM'000
	Share capital RM'000	ICULS RM'000	Warrant reserve RM'000	Accumulated losses RM'000	
Company					
At 1 July 2022	80,851	20,899	2,061	(73,947)	29,864
- Conversion of ICULS (Note 16)	4,800	(4,800)	-	-	-
- Conversion of warrants (Note 17)	33	-	(27)	-	6
	4,833	(4,800)	(27)	-	6
Loss for the financial period	-	-	-	(353)	(353)
Other comprehensive loss for the financial period	-	-	-	-	-
Total comprehensive loss for the financial period	-	-	-	(353)	(353)
At 30 September 2023	85,684	16,099	2,034	(74,300)	29,517
Issuance of share capital	353	-	-	-	353
Loss for the financial year	-	-	-	(485)	(485)
Other comprehensive loss for the financial year	-	-	-	-	-
Total comprehensive loss for the financial year	-	-	-	(485)	(485)
At 30 September 2024	86,037	16,099	2,034	(74,785)	29,385

The accompanying accounting policies and explanatory notes form an integral part of the financial statement

CME Group Berhad

(Incorporated in Malaysia, Registration No. 197901007949 (52235-K))

Statements of Cash Flows

for the financial year ended 30 September 2024

	Note	Group		Company	
		1.10.2023 to 30.9.2024 RM'000	1.7.2022 to 30.9.2023 RM'000	1.10.2023 to 30.9.2024 RM'000	1.7.2022 to 30.9.2023 RM'000
Cash flows from operating activities					
Loss before taxation		(2,252)	(1,939)	(485)	(353)
Adjustments for : -					
Amortisation of intangible assets		200	250	-	-
Depreciation of property, plant and equipment		168	184	-	1
Depreciation of right-of-use assets		55	72	-	-
Fair value gain on financial asset at fair value through profit or loss		(173)	(1)	(173)	(1)
Finance costs		1,209	1,550	800	911
Gain on disposal of property, plant and equipment		(206)	-	-	-
Impairment loss on intangible assets		150	-	-	-
Interest income		(1)	-	-	-
Provisions of warranties		148	143	-	-
Reversal of provision for warrants		(148)	(140)	-	-
Unrealised gain on foreign exchange		(211)	(100)	-	(1)
Operating (loss)/profit before working capital changes		(1,061)	19	142	557
Changes in working capital : -					
Inventories		5,608	(17,106)	-	-
Trade receivables		(408)	(1,362)	(279)	(172)
Other receivables, deposits and prepayment		2,178	(4,772)	204	(7)
Contract liabilities		(2,472)	14,938	-	-
Trade payables		241	(532)	(239)	77
Other payables and accruals		919	1,652	134	1,139
Provisions		208	(21)	-	-
Cash generated from/(used in) operations		5,213	(7,184)	(38)	1,594
Interest paid		(1,209)	(1,550)	-	-
Tax paid		(120)	(190)	-	-
Tax refund		-	69	-	-
Net cash from/(used in) operating activities		3,884	(8,855)	(38)	1,594

CME Group Berhad

(Incorporated in Malaysia, Registration No. 197901007949 (52235-K))

Statements of Cash Flows

for the financial year ended 30 September 2024

	Note	Group		Company	
		1.10.2023 to 30.9.2024 RM'000	1.7.2022 to 30.9.2023 RM'000	1.10.2023 to 30.9.2024 RM'000	1.7.2022 to 30.9.2023 RM'000
Cash flows from investing activities					
Purchase of property, plant and equipment	4	(1,553)	(10)	-	-
Interest received		1	-	-	-
Net cash used in investing activities		(1,552)	(10)	-	-
Cash flows from financing activities					
Issuance of share capital		353	-	353	7
Advance from/(repayment to) subsidiaries		-	-	664	(558)
Placement/(Withdrawal) of cash collateral		1,372	(6,191)	-	-
(Repayment)/drawdown of project loans		(2,431)	23,803	-	-
Repayment of term loan and project loans		-	(7,894)	-	-
Repayment of short-term loan		(745)	(952)	-	-
Drawdown of bankers' acceptance		270	150	-	-
Repayment of lease liabilities		(90)	71	-	-
Interest paid		-	-	(800)	(911)
Net cash (used in)/generated from financing activities		(1,271)	8,987	217	(1,462)
Net increase in cash and cash equivalents		1,061	122	179	132
Cash and cash equivalents at beginning of the financial year/period		(10,185)	(10,331)	(3,121)	(3,253)
Foreign exchange difference		(743)	24	-	-
Cash and cash equivalents at the end of the financial period/year		(9,867)	(10,185)	(2,942)	(3,121)
Analysis of cash and cash equivalents :					
Cash and bank balances	14	6,147	7,562	10	53
Bank overdrafts	18	(10,025)	(10,386)	(2,952)	(3,174)
		(3,878)	(2,824)	(2,942)	(3,121)
Less : Cash collateral	14	(5,989)	(7,361)	-	-
		(9,867)	(10,185)	(2,942)	(3,121)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements

CME Group Berhad

(Incorporated in Malaysia, Registration No. 197901007949 (52235-K))

Notes to the Financial Statements

30 September 2024

1. General information

CME Group Berhad is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

The addresses of the registered office and principal place of business of the Company are as follows :-

Registered office : - No. 22C, Jalan Gelugor
41050 Klang
Selangor Darul Ehsan

Principal place of business : - Lot 19, Jalan Delima 1/1
Taman Perindustrian Teknologi Tinggi Subang
47500 Subang Jaya
Selangor Darul Ehsan

The consolidated financial statements of the Company as at and for the financial period ended 30 September 2024 comprise the Company and its subsidiary companies (together referred to as the "Group" and individually referred to as "Group entities"). The financial statements of the Company as at and for the financial period ended 30 September 2024 do not include other entities.

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiary companies are set out in Note 7 to the financial statements.

These financial statements were authorised for issue by the Board of Directors on 24 January 2025

2. Basis of preparation

a) Financial position of the Group and the Company

The financial statements of the Group and the Company have been prepared on a going concern basis, notwithstanding that the Group and the Company recorded accumulated losses of RM76,583,000 and RM74,785,000 respectively during the financial year ended 30 September 2024, and as of that date, the Group's and the Company's current liabilities exceeded their current assets by RM25,250,000 and RM41,871,000 respectively, thereby indicating the existence of a material uncertainty which may cast significant doubt about the Group's and the Company's ability to continue as a going concern.

The ability of the Group and the Company to continue as a going concern is dependent on continuous financial support from a substantial shareholder, ability to generate positive future cash flows and have sufficient banking credit facilities to meet its obligations and liabilities as and when they fall due.

b) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Notes to the Financial Statements

30 September 2024

2. Basis of preparation (Cont'd.)

c) Adoption of new MFRS and amendments to MFRSs

The Group and the Company have adopted the following applicable new MFRS and amendments to MFRSs for the current financial year : -

New MFRS

MFRS 17 Insurance Contracts

Amendments to MFRSs

MFRS 17 Insurance Contracts – Initial Application of MFRS 17 and MFRS 9 – Comparative Information

MFRS 101 Presentation of Financial Statements

MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors

MFRS 112 Income Taxes

The initial application of the above new MFRS and amendments to MFRSs did not have any significant effect on the financial statements of the Group and the Company and did not result in significant changes to the Group and the Company's existing accounting policies, except as discussed below : -

Amendments to MFRS 101 Presentation of Financial Statements

The amendments required an entity to disclose its material accounting policy information rather than significant accounting policies. The amendments, amongst others, also include examples of circumstances in which an entity is likely to consider an accounting policy information to be material to its financial statements.

Accordingly, the Group and the Company disclosed their material accounting policy in these financial statements. However, the amendments did not result in changes to the accounting policies of the Group and the Company.

Notes to the Financial Statements

30 September 2024

2. Basis of preparation (Cont'd.)

d) Amendments to MFRSs and new MFRSs that have been issued, but yet to be effective

- i) The Group and the Company have not adopted the following amendments to MFRSs and new MFRSs that have been issued but yet to be effective : -

		Effective for financial periods beginning on or after
<u>Amendments to MFRSs</u>		
MFRS 7	Financial Instruments: Disclosure	1 January 2024 & 1 January 2026
MFRS 9	Financial Instruments	1 January 2026
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 16	Leases	1 January 2024
MFRS 101	Presentation of Financial Statements	1 January 2024
MFRS 107	Statement of Cash Flows	1 January 2024
MFRS 121	The Effect of Changes in Foreign Exchange Rates	1 January 2025
MFRS 128	Investment in Associates and Joint Ventures	Deferred
Annual Improvement to MFRS Accounting Standard – Volume 11		1 January 2026
<u>New MFRS</u>		
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027

- ii) The Group and the Company plan to adopt the above applicable amendments to MFRSs and new MFRSs when they become effective. A brief discussion on the above significant amendment to MFRSs that may be applicable to the Company are summarised below.

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18 replaces MFRS 101 Presentation of Financial Statements. It retains many requirements from MFRS 101 without modification.

MFRS 18 introduces two subtotals which are to be presented in the statement of profit or loss – including “operating profit”, which has been specifically defined. Income and expenses shall be presented in five categories: operating, investing, financing, income taxes and discontinued operations.

MFRS 18 requires disclosure of explanations of the entity’s company-specific measures that are related to the statement of profit or loss, referred to as management-defined performance measures (“MPMs”). The entity is required to reconcile MPMs to a total or subtotal required by MFRS 18 or another MFRS Accounting Standards. MFRS 18 also requires other disclosures, including how each MPM is calculated, what the MPM communication about the entity’s financial performance, and any changes made to the MPMs in the year.

Notes to the Financial Statements

30 September 2024

2. Basis of preparation (Cont'd.)

d) Amendments to MFRSs and new MFRSs that have been issued, but yet to be effective (Cont'd.)

- ii) The Group and the Company plan to adopt the above applicable amendments to MFRSs and new MFRSs when they become effective. A brief discussion on the above significant amendment to MFRSs that may be applicable to the Company are summarised below. (Cont'd.)

MFRS 18 Presentation and Disclosure in Financial Statements (Cont'd.)

MFRS 18 adds new principles for aggregation and disaggregation of information. It requires the entity to classify the expenses in the “operating” category in the profit or loss by nature or function, or both. The entity that classifies operating expenses by functions are required to disclose in the notes to the financial statements, the amount of depreciation, amortisation, employee benefits, impairment losses and write-downs of inventories included in each line in the operating category. Subject to materiality, MFRS 18 requires items presented or disclosed as “other” to be labelled and/or described in as faithfully representative and precise a way as possible

Amendments to MFRS 16 Leases

The amendments clarify how an entity should subsequently measure the leaseback liability that arise in a sale and leaseback transaction. Although MFRS 16 includes requirements on how to account for a sale and leaseback at the date the transaction takes place, it has not specified how to measure the sale and leaseback transaction when reporting after that date.

The amendments add subsequent measurement requirements for the right-of-use assets and lease liability arising from a sale and leaseback transaction by clarifying that a seller-lessee in a sale and leaseback transaction shall apply paragraphs 29 to 35 to the right-of-use asset arising from the leaseback and paragraphs 36 to 46 to the lease liability arising from the leaseback. The amendments will not change the accounting for leases other than those arising in a sale and leaseback transaction.

Amendments to MFRS 101 Presentation of Financial Statements

The amendments include specifying that an entity’s right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period; clarifying that classification of liability is unaffected by the likelihood of the entity to exercise its right to defer settlement of the liability for at least twelve months after the reporting period; clarifying how lending conditions affect classification of a liability; and clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

The latest amendments to MFRS 101 clarify how conditions with which an entity must comply within 12 months after the reporting period affect the classification of a liability. As such, the amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require an entity to disclose information about the covenants in the notes to the financial statements.

Notes to the Financial Statements

30 September 2024

2. Basis of preparation (Cont'd.)

d) Amendments to MFRSs and new MFRSs that have been issued, but yet to be effective (Cont'd.)

- ii) The Group and the Company plan to adopt the above applicable amendments to MFRSs and new MFRSs when they become effective. A brief discussion on the above significant amendment to MFRSs that may be applicable to the Company are summarised below. (Cont'd.)

Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures

Amendments to MFRS 107 and MFRS 7 respond to investors' concerns that some supplier finance arrangement – also referred to as supply chain finance, trade payables finance or reverse factoring arrangements – used by entities are not sufficiently visible, hindering investors' analysis.

The disclosure requirements require entities to disclose information that would enable users of financial statements to assess how supplier finance arrangements affect an entity's operations; including the effect supplier finance arrangements have on an entity's liability, cash flows and exposures to liquidity risk. The new disclosure requirements would also inform users of financial statements on how an entity might be affected if the arrangements were no longer available to it.

Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures

These narrow scope amendments to MFRS 9 clarify the classification and measurement requirements, including : -

- clarify how the contractual cash flows on financial assets with environmental, social and corporate governance and similar features should be assessed, specifically the assessment of interest focuses on what an entity is being compensated for, rather than how much compensation it receives. Nonetheless, the amount of compensation the entity receives may indicate that it is being compensated for something other than basic lending risks and costs.
- clarify the date on which a financial asset or a financial liability settled via electronic payment systems is derecognised. The Amendments permit an entity to derecognise a financial liability before it delivers cash on the settlement date if specified criteria are met.

Amendments to MFRS 7 introduces new disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features that do not relate directly to basic lending risks and costs.

Other than described above, the initial application of the amendments to MFRSs and new MFRSs are not expected to have any significant impact on the financial statements of the Group and the Company.

Notes to the Financial Statements

30 September 2024

2. Basis of preparation (Cont'd.)

e) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 3 to the financial statements.

f) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Group's and the Company's functional currency.

g) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than the following items : -

i) Allowance for inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews required judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

ii) Measurement of Expected Credit Loss ("ECL") allowance for financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group and the Company use judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's and the Company's past history, existing market conditions as well as forward looking estimates at the end of reporting period.

Notes to the Financial Statements

30 September 2024

2. Basis of preparation (Cont'd.)

g) Use of estimates and judgements (Cont'd.)

iii) Deferred tax assets

Deferred tax assets are recognised for all unabsorbed tax losses, unabsorbed capital allowances and other temporary differences to the extent that it is probable that taxable profit will be available against which the unabsorbed tax losses, unabsorbed capital allowances and other temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The amount of unrecognised deferred tax assets arising from unabsorbed tax losses, capital allowances and other temporary differences are as disclosed in Note 31 to the financial statements.

iv) Impairment of investment in subsidiary companies

The Company reviews the investments in subsidiaries for impairment when there is an indication of impairment and assess the impairment of receivables on the amounts due from subsidiaries when the receivables are long outstanding.

The recoverable amounts of the investments in subsidiaries and amounts due from subsidiaries are assessed by reference to the value in use of the respective subsidiaries.

The value in use is the net present value of the projected future cash flows derived from the business operations of the respective subsidiaries discounted at an appropriate discount rate. For such discounted cash flow method, it involves the use of estimated future results and a set assumptions to reflect their income and cash flows. Judgement had also been used to determine the discount rate for the cash flows and the future growth of the businesses of the subsidiaries.

The carrying amounts of investment in subsidiary companies of the Company as at 30 September 2024 are as disclosed in Note 7 to the financial statements.

Notes to the Financial Statements

30 September 2024

3. Material accounting policy information

a) Basis of consolidation

i) Subsidiaries and business combinations

The Group applies the acquisition method to account for business combinations from the acquisition date when the acquired set of activities meets the definition of a business and control is transferred to Group.

b) Financial instruments

Financial assets – subsequent measurements and gains and losses

Debt instruments at amortised cost

These assets are subsequently measured at amortised cost under the effective interest method. The gross carrying amount is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities – subsequent measurements and gains and losses

Financial liabilities are classified at amortised cost. Financial liabilities are subsequently measured at amortised cost under the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

c) Property, plant and equipment

Property, plant and equipment (other than freehold land and buildings) are measured at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land and buildings are measured using revaluation model, based on valuations by external independent valuers, less accumulated depreciation on buildings and any impairment losses recognised after the date of revaluation. Valuations are performed with sufficient regularity to ensure that the fair value of the freehold land and buildings does not differ materially from the carrying amount. The gross carrying amount is restated and the difference compared to the revalued amount of asset is absorbed by the accumulated depreciation.

The revaluation reserve is transferred to retained earnings as the assets are used. The amount of revaluation reserve transferred is the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Revaluation on freehold land and buildings are performed once in every five years with additional valuations in the intervening years where market conditions indicate that the carrying values of the revalued freehold land and buildings materially differ from the market value.

Notes to the Financial Statements

30 September 2024

3. Material accounting policy information (Cont'd.)

c) Property, plant and equipment (Cont'd.)

Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

Freehold land has an unlimited useful life and therefore is not depreciated. All other property, plant and equipment are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

The principal annual rates of depreciation for the property, plant and equipment are as follows :-

	Rate (%)
Building	2
Computer, furniture and fittings, office and workshop equipment and air-conditioners	10 - 30
Motor vehicles	20

d) Contract liability

A contract liability is stated at cost and represents the obligation of the Company to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers.

e) Leases

i) Lessee accounting

The Group presents right-of-use assets and lease liabilities as separate lines in the statements of financial position.

Short-term leases and leases of low value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. Accordingly, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of lease.

Right-of-use assets

The right-of-use assets are measured at cost less accumulated depreciation and any accumulated impairment losses, and adjust for any remeasurement of the lease liabilities. The right of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use assets or the end of the lease term.

Notes to the Financial Statements

30 September 2024

3. Material accounting policy information (Cont'd.)

e) Leases (Cont'd.)

i) Lessee accounting (Cont'd.)

The Group presents right-of-use assets and lease liabilities as separate lines in the statements of financial position. (Cont'd.)

Lease liabilities

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the incremental borrowing rate. The Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

f) Intangible assets

Intangible assets represent the trademarks at cost less any accumulated impairment losses. Trademarks have an indefinite useful life as it is maintained through continuous marketing and introduction of new products. Trademarks are tested annually for impairment. Where an indication of impairment exists, the carrying amount of trademarks are assessed and written down immediately to its recoverable amount.

g) Investment properties

Investment properties are properties held to earn rental income or for capital appreciation or both.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair values of investment properties are recognised in profit or loss for the period in which they arise.

Cost includes purchase price and any directly attributable costs incurred to bring the property to its present location and condition intended for use as an investment property.

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 disposals. Any gains and losses arising from derecognition of the asset is recognised in the profit or loss.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property carried at fair value to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, any difference arising on the date of change in use between the carrying amount of the item immediately prior to the transfer and its fair value is recognised directly in equity as a revaluation of properties, plant and equipment.

Notes to the Financial Statements

30 September 2024

3. Material accounting policy information (Cont'd.)

h) Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of work-in-progress and finished goods, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less than estimated costs of completion and the estimated costs necessary to make the sale.

i) Impairment

i) Financial assets

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost, debt investments measured at fair value through other comprehensive income, contract assets and lease receivables. Expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balance and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12 months expected credit loss. Loss allowances for trade receivables, contract assets and lease receivables are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

Notes to the Financial Statements

30 September 2024

3. Material accounting policy information (Cont'd.)

i) Impairment (Cont'd.)

i) Financial assets (Cont'd.)

The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of debt investments measured at fair value through other comprehensive income is recognised in profit or loss and the allowance account is recognised in other comprehensive income.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost and debt securities at fair value through other comprehensive income are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's or the Company's procedures for recovery amounts due.

ii) Other assets

The carrying amounts of other assets (except for contract assets, deferred tax asset, assets arising from employee benefits, investment property measured at fair value and non-current assets (or disposal group) classified as held for sale) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to group of cash-generating units that are expected to benefit from the synergies of the combination.

Notes to the Financial Statements

30 September 2024

3. Material accounting policy information (Cont'd.)

i) Impairment (Cont'd.)

ii) Other assets (Cont'd.)

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. 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 or cash generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (group of cash-generating units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognized.

j) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risk specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

k) Revenue and other income

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

Notes to the Financial Statements

30 September 2024

3. Material accounting policy information (Cont'd.)

k) Revenue and other income (Cont'd.)

The Group transfers control of a good or service at a point in time unless one of the following over time criteria is met : -

- the customer simultaneously receives and consumes the benefits provided as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

If control of the assets is transferred over time, revenue is recognised over the period of the contract by reference to the progress towards the satisfaction of each of those performance obligations. Otherwise, revenue is recognised at a point in time when the customer obtain control over the goods or service.

i) Goods sold

Revenue from the sale of goods is recognised upon delivery of goods where the control of the goods has been passed to the customers, net of goods and services taxes and discounts.

Deferred costs are recognised when the goods delivered to customers but pending installation and/or testing rendered to customers.

ii) Manufacturing and assembly of fire fighting and specialist vehicles

Revenue is recognised at point in time when control of vehicles is transferred to the customer. The customer accepts the vehicle with satisfaction as to the quality of the assembled vehicle, take delivery and has absolute rights over the distribution and selling price of the vehicle.

Revenue from these sales of fire fighting and specialist vehicles is recognised based on the fixed price specified in the contract and the variable expenses recoverable from the customers, based on the aggregate service provided over an agreed period. Accumulated experience is used to estimate and provide for the variable expenses recoverable, using the expected value method and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

A receivable is recognised when the vehicles are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before payment is due.

Notes to the Financial Statements

30 September 2024

3. Material accounting policy information (Cont'd.)

k) Revenue and other income (Cont'd.)

iii) Rendering of services

Revenue from services rendered is recognised in profit or loss in proportion to the stage of completion of the transaction at the end of the reporting period. The stage of completion is assessed by reference to services performed to date as a percentage of total services to be performed.

iv) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

v) Rental income

Rental income is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income from sub-leased property is recognised as other income.

Notes to the Financial Statements

30 September 2024

3. Material accounting policy information (Cont'd.)

l) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

m) Operating segments

An operating segment is a component of the Group and the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's and the Company's other components. All operating segments' operating results are reviewed regularly by the Chief Operating Decision Maker, which in this case is the Board of Directors of the Company, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

n) Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise full conversion of the ICULS and warrants.

Notes to the Financial Statements

30 September 2024

4. Property, plant and equipment

Group	<----- At valuation ----->		<----- At costs ----->		
	Freehold land RM'000	Building RM'000	Computer, furniture, fittings, office and workshop equipment and air- conditioners RM'000	Motor vehicles RM'000	Total RM
2024					
At valuation/costs					
At 1.10.2023	20,625	6,875	1,300	1,463	30,263
Additions	-	1,538	15	-	1,553
Disposal	-	-	-	(1,193)	(1,193)
At 30.9.2024	20,625	8,413	1,315	270	30,623
Accumulated depreciation					
At 1.10.2023	-	104	1,283	1,462	2,849
Charge for the financial year	-	161	7	-	168
Disposal	-	-	-	(1,193)	(1,193)
At 30.9.2024	-	265	1,290	269	1,824

Notes to the Financial Statements

30 September 2024

4. Property, plant and equipment (Cont'd.)

Group	<----- At valuation ----->		<----- At costs ----->		
	Freehold land RM'000	Building RM'000	Computer, furniture, fittings, office and workshop equipment and air- conditioners RM'000	Motor vehicles RM'000	Total RM
2023					
At valuation/costs					
At 1.7.2022	21,150	7,050	1,568	1,095	30,863
Additions	-	-	10	-	10
Reclassification (to)/from right-of-use assets (Note 5)	-	-	(278)	368	90
Revaluation deficit	(525)	424	-	-	(101)
Transfer/reclassification from accumulated depreciation	-	(599)	-	-	(599)
At 30.9.2023	<u>20,625</u>	<u>6,875</u>	<u>1,300</u>	<u>1,463</u>	<u>30,263</u>
Accumulated depreciation					
At 1.7.2022	-	423	1,301	1,094	2,818
Charge for the financial period	-	174	10	-	184
Reclassification (to)/from right-of-use assets	-	-	(28)	368	340
Transfer/reclassification from accumulated depreciation	-	(493)	-	-	(493)
At 30.9.2023	<u>-</u>	<u>104</u>	<u>1,283</u>	<u>1,462</u>	<u>2,849</u>

Notes to the Financial Statements

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4. Property, plant and equipment (Cont'd.)

Group	<----- At valuation ----->		<----- At costs ----->		Total RM
	Freehold land RM'000	Building RM'000	Computer, furniture, fittings, office and workshop equipment and air- conditioners RM'000	Motor vehicles RM'000	
Carrying amount					
At 30.9.2024	20,625	8,149	25	-	28,799
At 30.9.2023	20,625	6,771	17	1	27,414

Notes to the Financial Statements

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4. Property, plant and equipment (Cont'd.)

Company	Computers, furniture, fittings, office and workshop equipment and air-conditioners RM'000
2024	
At cost	
At 1.10.2023/30.9.2024	<u>122</u>
Accumulated depreciation	
At 1.10.2023/30.9.2024	<u>122</u>
2023	
At cost	
At 1.7.2022/30.9.2023	<u>122</u>
Accumulated depreciation	
At 1.7.2022	121
Charge for the financial period	<u>1</u>
At 30.9.2023	<u>122</u>
Carrying amount	
At 30.9.2024	<u>-</u>
At 30.9.2023	<u>-</u>

i) Assets pledged as security

Freehold land and building with carrying amount of RM27,396,000 (2023 – RM27,396,000), have been pledged to licensed banks as securities for credit facilities granted to a subsidiary as disclosed in Note 18(ii), Note 18(iii) and Note 18(iv) to the financial statements.

Notes to the Financial Statements

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4. Property, plant and equipment (Cont'd.)

ii) Revaluation of freehold land and building

Had the revalued freehold land and building been carried at historical cost less accumulated depreciation, the net carrying amount would have been as follows :-

Group	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
30.9.2024			
Freehold land	1,820	-	1,820
Building	8,798	(3,804)	4,994
	<u>10,618</u>	<u>(3,804)</u>	<u>6,814</u>
30.9.2023			
Freehold land	1,820	-	1,820
Building	7,261	(3,918)	3,343
	<u>9,081</u>	<u>(3,918)</u>	<u>5,163</u>

iii) Fair value information

The fair value of property, plant and equipment of the Group is categorised as follows :-

Group	Level 3 RM'000
30.9.2024	
Freehold land	20,625
Building	8,413
	<u>29,038</u>
30.9.2023	
Freehold land	20,625
Building	6,875
	<u>27,500</u>

The freehold land and building of the Group have been revalued on 5 January 2023 by external independent valuers, Amax Valuers Sdn. Bhd., a member of the Institute of Valuers in Malaysia. Fair value is determined by comparison and cost method of valuation.

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5. Right-of-use assets

Group	Motor vehicles RM'000	Software RM'000	Total RM'000
2024			
Costs			
At 1.10.2023	157	278	435
Addition	-	-	-
At 30.9.2024	<u>157</u>	<u>278</u>	<u>435</u>
Accumulated depreciation			
At 1.10.2023	157	98	255
Charge for the financial year	-	55	55
At 30.9.2024	<u>157</u>	<u>153</u>	<u>310</u>
Carrying amount	<u>-</u>	<u>125</u>	<u>125</u>
2023			
Costs			
At 1.7.2022	525	-	525
Reclassification from/(to) property, plant and equipment (Note 4)	(368)	278	(90)
At 30.9.2023	<u>157</u>	<u>278</u>	<u>435</u>
Accumulated depreciation			
At 1.7.2022	523	-	523
Charge for the financial period	2	70	72
Reclassification from/(to) property, plant and equipment (Note 4)	(368)	28	(340)
At 30.9.2023	<u>157</u>	<u>98</u>	<u>255</u>
Carrying amount	<u>-</u>	<u>180</u>	<u>180</u>

Notes to the Financial Statements

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6. Investment properties

	Group and Company	
	2024	2023
	RM'000	RM'000
At fair value		
At end of the financial year	35,030	35,030

Investment properties of the Group and the Company comprise commercial and residential properties that are intended to be leased to third parties. No contingent rents are charged.

Investment properties of the Group and the Company with carrying amount of RM22,270,000 (2023 – RM22,270,000) have been pledged as securities for banking facilities and advances granted to the Group and the Company as mentioned in Note 18(i), Note 18(ii) and Note 24 to the financial statements respectively.

As at the reporting date, the title of the investment properties of the Group and the Company with carrying amount of RM12,760,000 (2023 – RM12,760,000) has yet to be transferred to the Company's name.

Rental income of RM1,160,073 (2023 – RM1,570,517) is recognised in profit or loss in respect of the investment properties. The direct operating expenses of RM167,179 (2023 – RM225,751) to generate rental income is recognised in profit or loss in respect of investment properties.

Fair value information

The fair value of investment properties of the Group and Company is categorised as follows : -

Group and Company	Level 2	Level 3	Total
	RM'000	RM'000	RM'000
30.9.2024			
Investment properties	-	35,030	35,030
30.9.2023			
Investment properties	-	35,030	35,030

The previous year fair values of the investment properties have been determined based on valuation report dated 22 April 2021 using comparison and investment method of valuation. The valuation is carried out by external independent valuers, Range International Property & Valuer (M) Sdn. Bhd., a member of the Institute of Valuers in Malaysia. The most significant input into this valuation approach is price per square feet of comparable properties.

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7. Investment in subsidiaries

	Company	
	2024	2023
	RM'000	RM'000
Unquoted shares, at cost	10,338	10,338
Quasi loans	65,556	65,556
	<u>75,894</u>	<u>75,894</u>
Less : Impairment loss		
- Unquoted shares	(780)	(780)
- Quasi loans	(39,484)	(39,484)
	<u>(40,264)</u>	<u>(40,264)</u>
	<u>35,630</u>	<u>35,630</u>

The movements in the accumulated impairment losses of investment in subsidiaries during the financial year were : -

	2024	2023
	RM'000	RM'000
At end of the financial year	<u>40,264</u>	<u>40,264</u>

Quasi loans represent amount owing by subsidiary companies which is non-trade in nature, unsecured and non-interest bearing. The settlement of the amount is neither planned nor likely to occur in the foreseeable future as it is the intention of the Company to treat this amount as long-term source of capital to the subsidiary company. As this amount is, in substance, a part of the Company's net investment in the subsidiaries, it is stated at cost less accumulated impairment loss, if any.

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7. Investment in subsidiaries (Cont'd.)

The details of the subsidiary companies are as follows : -

<u>Name of subsidiary companies</u>	<u>Principal place of business/ Country of incorporation</u>	<u>Principal activity</u>	<u>Effective ownership interest</u>	
			2024 %	2023 %
CME Industries Sdn. Bhd.	Malaysia	Servicing of firefighting and specialist vehicles and sale of related spare parts	100	100
CME Edaran Sdn. Bhd.	Malaysia	Sale and servicing of firefighting equipment and specialist vehicles and sale of related spare parts	100	100
CME Technologies Sdn. Bhd.	Malaysia	Designing, manufacturing and sale of firefighting equipment, fire engines and specialist vehicles	100	100
CME Health Sdn. Bhd.*	Malaysia	Trade and deal in all types of pharmaceutical, medicinal, biological and health supplement products and related health care products	100	100
CME Pyroshield Sdn. Bhd.	Malaysia	Sale and servicing of firefighting gas system and other safety related products	100	100
CME Properties (Australia) Pty Ltd*#	Australia	Property development	100	100
Jernih Iras Sdn. Bhd.	Malaysia	Dormant	100	100
Mom's Care Retail Sdn. Bhd.	Malaysia	Trading of baby products, the company has ceased business	100	100
Modern Mum Retail Sdn. Bhd.	Malaysia	Trading of maternity wear, the company has ceased business	100	100

* The auditors' report of the subsidiary companies contains an emphasis of material uncertainty related to going concern.

Audited by a firm other than Kreston John & Gan.

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8. Inventories

	Group	
	2024	2023
	RM'000	RM'000
Non-current : -		
At net realisable value		
- Freehold land held for development	11,563	12,318
Current : -		
At costs		
- Work-in-progress	18,671	23,445
- Trading merchandise	231	310
	<u>18,902</u>	<u>23,755</u>
	<u>30,465</u>	<u>36,073</u>

The cost of inventories of the Group recognised as an expense in cost of sales during the financial year was RM14,318,708 (2023 – RM9,925,218).

The net realisable value of freehold land held for development of AUD4,050,000 (approximately RM11,563,155 (2023 – AUD 4,050,000 (approximately RM12,317,670))) was arrived from directors' estimation by reference to the actual transactions transacted for properties around the same vicinity.

9. Intangible assets

Group	Goodwill	Trademarks	Total
	RM'000	RM'000	RM'000
30.9.2024			
Costs			
At 1.10.2023/30.9.2024	121	1,450	1,571
Accumulated amortisation			
At 1.10.2023	-	650	650
Charge for the financial year	-	200	200
At 30.9.2024	<u>-</u>	<u>850</u>	<u>850</u>
Accumulated impairment losses			
At 1.10.2023	121	450	571
Impairment losses recognised	-	150	150
At 30.9.2024	<u>121</u>	<u>600</u>	<u>721</u>
Carrying amount	<u>-</u>	<u>-</u>	<u>-</u>

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9. Intangible assets (Cont'd.)

Group	Goodwill RM'000	Trademarks RM'000	Total RM'000
30.9.2023			
Costs			
At 1.7.2022/30.9.2023	121	1,450	1,571
Accumulated amortisation			
At 1.7.2022	-	650	650
Charge for the financial year	-	-	-
At 30.9.2023	-	650	650
Accumulated impairment losses			
At 1.7.2022/30.9.2023	121	450	571
Carrying amount	-	350	350

10. Other investment

	Group and Company	
	2024 RM'000	2023 RM'000
At fair value		
- Quoted equity investment	596	423

11. Trade receivables

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Trade receivables	8,908	8,289	6,627	6,348
Less : Impairment losses (Note 35(c)(i))	(5,966)	(5,966)	(5,966)	(5,966)
	2,942	2,323	661	382

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12. Other receivables, deposits and prepayments

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Other receivables	1,296	1,503	481	682
Less : Impairment losses (Note 35(c)(i))	(668)	(678)	(65)	(65)
	628	825	416	617
Deposits	6,201	4,662	3,381	3,384
Prepayments	1	3,521	-	-
	6,830	9,008	3,797	4,001

13. Amount due from/(to) subsidiaries

	Company	
	2024	2023
	RM'000	RM'000
Non-trade		
Amount due from subsidiaries	4,355	3,322
Less : Impairment losses (Note 35(c)(i))	(1,399)	(1,399)
	2,956	1,923
Non-trade		
Amount due to subsidiaries	(37,227)	(35,530)

The non-trade amount due from subsidiaries is unsecured, non-interest bearing, repayable on demand by cash and cash equivalents.

The non-trade amount due to subsidiaries is unsecured, non-interest bearing, repayable upon demand and is expected to be settled in cash except for an amount due to a subsidiary of RM2,686,000 (2023 – RM2,686,000) which bears interest at rate ranging from 5.47% to 8.50% (2023 – 5.47% to 8.50%) per annum.

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14. Cash and bank balances

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Cash in hand	21	18	-	-
Cash at banks	6,126	7,544	10	53
Cash and bank balances	<u>6,147</u>	<u>7,562</u>	<u>10</u>	<u>53</u>

Included in the bank at banks balance of the Group is an amount of RM5,989,000 (2023 – RM7,361,000) charged to a licensed bank as cash collateral for banking facilities granted to a subsidiary as disclosed in Note 18(i)(2) to the financial statement and therefore, restricted from use in other operations.

The currency exposure profile of trade payables are as follows :-

	Group	
	2024	2023
	RM'000	RM'000
Australian Dollar	4	4
Great Britain Pound	1	-
Singapore Dollar	3	-
United States Dollar	<u>7</u>	<u>1</u>

15. Share capital

	Group and Company			
	2024	2023	2024	2023
	Number of ordinary shares ('000)		RM'000	RM'000
Issued and fully paid				
As at 1 October	1,033,564	984,922	85,684	80,851
Private placement	14,500	-	353	-
Conversion of ICULS	-	48,000	-	4,800
Conversion of warrants	-	642	-	33
As at 30 September	<u>1,048,064</u>	<u>1,033,564</u>	<u>86,037</u>	<u>85,684</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank pari passu with regard to the Company's residual assets.

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16. Irredeemable convertible unsecured loan stocks (“ICULS”)

On 28 November 2014, the Company issued 784,250,715 ICULS.

The ICULS are constituted by a Trust Deed Dated 15 October 2014 as varied in the Supplemental Trust Deed dated 13 March 2018. The ICULS at the nominal amount of RM0.04 each issued by the Company have a tenure of ten (10) years from the date of issue and are not redeemable in cash. Unless converted, all outstanding ICULS will be mandatorily converted by the Company into new ordinary shares of the Company (“CME Shares”) at the conversion price applicable on the maturity date (i.e. 27 November 2024).

The ICULS may be converted into new CME Shares by :-

- (i) surrendering the ICULS with an aggregate nominal value equivalent to RM0.10 for every one (1) new CME Share (subject to adjustments in accordance with the provisions of the Trust Deed) (“Conversion Price”); or
- (ii) surrendering one (1) ICULS together with the necessary cash payment constituting the difference between the Conversion Price and the nominal value of the ICULS surrendered, for one (1) new CME Share. For avoidance of doubt, for every one (1) ICULS surrendered together with the required cash payment, the holder will only be entitled to subscribe for one (1) new CME Share.

The new CME Shares to be issued upon conversion of the ICULS will, upon allotment and issuance, rank pari passu in all respects with the then existing CME Shares save that they will not be entitled for any dividends, rights, allotments, and/or other distributions, the entitlement date of which is before the date of allotment of the new CME Shares pursuant to the conversion of the ICULS.

The interest on the ICULS is at zero coupon rate per annum on the nominal value of the outstanding ICULS.

In previous financial period, 120,000,000 ICULS were converted into 48,000,000 new ordinary shares, based on conversion price of RM0.10 per ordinary shares.

As at 30 September 2024, the remaining balance of ICULS is 402,475,915 (2023 – 402,475,915).

Subsequent to the financial year ended, the ICULS were fully converted upon the maturity date.

17. Reserves

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revaluation reserve	(i)	19,723	19,723	-	-
Foreign currency translation reserve	(ii)	(69)	674	-	-
Warrant reserve	(iii)	2,034	2,034	2,034	2,034
Accumulated losses		(76,583)	(74,081)	(74,785)	(74,300)
		<u>(54,895)</u>	<u>(51,650)</u>	<u>(72,751)</u>	<u>(72,266)</u>

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30 September 2024

17. Reserves (Cont'd.)

(i) **Revaluation reserve**

Revaluation reserve represents the surplus on the revaluation of freehold land and building of the Group.

(ii) **Foreign currency translation reserve**

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of a foreign operation whose functional currency is different from that of the Group's presentation currency as well as the foreign currency differences arising from monetary items which form part of the Group's net investment in foreign operation, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation or another currency.

(iii) **Warrant reserve**

On 14 May 2018, the Company issued 123,783,023 free warrants to all subscribers of the rights issue on the basis of five (5) free warrants for every four (4) right shares subscribed. The warrants were listed on the Main Market of Bursa Malaysia Securities Berhad on 14 May 2018. The warrants are constituted under a Deed Poll executed on 13 March 2018.

The salient features of the warrants are as follows : -

- a) Each warrant entitles the registered holder the right at any time during the exercise period of 10 years from 14 May 2018 to 13 May 2028 to subscribe in cash for one new ordinary share of the Company at an exercise price of RM0.01 each (subject to adjustments in accordance with the provisions of the Deed Poll);
- b) Upon the expiry of the exercise period, warrants which have not been exercised will lapse and cease to be valid for any purposes; and
- c) The holders of the warrants are not entitled to any voting right or participation in any dividends, rights, allotment and/or other forms of distribution other than on winding-up, compromise or arrangement of the Company unless and until the holders of the warrants become a shareholder of the Company by exercising his warrants into new shares.

In previous financial year, 641,900 new ordinary shares by way of conversions of warrants at an exercised price of RM0.01 each and transfer of warrants reserve of RM0.0426 each upon exercise of warrants.

In previous financial year, the opening balance of warrant reserve was 48,392,523 and 641,900 new ordinary shares by way of conversions of warrants. The number of outstanding Warrants 2018/2028 are 47,750,623 (2023 – 47,750,623).

Notes to the Financial Statements

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17. Reserves (Cont'd.)

(iii) Warrant reserve (Cont'd.)

The fair value of the warrants is RM0.0426 each estimated using the Trinomial option model, taking into account the terms and conditions upon which the warrants are issued. The fair value of the warrants measured at issuance date and the assumptions are as follows : -

Valuation model	Trinomial
Exercise type	American
Tenure	10 years
Risk-free rate	4.18%
Conversion price	RM0.01
Volatility rate	97.57%
Period of volatility assessment	Past 10 years up to and including 14 May 2018

18. Borrowings

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-current : -					
<u>Secured</u>					
Term loan		-	-	-	-
Short-term loan		1,303	1,191	-	-
		<u>1,303</u>	<u>1,191</u>	-	-
Current : -					
<u>Secured</u>					
Term loan and project loans		21,544	23,975	-	-
Bank overdrafts		10,025	10,386	2,952	3,174
Bankers' acceptances		420	150	-	-
Short-term loan		-	857	-	-
		<u>31,989</u>	<u>35,368</u>	<u>2,952</u>	<u>3,174</u>
Total borrowings					
<u>Secured</u>					
Term loan and project loans	(i)	21,544	23,975	-	-
Bank overdrafts	(ii)	10,025	10,386	2,952	3,174
Bankers' acceptances	(iii)	420	150	-	-
Short-term loan	(iv)	1,303	2,048	-	-
		<u>33,292</u>	<u>36,559</u>	<u>2,952</u>	<u>3,174</u>

Notes to the Financial Statements

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18. Borrowings (Cont'd.)

(i) Term loan and project loans

1. Term loan

The term loan of the Group and the Company bear interest rate of 7.00% (2023 – 8.50%) per annum and are secured by way of : -

- (a) corporate guarantee by the Company; and
- (b) legal charge over property held by third party.

2. Project loans

Project loan 1

The project loan 1 bear interest at rate range from 8.50% (2023 – 8.50%) per annum and is secured by following : -

- (a) corporate guarantee by the Company;
- (b) specific Deed of Assignment of particular project proceeds and charge over the project account to be executed between the Company and the bank; and
- (c) cash collateral as disclosed in Note 14 to the financial statements.

Project loan 2

The project loan 2 bear interest at rate range from 8.22% (2023 – 8.22%) per annum and is secured by following : -

- (a) corporate guarantee by the Company;
- (b) 30% cash margin placed in form of cash deposit; and
- (c) legal charge over the investment properties of the Company as disclosed in Note 6 to the financial statements.

(ii) Bank overdrafts

The bank overdrafts of the Group and the Company bear interest at rate range from 7.97% to 8.20% (2023 – 7.97% to 8.20%) and 7.82% (2023 – 7.82%) per annum respectively and are secured by way of : -

- (a) corporate guarantee by the Company;
- (b) legal charge over the investment properties of the Company as disclosed in Note 6 to the financial statements; and
- (c) legal charge over the freehold land and building of subsidiary company as disclosed in Note 4(i) to the financial statements.

(iii) Bankers' acceptance

Bankers' acceptance of the Group bear interest at rate of 3.15% to 4.15% (2023 – 3.15% to 4.15%) per annum and are secured by way of : -

- (a) corporate guarantee by the Company; and
- (b) legal charge over the freehold land and building of subsidiary company as disclosed in Note 4(i) to the financial statements.

Notes to the Financial Statements

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18. Borrowings (Cont'd.)

(iv) Short-term loan

The short-term loan of the Group bear interest at rate of 4.29% (2023 – 4.29%) per annum and are secured by way of :-

- (a) corporate guarantee by the Company; and
- (b) legal charge over the freehold land and building of subsidiary company as disclosed in Note 4(i) to the financial statements.

19. Lease liabilities

Future minimum lease payments under finance leases together with the present value of net minimum lease payments are as follows :-

	Group	
	2024	2023
	RM'000	RM'000
Minimum lease payments :-		
- Not later than one year	84	102
- Later than one year and not later than two years	-	85
- Later than two years and not later than five years	-	-
	<u>84</u>	<u>187</u>
Less : Future finance charges	(4)	(17)
Present value of minimum lease payments	<u>80</u>	<u>170</u>
Repayable as follows :-		
Non-current		
- Later than one year and not later than two years	-	77
- Later than two years and not later than five years	-	-
	<u>-</u>	<u>77</u>
Current		
- Not later than one year	80	-
	<u>80</u>	<u>77</u>

The weighted average effective interest rate of the lease liabilities of the Group is 2.56% (2023 – 2.37% - 2.95%) per annum.

The Group obtains lease facilities to finance their purchase of motor vehicles and software. The remaining lease terms are in the range from 1 to 3 years as at 30 September 2024. Implicit interest rate of the lease is fixed and the inception of the lease arrangements and the lease instalments are fixed throughout the lease period. The Group has the option to purchase the assets at the end of the agreements. There are no significant restriction clauses imposed on the lease arrangements.

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30 September 2024

20. Provisions

	Group	2023
	2024	RM'000
	RM'000	RM'000
<u>Warranties</u>		
As at 1 October/1July	106	124
Recognised in profit or loss	148	143
Repayment or utilised during the financial year/period	208	(21)
Reversal during financial year/period	(148)	(140)
As at 30 September	<u>314</u>	<u>106</u>

The Group and the Company provide warranty for fire fighting and specialist vehicles which have completed the repair and passed the quality tests, and undertakes to provide repair or spare parts replacement services to customers free of charge within the warranty period. As at 30 September 2024, based on the best estimates of management, the Company recognised a provision of RM314,304.

The assessment of warranty costs requires the use of certain critical accounting estimates and management's best knowledge and judgment on the circumstances. The actual situation and results may differ from management's assessment. Accordingly, the Group's and the Company's liability balance at 30 September 2024 may be subject to further changes.

21. Deferred tax liabilities

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
At beginning of the financial year/period	1,967	1,848	-	-
Recognised in profit or loss (Note 31)	-	-	-	-
- Property, plant and equipment	-	29	-	-
- Other	250	90	-	-
At end of the financial year/period	<u>2,217</u>	<u>1,967</u>	<u>-</u>	<u>-</u>

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22. Contract liabilities

	Group 2024 RM'000	2023 RM'000
Contract liabilities		
Consideration received or amount billed for goods or services yet rendered	13,623	16,095

Significant changes in contract balances : -

	Group 2024 RM'000	2023 RM'000
Contract liabilities		
Contract liabilities at the beginning of financial year/period being recognised to revenue currently	(22,347)	(8,244)
Increase due to consideration received or billed, but revenue not recognised	19,875	23,182
Net changes in contract liabilities	(2,472)	14,938

23. Trade payables

The normal credit terms of trade payables range from 30 to 60 days (2023 – 30 to 60 days). Other credit terms are assessed and approved on a case-by-case basis.

The currency exposure profile of trade payables are as follows : -

	Group 2024 RM'000	2023 RM'000
Great Britain Pound	28	33
Singapore Dollar	3	3
United Stated Dollar	27	42

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24. Other payables and accruals

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Other payables	7,961	8,005	6,844	6,787
Accruals	2,923	2,629	687	1,553
Deposits received	1,223	760	1,503	560
	<u>12,107</u>	<u>11,394</u>	<u>9,034</u>	<u>8,900</u>

Included in other payables of the Group and of the Company consist of advances from third parties amounted to RM4,627,254 (2023 – RM4,627,254) of which RM820,000 (2023 – RM820,000) bears interest at rate of 18% (2023 – 18%) per annum and secured by way of legal charge over the investment properties of the Group and the Company as disclosed in Note 6 to the financial statements.

25. Revenue

(i) Disaggregation of revenue

	Group		Company	
	1.10.2023 to 30.9.2024 RM'000	1.7.2022 to 30.9.2023 RM'000	1.10.2023 to 30.9.2024 RM'000	1.7.2022 to 30.9.2023 RM'000
Primary geographical market				
- Malaysia	<u>27,222</u>	<u>12,944</u>	<u>1,160</u>	<u>1,571</u>
Total revenue from contracts with customers :-				
- Manufacturing of fire fighting and specialist vehicles	22,960	8,252	-	-
- Servicing of fire fighting vehicles and equipment	526	1,852	-	-
- Sale of fire fighting equipment gas system and accessories	2,576	1,269	-	-
	<u>26,062</u>	<u>11,373</u>	<u>-</u>	<u>-</u>
Rental income from investment properties	<u>1,160</u>	<u>1,571</u>	<u>1,160</u>	<u>1,571</u>
	<u>27,222</u>	<u>12,944</u>	<u>1,160</u>	<u>1,571</u>
Timing of revenue recognition :-				
- At a point in time	<u>26,062</u>	<u>11,373</u>	<u>-</u>	<u>-</u>

Notes to the Financial Statements

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25. Revenue (Cont'd.)

(ii) Nature of goods

<u>Nature of goods</u>	<u>Timing of recognition or method used to recognise revenue</u>	<u>Significant payment terms</u>	<u>Variable element in consideration</u>	<u>Obligation for returns or refunds</u>	<u>Warranty</u>
Manufacturing of firefighting and specialist vehicles	Revenue is recognised at a point in time when the goods are delivered and accepted by the customer at its premise.	Credit period of 30 to 60 days from invoice date.	Discount are given to customers based on director discretion.	The group allows return only for modification of fire truck (i.e. no cash refund are offered).	Defect liability period of 0 – 24 months is given to the purchaser.
Servicing of fire fighting vehicles and equipment	Revenue is recognised at a point in time when the services are rendered and accepted by the customer at its premise.	Credit period of 30 to 60 days from invoice date.	Discount are given to customers based on director discretion.	Not applicable.	Not applicable.
Sale of firefighting equipment systems and accessories	Revenue is recognised at a point in time when the goods are delivered and accepted by the customer at its premise.	Credit period of 30 to 90 days from invoice date.	Discount are given to customers based on director discretion.	The group allows return only for exchange with new goods (i.e. no cash refund are offered).	Not applicable.
Sale of maternity and baby products	Revenue is recognised at a point in time when the goods are delivered and accepted by the customer at its premise.	Credit period of 30 to 60 days from invoice date.	Discount are given to customers based on director discretion.	Not applicable.	Not applicable.
Rental income from investment properties	Revenue is recognised on a straight-line basis over the term of the lease.	Credit period of 30 to 90 days from invoice date.	Not applicable.	Not applicable.	Not applicable.

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25. Revenue (Cont'd.)

- (iii) Transaction price allocated to the remaining performance obligations

The Group applies the practical expedient on the exemption on disclosure of information on remaining performance obligations that have original expected durations of one year or less.

- (iv) Significant judgements and assumptions arising from revenue recognition

The Group did not apply significant judgements and assumptions that significantly affect the determination of the amount and timing of revenue recognised from contracts with customers.

26. Other income

	Group		Company	
	1.10.2023 to 30.9.2024 RM'000	1.7.2022 to 30.9.2023 RM'000	1.10.2023 to 30.9.2024 RM'000	1.7.2022 to 30.9.2023 RM'000
Gain on disposal of property, plant and equipment	206	-	-	-
Gain on foreign exchange : -				
- Realised	175	14	173	-
- Unrealised	211	100	-	1
Other income	8	43	-	40
Other provision of project cost	-	106	-	-
Reversal of overprovision in other payable	8	-	-	-
Truck rental	-	81	-	-
	608	344	173	41

27. Finance costs

	Group		Company	
	1.10.2023 to 30.9.2024 RM'000	1.7.2022 to 30.9.2023 RM'000	1.10.2023 to 30.9.2024 RM'000	1.7.2022 to 30.9.2023 RM'000
Interest expenses on : -				
- Lease liabilities	12	16	-	-
- Term loans and project loans	70	188	-	40
- Bank overdraft	838	1,053	516	582
- Bankers' acceptance	5	4	-	-
- Other borrowings	284	289	284	289
	1,209	1,550	800	911

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28. Loss before taxation

	Group		Company	
	1.10.2023 to 30.9.2024 RM'000	1.7.2022 to 30.9.2023 RM'000	1.10.2023 to 30.9.2024 RM'000	1.7.2022 to 30.9.2023 RM'000
This is arrived at after charging :-				
Auditors' remuneration				
- Kreston John & Gan				
- current financial year/period	125	90	50	30
- prior financial year/period	1	-	1	-
- other services	8	5	8	5
- Other auditors	12	12	-	-
Amortisation of intangible asset	200	250	-	-
Bad receivable written off	184	-	-	-
Depreciation of :-				
- property, plant and equipment	168	184	-	1
- right-of-use assets	55	72	-	-
Directors' remuneration (Note 30)	291	323	175	178
Employee benefits expenses (Note 29)	1,591	2,050	45	87
Finance costs (Note 27)	1,209	1,550	800	911
Impairment loss on intangible assets	150	-	-	-
Provision for warranties	148	143	-	-
Realised loss on foreign exchange	280	144	-	-
and crediting :-				
Fair value gain on financial asset at fair value through profit or loss	173	1	173	1
Gain on disposal of property, plant and equipment	206	-	-	-
Gain on foreign exchange :-				
- Realised	175	14	-	-
- Unrealised	211	100	-	1
Interest income	1	-	-	-
Overprovision of project cost	-	106	-	-
Reversal of overprovision in Other payable	8	-	-	-
Truck rental	-	81	-	-

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29. Employee benefits expenses

	Group		Company	
	1.10.2023 to 30.9.2024 RM'000	1.7.2022 to 30.9.2023 RM'000	1.10.2023 to 30.9.2024 RM'000	1.7.2022 to 30.9.2023 RM'000
Salaries and other staff benefit	1,413	1,844	40	78
Defined contribution plan	178	206	5	9
	<u>1,591</u>	<u>2,050</u>	<u>45</u>	<u>87</u>

30. Directors' remuneration

	Group		Company	
	1.10.2023 to 30.9.2024 RM'000	1.7.2022 to 30.9.2023 RM'000	1.10.2023 to 30.9.2024 RM'000	1.7.2022 to 30.9.2023 RM'000
Directors' remuneration				
- fees	175	178	175	178
- other emoluments	105	133	-	-
- defined contribution plan	11	12	-	-
	<u>291</u>	<u>323</u>	<u>175</u>	<u>178</u>

31. Income tax expense

	Group		Company	
	1.10.2023 to 30.9.2024 RM'000	1.7.2022 to 30.9.2023 RM'000	1.10.2023 to 30.9.2024 RM'000	1.7.2022 to 30.9.2023 RM'000
Income tax expense				
- current year/period	-	24	-	-
Deferred tax (Note 21)				
- current year/period	250	119	-	-
	<u>250</u>	<u>143</u>	<u>-</u>	<u>-</u>

Income tax is calculated at the Malaysian statutory tax rates of 24% (2023 – 24%) of the estimated assessable profit for the financial period/year. The corporate tax rate applicable to the subsidiary of the Group in Australia is 30% (2023 – 30%).

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31. Income tax expense (Cont'd.)

The numerical reconciliation between the effective tax rate and the applicable tax rate is as follows :-

	Group		Company	
	1.10.2023 to 30.9.2024 %	1.7.2022 to 30.9.2023 %	1.10.2023 to 30.9.2024 %	1.7.2022 to 30.9.2023 %
Applicable tax rate	(24)	(24)	(24)	(24)
Different tax rate in foreign jurisdiction	(5)	(6)	-	-
Non-allowable expenses	26	33	24	77
Non-taxable income	-	(1)	-	-
Deferred tax assets not recognised	14	17	-	-
Utilisation of previous year deferred tax assets not recognised	-	(12)	-	(53)
Effective tax rate	<u>11</u>	<u>7</u>	<u>-</u>	<u>-</u>

As at 30 September 2024, the Group and the Company have the following temporary differences which are not recognised as deferred tax assets in the financial statements as it is not probable that future taxable income will be available to allow the assets to be utilised :-

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Unutilised tax losses	9,998	8,385	579	-
Unabsorbed capital allowance	56	76	-	-
Other temporary differences	-	(100)	-	-
	<u>10,054</u>	<u>8,361</u>	<u>579</u>	<u>-</u>
Deferred tax asset not recognised at 24%	<u>2,413</u>	<u>2,007</u>	<u>-</u>	<u>-</u>

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group and the Company can utilise the benefits there from.

The unabsorbed capital allowances are only allowed to be carried forward to offset against future taxable profits from the same business source of the Group and of the Company. Pursuant to the latest tax legislation in Malaysia, unabsorbed tax losses from year of assessment 2019 onwards can be carried forward for a maximum of 10 years. Unabsorbed capital allowances attributable to Group entities incorporated in Malaysia do not expire under the current tax legislation.

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31. Income tax expense (Cont'd.)

The unabsorbed tax losses are available for offset against future taxable profits of the Group and the Company which will expire in the following financial years :-

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
2028	5,377	5,377	-	-
2029	1,220	1,220	-	-
2031	827	827	-	-
2032	961	961	579	-
2034	1,613	-	-	-
	<u>9,998</u>	<u>8,385</u>	<u>579</u>	<u>-</u>

32. Earnings per share***Basic Earnings Per Ordinary Share***

Basic earnings per share is calculated by dividing the earnings/loss for the financial period attributable to ordinary shareholders by weighted average number of ordinary shares in issue during the financial period as follows :-

	Group	
	2024	2023
	RM'000	RM'000
Loss attributable to owners of the Company	<u>(2,502)</u>	<u>(2,082)</u>
Weighted average number of ordinary shares in issue ('000)	<u>1,043,706</u>	<u>1,012,437</u>
Basic earning per share (sen)	<u>(0.24)</u>	<u>(0.21)</u>

Notes to the Financial Statements

30 September 2024

32. Earnings per share (Cont'd.)

Diluted Earnings Per Ordinary Share

Diluted earnings per share is calculated by dividing the consolidated profit attributable to owners of the Group by weighted average number of ordinary shares in issue during the financial period after adjustments for dilutive effects of all potential ordinary shares as follows : -

	Group 2024 RM'000	2023 RM'000
Loss attributable to owners of the Company	(2,502)	(2,082)
Weighted average number of ordinary shares in issue ('000)	1,043,706	1,012,437
Adjusted for assumed exercise of : -		
- ICULS	474,476	474,476
- Warrants	47,751	47,751
	<u>1,565,933</u>	<u>1,534,664</u>
Diluted earning per share (sen)	<u>(0.16)</u>	<u>(0.14)</u>

33. Changes in liabilities arising from financing activities

The table below details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes as follows : -

Group	At 1 October RM'000	Net change from financing cash flow RM'000	At 30 September RM'000
2024			
Term loan and project loans	23,975	(2,431)	21,544
Bankers' acceptance and Short-term loan	2,198	(475)	1,723
Lease liabilities	170	(90)	80
	<u>26,343</u>	<u>(2,996)</u>	<u>23,347</u>

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33. Changes in liabilities arising from financing activities (Cont;d.)

The table below details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes as follows : - (Cont'd.)

Group	At 1 July RM'000	Net change from financing cash flow RM'000	At 30 September RM'000
2023			
Term loan and project loans	8,067	15,908	23,975
Bankers' acceptance and Short-term loan	2,999	(801)	2,198
Lease liabilities	99	71	170
	<u>11,165</u>	<u>15,178</u>	<u>26,343</u>

Cash outflows for leases as a lessee

Group	Note	Group 2024 RM'000	2023 RM'000
Included in net cash from operating activities : -			
Interest paid in relation to lease liabilities	27	12	16
Included in net cash from financing activities : -			
(Repayment)/Drawdown of lease liabilities		(90)	71
Total cash outflows for leases		<u>(78)</u>	<u>87</u>

Notes to the Financial Statements

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34. Segment information

The Group prepared the following segment information in accordance with MFRS 8 Operating Segments based on the internal reports of the Group's strategic business units which are regularly reviewed by the Group's chief operating decision maker for the purpose of making decisions about resource allocation and performance assessment.

The four reportable operating segments are as follows : -

Segments

Investment holding	Investment holding
Manufacturing	Designing, manufacturing, sales and servicing of firefighting and specialist vehicles
Trading	Servicing of firefighting and specialist vehicles Sales of firefighting equipment and related spare parts Sales and servicing of firefighting gas systems and related accessories
Others	Sales of maternity and baby products Dormant

Inter-segment pricing is determined on negotiated basis.

Segment profit

Segment performance is used to measure performance as Group's chief operating decision maker believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Performance is evaluated based on operating profit or loss which is measured differently from operating profit or loss in the consolidated financial statements.

Segment assets and liabilities

The total of segment assets and liabilities are measured based on all assets and liabilities of a segment, as included in the internal reports that are reviewed by the Group's chief operating decision maker.

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34. Segment information (Cont'd.)

(i) Operating segment

	<u>Investment holding</u> RM'000	<u>Manufacturing</u> RM'000	<u>Trading</u> RM'000	<u>Others</u> RM'000	<u>Adjustments and elimination</u> RM'000	Note	<u>Total</u> RM'000
2024							
Revenue : -							
External sales	1,160	25,616	446	-	-		27,222
Inter-segment sales	-	6,739	2,463	-	(9,202)	A	-
Total revenue	<u>1,160</u>	<u>32,355</u>	<u>2,909</u>	<u>-</u>	<u>(9,202)</u>		<u>27,222</u>
Results : -							
Segment results	315	(1,383)	723	(3,980)	3,282	B	(1,043)
Finance costs	(800)	(409)	-	-	-		(1,209)
Segment loss	<u>(485)</u>	<u>(1,792)</u>	<u>723</u>	<u>(3,980)</u>	<u>3,282</u>	B	<u>(2,252)</u>
Income tax expense	-	-	(250)	-	-		(250)
Loss for the financial period	<u>(485)</u>	<u>(1,792)</u>	<u>473</u>	<u>(3,980)</u>	<u>3,282</u>	B	<u>(2,502)</u>

Notes to the Financial Statements

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34. Segment information (Cont'd.)

(i) Operating segment (Cont'd.)

	<u>Investment holding</u> RM'000	<u>Manufacturing</u> RM'000	<u>Trading</u> RM'000	<u>Others</u> RM'000	<u>Adjustments and elimination</u> RM'000	Note	<u>Total</u> RM'000
2024							
Other information : -							
Investment properties	35,030	-	-	-	-		35,030
Addition to property, plant and equipment	-	1,553	-	-	-		1,553
Depreciation of property, plant and equipment	1	5	162	-	-		168
Depreciation of right-of-use assets	-	55	-	-	-		55
Amortisation of intangible assets	-	-	-	200	-		200
Impairment loss on intangible assets	-	-	-	150	-		150
Assets : -							
Segment assets	78,083	62,917	36,480	11,602	(78,488)		110,594
Other investment	596	-	-	-	-		596
Segment assets	<u>78,679</u>	<u>62,917</u>	<u>36,480</u>	<u>11,602</u>	<u>(78,488)</u>	C	<u>111,190</u>
Liabilities : -							
Segment liabilities	49,295	53,941	9,780	53,992	(103,059)	C	63,949

Notes to the Financial Statements

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34. Segment information (Cont'd.)

(i) Operating segment (Cont'd.)

	<u>Investment holding</u> RM'000	<u>Manufacturing</u> RM'000	<u>Trading</u> RM'000	<u>Others</u> RM'000	<u>Adjustments and elimination</u> RM'000	Note	<u>Total</u> RM'000
2023							
Revenue :-							
External sales	1,570	10,105	1,269	-	-		12,944
Inter-segment sales	-	2,132	1,849	-	(3,981)	A	-
Total revenue	<u>1,570</u>	<u>12,237</u>	<u>3,118</u>	<u>-</u>	<u>(3,981)</u>		<u>12,944</u>
Results :-							
Segment results	558	(909)	578	(513)	(103)	B	(389)
Finance costs	(911)	(639)	-	-	-		(1,550)
Segment loss	<u>(353)</u>	<u>(1,548)</u>	<u>578</u>	<u>(513)</u>	<u>(103)</u>	B	<u>(1,939)</u>
Income tax expense	-	-	(143)	-	-		(143)
Loss for the financial period	<u>(353)</u>	<u>(1,548)</u>	<u>435</u>	<u>(513)</u>	<u>(103)</u>	B	<u>(2,082)</u>

Notes to the Financial Statements

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34. Segment information (Cont'd.)

(i) Operating segment (Cont'd.)

	<u>Investment holding</u> RM'000	<u>Manufacturing</u> RM'000	<u>Trading</u> RM'000	<u>Others</u> RM'000	<u>Adjustments and elimination</u> RM'000	Note	<u>Total</u> RM'000
2023							
Other information : -							
Investment properties	35,030	-	-	-	-		35,030
Addition to property, plant and equipment	-	10	-	-	-		10
Depreciation of property, plant and equipment	1	9	174	-	-		184
Depreciation of right-of-use assets	-	72	-	-	-		72
Amortisation of intangible assets	-	-	-	250	-		250
	<hr/>						<hr/>
Assets : -							
Segment assets	77,019	70,295	34,312	12,703	(76,253)		118,076
Other investment	423	-	-	-	-		423
Segment assets	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	C	<hr/>
	77,442	70,295	34,312	12,703	(76,253)		118,499
Liabilities : -							
Segment liabilities	47,924	59,528	8,075	53,652	(100,813)	C	68,366
	<hr/>						<hr/>

Notes to the Financial Statements

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34. Segment information (Cont'd.)

(i) Operating segment (Cont'd.)

Nature of elimination to arrive at amounts reported in the consolidated financial statements : -

- A. Inter-segment revenues are eliminated on consolidation;
- B. Inter-segment revenues and expenses are eliminated on consolidation; and
- C. Inter-segment balances are eliminated on consolidation.

(ii) Information about major customer

Major customers' information is revenue from transaction with a single external customer amount to ten percent or more of the Group's revenue.

The following is major customer with revenue equal or more than 10% of the Group's or the Company's total revenue : -

	2024	2023
	RM'000	RM'000
Manufacturing		
Customer A	5,945	4,980
Customer B	5,832	2,965
Customer C	4,860	276

(iii) Geographical information

The Group is principally operating in Malaysia and hence, no geographical segment is presented.

Notes to the Financial Statements

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35. Financial instruments

a) Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows : -

- (i) Financial assets measured at fair value through profit or loss (“FVTPL”);
- (ii) Financial assets measured at amortised cost (“FAAC”); and
- (iii) Financial liabilities measured at amortised cost (“FLAC”).

Group	Carrying amount RM'000	FVTPL RM'000	FAAC RM'000	FLAC RM'000
2024				
Financial assets				
Other investment	596	596	-	-
Trade receivables	2,942	-	2,942	-
Other receivables and deposits	6,829	-	6,829	-
Cash and bank balances	6,147	-	6,147	-
	<u>16,514</u>	<u>596</u>	<u>15,918</u>	<u>-</u>
Financial liabilities				
Trade payables	(2,316)	-	-	(2,316)
Other payables, accruals and deposits	(12,107)	-	-	(12,107)
Borrowings	(33,292)	-	-	(33,292)
Lease liabilities	(80)	-	-	(80)
	<u>(47,795)</u>	<u>-</u>	<u>-</u>	<u>(47,795)</u>
2023				
Financial assets				
Other investment	423	423	-	-
Trade receivables	2,323	-	2,323	-
Other receivables and deposits	5,487	-	5,487	-
Cash and bank balances	7,562	-	7,562	-
	<u>15,795</u>	<u>423</u>	<u>15,372</u>	<u>-</u>
Financial liabilities				
Trade payables	(2,075)	-	-	(2,075)
Other payables, accruals and deposits	(11,394)	-	-	(11,394)
Borrowings	(36,559)	-	-	(36,559)
Lease liabilities	(170)	-	-	(170)
	<u>(50,198)</u>	<u>-</u>	<u>-</u>	<u>(50,198)</u>

Notes to the Financial Statements

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35. Financial instruments (Cont'd.)

a) Categories of financial instruments (Cont'd.)

The table below provides an analysis of financial instruments categorised as follows : -
(Cont'd.)

Company	Carrying amount RM'000	FVTPL RM'000	FAAC RM'000	FLAC RM'000
2024				
Financial assets				
Other investment	596	596	-	-
Trade receivables	661	-	661	-
Other receivables and deposits	3,797	-	3,797	-
Amount due from subsidiaries	2,956	-	2,956	-
Cash and bank balances	10	-	10	-
	<u>8,020</u>	<u>596</u>	<u>7,424</u>	<u>-</u>
Financial liabilities				
Trade payables	(82)	-	-	(82)
Other payables, accruals and deposits	(9,034)	-	-	(9,034)
Borrowings	(2,952)	-	-	(2,952)
Amount due to subsidiaries	(37,227)	-	-	(37,227)
	<u>(49,295)</u>	<u>-</u>	<u>-</u>	<u>(49,295)</u>
2023				
Financial assets				
Other investment	423	423	-	-
Trade receivables	382	-	382	-
Other receivables and deposits	4,001	-	4,001	-
Amount due from subsidiaries	1,923	-	1,923	-
Cash and bank balances	53	-	53	-
	<u>6,782</u>	<u>423</u>	<u>6,359</u>	<u>-</u>
Financial liabilities				
Trade payables	(321)	-	-	(321)
Other payables, accrual and deposits	(8,900)	-	-	(8,900)
Borrowings	(3,174)	-	-	(3,174)
Amount due to subsidiaries	(35,530)	-	-	(35,530)
	<u>(47,925)</u>	<u>-</u>	<u>-</u>	<u>(47,925)</u>

Notes to the Financial Statements

30 September 2024

35. Financial instruments (Cont'd.)

b) Gains and losses arising from financial instruments : -

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Net losses on : - Financial liabilities measured at amortised costs	(1,209)	(1,550)	(800)	(911)

c) Financial risk management

The Group and the Company have exposure to the following risks from its use of financial instruments : -

- Credit risk
- Liquidity and cash flow risk
- Market risk
- Operational risk

i) Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from the individual characteristics of each customer. The Company's exposure to credit risk arises principally from loans and advances to subsidiary companies. There are no significant changes as compared to prior periods.

Trade receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit valuations are performed on customers requiring credit over a certain amount.

At each reporting date, the Group assesses whether any of the trade receivables and contract assets are credit impaired.

The gross carrying amounts of credit impaired trade receivables and contract assets are written off (either partially or fully) when there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables and contract assets that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous financial year.

Notes to the Financial Statements

30 September 2024

35. Financial instruments (Cont'd.)

c) Financial risk management (Cont'd.)

i) Credit risk (Cont'd.)

Trade receivables (Cont'd.)

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets are represented by the carrying amounts in the statement of financial position.

The trade receivables and contract assets are not secured by any collateral or supported by any other credit enhancements.

Concentration of credit risk

As at 30 September 2024, the Group and the Company have significant concentration of credit risk in the form of outstanding balance of approximately RM580,000 and RM100,000 due from five trade receivable which represents 67% and 48% of the total trade receivables of the Group and the Company. However, the directors are of the opinion that these amount outstanding is fully recoverable. Credit risk and receivables are monitored on an ongoing basis. These procedures substantially mitigate credit risk of the Group and the Company.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are measured at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group and the Company. The Group and the Company use ageing analysis to monitor the credit quality of the receivables. Any past due receivables having significant balances, which are deemed to have higher credit risk, are monitored individually.

Recognition and measurement of impairment losses

The Group and the Company use an allowance matrix to measure the expected credit losses ("ECLs") of trade receivables and contract assets for all segments, which comprise a very large number of insignificant balances outstanding.

To measure the ECLs, trade receivables and contract assets have been grouped based on credit risk and days past due.

Where a receivable has a low credit risk, it is excluded from the allowance matrix and its ECL is assessed individually by considering historical payment trends and financial strength of the receivable.

Notes to the Financial Statements

30 September 2024

35. Financial instruments (Cont'd.)

c) Financial risk management (Cont'd.)

i) Credit risk (Cont'd.)

Trade receivables (Cont'd.)*Recognition and measurement of impairment losses (Cont'd.)*

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets as at 30 September 2023 which are grouped together as they are expected to have similar risk nature : -

	Gross RM'000	Loss allownace RM'000	Net RM'000
2024			
Group			
Not past due	2,708	-	2,708
1 - 30 days past due	174	-	174
61 - 90 days past due	10	-	10
90 - 120 days past due	6	-	6
> 120 days	44	-	44
	<u>2,942</u>	<u>-</u>	<u>2,942</u>
Individual impairment	5,966	(5,966)	-
	<u>8,908</u>	<u>(5,966)</u>	<u>2,942</u>
Company			
Not past due	618	-	618
> 120 days	43	-	43
	<u>661</u>	<u>-</u>	<u>661</u>
Individual impairment	5,966	(5,966)	-
	<u>6,627</u>	<u>(5,966)</u>	<u>661</u>

Notes to the Financial Statements

30 September 2024

35. Financial instruments (Cont'd.)

c) Financial risk management (Cont'd.)

i) Credit risk (Cont'd.)

Trade receivables (Cont'd.)

Recognition and measurement of impairment losses (Cont'd.)

	Gross RM'000	Loss allowance RM'000	Net RM'000
2023			
Group			
Not past due	536	-	536
1 - 30 days past due	1,101	-	1,101
61 - 90 days past due	-	-	-
90 - 120 days past due	648	-	648
> 120 days	38	-	38
	<u>2,323</u>	<u>-</u>	<u>2,323</u>
Individual impairment	5,966	(5,966)	-
	<u>8,289</u>	<u>(5,966)</u>	<u>2,323</u>
Company			
Not past due	344	-	344
> 120 days	38	-	38
	<u>382</u>	<u>-</u>	<u>382</u>
Individual impairment	5,966	(5,966)	-
	<u>6,348</u>	<u>(5,966)</u>	<u>382</u>

The movements in the allowance for impairment in respect of trade receivables during the financial year is as follows :-

	Lifetime ECL RM'000	Credit impaired RM'000	Total RM'000
Group			
At 1 October 2023/ 30 September 2024	-	5,966	5,966
	<u>-</u>	<u>5,966</u>	<u>5,966</u>
Company			
At 1 October 2023/ 30 September 2024	-	5,966	5,966
	<u>-</u>	<u>5,966</u>	<u>5,966</u>

Notes to the Financial Statements

30 September 2024

35. Financial instruments (Cont'd.)

c) Financial risk management (Cont'd.)

i) Credit risk (Cont'd.)

Other receivables

Risk management objectives, policies and processes for managing the risk

The credit risk is controlled by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored via strictly limiting the Group's associations to business partners with high credit worthiness. The Group also has an internal credit review which is conducted if the credit risk is material. Trade receivables are monitored on an ongoing basis via Group management reporting procedures.

There are no significant changes as compared to previous financial period.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Notes to the Financial Statements

30 September 2024

35. Financial instruments (Cont'd.)

c) Financial risk management (Cont'd.)

i) Credit risk (Cont'd.)

Other receivables (Cont'd.)

Recognition and measurement of impairment losses

As at the end of the reporting year, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

As at the end of the reporting year, the Group and the Company did not recognised any allowance for impairment losses.

The movements in the allowance for impairment in respect of other receivables during the financial year are as follows : -

	Lifetime ECL RM'000	Credit impaired RM'000	Total RM'000
Group			
2024			
At 1 October 2023	-	678	678
Effect of foreign exchange differences	-	(10)	(10)
At 30 September 2024	-	668	668
2023			
At 1 July 2022	-	686	686
Effect of foreign exchange differences	-	(8)	(8)
At 30 September 2023	-	678	678
Company			
2024			
At 1 October 2023/30 September 2024	-	65	65
2023			
At 1 July 2022/30 September 2023	-	65	65

Notes to the Financial Statements

30 September 2024

35. Financial instruments (Cont'd.)

c) Financial risk management (Cont'd.)

i) Credit risk (Cont'd.)

Inter-company loans and advances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured loans and advances to subsidiary companies. The Company monitors the ability of the subsidiary companies to repay the loans and advances on an individual basis.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Loans and advances provided are not secured by any collateral or supported by any other credit enhancements.

Recognition and measurement of impairment losses

Generally, the Company considers loans and advances to subsidiary companies have low credit risk. The Company assumes that there is a significant increase in credit risk when a subsidiary company's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiary companies' loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiary companies are not able to pay when demanded. The Company considers a subsidiary company's loan or advance to be credit impaired when :-

- The subsidiary company is unlikely to repay its loan or advance to the Company in full;
- The subsidiary company's loan or advance is overdue for more than 365 days;
or
- The subsidiary company is continuously loss making and is having a deficit shareholders' funds.

The Company determines the default rate for these loans and advances individually using internal information available.

As at the end of the reporting period, the Company did not recognised any additional allowance for impairment losses.

Notes to the Financial Statements

30 September 2024

35. Financial instruments (Cont'd.)

c) Financial risk management (Cont'd.)

i) Credit risk (Cont'd.)

Inter-company loans and advances (Cont'd.)

Recognition and measurement of impairment losses (Cont'd.)

The movements in the allowance for impairment in respect of amount due from subsidiary companies during the financial year are shown below : -

Company	Lifetime ECL RM'000	Credit impaired RM'000	Total RM'000
At 1 July 2022/1 October 2023	-	1,399	1,399
/30 September 2024	-	1,399	1,399

ii) Liquidity and cash flow risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from its various payables and borrowings.

The Group and the Company maintain a level of cash and cash equivalents deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet their liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

Notes to the Financial Statements

30 September 2024

35. Financial instruments (Cont'd.)

c) Financial risk management (Cont'd.)

ii) Liquidity and cash flow risk (Cont'd.)

Maturity analysis

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments : -

Group	Carrying amount RM'000	Interest rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 -2 years RM'000	2 -5 years RM'000
2024						
Non-derivative financial liabilities						
Trade payables	2,316	-	2,316	2,316	-	-
Other payables, accruals and deposit	12,107	-	12,107	12,107	-	-
Borrowings	33,292	3.15 - 8.50	33,512	32,279	939	294
Lease liabilities	80	2.47 - 2.54	84	84	-	-
	<u>47,795</u>		<u>48,019</u>	<u>46,786</u>	<u>939</u>	<u>294</u>

Notes to the Financial Statements

30 September 2024

35. Financial instruments (Cont'd.)

c) Financial risk management (Cont'd.)

ii) Liquidity and cash flow risk (Cont'd.)

Maturity analysis (Cont'd.)

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments : - (Cont'd.)

Group	Carrying amount RM'000	Interest rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 -2 years RM'000	2 -5 years RM'000
2023						
Non-derivative financial liabilities						
Trade payables	2,075	-	2,075	2,075	-	-
Other payables, accruals and deposit	11,394	-	11,394	11,394	-	-
Borrowings	36,559	4.17 - 8.20	39,860	35,453	939	294
Lease liabilities	170	2.37 - 2.95	187	102	85	-
	<u>50,198</u>		<u>53,516</u>	<u>49,024</u>	<u>1,024</u>	<u>294</u>

Notes to the Financial Statements

30 September 2024

35. Financial instruments (Cont'd.)

c) Financial risk management (Cont'd.)

ii) Liquidity and cash flow risk (Cont'd.)

Maturity analysis (Cont'd.)

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments :- (Cont'd.)

	Carrying amount RM'000	Interest rate RM'000	Contractual cash flows RM'000	Under 1 year RM'000
Company				
2024				
Non-derivative financial liabilities				
Trade payables	82	-	82	82
Other payables and accruals	9,034	-	9,034	9,034
Borrowings	2,952	7.82	2,952	2,952
Amount due to subsidiaries				
- Interest bearing	2,686	7.97 - 8.50	2,686	2,686
- Non-Interest bearing	34,541	-	34,541	34,541
Corporate guarantee given to licensed banks for credit facilities granted to subsidiary companies	-	-	36,177	36,177
	<u>49,295</u>		<u>85,472</u>	<u>85,472</u>

Notes to the Financial Statements

30 September 2024

35. Financial instruments (Cont'd.)

c) Financial risk management (Cont'd.)

ii) Liquidity and cash flow risk (Cont'd.)

Maturity analysis (Cont'd.)

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments :- (Cont'd.)

	Carrying amount RM'000	Interest rate RM'000	Contractual cash flows RM'000	Under 1 year RM'000
Company (Cont'd.)				
2023				
Non-derivative financial liabilities				
Trade payables	321	-	321	321
Other payables and accruals	8,900	-	8,900	8,900
Borrowings	3,174	7.82	3,174	3,174
Amount due to subsidiaries				
- Interest bearing	2,686	7.97 - 8.50	2,686	2,686
- Non-Interest bearing	32,844	-	32,844	32,844
Corporate guarantee given to licensed banks for credit facilities granted to subsidiary companies	-	-	36,177	36,177
	<u>47,925</u>		<u>84,102</u>	<u>84,102</u>

Notes to the Financial Statements

30 September 2024

35. Financial instruments (Cont'd.)

c) Financial risk management (Cont'd.)

iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices that will affect the Group's financial position or cash flows. Other than foreign exchange rate risk and interest rates risk, the Group is not exposed to other prices risk.

Currency risk

The Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily US Dollar ("USD"), British Pound ("GBP"), Euro ("EURO"), and Singapore Dollar ("SGD")

Risk management objectives, policies and processes for managing the risk

The exposure to currency risk is monitored by the management and it is not expected to have a material impact on the financial performance of the Group.

Exposure to foreign currency risk

The Group's exposure to foreign currency (a currency which is other than the functional currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period are as follows : -

	RM'000	RM'000
Financial assets and liabilities not held in functional currency : -		
<u>Cash and bank balances</u>		
- USD	7	1
- GBP	1	-
- SGD	3	-
- AUD	4	4
	<u>15</u>	<u>5</u>
<u>Trade payables</u>		
- USD	(27)	(42)
- GBP	(28)	(33)
- SGD	(3)	(3)
	<u>(58)</u>	<u>(78)</u>

Notes to the Financial Statements

30 September 2024

35. Financial instruments (Cont'd.)

c) Financial risk management (Cont'd.)

iii) Market risk (Cont'd.)

Currency risk (Cont'd.)

Currency risk sensitivity analysis

A 10% strengthening of RM against the following currencies at the end of the reporting period would have increased/(decreased) equity and post-tax profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonable possible at the end of the reporting period. This analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted transactions.

	2024		2023	
	Equity	Profit or	Equity	Profit or
	RM'000	Loss	RM'000	Loss
		RM'000		RM'000
<u>Group</u>				
USD	(7)	(7)	(1)	(1)
GBP	(1)	(1)	-	-
SGD	(3)	(3)	-	-
AUD	(4)	(4)	(4)	(4)
	<u>(15)</u>	<u>(15)</u>	<u>(5)</u>	<u>(5)</u>

A 10% of weakening of RM against the above foreign currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

Interest/Expense rate risk

The Group's and the Company's fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest/expense rates. The Group's and the Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest/expense rates. Short term investments such as deposits with licensed banks are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

The Group's and the Company's policy is to borrow principally on the floating rate basis but to retain a proportion of fixed rate debt. The objectives for the mix between fixed and floating rate borrowings are set to reduce the impact of an upward change in interest rates while enabling benefits to be enjoyed if interest rates fall.

Notes to the Financial Statements

30 September 2024

35. Financial instruments (Cont'd.)

c) Financial risk management (Cont'd.)

iii) Market risk (Cont'd.)

Interest rate risk (Cont'd.)

Exposure to interest rate risk

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was :-

Group	2024 RM'000	Interest rate %	2023 RM'000	Interest rate %
<u>Fixed rate instruments</u>				
Lease liabilities	(80)	2.47 - 2.54	(170)	2.37 - 2.95
<u>Floating rate instruments</u>				
Term loan and project loans	(21,544)	7.00	(23,975)	7.00 - 8.50
Bank overdraft	(10,025)	7.97 - 8.20	(10,386)	7.97 - 8.20
Bankers' acceptance	(420)	3.15 - 4.15	(150)	3.15 - 4.15
Short-term loan	(1,303)	4.29	(2,048)	4.29
Company				
<u>Floating rate instruments</u>				
Bank overdraft	(2,952)	7.82	(3,174)	7.82
Amount due to subsidiaries	(2,686)	7.00 - 7.97	(2,686)	7.00 - 7.97

Interest rate risk sensitivity analysis :-

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

At the reporting date, if interest rates had been 100 basis points lower/higher, with all other variables held constant, the Group's and the Company's profit net of tax would have been RM245,000 and RM22,000 (2023 – RM270,000 and RM24,000) respectively higher/lower, arising mainly as a result of lower/higher interest expense on floating rate borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

Notes to the Financial Statements

30 September 2024

35. Financial instruments (Cont'd.)

c) Financial risk management (Cont'd.)

iii) Operational risk

The operational risk arises from the daily activities of the Group and of the Company which includes legal, credit reputation and financing risk and other risks associated to daily running of its business operations.

Such risks are mitigated through proper authority levels of approval limits, clear reporting structure, segregation of duties, policies and procedures implemented and periodic management meetings.

In dealing with its stewardship, the directors recognise that effective risk management is an integral part of good business practice.

The directors will pursue an ongoing process of identifying, assessing and managing key business areas, overall operational and financial risks faced by the business units as well as regularly reviewing and enhancing risk mitigating strategies with its appointed and key management personnel.

Notes to the Financial Statements

30 September 2024

35. Financial instruments (Cont'd.)

d) Fair value information

The carrying amounts of cash and cash equivalents, short term receivables and payables and short term borrowings reasonably approximate their fair value due to the relatively short term nature or that they are floating rate instruments that are re-priced to market interest rates on or near to the reporting date.

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position.

Group	Fair value of financial instrument carried at fair value				Fair value of financial instrument not carried at fair value				Total fair value RM'000	Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000		
2024										
Financial asset										
Other investment	596	-	-	596	-	-	-	-	596	596
Financial liabilities										
Lease liabilities	-	-	-	-	-	(80)	-	(80)	(80)	(80)
Term loan and project loans	-	-	-	-	-	(21,544)	-	(21,544)	(21,544)	(21,544)
Short-term loan	-	-	-	-	-	(1,303)	-	(1,303)	(1,303)	(1,303)
	-	-	-	-	-	(22,927)	-	(22,927)	(22,927)	(22,927)

Notes to the Financial Statements

30 September 2024

35. Financial instruments (Cont'd.)

d) Fair value information (Cont'd.)

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position. (Cont'd.)

Group	Fair value of financial instrument carried at fair value				Fair value of financial instrument not carried at fair value				Total fair value RM'000	Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000		
2023										
Financial asset										
Other investment	423	-	-	423	-	-	-	-	423	423
Financial liabilities										
Lease liabilities	-	-	-	-	-	(85)	-	(85)	(85)	(77)
Term loan and project loans	-	-	-	-	-	(23,975)	-	(23,975)	(23,975)	(23,975)
Short-term loan	-	-	-	-	-	(2,172)	-	(2,172)	(2,172)	(2,048)
	-	-	-	-	-	(26,232)	-	(26,232)	(26,232)	(26,100)

Notes to the Financial Statements

30 September 2024

35. Financial instruments (Cont'd.)

d) Fair value information (Cont'd.)

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position. (Cont'd.)

Company	Fair value of financial instrument carried at fair value				Fair value of financial instrument not carried at fair value				Total fair value RM'000	Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000		
2024										
Financial asset										
Other investment	596	-	-	596	-	-	-	-	596	596
2023										
Financial asset										
Other investment	423	-	-	423	-	-	-	-	423	423

Notes to the Financial Statements

30 September 2024

36. Capital management

The Group and the Company manage their capital to ensure that the Group and the Company will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholders' value. To achieve this objective, the Group and the Company may take adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group and the Company manage their capital based on debt-to-equity ratio. The debt-to-equity ratio is calculated as total borrowings from financial institutions divided by total equity.

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Total borrowings	33,292	36,559	2,952	3,174
Total equity	47,241	50,133	29,385	29,517
Debt-to-equity ratio	0.70	0.73	0.10	0.11

There was no change in the Group's and the Company's approach to capital management during the financial period.

37. Related parties

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group and the Company if the Group and the Company have the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. The key management personnel include all the Directors of the Group and of the Company, and certain members of the senior management of the Group and of the Company.

The Group and the Company have related party relationship with their directors and key management personnel.

CME Group Berhad

(Incorporated in Malaysia, Registration No. 197901007949 (52235-K))

Notes to the Financial Statements

30 September 2024

37. Related parties (Cont'd.)Significant related party transactions

Related party transactions entered into the normal course of business under normal trade terms. The significant related party transactions of the Group and of the Company are show below. The related party balances are shown in Note 13 to the financial statements.

a) Related party/companies transactions : -

	Group	
	2024	2023
	RM'000	RM'000
Transaction with a subsidiary company : -		
CME Edaran Sdn. Bhd.		
- Term loan interest expenses	182	280

b) Compensation of key management personnel

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Directors' remuneration (Note 30)	291	323	175	178
Other key management personnel				
- short term employee benefits	242	335	7	23
- defined contribution plan	26	38	1	3
	<u>559</u>	<u>696</u>	<u>183</u>	<u>204</u>

Notes to the Financial Statements

30 September 2024

38. Material litigation

i) **Bellajade Sdn. Bhd. v CME Group Berhad**

On 12 May 2014, Bellajade Sdn. Bhd. (“Bellajade”) commenced a legal action against the Company (“CME”) arising from the disputes in relation to a Tenancy Agreement dated 21 February 2013 whereby CME agree to rent a premise for a rental of RM1,018,750 per month, commencing from 20 February 2013, for tenancy term of 3 years.

On 20 May 2015, the Kuala Lumpur High Court dismissed Bellajade’s claims of RM8,401,757 to CME and allowed CME’s counterclaim that the Tenancy Agreement for the sum of RM9,411,062 with interest of 4% on the pre-judgment sum and 5% on the post judgment sum, along with the cost of RM30,000 (“FC Order”).

On 3 June 2015, Bellajade filed the Notice of Appeal.

On 24 August 2016, the Court of Appeal allowed Bellajade’s appeal and set aside High Court Order dated 20 May 2015. The Court of Appeal further awarded costs of RM50,000 (for the Appeal Court and High Court) to be paid to Bellajade. The Court of Appeal, however, stayed the Judgment granted in favour of Bellajade pending CME to file Motion for Leave to Appeal to the Federal Court (“COA Order”).

On 13 November 2017, the Federal Court allowed CME’s Motion for Leave to appeal to the Federal Court. The Federal Court also granted a stay of execution of the Judgment of the Court of Appeal dated 24 August 2016 (“CME’s FC Leave Order and Motion”).

On 25 September 2018, the Federal Court allowed CME’s appeal against Bellajade (“CME’s FC Appeal”) and set aside the COA Order. The Federal Court re-instated the FC Order which ordered that Bellajade’s claim against CME be dismissed, the tenancy agreement between Bellajade and CME as null and void and Bellajade to pay CME a sum of RM9,411,062, along with the cost of RM80,000 (“CME’s FC Appeal Order”).

On 4 October 2018, Bellajade filed in the Federal Court a Notice of Motion to review the CME’s FC Appeal Order and a Notice of Motion to stay the execution of CME’s FC Appeal. CME opposed both the Motions.

With the filing of Notice of Discontinuance of the Motion for stay of execution of Federal Court’s order dated 25 September 2018 by Bellajade on 14 November 2018, the file has been closed and hearing date has been vacated.

On 14 February 2019, the Federal Court allowed Bellajade’s Review Motion dated 4 October 2018 to review the judgement delivered on 25 September 2018, setting aside the CME’s FC Appeal Order and the CME FC Appeal to be re-heard by a different panel of judges (“FC Review Order”).

On 15 March 2019, CME applied to review the FC Review Order (“CME Review”). CME has also filed a Notice of Motion to stay the execution of FC Review Order and stay the hearing of CME’s FC Appeal while pending the disposal of the CME’s Review (“CME Stay Motion”).

Pursuant to the Federal Court order dated 13 November 2017, the COA order was stayed pending final disposal of the CME’s FC Appeal. CME’s FC Appeal was fixed for case management, pending the disposal of the CME Review.

Notes to the Financial Statements

30 September 2024

38. Material litigation (Cont'd.)

i) **Bellajade Sdn. Bhd. v CME Group Berhad**

Bellajade has issued a notice dated 24 April 2019 demanded for a sum of RM55,251,738, CME had on 30 April 2019 applied to Kuala Lumpur High Court to seek for an injunction to restrain Bellajade from presenting a winding up petition against CME. On 14 May 2019, CME been granted an ad interim injunction in favour of CME with a condition that CME shall deposit a sum of RM10,969,933 into a joint stakeholder account held by solicitors of CME and Bellajade. The sum had been deposited by CME on 3 June 2019.

On 17 July 2019, Kuala Lumpur High Court allowed CME's application for Fortuna Injunction on the condition that the stakeholder sum of RM10,969,933 deposited remains in the stakeholder account pending the disposal of CME's FC Appeal or any other orders made by the Courts that state otherwise, whichever earlier.

On 24 July 2019, CME filed a Notice of Appeal to Court of Appeal against such part of decision by the Kuala Lumpur High Court dated 17 July 2019 to maintain the stakeholder sum in the stakeholder account ("CME's Appeal"). Case management was fixed on 15 November 2019.

On 15 August 2019, Bellajade filed a Notice of Appeal to Court of Appeal against such part of decision by the Kuala Lumpur High Court dated 14 May 2019 that an interim injunction be granted pending the final disposal of CME's FC Appeal ("Bellajade's Appeal"). Bellajade Appeal was fixed for hearing on 4 December 2020.

On 13 October 2020, the Federal Court had dismissed CME's Notice of Motion dated 15 March 2019 to review the Federal Court's order dated 14 February 2019 which set aside the Federal Court's judgment delivered on 25 September 2018. CME's FC appeal is fixed for rehearing on 27 January 2021.

On 27 January 2021, CME announced that no decision date had been fixed by the Federal Court. The Fortuna Injunction granted to CME by the High Court on 17 July 2019 on the condition that the sum of RM10,969,933 to be kept in the joint solicitors account will subsist until Federal Court's disposal of CME's FC Appeal.

On 30 September 2021, the Federal Court allowed CME's appeal in part, that the tenancy agreement was illegal but declined to order restitution of the rental sum of RM8,401,757 already paid as at 27 December 2013, with no order as to cost.

Bellajade Sdn. Bhd. v CME Group Berhad (BA-28NCC-267-04/2022)

On 27 April 2022, CME received a winding-up petition from solicitors acting on behalf of Bellajade pursuant to the Federal Court Judgement dated 30 September 2021.

The Petition is upon a debt arising pursuant to an agreement dated 21 February 2013 between CME and Bellajade. Bellajade is claiming for a sum of RM50,652,566.18 against CME.

On 16 March 2023, CME announced that Bellajade has served the Company's solicitors with a sealed application to intervene into the Creditors's Judicial Management proceedings as disclosed in Note 38(iii) and Bellajade's application to intervene into the Creditor's Judicial Management proceedings was allowed.

Notes to the Financial Statements

30 September 2024

38. Material litigation (Cont'd.)

i) **Bellajade Sdn. Bhd. v CME Group Berhad (Cont'd.)**

Bellajade Sdn. Bhd. v CME Group Berhad (BA-28NCC-267-04/2022) (Cont'd.)

On 28 March 2023, CME announced that Bellejade has applied to strike out the Creditor's Judicial Management.

In view of the judicial management application, the matter is fixed for Case Management on 10 April 2025 for parties to update court on the status of the application.

Bellajade's winding up petition is currently stayed pending of disposal of judicial management application by Desa Tiasa Sdn Bhd.

ii) **Gemgreen Resources Sdn. Bhd. v CME Group Berhad (BA-28NCC-252-04/2022)**

On 20 April 2022, a winding-up petition from Gemgreen Resources Sdn. Bhd. ("Gemgreen") was received to against CME arising from the outstanding sum of total RM1,582,357 due and owing to Gemgreen.

In view of the judicial management application, the matter is fixed for Case Management on 11 April 2025 for parties to update Court on the status of the application.

Gemgreen's winding up petition is currently stayed pending of disposal of judicial management application by Desa Tiasa Sdn Bhd.

iii) **Desa Tiasa Sdn. Bhd. v CME Group Berhad (BA-28JM-6-08/2022)**

On 10 August 2022, CME was served with the sealed cause papers from an application by a creditor to place the Company under judicial management ("Creditor's JM Application") from Desa Tiasa Sdn. Bhd. ("Desa Tiasa"). Under the Companies Act 2016, all legal proceedings against the Company including winding-up petitions are stayed until the disposal of the Creditor's JM Application.

The suite arises from the outstanding sum of total RM2,038,016 due and owing to Desa Tiasa.

On 15 March 2023, Bellejade's Intervener Application was allowed by the High Court. Subsequently, Bellejade filed an application to strike out Desa Tiasa's JM Application ("Bellejade's Striking Out Application") whilst Desa Tiasa filed a notice to appeal against the High Court's decision to allow Bellejade's Intervener Application ("Desa Tiasa's Appeal") and applied to stay all proceedings pending their appeal ("Desa Tiasa's Stay Application").

Notes to the Financial Statements

30 September 2024

38. Material litigation (Cont'd.)

iii) Desa Tiasa Sdn. Bhd. v CME Group Berhad (BA-28JM-6-08/2022) (Cont'd.)

On 22 March 2023, Bellajade filed an application to strike out the judicial management application on the basis that, pursuant to Section 403 of the Companies Act 2016, a judicial management application does not apply to a company which is subject to the Capital Markets and Services Act 2007.

On 2 May 2023, Desa Tiasa filed an application for stay of proceedings pending the appeal against the decision in allowing Bellajade to intervene. On 29 August 2024, the stay application was allowed by the Court wherein the judicial management and striking out application is now stayed pending the disposal of the appeal.

On 4 December 2024, the appeal was allowed by the Court of Appeal and the High Court Order in allowing Bellajade to intervene into the Judicial Management was set aside. As Bellajade has informed the High Court that it will be applying leave to appeal to the Federal Court, the judicial management and striking out application are fixed for Case Management on 7 February 2025 to update court on the leave application.

In the event that the judicial management application is allowed or disallowed, CME Group Berhad may still be liable for the costs associated with the litigation, including the legal fees. The precise amount of these legal fees will be determined and confirmed at a later stage.

39. Comparative figures

The previous period financial statements cover the financial period from 1 July 2022 to 30 September 2023. Accordingly, comparative figures for the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and the related notes are not in respect of comparable periods.

Statement by Directors

Pursuant to Section 251(2) of the Companies Act 2016

We, Azlan Omry Bin Omar and YM Tunku Nizamuddin Bin Tunku Dato' Seri Shahabuddin, being two of the directors of CME Group Berhad, do hereby state on behalf of the directors that in our opinion, the financial statements set out on pages 52 to 137 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 September 2024 and of the financial performance and the cash flows of the Group and of the Company for the financial year on that date.

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

Azlan Omry Bin Omar

**YM Tunku Nizamuddin Bin Tunku
Dato' Seri Shahabuddin**

Kuala Lumpur,
Date: 24 January 2025

Statutory Declaration

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Azlan Omry Bin Omar, IC No. 660911-08-5409, being the director primarily responsible for the financial management of CME Group Berhad, do solemnly and sincerely declare that the financial statements set out on pages 52 to 137, to the best of my knowledge and belief, are correct.

And, I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared at Kuala Lumpur on 24 January 2025

Azlan Omry Bin Omar

Before me

Commissioner for Oaths

LIST OF PROPERTIES

Owned by:
CME GROUP BERHAD

Location	Land Area	Date of Purchase/ Revaluation	Tenure/ (Approximate Age of Building) Years	Description of Property (Existing Use)	Net Book Value As At 30 September RM
49 units of 3 storey Shoplot office :- H.S. (M) 22733 No. PT 23011 to H.S. (M) 22739 No. PT 23017 H.S. (M) 22741 No. PT 23019 to H.S. (M) 22743 No. PT 23021 H.S. (M) 22745 No. PT 23023 to H.S. (M) 22747 No. PT 23025 H.S. (M) 22759 No. PT 23037 H.S. (M) 22762 No. PT 23040 to H.S. (M) 22773 No. PT 23051 H.S. (M) 22778 No. PT 23056 to H.S. (M) 22788 No. PT 23066 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) 22797 No. PT 23075 H.S. (M) 22803 No. PT 23081 H.S. (M) 22805 No. PT 23083 to H.S. (M) 22809 No. PT 23087	20,535 sq.m	22 April 2021	Leasehold 99 years expiring 25 April 2090	3 Storey	35,030 million

Owned by:-**CME INDUSTRIES SDN BHD**

Location	Land Area	Date of Purchase/ Revaluation	Tenure/ (Approximate Age of Building) Years	Description of Property (Existing Use)	Net Book Value As At 30 September RM
GRN 84205, Lot 38559, Pekan Country Height, District of Petaling, State of Selangor	7,321 sq.m	05 January 2023	Freehold 28 years	3 Storey Office cum Factory Building	28,799 million

Owned by:-**CME PROPERTIES (AUSTRALIA) PTY LTD**

Location	Land Area	Date of Purchase/ Revaluation	Tenure/ (Approximate Age of Building) Years	Description of Property (Existing Use)	Net Book Value As At 30 September RM
20 Henson Street, Local Government Area of City of Mandurah, Australia	11,786 sq.m	28 July 2019	Freehold	Property Development	8,634 million
170 Mandurah Terrace, Local Government Area of City of Mandurah, Australia	3,998 sq.m	28 July 2019	Freehold	Property Development	2,929 million

Analysis of Shareholdings as at 17 January 2025

Authorised Share Capital : RM1,000,000,000
 Issued and Fully Paid Up : RM102,142,961
 Class of Shares : Ordinary Shares

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Share Capital
Less than 100	257	6.79	19,270	0.00
100 - 1,000	357	9.44	235,905	0.02
1,001 - 10,000	643	17.00	4,004,996	0.33
10,001 - 100,000	1,755	46.39	79,532,251	6.58
100,001 to less than 5% of issued shares	769	20.33	871,032,178	72.04
5% and above of issued shares	2	0.05	254,301,400	21.03
Total	3,783	100.00	1,209,126,000	100.00

DIRECTORS' SHAREHOLDINGS

No.	Name of Directors	No. of Shares		No. of Shares	
		Direct Interest	%	Deemed Interest	%
1	Y.M. Tunku Nizamuddin Bin Tunku Dato' Seri Shahabuddin	0	0.00	174,449,400	14.43
2	Dato' Azmil Bin Zabadi	0	0.00	0	0.00
3	YAM Tengku Besar Tengku Kamil Ismail Bin Tengku Idris Shah	0	0.00	0	0.00
4	En. Azlan Omry Bin Omar	50,000	0.00	0	0.00
5	Miss Ong Suan Pin	7,666,000	0.63	0	0.00

SUBSTANTIAL SHAREHOLDERS

No.	Name of Substantial Shareholders	No. of Shares	%
1	Best Birdnest Sdn Bhd	174,449,400	14.43
2	RHB Nominee (Asing) Sdn Bhd	79,852,000	6.60
	Pledged Securities Account MAA Credit Bhd For Luteum Pty Ltd		

THIRTY (30) LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	%
1	BEST BIRDSNEST SDN BHD	174,449,400	14.43
2	RHB NOMINEE (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT MAA CREDIT BHD FOR LUTEUM PTY LTD	79,852,000	6.60
3	RHB NOMINEE (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT MAA CREDIT BHD FOR GRAND HOLDINGS PTY LTD	60,000,000	4.96
4	NG YOKE HIN	48,741,300	4.03
5	RAMLI BIN ABDULLAH	46,960,313	3.88
6	CHUA KIM GUAN	20,700,000	1.71
7	KOK FUI HUN	20,000,000	1.65
8	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN LIAN HONG(8092237)	17,783,100	1.48
9	CHAN HUAN LENG	17,500,000	1.45
10	GOH LILY	16,414,080	1.36
11	WONG MON GIT	14,846,300	1.23
12	TAN SOH WAI	14,577,880	1.21
13	CHUA KIM GUAN	14,517,100	1.20
14	CHAI KIM FAH	14,111,200	1.17
15	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR KEE JU-HUN (PB)	12,000,000	0.99
16	LIEW CHA WEE	11,507,000	0.95
17	CGS-CIMB NOMINEES (ASING) SDN BHD PIONEER UNITED LIMITED (JS 803)	11,502,600	0.95
18	TAN HOCK KIEN	10,200,000	0.84
19	TOH SAI ENG	10,000,000	0.83
20	ANG TAI ENG	9,180,000	0.76
21	OOI PHUAY GIM	8,345,500	0.69
22	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG SUAN PIN	7,666,000	0.63
23	TOH SU-N	7,571,400	0.63
24	VOON SZE LIN	7,470,200	0.62
25	WONG MON GIT	7,400,000	0.61
26	MAYBANK NOMINEES (TEMPATAN) SDN BHD LIM SING HUA	7,340,000	0.61
27	NG WAI HONG	6,700,000	0.55
28	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE SHUH BOON	6,500,000	0.54
29	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN SOH WAI	6,391,600	0.53
30	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ANG YOON CHU @ ANG YOKE FONG	6,000,000	0.50
		696,226,973	57.59

Analysis of Warrant Holdings as at 17 January 2025

No. of Warrant Issued :	123,783,023
No. of Warrant Unexercised :	47,750,623
Exercise Price :	RM0.01
Issue Date :	14 May 2018
Expiry Date :	13 May 2028
No. of Warrant Holders :	247

DISTRIBUTION OF WARRANT HOLDINGS

Size of Warrant Holdings	No. of Warrant Holders	% of Warrant Holders	No. of Warrant Held	% of Issued Warrant
Less than 100	9	3.64	386	0.00
100 - 1,000	35	14.17	15,797	0.03
1,001 - 10,000	59	23.89	251,674	0.53
10,001 - 100,000	94	38.06	3,763,236	7.88
100,001 to less than 5% of issued shares	47	19.03	18,369,864	38.47
5% and above of issued shares	3	1.21	25,349,666	53.09
Total	247	100.00	47,750,623	100.00

DIRECTORS' WARRANT HOLDINGS

No.	Name of Directors	No. of Warrant		No. of Warrant	
		Direct Interest	%	Deemed Interest	%
1	Y.M. Tunku Nizamuddin Bin Tunku Dato' Seri Shahabuddin	0	0.00	17,144,700	35.91
2	Dato' Azmil Bin Mohd Zabidi	0	0.00	0	0.00
3	YAM Tengku Besar Tengku Kamil Ismail Bin Tengku Idris Shah	0	0.00	0	0.00
4	En. Azlan Omry Bin Omar	0	0.00	0	0.00
5	Miss Ong Suan Pin	75,000	0.16	0	0.00

SUBSTANTIAL WARRANT HOLDERS

No.	Name of Substantial Shareholders	No. of Warrant	%
1	Best Birdnest Sdn Bhd	17,144,700	35.91
2	Ramli bin Abdullah	5,660,266	11.85
3	Tan Soh Wai	2,544,700	5.33

THIRTY (30) LARGEST WARRANT HOLDERS

No.	Name of Warrant Holders	No. of Warrant	%
1	BEST BIRDSNEST SDN BHD	17,144,700	35.91
2	RAMLI BIN ABDULLAH	5,660,266	11.85
3	TAN SOH WAI	2,544,700	5.33
4	CHAI KIM FAH	1,974,650	4.14
5	CHAN BOON YOK	1,868,500	3.91
6	LEE CHEE KEONG	898,032	1.88
7	CHIN SWEE YOONG	675,000	1.41
8	GOH LILY	600,000	1.26
9	WONG KEN HEUNG	600,000	1.26
10	YAW SOOK KEAN	570,000	1.19
11	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YEO SEE HUEY	514,700	1.08
12	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR BOON KIM YU (CCTS)	500,000	1.05
13	NG HIANG CHEK	500,000	1.05
14	TEE WEI KEAT	500,000	1.05
15	LOONG FONG LIN	490,000	1.03
16	NG WAI HONG	460,000	0.96
17	SHAIFUL SHAM BIN MD ELAH @ MAZALAH	423,900	0.89
18	REZA BIN SHARIFFUDIN	423,750	0.89
19	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOH KIM LAN (CCTS)	400,000	0.84
20	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ISMAIL BIN MAMAT	400,000	0.84
21	CHAN HUAN CHAI	380,100	0.79
22	CHONG YONG LIN	375,000	0.78
23	TAN SOOK HONG	360,000	0.75
24	KOK FUI HUN	356,600	0.75
25	LEE CHOONG YAN	350,000	0.73
26	LEE CHEE KEONG	333,332	0.70
27	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR FONG KONG SHING (E-TWU)	297,300	0.62
28	TAN CHEE PENG	292,900	0.61
29	MAYBANK NOMINEES (TEMPATAN) SDN BHD NG CHONG ANN	262,800	0.55
30	CHAN KUAN SIU	250,000	0.52
		40,406,230	84.62



Protec

Protec Fire Detection Pty Ltd



CME GROUP BERHAD

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

Lot 19, Jalan Delima 1/1, Taman Perindustrian Teknologi Tinggi Subang,
47500 Subang Jaya, Selangor Darul Ehsan, Malaysia.

Tel: 03-5633 1188 WWW.CME.COM.MY

