

**CME GROUP BERHAD**

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2013**

(The figures have not been audited)

	Unaudited At 30/09/2013 RM '000	Unaudited At 31/12/2012 RM '000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	7,224	7,522
Investment properties	44,050	39,230
Other financial assets	891	891
Deferred tax assets	11	11
TOTAL NON-CURRENT ASSETS	52,176	47,654
CURRENT ASSETS		
Inventories	1,349	1,566
Amount due from contract customers	3,202	1,582
Trade receivables and other receivables	13,731	2,212
Fixed deposits with licensed banks	-	215
Tax recoverable	382	400
Cash and bank balances	256	486
TOTAL CURRENT ASSETS	18,920	6,461
TOTAL ASSETS	71,096	54,115
EQUITY AND LIABILITIES		
CAPITAL AND RESERVES		
Issued capital	44,110	40,510
Reserves	688	243
Equity attributable to equity holders of the Company	44,798	40,753
Non-controlling interests	154	153
TOTAL EQUITY	44,952	40,906
NON-CURRENT LIABILITIES		
Hire-purchase payables	374	400
Long-term loan	3,568	1,010
TOTAL NON-CURRENT LIABILITIES	3,942	1,410
CURRENT LIABILITIES		
Amount due to contract customers	1,714	-
Trade payables and other payables	15,043	4,089
Hire-purchase payables	108	108
Bank borrowings	5,216	7,465
Tax liabilities	121	137
TOTAL CURRENT LIABILITIES	22,202	11,799
TOTAL LIABILITIES	26,144	13,209
TOTAL EQUITY AND LIABILITIES	71,096	54,115
Net Tangible Assets Per RM0.10 Share	0.102	0.101

(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 9-MONTH PERIOD ENDED 30 SEPTEMBER 2013**
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current year quarter 30/09/2013 (RM '000)	Preceding year corresponding quarter 30/09/2012 (RM '000)	Current year-to-date 30/09/2013 (RM '000)	Preceding year corresponding period 36/09/2012 (RM '000)
Revenue	8,915	7,836	21,004	19,893
Cost of sales	(7,438)	(5,924)	(16,290)	(14,807)
Gross profit	1,477	1,912	4,714	5,086
Investment revenue	-	40	-	40
Other gains	(10)	1	180	243
Administrative expenses	(1,103)	(1,047)	(3,381)	(3,346)
Other expenses	(152)	(448)	(585)	(839)
Finance costs	(90)	(103)	(307)	(380)
Profit before tax	122	355	621	804
Income tax expense	(50)	(93)	(175)	(223)
Profit for the period	72	262	446	581
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	72	262	446	581
Profit for the period attributable to:-				
Equity holders of the Company	71	305	445	547
Non-controlling interests	1	(43)	1	34
	72	262	446	581
Total comprehensive income attributable to:-				
Equity holders of the Company	71	305	445	547
Non-controlling interests	1	(43)	1	34
	72	262	446	581
Earnings per share (sen)				
- Basic	0.016	0.075	0.101	0.135
- 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 9-MONTH PERIOD ENDED 30 SEPTEMBER 2013***(The figures have not been audited)*

	Issued capital	Retained earnings/ (Accumulated losses)	Non-distributable reserves–Fair value reserve	Equity attributable to equity holders of the Company	Non-controlling Interests	Total equity
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Balance as at 1 January 2012	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
Balance as at 31 December 2012	40,510	(163)	406	40,753	153	40,906
Total comprehensive income for the period	-	445	-	445	1	446
Issuance of ordinary shares	3,600	-	-	3,600	-	3,600
Balance as at 30 September 2013	44,110	282	406	44,798	154	44,952

*(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 9-MONTH PERIOD ENDED 30 SEPTEMBER 2013***(The figures have not been audited)*

	Current year-to-date	Preceding year corresponding year-to-date
	30/09/2013	30/09/2012
	<i>RM'000</i>	<i>RM'000</i>
CASH FLOWS USED IN OPERATING ACTIVITIES		
Profit for the period	446	581
Adjustments for:		
Depreciation of property, plant and equipment	313	349
Finance costs	307	380
Gain on disposal of investment properties	(150)	(40)
Income tax expense recognised in profit or loss	175	223
Interest income	(6)	(18)
Other investment written off	-	175
Operating profit before working capital changes	1,085	1,650
Changes in working capital:		
Net changes in current assets	(12,922)	(4,326)
Net changes in current liabilities	12,663	(38)
Cash from/(used in) operations	826	(2,714)
Tax refund	54	-

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Income tax paid	(227)	(199)
Net cash from/ (used in) operating activities	653	(2,913)
CASH FLOWS USED IN INVESTING ACTIVITIES		
Withdrawal/ (placement) of fixed deposit	215	(38)
Interest income received	6	18
Proceed from disposal of investment properties	1,330	630
Purchase of investment properties	(6,000)	-
Purchase of property, plant and equipment	(12)	(271)
Net cash (used in)/from investing activities	(4,461)	339
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayment)/ proceeds from of bank borrowings	(345)	2,301
Interest expense paid	(307)	(380)
Proceed from issuance of issued capital	3,600	400
Repayment of hire purchase payables	(26)	(14)
Net cash from financing activities	2,922	2,307
NET CHANGE IN CASH AND CASH EQUIVALENTS	(886)	(267)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	(4,020)	(3,627)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	(4,906)	(3,894)
Cash and Cash Equivalents are as follows:-		
Fixed deposits with licensed banks	-	1,197
Cash and bank balances	256	481
Bank overdrafts	(5,162)	(4,375)
	(4,906)	(2,697)
Less: - Fixed deposits pledged	-	(1,197)
	(4,906)	(3,894)

(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 – THIRD QUARTER ENDED 30 SEPTEMBER 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 SEPTEMBER 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 MRFS 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 September 2013 (2012: Nil.).



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9 Segmental reporting

30.09.2013	Invest. Holding RM '000	Contract Engineering RM '000	Trading RM '000	Others RM '000	Elimination RM '000	Consolidated RM '000
Revenue						
External sales	9,358	8,987	2,659	-	-	21,004
Inter-segment sales	-	5,187	-	-	(5,187)	-
Total revenue	9,358	14,174	2,659	-	(5,187)	21,004
Results						
Segment results	586	514	(172)	-	-	928
Finance costs						(307)
Profit before tax						621
Income tax expense						(175)
Profit for the period						446
Other information						
Capital additions	-	9	3	-	-	12
Depreciation	4	106	203	-	-	313
Consolidated Balance Sheet						
Assets						
Segment assets	82,566	46,222	14,595	5,065	(78,243)	70,205
Other investment	891	-	-	-	-	891
Consolidated total assets						71,096
Liabilities						
Segment Liabilities	41,191	26,861	25,037	3,812	(70,757)	26,144
30.09.2012						
Revenue						
External sales	1,485	14,545	3,863	-	-	19,893
Inter-segment sales	-	7,536	-	-	(7,536)	-
Total revenue	1,485	22,081	3,863	-	(7,536)	19,893
Results						
Segment results	(134)	1,516	(198)	-		1,184
Finance costs						(380)
Profit before tax						804
Income tax expenses						(223)
Profit for the period						581
Other information						
31.12.2012						
Capital additions	-	223	50	-	-	273
Depreciation	-	176	274	11	-	461

31.12.2012	Invest. Holding RM '000	Contract Engineering RM '000	Trading RM '000	Others RM '000	Elimination RM '000	Consolidated RM '000
Assets						
Segment assets	72,435	48,348	15,637	4,906	(88,102)	53,224
Other investments	891	-	-	-	-	891
Consolidated total assets						54,115
Liabilities						
Segment liabilities	33,982	29,150	25,876	4,818	(80,617)	13,209

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

10 Valuation of property, plant and equipment

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

11 Material Subsequent Events

There were no material events subsequent to 30 September 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 achieved revenue of RM21.0 million for the third quarter ended 30 September 2013, representing an increase of RM1.1 million or 5.6% compared to the corresponding year-to-date of 2012. Profit before tax, however, declined by RM183,000 or 22.8% from a profit before tax of RM804,000 to RM621,000 during the financial period ended 30 September 2013. Profit attributable to equity holders of the Group stood at RM445,000, decreased by 18.6% from a profit of RM547,000 in the preceding year-to-date ended 30 September 2012.

The main drivers of the increase in revenue were from our Property Investment Division (“PI”), which continues to contribute positively to the Group in terms of revenue and profit. The revenue from the PI Division grew from RM1.5 million to RM9.4 million, an increase of RM7.9 million or >100% during the financial period ended 30 September 2013. 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 RM5.6 million or 38.2% and RM1.2 million or 31.2%, respectively. The decreased in SMV was mainly due to lesser projects were secured during the period, coupled with the timing of income and profit recognition for some completed and new projects during the period. The issues of obtaining approved certification for one of our inert gas system continue to pose a challenge for us 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:

	30.09.13 <u>RM’000</u>	30.06.13 <u>RM’000</u>	← Variance → <u>RM’000</u>	→ <u>%</u>
Revenue	8,915	5,717	3,198	55.9%
Profit before taxation	122	71	51	71.8%

For the current quarter ended 30 September 2013, the Group recorded revenue of RM8.9 million, an increase of 55.9% compared to the preceding quarter ended 30 June 2013. The increase was primarily due to the timing of recognition of income and profit for new projects during the period.

The Group recorded a profit before taxation of RM122,000 for the current quarter as compared to a profit before taxation of RM71,000 in the preceding quarter, in line with the increased in revenue for the current quarter.

3 Commentary on Prospects for 2013

The Directors remain positive of the Group’s prospects for the remaining quarters of 2013 as the Group has on-going contracts exceeding RM10.0 million to last at least until 2014, coupled with the steady income flow from the Property Investment Division. The management is putting in place its many measures to build on its order book besides concentrating on our traditional core fire fighting vehicles business, the management has been actively exploring new product range/ opportunities within the specialised vehicle industry and is in amidst of discussing selected potential projects which may be implemented in 2013/2014 when secured and this would likely improve the overall sales performance of the Group.

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

4 Profit forecast

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

5 Income tax expense/(credit)

The Tax figures consist of the following :-	Current Quarter RM '000	Current Year to Date RM '000
Current year provision	(50)	(175)
Deferred taxation	-	-
Total	(50)	(175)

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 (2nd) 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

	As at 30/09/2013 Secured RM'000
Amount payable within one year	
Bank borrowings	5,216
Finance leases	108
	<u>5,324</u>
Amount payable after one year	
Bank borrowings	3,568
Finance leases	374
	<u>3,942</u>
Total borrowings	<u>9,266</u>

8 Material litigation

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

9 Dividend

No dividend had been declared for the financial period ended 30 September 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 RM445,000 (30.09.2012 : RM547,000) by the weighted average number of ordinary shares outstanding as at 30 September 2013 of 441,100,000 (30.09.2012 : 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 September 2013 into realized and unrealised profits or losses, pursuant to the directive, is as follows:

	As at 30/09/2013	As at 31/12/2012
	<i>RM'000</i>	<i>RM'000</i>
Total retained earnings/(accumulated losses) of the Group:-		
- Realised	456	(68)
- Unrealised	(174)	(95)
Total group retained earnings/(accumulated losses) as per consolidated accounts	<u>282</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

	As at 30/09/2013	As at 31/12/2012
	<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	313	461
Finance costs	307	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
28 November 2013