

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2005**

CONDENSED UNAUDITED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter	Preceding Year Corresponding Quarter	Current Year	Preceding Year Corresponding Period
	31/12/2005 (RM '000)	31/12/2004 (RM '000)	31/12/2005 (RM '000)	31/12/2004 (RM '000)
Revenue	2,118	1,615	8,179	2,040
Cost of Sales	-1,397	-1,347	-6,093	-1,764
Gross Profit	721	268	2,086	276
Administrative Expenses	-1,036	-869	-3,388	-3,774
Other Operating Expenses	-1,076	-661	-781	-1,095
Other Operating Income	1,184	100	988	127
Profit/(Loss) from Operations	-207	-1,162	-1,095	-4,466
Finance Costs	-147	-80	-441	-568
Loss on Disposal of investment	4	27	4	170
Profit/(Loss) before Tax	-350	-1,215	-1,532	-4,864
Income Tax Expenses	-	-	-	-
Profit/(Loss) after Tax	-350	-1,215	-1,532	-4,864
Minority Interest	-	-	-	-
Net Profit/(Loss) for the Period	-350	-1,215	-1,532	-4,864
Basic Earnings/(Loss) per Ordinary Share (sen)	-0.87	-3.03	-3.82	-12.37
Diluted Earnings/(Loss) per Ordinary Share (sen)	-	-	-	-

(The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2004)

CONDENSED UNAUDITED CONSOLIDATED BALANCE SHEETS

	As at End of Current Quarter 31/12/2005 (RM '000)	As at Preceding Financial Year End 31/12/2004 (RM '000)
ASSETS		
Property, plant and equipment	8,202	40,121
Goodwill on consolidation		
Investment Properties	33,670	
Investment in subsidiary companies		
Other investment	175	715
CURRENT ASSETS		
Inventories	77	142
Amount due from contract customers	241	804
Trade receivables	2,752	2,108
Other receivables and prepaid expenses	3,388	3,419
Amount owing by subsidiary companies		
Fixed deposits with licensed financial banks		106
Cash and bank balances	92	68
	<u>6,550</u>	<u>6,647</u>
CURRENT LIABILITIES		
Amount Due to contract customers	547	1,148
Trade payables	878	462
Other payables and accrued expenses	10,792	8,664
Amount owing to subsidiary companies		
Hire-purchase payables – current portion	78	44
Bank borrowings	5,594	4,318
Tax liabilities		
	<u>17,889</u>	<u>14,636</u>
NET CURRENT ASSETS	<u>-11,339</u>	<u>-7,989</u>
LONG-TERM AND DEFERRED LIABILITIES		
Hire-purchase payables – non-current portion	261	-
Deferred tax liabilities		
Term Loan – non-current	931	1,799
	<u>1,192</u>	<u>1,799</u>
NET ASSETS	<u>29,516</u>	<u>31,048</u>
Represented by :		
ISSUED CAPITAL	40,110	40,110
UNAPPROPRIATED PROFIT	-10,595	-9,063
SHARE PREMIUM		-
SHAREHOLDERS' EQUITY	<u>29,515</u>	<u>31,047</u>
MINORITY INTERESTS	<u>1</u>	<u>1</u>
TOTAL CAPITAL EMPLOYED	<u>29,516</u>	<u>31,048</u>
Net Tangible Assets / (Liabilities) Per Share (RM)	0.74	0.77

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 31 December 2004)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Current Year Quarter 31/12/2005 (RM '000)	Preceding Year Corresponding Period 31/12/2004 (RM '000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax	-1,532	-4,864
Adjustment for :		
- Interest Expenses	440	568
- Depreciation of property, Plant and equipment	385	328
- Allowance for Diminution in value of quoted shares/(Allowance for diminution in value of quoted shares no longer required)		220
- Allowance for doubtful receivables -net	28	26
- Allowance for doubtful debts no longer required	-853	
- Interest Income	-4	-170
- (Gain)/Loss on disposal of a subsidiary company		-27
- (Gain)/Loss on disposal of property, plant and equipment		-4
- (Gain)/Loss on disposal of quoted shares	157	-
- Waiver of debts by a subsidiary company		-
- Allowance for diminution in value of subsidiary company		-
Operating Profit/(Loss) Before Working Capital Changes	-1,379	-3,293
(Increase) / Decrease in :		
- Inventories	65	98
- Amount due from contract customers	563	-538
- Trade receivables	206	9,719
- Other receivables, deposits and prepaid expenses	-41	-7
- Amount owing by subsidiary companies		-
Increase / (Decrease) in :		
- Amount due to contract customers	-601	1,148
- Trade payables	416	-547
- Other payables and accrued expenses	444	-10,536
- Amount owing to subsidiary companies		-
Cash (Used In)/ From Operations	-327	-4,586
Income tax paid	48	-172
Net Cash (Used In)/From Operating Activities	-279	-4,758
CASH FLOWS FROM INVESTING ACTIVITIES		
Withdrawal from Fixed Deposits	106	4,080
Interest income received	4	170
Proceeds from disposal of a subsidiary company		11
Proceeds from disposal of property, plant and equipment		4
Purchase of property, plant and equipment	-62	-6,001
Purchase of quoted shares		-
Proceeds from disposal of other investment	383	
Proceeds from disposal of quoted shares		-

Net Cash From Investing Activities **431** **-1,736**

CASH FLOWS FROM FINANCING ACTIVITIES

Issue of shares		2,521
Drawdown of term loan	83	
Proceeds from long-term loan		1,033
Repayment of term loan	-1,788	-1,723
Interest expenses paid	-440	-568
Proceeds from short-term project loan	398	
Repayment of short-term project loan		-158
Repayment to hire-purchase payables	-95	-154
Share issue expenses		-150
Proceeds from trust receipts / banker's acceptances		-
Repayment of trust receipts / bankers' acceptances		-
Proceeds from doubtful receivables		-

Net Cash From / (Used In) Financing Activities **-1,842** **821**

NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS **-1,690** **-5,763**

CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR **-1,563** **4,110**

CASH AND CASH EQUIVALENTS AT END OF YEAR/ PERIOD **-3,253** **-1,563**

Cash and Cash Equivalents are as follows : -

Fixed deposits with licensed banks	-	106
Cash and bank balances	92	68
Bank overdrafts	-3,345	-1,631
	-3,253	-1,457
Less : - Fixed deposit pledged	-	-106
	-3,253	-1,563

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2004)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued Capital (RM '000)	Undistributable Reserve Share Premium (RM '000)	Distributable Reserve Retained Profit (RM '000)	Total (RM '000)
Balance as of 1/1/2005	40,110	-	-9,063	31,047
Balance as of 30/9/2005	40,110	-	-9,063	31,047
Net Profit / (Loss) for the year	-	-	-1,532	-1,532

Balance as of 31/12/2005	40,110	-	-10,595	29,515
Balance as of 31/12/2004	40,110		-9,063	31,047

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2004)

NOTES TO THE INTERIM FINANCIAL REPORT

1. Accounting Policies and Methods of Computation

The interim financial report has been prepared in accordance with MASB 26 Interim Financial Reporting and Chapter 9 part K of the Listing Requirements of Kuala Lumpur Stock Exchange. The accounting policies and methods of computation used in the preparation of the interim financial report are consistent with those adopted in the audited financial statement and should be read in conjunction with the Annual Financial Report for the year ended 31 December 2004.

2. Declaration of Audit Qualification

The audited financial report of the preceding year was not subjected to any qualification.

3. Seasonal or Cyclical Factors

The design and manufacturing of fire, rescue and specialist vehicles have over the years shown a seasonal character whereby the major part of the invoicing and deliveries typically take place towards the very end of the financial year.

4. Nature and Amount of Unusual Items

There were no unusual items in the interim financial report under review.

5. Nature and Amount of Changes in Estimates

There were no changes in the estimates of amounts, which give a material effect in the current interim report.

6. Debts and Equity Securities

Other than what was disclosed in Note No. 20 below, there is no issuance or repayment of debts and equity securities, share buy back, shares cancellation, shares held as treasury shares in the interim financial report under review.

7. Dividends

No interim dividend has been declared for the fourth quarter ended 31 December 2005 (2004 : Nil.).

8. Segmental Reporting

	Turnover		Profit/(Loss) Before Taxation, Minority Interests & Extraordinary Items	
	2005 RM '000	2004 RM '000	2005 RM '000	2004 RM '000
Investment Holding			-500	-650
Manufacturing	9,795	1,511	-192	-3,182
Trading	3,170	1,334	-837	-1,032
Others	-		-3	

Sub-Total		12,965	2,845	-1,532	-4,864
Inter-segment		-4,786	-805		
Total		8,179	2,040	-1,532	-4,864

There is no disclosure on segmental information by geographical location as the Group operates within Malaysia only.

9. Valuations 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 statement.

10. Material Subsequent Events

There were no material events subsequent to 31 December 2005 that have not been reflected in the interim financial report except for the proposed corporate exercises and acquisition disclosed in Note 20 below.

11. 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.

12. Contingent Liabilities or Contingent Assets

The contingent liabilities are unsecured guarantees given to license financial institutions for credit facilities granted to its wholly owned subsidiary companies amounting to RM\11,918 million.

13. Review of Performance

Despite of the difficult market environment for fire fighting and specialist vehicles, the Group recorded a turnover of RM8.179 million an increased of approximately RM6.1 million (turnover for year 2004 – RM2.040 million). The on going cost control exercise and austerity drive has not only reduced the group's overall fixed costs by approximately 14% as compared to 2004 but also increased its overall gross margin. Under these circumstance, the Group has for financial year ended 31 December 2005 recorded a loss of only RM1.532 million (2004 – loss of RM4.864 million). The Group rounded off the year with an order book of approximately RM10.0 million for delivery and invoicing in year 2006.

14. Comparison with Preceding Individual Quarter's Results

The turnover of the current quarter is RM2.118 million (preceding year corresponding quarter – RM1.615 million) with a loss of RM350,000/- as compared to the same period in 2004 of RM1.215 million losses.

15. Prospect for the Current Financial Year

The requirement for various types of fire fighting and specialist vehicles for the local market is expected to increase. We also expect the requirement for these vehicles in the Asean market to pickup albeit the various potential problems in financial and trade restrictions. The Group has also secured some new product lines related to the fire fighting industry and has commenced marketing and sales activities. This new business segment would contribute positively to the performance of the Group. The property rental business segment has commenced marketing activities and has managed to secure some tenants for the said properties. With all these developments, the Board is of the opinion the performance of the Group would improve.

16. Variance from Profit Forecast

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

17. Taxation

	Current Quarter RM '000	Current Year to Date RM '000
The Tax figures contain of the following :-		
Current year provision	-	-
Over/(Under) provision in prior year	-	-
Deferred taxation	-	-
Total	-	-

18. Profit/Loss on Sale of Unquoted Investments and/or Properties

There were no sales of unquoted investments and/or properties for the current financial quarter under review.

19. Quoted Securities

Total purchases and disposals of quoted securities for the current financial quarter under review were as follows :-

A	Summary of Dealings in Quoted Securities	Current Quarter RM '000	Current Year to Date RM '000
I	Total Purchases (Cost)		-
ii	Total Disposal (Cost)	800	-
iii	Total Gain / (Loss) on Disposal	-157	-
iiii	Total Provision for Diminution in Value of Investment	-	-
iv	Total Unrealised Gain on appreciation in Value of Investment	-	-

B	Investments in Quoted Securities	Current Quarter RM '000	Preceding Quarter RM '000
I	Total Investment at Cost	175	935
ii	Total Carrying Value	175	935
iii	Current Market Value	175	935

20. Corporate Proposals

On 30 April 2004, an announcement was made to Bursa Malaysia on the Company's proposal to implement the following :-

- Renounceable Rights Issue of up to 30,082,500 new ordinary shares of RM1.00 each in the Company together with up to 30,082,500 free Detachable Warrants at an issue price of RM1.00 each per Rights Share on the basis of three (3) Rights Share with three (3) free Warrants for every four (4) existing ordinary shares held;
- acquisition of nineteen (19) units of 3-storey shop offices at Taman Sri Mahkota held under title H.S. (M) 22775 No. PT 23053 to H.S. (M) 22778 No. PT 23056, H.S. (M) 22789 No. 23067 to H.S. (M) 22803 No. PT 23081, all in the Mukim of Kuala Kuantan, State of Pahang from Muara Segar (M) Sdn Bhd for a cash consideration of RM11.72 million; and
- acquisition of two (2) adjoining units of renovated and extended intermediate 5-1/2 storey shopoffice with lower ground basement floor at 301 & 303, Batu 2-1/4, Jalan Ipoh, 51200 Kuala Lumpur held under title Nos. Geran 26512 and Geran 26511, Lot Nos. 13 and 12 respectively, both in section 80, town and district of Kuala Lumpur, State of Wilayah Persekutuan from Transcommodities Futures (Malaysia) Sdn Bhd for a cash consideration of RM3.90 million.

On 19 November, 2004 the CME announced that the Company and Transcommodities Futures (Malaysia) Sdn Bhd has entered into a rescission agreement whereby both parties had mutually agreed to rescind the

conditional sale and purchase agreement date 30 April 2004 relating to the Proposed Commercial Building Acquisition (item c above).

On 16 December 2004, the Securities Commission granted its conditional approval on the Proposed Corporate exercises mentioned above.

CME announced on 17 December 2004 that the Company and Muara Segar (M) Sdn Bhd had entered into a supplemental agreement whereby both parties have mutually agreed to amend the terms and conditions of the sale and purchase agreements dated 30 April 2004 relating to the Proposed Shoplot Acquisition (item b above) in respect of the increase of the guaranteed yield from eight per cent (8%) per annum to ten per cent (10%) per annum.

Pursuant to the Sale and Purchase Agreements dated 30 April 2004 entered between CME and Muara Segar (M) Sdn Bhd, the payment terms for the purchase consideration has lapsed. Accordingly, both parties had on 14 February 2005 mutually agreed by way an exchange of letter to extend the time for completion of the Proposed Shoplot Acquisition for a further six (6) months period from 30 December 2004 to 30 June 2005. However, the extension of time for the completion of the Proposed Shoplot Acquisition only applies to seventeen (17) units of 3-storey shoplots held under the title H.S. (M) 22777 No. PT 23055 to H.S. (M) 22778 No. PT 23056 and H.S. (M) 22789 No. PT 23067 to H.S. (M) 22803 No. PT 23081, all in the Mukim of Kuala Kuantan, Tempat Bandar Indera Mahkota, District of Kuantan, State of Pahang. The purchase consideration has therefore reduced to M10.64 million from RM11.72 million. The separate sale and purchase agreements dated 30 April 2004 for the remaining two (2) units held under the title H.S. (M) 22775 No. PT 23053 and H.S. (M) 22776 No. PT 23054, (the purchase consideration of which is RM540,000 each) have been terminated and all monies paid in respect of the two (2) units have been refunded to the Company.

Following the termination of the two (2) separate sale and purchase agreements, CME proposed that the proposed utilisation of proceeds to be raised from the Proposed Rights Issue with Warrants be adjusted against the working capital of CME.

The above said proposed corporate exercise was approved by the shareholders of the Company at the Extra Ordinary General Meeting held on 24 April 2005 and is pending implementation.

On 13 April 2005, Bursa Malaysia granted its approval in-principle the listing of the following :-

- (i) Admission to the Official List and listing of and quotation for 30,082,500 Warrants in CME to be issued pursuant to the Rights Issue with Warrants.
- (ii) Listing and quotation of 30,082,500 Rights Shares and up to 30,082,500 new CME Shares to be issued pursuant to the exercise of the Warrants.

On 30 May 2005, the Company applied to the Securities Commission for an extension of time to complete the said exercise. The application was approved via Securities Commission letter dated 16 June 2005 for a extension of six (6) months up to 16 December 2005 to complete the Proposed Rights Issue.

A further extension of six months (6) of up to 16 June 2006 to complete the Proposed Rights Issue was approved by the Securities Commission vide their letter date 20 December 2005.

21. Group Borrowings

	<i>RM '000</i>
Short Term Bank Borrowing (Secured)	6,525

22. Off Balance Sheet Financial Instruments

There are no material financial instruments with off balance sheet risk at the date of this announcement.

23. Material Litigation

There is no material litigation pending other than as plaintiff in the collection of debts arising in the ordinary course of business as at the date of this announcement.

24. Earnings Per Share ("EPS")

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter 31/12/2005 (RM '000)	Preceding Year Corresponding Quarter 31/12/2004 (RM '000)	Current Year 31/12/2005 (RM '000)	Preceding Year Corresponding Period 31/12/2004 (RM '000)
Net Profit / (Loss) for the period	-350	-1,215	-1,532	-4,864
Weighted average number of ordinary shares in issued ('000)	40,110	40,110	40,110	39,317
Basic earnings per share (sen)	-0.87	-3.03	-3.82	-12.37

BY ORDER OF THE BOARD