



# CME GROUP BERHAD

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

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2013

(The figures have not been audited)

	Unaudited At 30/06/2013 RM '000	Unaudited At 31/12/2012 RM '000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	7,314	7,522
Investment properties	44,050	39,230
Other financial assets	891	891
Deferred tax assets	11	11
<b>TOTAL NON-CURRENT ASSETS</b>	<b>52,266</b>	<b>47,654</b>
<b>CURRENT ASSETS</b>		
Inventories	1,516	1,566
Amount due from contract customers	1,507	1,582
Trade receivables and other receivables	11,921	2,212
Fixed deposits with licensed banks	-	215
Tax recoverable	328	400
Cash and bank balances	401	486
<b>TOTAL CURRENT ASSETS</b>	<b>15,673</b>	<b>6,461</b>
<b>TOTAL ASSETS</b>	<b>67,939</b>	<b>54,115</b>
<b>EQUITY AND LIABILITIES</b>		
<b>CAPITAL AND RESERVES</b>		
Issued capital	44,110	40,510
Reserves	617	243
<b>Equity attributable to equity holders of the Company</b>	<b>44,727</b>	<b>40,753</b>
<b>Non-controlling interests</b>	<b>153</b>	<b>153</b>
<b>TOTAL EQUITY</b>	<b>44,880</b>	<b>40,906</b>
<b>NON-CURRENT LIABILITIES</b>		
Hire-purchase payables	412	400
Long-term loan	3,630	1,010
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>4,042</b>	<b>1,410</b>
<b>CURRENT LIABILITIES</b>		
Amount due to contract customers	1,694	-
Trade payables and other payables	12,290	4,089
Hire-purchase payables	108	108
Bank borrowings	4,739	7,465
Tax liabilities	186	137
<b>TOTAL CURRENT LIABILITIES</b>	<b>19,017</b>	<b>11,799</b>
<b>TOTAL LIABILITIES</b>	<b>23,059</b>	<b>13,209</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>67,939</b>	<b>54,115</b>
<b>Net Tangible Assets Per RM0.10 Share</b>	<b>0.101</b>	<b>0.101</b>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statement for the year ended 31 December 2012 and the explanatory notes attached to the interim financial report.)

**CME GROUP BERHAD***(Company No. 52235-K)  
(Incorporated in Malaysia)***CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE CURRENT QUARTER AND CUMULATIVE 6-MONTH PERIOD ENDED 30 JUNE 2013***(The figures have not been audited)*

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current year quarter 30/06/2013 (RM '000)	Preceding year corresponding quarter 30/06/2012 (RM '000)	Current year-to-date 30/06/2013 (RM '000)	Preceding year corresponding period 36/06/2012 (RM '000)
Revenue	5,717	6,510	12,089	12,057
Cost of sales	(4,261)	(4,874)	(8,852)	(8,883)
<b>Gross profit</b>	<b>1,456</b>	<b>1,636</b>	<b>3,237</b>	<b>3,174</b>
Other gains	25	137	190	242
Administrative expenses	(1,049)	(1,194)	(2,278)	(2,299)
Other expenses	(249)	(243)	(433)	(391)
Finance costs	(112)	(156)	(217)	(277)
<b>Profit before tax</b>	<b>71</b>	<b>180</b>	<b>499</b>	<b>449</b>
Income tax expense	(1)	(55)	(125)	(130)
<b>Profit for the period</b>	<b>70</b>	<b>125</b>	<b>374</b>	<b>319</b>
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>70</b>	<b>125</b>	<b>374</b>	<b>319</b>
Profit for the period attributable to:-				
Equity holders of the Company	70	101	374	242
Non-controlling interests	-	24	-	77
	<b>70</b>	<b>125</b>	<b>374</b>	<b>319</b>
Total comprehensive income attributable to:-				
Equity holders of the Company	70	101	374	242
Non-controlling interests	-	24	-	77
	<b>70</b>	<b>125</b>	<b>374</b>	<b>319</b>
Earnings per share (sen)				
- Basic	0.016	0.025	0.085	0.060
- Diluted	N/A	N/A	N/A	N/A

*(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statement for the year ended 31 December 2012 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 6-MONTH PERIOD ENDED 30 JUNE 2013***(The figures have not been audited)*

	<b>Issued capital</b>	<b>Retained earnings/ (Accumulated losses)</b>	<b>Non-distributable reserves–Fair value reserve</b>	<b>Equity attributable to equity holders of the Company</b>	<b>Non-controlling Interests</b>	<b>Total equity</b>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
<b>Balance as at 1 January 2012</b>	40,110	(183)	419	40,346	95	40,441
Total comprehensive income for the year	-	20	(13)	7	58	65
Issuance of ordinary shares in subsidiary company	400	-	-	400	-	400
<b>Balance as at 31 December 2012</b>	40,510	(163)	406	40,753	153	40,906
Total comprehensive income for the period	-	374	-	374	-	374
Issuance of ordinary shares	3,600	-	-	3,600	-	3,600
<b>Balance as at 30 June 2013</b>	44,110	211	406	44,727	153	44,880

*(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 2012 and the explanatory notes attached to the interim financial report.)***CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE 6-MONTH PERIOD ENDED 30 JUNE 2013***(The figures have not been audited)*

	<b>Current year-to-date</b>	<b>Preceding year corresponding year-to-date</b>
	<b>30/06/2013</b>	<b>30/06/2012</b>
	<i>RM'000</i>	<i>RM'000</i>
<b>CASH FLOWS USED IN OPERATING ACTIVITIES</b>		
Profit for the period	374	318
Adjustments for:		
Depreciation of property, plant and equipment	215	230
Finance costs	217	277
Gain on disposal of investment properties	(150)	-
Income tax expense recognised in profit or loss	125	130
Interest income	(6)	(32)
Operating profit before working capital changes	775	923
Changes in working capital:		
Net changes in current assets	(9,584)	(3,445)
Net changes in current liabilities	9,895	609
Cash from/(used in) operations	1,086	(1,913)
Tax refund	35	-
Income tax paid	(38)	(56)

**CME GROUP BERHAD**

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Net cash from/ (used in) operating activities	1,083	(1,969)
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>		
Withdrawal/ (placement) of fixed deposit	215	(10)
Interest income received	6	32
Proceed from disposal of investment properties	1,330	-
Purchase of investment properties	(6,000)	-
Purchase of property, plant and equipment	(8)	(260)
Net cash used in investing activities	(4,457)	(238)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
(Repayment)/ proceeds from of bank borrowings	(98)	1,301
Interest expense paid	(217)	(277)
Proceed from issuance of issued capital	3,600	400
Repayment of hire purchase payables	12	31
Net cash from financing activities	3,297	1,455
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(77)	(752)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	(4,020)	(3,627)
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	(4,097)	(4,379)
<b>Cash and Cash Equivalents are as follows:-</b>		
Fixed deposits with licensed banks	-	1,169
Cash and bank balances	401	378
Bank overdrafts	(4,498)	(4,757)
	(4,097)	(3,210)
Less: - Fixed deposits pledged	-	(1,169)
	(4,097)	(4,379)

*(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Audited Financial Statement for the year ended 31 December 2012 and the explanatory notes attached to the interim financial report.)*



**NOTES TO THE INTERIM FINANCIAL STATEMENT – SECOND QUARTER ENDED 30 JUNE 2013**

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

**1 Basis of Preparation**

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

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2012. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2012.

**2 Significant accounting policies**

These condensed consolidated interim financial statements have been prepared in accordance with the same accounting policies applied in the 2012 financial statements except for the adoption of the new and revised FRSs, IC Interpretations and Amendments that are applicable to the Group for the financial period beginning 1 January 2013. The adoption of these FRSs, interpretations and amendments does not have any material impact on the financial statements of the Group.

MASB, in furtherance with its objective of converging the accounting framework for entities other than private entities in Malaysia with International Financial Reporting Standard (IFRS), announced on 19 November 2011 the issuance of Malaysian Financial Reporting Standards (MFRSs). Entities other than private entities shall apply the MFRSs 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, Agreements for the Construction of Real Estate. An entity subject to the application of MFRS 141 and/or IC Interpretation 15 may continue to apply FRSs as its financial reporting framework for annual reporting period beginning on or after 1 January 2012. On 30 June 2012, MASB announced its decision to allow entity subject to the application of MFRS 141 and/or IC Interpretation 15 to defer the adoption of the MFRS framework to annual period beginning on or after 1 January 2014. As such, the Group plans to adopt the MFRS framework for annual periods beginning on or after 1 January 2014.

**3 Auditors’ Report on Preceding Annual Financial Statements**

The auditors’ report on the financial statements for the year ended 31 December 2012 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 30 June 2013 (2012: Nil.).

**CME GROUP BERHAD***(Company No. 52235-K)  
(Incorporated in Malaysia)***9 Segmental reporting**

<b>30.06.2013</b>	<b>Invest. Holding RM '000</b>	<b>Contract Engineering RM '000</b>	<b>Trading RM '000</b>	<b>Others RM '000</b>	<b>Elimination RM '000</b>	<b>Consolidated RM '000</b>
<b>Revenue</b>						
External sales	5,629	4,627	1,833	-	-	12,089
Inter-segment sales	-	2,504	-	-	(2,504)	-
<b>Total revenue</b>	<b>5,629</b>	<b>7,131</b>	<b>1,833</b>	<b>-</b>	<b>(2,504)</b>	<b>12,089</b>
<b>Results</b>						
Segment results	<b>411</b>	<b>371</b>	<b>(66)</b>	<b>-</b>	<b>-</b>	<b>716</b>
Finance costs						(217)
<b>Profit before tax</b>						<b>499</b>
Income tax expense						(125)
<b>Profit for the period</b>						<b>374</b>
<b>Other information</b>						
Capital additions	-	5	3	-	-	8
Depreciation	3	77	135	-	-	215
<b>Consolidated Balance Sheet</b>						
<b>Assets</b>						
Segment assets	81,606	44,724	14,643	4,876	(78,801)	67,048
Other investment	891	-	-	-	-	891
<b>Consolidated total assets</b>						<b>67,939</b>
<b>Liabilities</b>						
Segment Liabilities	39,979	25,422	24,972	4,001	(71,315)	<b>23,059</b>
<b>30.06.2012</b>						
<b>Revenue</b>						
External sales	966	8,331	2,760	-	-	12,057
Inter-segment sales	-	4,670	-	-	(4,670)	-
<b>Total revenue</b>	<b>966</b>	<b>13,001</b>	<b>2,760</b>	<b>-</b>	<b>(4,670)</b>	<b>12,057</b>
<b>Results</b>						
Segment results	<b>(71)</b>	<b>771</b>	<b>26</b>	<b>-</b>	<b>-</b>	<b>726</b>
Finance costs						(277)
<b>Profit before tax</b>						<b>449</b>
Income tax expenses						(130)
<b>Profit for the period</b>						<b>319</b>
<b>Other information</b>						
<b>31.12.2012</b>						
Capital additions	-	223	50	-	-	273
Depreciation	-	176	274	11	-	461



# CME GROUP BERHAD

(Company No. 52235-K)  
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31.12.2012	Invest. Holding RM '000	Contract Engineering RM '000	Trading RM '000	Others RM '000	Elimination RM '000	Consolidated RM '000
<b>Assets</b>						
Segment assets	72,435	48,348	15,637	4,906	(88,102)	53,224
Other investments	891	-	-	-	-	891
<b>Consolidated total assets</b>						<b>54,115</b>
<b>Liabilities</b>						
Segment liabilities	33,982	29,150	25,876	4,818	(80,617)	<b>13,209</b>

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

## 10 Valuation of property, plant and equipment

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

## 11 Material Subsequent Events

There were no material events subsequent to 30 June 2013 that have not been reflected in the interim financial report.

## 12 Changes in Composition of the Group

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

## 13 Contingent Liabilities or Contingent Assets

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

## 14 Capital Commitments

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

**B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE BURSA MALAYSIA SECURITIES BERHAD MAIN MARKET LISTING REQUIREMENTS****1 Review of Group performance**

The Group recorded a consolidated revenue of RM12.1 million and cost of sales of RM8.9 million for the quarter under review. No significant fluctuation compared to the last preceding year corresponding period. Profit before tax increased marginally from RM449,000 to RM499,000, by 11.1%, during the financial period ended 30 June 2013. Profit attributable to equity holders of the Group stood at RM374,000, increased by 54.5% from a profit of RM242,000 in the preceding period ended 30 June 2012.

Our Property Investment division (“PI”) continues to contribute positively to the Group’s revenue and profit, which saw a revenue growth of RM4.1 million or 421.9%. The increased was however, offset by the decline in revenue from the remaining two business divisions, namely the Specialised Mobility Vehicles (“SMV”) and Fire Suppression and Prevention (“FSP”) divisions, which saw a decrease of RM3.7 million or 44.5% and RM927,000 or 33.6%, respectively. The decreased in SMV was mainly due to the completion and recognition of income and profit for some major projects during the last two quarters, coupled with the issues of obtaining approved certification for one of our inert gas system, under FSP division.

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

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

	30.06.13 <u>RM’000</u>	31.03.13 <u>RM’000</u>	← Variance → <u>RM’000</u>	→ <u>%</u>
Revenue	5,717	6,372	(655)	(10.3)
Profit before taxation	71	428	(357)	(83.4)

For the current quarter ended 30 June 2013, the Group recorded revenue of RM5.7 million, a decreased of 10.3% compared to the preceding quarter ended 31 March 2013. The decrease was primarily due to the decline in revenue from our SMV and FSP divisions.

The Group recorded a profit before taxation of RM71,000 for the current quarter as compared to a profit before taxation of RM428,000 in the preceding quarter, in line with the decreased in revenue for the current quarter.

**3 Commentary on Prospects for 2013**

2013 has been a difficult year for the specialize and fire fighting vehicles manufacturing companies. Amid global economic slowdown and political uncertainty for the first five months of the year, as we patiently awaits for the outcome of the 13<sup>th</sup> General Election. Fewer tenders were being called by relevant authorities during the period.

Despite recording a small profit for the second quarter, the Board remains cautiously optimistic hopeful that the Group would improve its performance for the current financial year.

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 :-	<b>Current Quarter</b> <i>RM ’000</i>	<b>Current Year to Date</b> <i>RM ’000</i>
Current year provision	(1)	(125)
Deferred taxation	-	-
<b>Total</b>	<b>(1)</b>	<b>(125)</b>



**6 Corporate Proposals**  
**- Proposed Private Placement**

On behalf of the Company, Public Investment Bank Berhad (“PIVB”) had on 24 June 2013 announced that the Private Placement has been completed on 24 June 2013 following the listing of and quotation for 36,000,000 Placement Shares, being the second (2<sup>nd</sup>) and final tranche of the Private Placement, on the Main Market of Bursa Malaysia Securities Berhad on the same day.

**7 Group borrowings and debt securities**

	<b>As at 30/06/2013</b>
	<b>Secured</b>
	<i>RM'000</i>
<b>Amount payable within one year</b>	
Bank borrowings	4,739
Finance leases	108
	<u>4,847</u>
<b>Amount payable after one year</b>	
Bank borrowings	3,630
Finance leases	412
	<u>4,042</u>
<b>Total borrowings</b>	<u>8,889</u>

**8 Material litigation**

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

**9 Dividend**

No dividend had been declared for the financial period ended 30 June 2013.

**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 RM374,000 (30.06.2012 : RM242,000) by the weighted average number of ordinary shares outstanding as at 30 June 2013 of 441,100,000 (30.06.2012 : 405,100,000). [Refer to page 1]

(b) Diluted Earnings Per Share

Not Applicable.

**11 Realised And Unrealized Profits/Losses Disclosure**

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

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

The breakdown of retained earnings/(accumulated losses) of the Group as of 30 June 2013 into realized and unrealised profits or losses, pursuant to the directive, is as follows:

	<b>As at 30/06/2013</b>	<b>As at 31/12/2012</b>
	<i>RM'000</i>	<i>RM'000</i>
Total retained earnings/(accumulated losses) of the Group:-		
- Realised	179	(68)
- Unrealised	32	(95)
Total group retained earnings/(accumulated losses) as per consolidated accounts	<u>211</u>	<u>(163)</u>

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

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

**12 Profit before tax**

	<b>As at 30/06/2013</b>	<b>As at 31/12/2012</b>
	<i>RM'000</i>	<i>RM'000</i>
This is arrived at after charging/ (crediting):-		
Audit fee	-	68
Impairment loss recognised on trade receivables	-	87
Depreciation on property, plant and equipment	215	461
Finance costs	217	767
Inventory written off	-	641
Interest income	(6)	(29)
Gain on disposal of investment properties	(150)	(245)
Other financial assets written off	-	175
Provision for warranty and free services	-	146
Provision for doubtful debt no longer required	-	(52)

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

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

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

**Shah Alam, Selangor Darul Ehsan**  
**29 August 2013**