

**CME GROUP BERHAD**

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

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

(The figures have not been audited)

	Unaudited At 31/03/2012 RM '000	Audited At 31/12/2011 RM '000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	7,605	7,710
Investment properties	41,590	41,590
Other investments	1,079	1,079
Deferred tax assets	58	58
TOTAL NON-CURRENT ASSETS	50,332	50,437
CURRENT ASSETS		
Inventories	1,123	1,260
Amount due from contract customers	4,030	688
Trade receivables and other receivables	4,204	5,273
Fixed deposits with licensed institutions	2,284	1,159
Tax recoverable	258	298
Cash and bank balances	1,159	559
TOTAL CURRENT ASSETS	13,058	9,237
TOTAL ASSETS	63,390	59,674
EQUITY AND LIABILITIES		
CAPITAL AND RESERVES		
Issued capital	40,110	40,110
Reserves	377	236
Equity attributable to equity holders of the Company	40,487	40,346
Minority interest	148	95
TOTAL EQUITY	40,635	40,441
NON-CURRENT LIABILITIES		
Finance lease payables	594	517
Bank borrowings	1,418	1,133
TOTAL NON-CURRENT LIABILITIES	2,012	1,650
CURRENT LIABILITIES		
Amount due to contract customers	1,450	707
Trade payables and other payables	10,124	8,817
Finance lease payables	141	141
Bank borrowings	9,028	7,918
Tax liabilities	-	-
TOTAL CURRENT LIABILITIES	20,743	17,583
TOTAL LIABILITIES	22,755	19,233
TOTAL EQUITY AND LIABILITIES	63,390	59,674
Net Tangible Assets Per RM0.10 Share	0.101	0.100

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

**CME GROUP BERHAD**

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

**CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE FIRST QUARTER ENDED 31 MARCH 2012**

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter Ended 31/03/2012 (RM '000)	Corresponding Quarter Ended 31/03/2011 (RM '000)	Current Year-To-Date 31/03/2012 (RM '000)	Corresponding Year-To-Date 31/03/2011 (RM '000)
Revenue	5,547	4,930	5,547	4,930
Cost of sales	(4,009)	(3,496)	(4,009)	(3,496)
Gross profit	1,538	1,434	1,538	1,434
Other gains and losses	105	101	105	101
Administrative expenses	(1,105)	(997)	(1,105)	(997)
Other expenses	(148)	(237)	(148)	(237)
Finance costs	(121)	(112)	(121)	(112)
Profit before tax	269	189	269	189
Income tax expense	(75)	(67)	(75)	(67)
Profit for the period	194	122	194	122
Profit attributable to :-				
Equity holders of the parent	141	122	141	122
Minority interest	53	-	53	-
	194	122	194	122
Earnings per share (sen)				
- Basic	0.04	0.03	0.04	0.03
- Diluted	N/A	N/A	N/A	N/A

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

**CME GROUP BERHAD**

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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 MARCH 2012**

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter Ended	Corresponding Quarter Ended	Current Year-To-Date	Corresponding Year-To-Date
	31/03/2012 (RM '000)	31/03/2011 (RM '000)	31/03/2012 (RM '000)	31/03/2011 (RM '000)
Profit for the period	194	122	194	122
Other comprehensive income				
Gain arising from revaluation of available-for-sale investment	-	-	-	-
Total comprehensive income for the period/ year, net of tax	194	122	194	122
Total comprehensive income attributable to :-				
Equity holders of the parent	141	122	141	122
Minority interest	53	-	53	-
	194	122	194	122

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

**CME GROUP BERHAD**

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 MARCH 2012**

(The figures have not been audited)

	Share capital	Non- distributable reserve - Fair value reserve	Distributable reserve - Retained earnings/ (Accumulated losses)	Total attributable to equity holders of the Company	Minority interest	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2011	40,110	-	(460)	39,650	-	39,650
Total comprehensive income for the year	-	419	314	733	(16)	717
Issuance of ordinary shares in subsidiary company	-	-	(37)	(37)	111	74
Balance as at 31 December 2011	40,110	419	(183)	40,346	95	40,441
Profit for the period	-	-	141	141	53	194
Balance as at 31 March 2012	40,110	419	(42)	40,487	148	40,635

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

**CME GROUP BERHAD***(Company No. 52235-K)
(Incorporated in Malaysia)***CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE FIRST QUARTER ENDED 31 MARCH 2012***(The figures have not been audited)*

	Current Year-To-Date 31/03/2012 RM'000	Corresponding Year-To-Date 31/03/2011 RM'000
CASH FLOWS USED IN OPERATING ACTIVITIES		
Profit for the year	194	122
Adjustments for:		
Depreciation of property, plant and equipment	115	94
Income tax expense recognised in income statements	75	67
Interest expenses	121	112
Operating profit before working capital changes	505	395
Changes in working capital:		
Net changes in current assets	(2,096)	(5,625)
Net changes in current liabilities	2,010	3,844
Cash from/ (used in) operations	419	(1,386)
Income tax paid	(35)	(67)
Net cash from operating activities	384	(1,453)
CASH FLOWS USED IN INVESTING ACTIVITIES		
(Placement)/ withdrawal of fixed deposit	(1,125)	-
Purchase of property, plant and equipment	(10)	(4)
Net cash used in investing activities	(1,135)	(4)
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayment of)/ proceeds from net bank borrowings	414	2,688
Interest paid	(121)	(112)
Repayment of net finance lease obligations	77	12
Net cash from financing activities	370	2,588
NET CHANGE IN CASH AND CASH EQUIVALENTS	(381)	1,131
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	(3,627)	(4,202)
CASH AND CASH EQUIVALENTS AT END OF PERIOD/ YEAR	(4,008)	(3,071)
Cash and Cash Equivalents are as follows:-		
Fixed deposits with licensed institutions	2,284	3,774
Cash and bank balances	1,159	1,048
Bank overdrafts	(5,167)	(4,119)
	(1,724)	703
Less :- Fixed deposits pledged	(2,284)	(3,774)
	(4,008)	(3,071)

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



NOTES TO THE INTERIM FINANCIAL STATEMENT – FIRST QUARTER ENDED 31 MARCH 2012

A COMPLIANCE WITH FINANCIAL REPORTING STANDARDS (“FRS”) 134, INTERIM FINANCIAL REPORTING

1 Basis of Preparation

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

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

2 Changes in Accounting Policies

2.1. Malaysian Financial Reporting Standards

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

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

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

2.2. Effect of Adoption of MFRS Framework

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

3 Auditors’ Report on Preceding Annual Financial Statements

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

4 Seasonal or cyclical factors

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

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

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

6 Changes in estimates

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

7 Debt and equity securities

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

8 Dividends paid

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



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9 Segmental reporting

31.03.2012	Invest. Holding RM '000	Contract Engineering RM '000	Trading RM '000	Others RM '000	Elimination RM '000	Consolidated RM '000
Revenue						
External sales	475	3,263	1,809	-	-	5,547
Inter-segment sales	-	2,960	-	-	(2,960)	-
Total revenue	475	6,223	1,809	-	(2,960)	5,547
Results						
Segment results	(56)	327	119	-	-	390
Finance costs						(121)
Profit before tax						269
Income tax expense						(75)
Profit for the year						194
Other information						
Capital additions	-	10	-	-	-	10
Depreciation	1	44	67	3	-	115
Consolidated Balance Sheet						
Assets						
Segment assets	74,549	51,886	16,338	4,967	(85,429)	62,311
Other investment	1,079	-	-	-	-	1,079
Consolidated total assets						63,390
Liabilities						
Segment Liabilities	36,905	32,329	26,669	4,504	(77,652)	22,755
31.03.2011						
	Invest. Holding RM '000	Contract Engineering RM '000	Trading RM '000	Others RM '000	Elimination RM '000	Consolidated RM '000
Revenue						
External sales	453	2,948	1,529	-	-	4,930
Inter-segment sales	-	477	-	-	(477)	-
Total revenue	453	3,425	1,529	-	(477)	4,930
Results						
Segment results	(20)	298	23	-	-	301
Investment revenue						-
Finance costs						(112)
Profit before tax						189
Income tax expenses						(67)
Profit for the year						122

31.12.2011	Invest. Holding RM '000	Contract Engineering RM '000	Trading RM '000	Others RM '000	Elimination RM '000	Consolidated RM '000
Other information						
Capital additions	2	7	561	-	-	570
Depreciation	4	185	221	13	-	423
Consolidated Balance Sheet						
Assets						
Segment assets	74,852	49,799	16,521	3,767	(86,344)	58,595
Other investments	1,079	-	-	-	-	1,079
Consolidated total assets						59,674
Liabilities						
Segment liabilities	36,772	30,452	26,893	3,683	(78,567)	19,233

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

10 Valuation of property, plant and equipment

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

11 Material Subsequent Events

Other than as disclosed in Part B, 6(i) of the announcement on the corporate proposal, there was no material events subsequent to 31 March 2012 that have not been reflected in the interim financial report.

12 Changes in Composition of the Group

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

13 Contingent Liabilities or Contingent Assets

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

14 Capital Commitments

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

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

1 Review of Group performance

For the first quarter ended 31 March 2012, the Group recorded a consolidated revenue of approximately RM5.5 million. The cost of sales for the quarter under review amounted to approximately RM4.0 million.

The consolidated revenue for the current quarter under review has increased by 12.5% from RM4.9 million in the preceding year corresponding quarter to RM5.5 million. The increase in revenue was principally attributed to completion and delivery of fire fighting vehicles during the quarter coupled with the revenue growth of more than two fold from our fire protection gas business segment, compared to preceding year corresponding quarter.

Profit before tax for the period grew 42.3% compared to preceding year corresponding quarter but gross profit margin dipped slightly by 1.4 percentage points.

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

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

	31.03.12 <u>RM'000</u>	31.12.11 <u>RM'000</u>	← Variance <u>RM'000</u>	→ <u>%</u>
Revenue	5,547	6,474	(927)	14.3
Profit/ (Loss) before taxation	269	(329)	598	>100

For the first quarter of the financial period, the Group's recorded revenue and profit before taxation of RM5.5 million and RM269,000 as compared to revenue and profit before taxation of RM6.5 million and loss before taxation of RM329,000 reported in the preceding quarter ended 31 December 2011.

The Group's revenue decreased by RM927,000 or 14.3% as compared to the preceding quarter mainly due to the completion and delivery of fire fighting vehicles during the last quarter. The Group's profit before tax however improved by RM598,000, from a loss before taxation of RM329,000 to profit before taxation of RM269,000 as compared to the preceding quarter, mainly due to the adjustment for impairment loss recognized on trade receivable during the last quarter.

3 Commentary on Prospects for 2012

The Directors remain positive of the Group's prospects for the remaining quarters of 2012 as the Group has on-going contracts exceeding RM20.0 million to last at least until 2013 and is at the same time looking positively to replenish its order book. With the current strong activity in oil and gas industry, mineral resources arena and airports, our core business segment – the fire fighting industry segment, are set for a steady performance for years to come.

While the Directors are optimistic of the future prospects of the Group, 2012 would pose a great challenge amid the unsettled global economic climate. The Directors will continue to exercise due care in order to preserve and enhance shareholders' values.

Meanwhile, 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.

4 Profit forecast

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

5 Income tax expense/(credit)

The Tax figures consist of the following :-	Current Quarter <i>RM '000</i>	Current Year to Date <i>RM '000</i>
Current year provision	(75)	(75)
Deferred taxation	-	-
Total	(75)	(75)

6 Corporate Proposals

(i) Proposed Private Placement

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

On 15 May 2012, the Company issued 4,000,000 Placement Shares of RM0.10 each. The 4,000,000 Placement Shares, being the first tranche of the Private Placement, represents approximately one percent (1%) of the issued and paid-up share capital of the Company before the new allotment. The Private Placement is implemented on a staggered basis. Barring any unforeseen circumstances, the Company expects to complete the Private Placement before 18 July 2012.

7 Group borrowings and debt securities

	As at 31/03/2012
	Secured
	<i>RM'000</i>
Amount payable within one year	
Bank borrowings	9,028
Finance leases	141
	<u>9,169</u>
Amount payable after one year	
Bank borrowings	1,418
Finance leases	594
	<u>2,012</u>
Total borrowings	<u>11,181</u>

8 Material litigation

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

9 Dividend

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

10 Earnings Per Share ("EPS")

(a) Basic Earnings Per Share

Basic earnings per share for the period under review is calculated by dividing the net profit attributable to the shareholders of RM141,000 (31.03.2011 : RM122,000) by the weighted average number of ordinary shares outstanding as at 31 March 2012 of 401,100,000. [Refer to page 2]

(b) Diluted Earnings Per Share

Not Applicable.



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11 Realised And Unrealized Profits/Losses Disclosure

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

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

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

	Group As at 31/03/2012 <i>RM'000</i>	Group As at 31/12/2011 <i>RM'000</i>
Total accumulated losses of the Group:-		
- Realised	172	86
- Unrealised	(214)	(269)
	<hr/>	<hr/>
Total group accumulated losses as per consolidated accounts	<u>(42)</u>	<u>(183)</u>

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

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

BY ORDER OF THE BOARD
CME GROUP BERHAD

MISS TAN RUEY SHYAN
COMPANY SECRETARY

Shah Alam, Selangor Darul Ehsan
29 May 2012