

CME GROUP BERHAD

(Company No. 52235-K)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 30 SEPTEMBER 2021

(The figures have not been audited)

	Unaudited At 30/09/2021	Audited At 30/06/2021
	<i>RM '000</i>	<i>RM '000</i>
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	27,926	27,972
Land held for property development	12,214	12,657
Investment Properties	35,030	35,030
Other investment	1,100	1,707
TOTAL NON-CURRENT ASSETS	76,270	77,366
CURRENT ASSETS		
Inventories	1,093	6,713
Trade receivables and other receivables	15,696	17,369
Current tax assets	180	165
Cash and bank balances	1,043	2,221
TOTAL CURRENT ASSETS	18,012	26,468
TOTAL ASSETS	94,282	103,834
EQUITY AND LIABILITIES		
EQUITY AND LIABILITIES		
Share capital	79,204	79,199
ICULS	22,531	22,531
Reserves	(45,548)	(43,830)
TOTAL EQUITY	56,187	57,900
NON-CURRENT LIABILITIES		
Lease liabilities	81	96
Borrowings	3,225	3,589
Other payables	-	22
Deferred tax liabilities	1,793	1,793
TOTAL NON-CURRENT LIABILITIES	5,099	5,500
CURRENT LIABILITIES		
Lease liabilities	51	51
Borrowings	13,307	16,970
Contract liabilities	1,295	6,543
Trade payables and other payables	18,343	16,870
TOTAL CURRENT LIABILITIES	32,996	40,434
TOTAL LIABILITIES	38,095	45,934
TOTAL EQUITY AND LIABILITIES	94,282	103,834
Net Assets Per Share	0.058	0.060

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statement for the period ended 30 June 2021 and the explanatory notes attached to the interim financial report.)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE CURRENT QUARTER AND CUMULATIVE 3-MONTH PERIOD ENDED 30 SEPTEMBER 2021**

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current year quarter	Preceding year corresponding quarter	Current year-to-date	Preceding year corresponding period
	30/09/2021 (RM '000)	30/09/2020 (RM '000)	30/09/2021 (RM '000)	30/09/2020 (RM '000)
Revenue	7,704	1,704	7,704	1,704
Cost of sales	(7,278)	(884)	(7,278)	(884)
Gross profit	426	820	426	820
Other income	30	8	30	8
Fair value gain/(loss) on available-for-sale financial assets	(556)	70	(556)	70
Administrative expenses	(790)	(669)	(790)	(669)
Other expenses	(122)	(123)	(122)	(123)
Finance costs	(269)	(253)	(269)	(253)
Profit/(Loss) before tax	(1,281)	(147)	(1,281)	(147)
Income tax expense	-	-	-	-
Profit/(Loss) for the period	(1,281)	(147)	(1,281)	(147)
Other comprehensive income/ (loss)				
Foreign currency translation	(432)	52	(432)	52
Gain on revaluation of property, plant and equipment	-	-	-	-
	(432)	52	(432)	52
Total comprehensive income/(loss) for the period	(1,713)	(95)	(1,713)	(95)
Profit/(Loss) for the period attributable to:-				
Equity holders of the parent	(1,281)	(147)	(1,281)	(147)
Non-controlling interests	-	-	-	-
	(1,281)	(147)	(1,281)	(147)
Total comprehensive income/(loss) attributable to:-				
Equity holders of the parent	(1,713)	(95)	(1,713)	(95)
Non-controlling interests	-	-	-	-
	(1,713)	(95)	(1,713)	(95)
Earnings/(Loss) per share attributable to owners of the Company				
Basic (sen)	-0.142	-0.024	-0.142	-0.024

(The Condensed Consolidated Statement of Profit Or Loss And Other Comprehensive Income should be read in conjunction with the Annual Audited Financial Statement for the period ended 30 June 2021 and the explanatory notes attached to the interim financial report.)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 3-MONTH PERIOD ENDED 30 SEPTEMBER 2021**

(The figures have not been audited)

	< -----Non-distributable----- >							
	Share capital	ICULS	Accumulated losses	Warrants reserve	Fair value reserve	Revaluation reserve	Foreign currency translation reserve	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 July 2020	49,459	31,370	(69,353)	5,273	-	19,929	321	36,999
Profit/(Loss) for the financial period	-	-	2,502	-	-	-	-	2,502
Other comprehensive income for the financial period	-	-	-	-	-	-	694	694
Total comprehensive income/(loss) for the financial period	-	-	2,502	-	-	-	694	3,196
Transactions with owners								
Conversion of warrants	3,946		-	(3,196)				750
Conversion of ICULS	22,098	(8,839)						13,259
Private placement	3,696							3,696
Total transaction with owners	29,740	(8,839)	-	(3,196)				17,705
Balance as at 30 June 2021	79,199	22,531	(66,851)	2,077	-	19,929	1,015	57,900
Loss for the financial period	-	-	(1,281)	-	-	-	-	(1,281)
Other comprehensive income/(loss) for the financial period	-	-	-	-	-	-	(432)	(432)
Total comprehensive income/(loss) for the financial period	-	-	(1,281)	-	-	-	(432)	(1,713)
Transactions with owners								
Conversion of warrants	5		-	(4)				1
Conversion of ICULS	-	-						-
Total transaction with owners	5	-	-	(4)				1
Balance as at 30 September 2021	79,204	22,531	(68,132)	2,073	-	19,929	583	56,188

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Audited Financial Statement for the period ended 30 June 2021 and the explanatory notes attached to the interim financial report.)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE 3-MONTH PERIOD ENDED 30 SEPTEMBER 2021**

(The figures have not been audited)

	Current year-to-date 30/09/2021 RM'000	Current year-to-date 30/09/2020 RM'000
CASH FLOWS FROM/ (USED IN) OPERATING ACTIVITIES		
Profit/(Loss) for the period	(1,281)	(147)
Adjustments for:		
Depreciation of property, plant and equipment	46	69
Fair value Loss/(gain) on available-for-sale financial assets	556	(70)
Finance costs	269	253
Impairment loss on trade and other receivables	-	-
Amortization of financial asset	50	-
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Operating income/(loss) before working capital changes	(360)	105
Changes in working capital		
Net changes in current assets	7,293	(11,589)
Net changes in current liabilities	(3,715)	(258)
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Cash generated/(used in) operations	3,218	(11,742)
Income tax refunded		38
Income tax paid	(16)	-
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Net cash generated/(used in) operating activities	3,202	(11,704)
CASH FLOWS FROM/ (USED IN) INVESTING ACTIVITIES		
Purchase of property, plant and equipment	-	-
	<hr/>	<hr/>
Net cash used in investing activities	-	-
CASH FLOWS FROM/ (USED IN) FINANCING ACTIVITIES		
Decrease in amount owing to third parties	(60)	(55)
Interest expense paid	(269)	(253)
Proceeds from Warrants conversion	1	750
Proceeds from ICULS conversion	-	11,458
Proceeds from/(Repayment) bank borrowings	(3,971)	(3,742)
Repayment of hire purchase payables	(15)	4
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Net cash from financing activities	(4,314)	8,162

NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,112)	(3,542)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	(8,990)	(5,328)
Effects of exchange rate changes on cash and cash equivalents	(10)	1
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CASH AND CASH EQUIVALENTS AT END OF PERIOD	(10,112)	(8,870)
Cash and Cash Equivalents are as follows:-		
Cash and bank balances	1,043	1,996
Bank overdrafts	(11,155)	(10,866)
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	(10,112)	(8,870)
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(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Audited Financial Statement for the period ended 30 June 2021 and the explanatory notes attached to the interim financial report.)

NOTES TO THE INTERIM FINANCIAL STATEMENT

A. COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM 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 (“Bursa Malaysia”).

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the period ended 30 June 2021. 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 period ended 30 June 2021.

2. Financial Reporting Standards

Significant accounting policies adopted by the Group in these interim financial statements are consistent with those of the audited financial statements for the period ended 30 June 2021.

The Group has adopted the Malaysian Financial Reporting Standards (“MFRS”) framework issued by MASB with effect from 1 July 2020. This MFRS framework was introduced by MASB in order to fully converge Malaysia’s existing Financial Reporting Standard (“FRS”) framework with the International Financial Reporting Standards (“IFRS”) framework issued by the International Accounting Standards Board. There has been no material impact upon the adoption of the MFRS on the financial statements of the Group.

The Group has also adopted all the new and revised MFRSs and IC Interpretations that are relevant and effective for accounting periods beginning on or after 1 July 2020. The adoption of these new and revised MFRS and IC Interpretations have not resulted in any material impact upon the financial statements of the Group.

MFRSs and IC Interpretations that were issued but are not yet effective have not been early adopted by the Group.

3. Auditors’ Report on Preceding Annual Financial Statements

The auditors’ report on the financial statements for the period ended 30 June 2021 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 under review, except for the conversion of 100,000 Warrants into Ordinary Shares.

8. Dividends paid

There was no dividend paid/ declared by the Company for the current quarter ended 30 September 2021 (2020: Nil.).

9. Segmental reporting

30.09.2021	Invest. Holding RM '000	Manufacturing RM '000	Trading RM '000	Others RM '000	Elimination RM '000	Consolidated RM '000
Revenue						
External sales	278	6,861	566	-	-	7,704
Inter-segment sales	-	2,672	278	-	(2,951)	-
Total revenue	278	9,533	844	-	(2,951)	7,704
Results						
Segment results	(70)	(420)	214	(180)		(456)
Fair value loss on financial assets						(556)
Finance costs						(269)
Profit/(Loss) before tax						(1,281)
Income tax expense						-
Profit/(Loss) for the period						(1,281)
Other information						
Capital additions	-	-	-	-	-	-
Depreciation	1	10	35	-	-	46

Consolidated Balance Sheet

Assets						
Segment assets	86,539	44,106	35,551	17,698	(89,962)	93,932
Other investment	350	-	-	-	-	350
Consolidated total assets	86,889	44,106	35,551	17,698	(89,962)	94,282
Liabilities						
Segment Liabilities	52,516	31,857	10,017	57,734	(114,030)	38,095

30.09.2020	Invest. Holding RM '000	Manufacturing RM '000	Trading RM '000	Others RM '000	Elimination RM '000	Consolidated RM '000
Revenue						
External sales	293	794	616	-	-	1,704
Inter-segment sales	-	-	477	-	(477)	-
Total revenue	293	794	1,094	-	(477)	1,704
Results						
Segment results	18	(187)	355	146	(226)	106
Finance costs						(253)
Profit before tax						(147)
Income tax expense						-
Profit for the period						(147)
Other information						
Capital additions	-	-	-	-	-	-
Depreciation	1	29	40	-	-	70
Consolidated Balance Sheet						
Assets						
Segment assets	84,614	51,274	35,523	17,216	(90,959)	97,668
Other investment	412	-	-	-	-	412
Consolidated total assets	85,026	51,274	35,523	17,216	(90,959)	98,080
Liabilities						
Segment Liabilities	56,410	37,555	11,915	56,704	(113,617)	48,967

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 2021 that have not been reflected in the interim financial report.

12. Material Uncertainty Related to Going Concern

The Board of Directors of CME Group Berhad (“CME” or “the Company”) wishes to announce that its external auditors, Messrs. Kreston, John & Gan have included an emphasis of matter to draw attention to the “Material Uncertainty Related to Going Concern” (“MUGC”) in respect of CME’s Financial Statements for 30 June 2021 (“FS 2021”).

Pursuant to Paragraph 9.19(37) of the Main Market Listing Requirements, the description of the MUGC is as follows:

We draw attention to Note 2 (e) to the financial statements, which disclosed that the Group and the Company incurred accumulated losses of RM66,851,000 and RM68,688,000 respectively during the financial year ended

30 June 2021 and, as of that date, the Group and the Company’s current liabilities exceeded their current assets by RM13,966,000 and RM36,952,000 respectively, thereby indicating the existence of a material uncertainty which may cast significant doubt about the Group and the Company’s ability to continue as going concerns. Our opinion is not modified in respect of this matter.”

The reference to Note 2(e) of the FS 2021 is reproduced below:-

“BASIS OF PREPARATION

The financial statements of the Group and the Company have been prepared on a going concern basis, notwithstanding that the Group and the Company incurred accumulated losses of RM66,851,000 and RM68,688,000 respectively as at 30 June 2021, and as of that date, the Group’s and the Company’s current liabilities exceeded their current assets by RM13,966,000 and RM36,952,000 respectively, thereby indicating the existence of a material uncertainty which may cast significant doubt about the Group 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 its shareholders in order to enable it to meet its obligations and liabilities as and when they fall due.”

The following are the Key Audit Matters as reported in the Independent Auditors’ Report of the FS 2021:-

Key audit matter	How the matter was addressed in the audit
<p>Property, plant and equipment, investment properties and inventories (Note 4, 6 and 7 to the financial statements)</p> <p>The carrying amount of the Group’s property, plant and equipment, investment properties and land held for development (inventory) amounted to RM27,938,000, RM35,030,000 and RM12,657,000 respectively, represented 98% of the Group’s total non-current assets as at 30 June 2021.</p> <p>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, investment properties and land held for development (inventory)</p> <p>We focused on this area due to complexities in determining the fair value of the property, plant and equipment, investment properties and inventories, which involved significant estimates and judgements in determining the appropriate valuation methodologies and estimating the underlying assumption to be applied.</p>	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> • reviewing the valuation methodology on recoverable amount on adopted by the Group in accordance to the requirements of MFRS 136 Impairment of Assets; • comparing the Group’s assumption to externally derived data as well as our assessment; and • testing the mathematical accuracy of the impairment assessment.

In relation to the above, the Board wishes to advise on the followings:-

- (a) The Independent Auditors have expressed unqualified opinion on the FS 2021 and that their opinion is not modified in respect of the MUGC;
- (b) The Group and the Company have implemented certain measures which are currently in progress, amongst which,
 - Implement measures to strengthen the production team performance ensuring productive and effective production method;
 - Manage the costing of existing projects to maintain the profitability and closely monitor the progress to ensure the projects are completed within the contract period;
 - Explore new product ranges and identify potential business opportunities for the Group;
 - Actively participating in the projects tendering to and creating new valued proposition for our client;

- Obtain financial support and banking facilities from the financial institutions for financing the existing and upcoming projects; and
- To raise share capital and shareholder value via fund raising exercise.

In addition, the Group have shareholders' equity of RM56,186,980 for year ended 30 September 2021. Based on the above, the directors of the Company are in the opinion that the financial position of the Group would be further strengthened to address any significant doubt on the Group's and the Company's ability in their use of going concern assumption, and accordingly, realise their assets and discharge their liabilities in the normal course of business.

13. 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 discontinued of operations during the quarter under review.

14. Contingent Liabilities or Contingent Assets

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

15. 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

	<u>INDIVIDUAL QUARTER</u>			<u>CUMULATIVE QUARTER</u>		
	30 Sept 2021 RM'000	30 Sept 2020 RM'000	Variance %	30 Sept 2021 RM'000	30 Sept 2020 RM'000	Variance %
Revenue	7,704	1,704	352.1	7,704	1,704	352.1
Profit/(Loss) Before Interest and Tax	(1,012)	106	(1,054.7)	(1,012)	106	(1,054.7)
Profit/(Loss) Before Tax	(1,281)	(147)	(771.4)	(1,281)	(147)	(771.4)
Profit/(Loss) After Tax	(1,281)	(147)	(771.4)	(1,281)	(147)	(771.4)

For the individual quarter and cumulative quarter 3 months ended 30 September 2021

Despite the difficult and challenging business environment as a result of Covid-19 pandemic, the Group recorded a 352.1% jump in revenue for the quarter under review. The Group recorded a revenue of RM7.70 million in comparison to RM1.70 million recorded for the same period in preceding quarter ended 30 September 2020. The increase in revenue were mainly from the Manufacturing Segment principally attributed to the completion of projects and revenue recognition from Specialised Mobility Vehicles(“SMV”) division during the quarter.

The Group recorded a Loss before tax of RM1.28 million, represented a drop of 771.4% as compared to Loss before tax of RM0.15 million for the preceding quarter ended 30 September 2020. The Loss before tax in the current quarter under review is mainly due to Fair value loss on financial asset from Investment Holding Segment and lower profit margin derived in SMV division due to impact from Covid-19 pandemic which affected the shipping schedule on major components and the rise in material cost.

2. Material change in quarterly results as compared with the immediate preceding quarter

The comparison of the Group’s revenue and profit/(loss) before tax for the current quarter and preceding quarter is as follows:

	<u>INDIVIDUAL QUARTER</u>		
	3 Month Ended 30 Sept 2021 RM'000	3 Months Ended 30 June 2021 RM'000	Variance %
Revenue	7,704	(176)	4,477.3
Profit/(Loss) Before Interest and Tax	(1,012)	2,063	(148.6)
Profit/(Loss) Before Tax	(1,281)	1,744	(173.5)
Profit/(Loss) After Tax	(1,281)	3,622	(173.5)

For the current quarter ended 30 September 2021, the Group registered a revenue of RM7.70 million versus the preceding quarter revenue of negative RM0.17 million or 4,477.3% higher in comparison to the preceding quarter ended 31 June 2021.

The Group recorded a Loss before tax of RM1.28 million for the current quarter as compared to Profit before tax of RM1.74 million in the preceding quarter. The Increased in Loss before tax was mainly due to Fair value gain on investment properties recognized during the preceding quarter and Fair value loss on financial asset recognized from Investment Holding Segment during the current quarter.

3. Commentary on Future Prospects

The business and operating environment for the Group continues to remain challenging. Despite the easing of movement control in Malaysia, the Group has to contend with the impact on global supply chain disruption, rising in material cost and reduced in government spending. Notwithstanding the challenging environment, the Board will remain cautiously optimistic on Malaysia and global economy to recover gradually. The Group and Management is continuously working to secure more new projects and to deliver the remaining order book. Moving forward, The Group will further improve on productivity and monitor on production and operation cost in order to improve the overall operation efficiency.

4. Profit forecast

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

5. Income tax expense

The Tax figures consist of the following :-

	Current quarter <i>RM '000</i>	Current year-to-date <i>RM '000</i>
Current year provision	-	-
Deferred tax	-	-
	-	-

6. Corporate Proposals

Save as disclosed below, there was no other corporate proposal announced by the company and pending completion:

- i) On 17 September 2020, the Company announced that its wholly owned subsidiary, CME Health Sdn. Bhd. ("CMEH") (formerly known as CME Properties Sdn. Bhd.) had on 17 September 2020 entered into a Collaborative Agreement with Bioalpha International Sdn Bhd ("BISB") for BISB to develop, manufacture and supply health food supplement that aims to improve overall immunity and strengthen respiratory systems for CMEH to market exclusively in the South East Asia region.

7. Group borrowings and debt securities

The Group's borrowings, are all repayable in Ringgit Malaysia and secured, as of the end of the quarter are as follows:

	As at 30/9/2021 Unaudited <i>RM'000</i>	As at 30/6/2021 Audited <i>RM'000</i>
Amount payable within one year		
Term loans	1,180	1,165
Bank overdrafts	11,155	11,211
Project loans	836	4,454
Banker acceptances	136	140
Lease liabilities	51	51
	<u>13,358</u>	<u>17,021</u>

Amount payable after one year

Term loans	3,225	3,589
Finance leases	81	96
	<u>3,306</u>	<u>3,685</u>
Total borrowings	<u>16,664</u>	<u>20,706</u>

8. Material litigation

Save as disclosed below, there were no material litigations against the Group or taken by the Group at the date of issuance of this Interim Financial Report.

(a) Kuala Lumpur High Court Originating Summons No. 22NCVC-19-01/2014

The Company on 12 May 2014 had been served with the Writ and the Statement of Claim by the Kuala Lumpur High Court in relation to a claim filed by Bellajade Sdn Bhd (“Bellajade”). Bellajade commenced an action against the Company arising from disputes in relation to a Tenancy Agreement dated 21 February 2013 whereby the Company agreed to rent from Bellajade a 23-Storey Office Building known as Plaza Palas bearing the postal address Plaza Palas, Lorong Palas, Off Jalan Ampang, Kuala Lumpur, for a rental of RM1,018,750.00 per month commencing from 20 February 2013, for tenancy term of 3 years. Bellajade is claiming for an outstanding amount of RM8,401,756.85 as of 27 December 2013, rental payment for January 2014 and every subsequent monthly rental payment until the end of tenancy period of 3 years, interest and costs.

The Kuala Lumpur High Court had on 20th May 2015:

- i) Dismissed the Bellajade’s claim against the Company;
- ii) Allowed the Company’s Counterclaim that the Tenancy Agreement is void and Bellajade pay to the Company the sum of RM9,411,062.50 with interest of 4% on the pre judgment sum and 5% on post judgment sum (from the respective date of payment);
- iii) Awarded costs of RM30,000 to the Company; and
- iv) Costs of RM20,000 to the 2nd Defendant (others).

On 10 June 2015, the Company was informed by its solicitors that Bellajade's Solicitors had filed and served a Notice of Appeal on 3 June 2015 vide Court of Appeal Civil Application No. W-02(IM)(NCVC)-976-06/2015.

On 16 July 2015, the Company has via its solicitors served the Statutory Notice of Demand Pursuant to Section 218 (1)(e) of the Companies Act, 1965 on Bellajade to pay to the sum of RM10,128,678.55 being the principle judgment sum, interest, costs and further interest accruing until full settlement.

On 7 August 2015, the Company was informed by its solicitors that the stay of execution of Judgment was granted on condition that Bellajade deposits a sum of RM10 million into a joint stakeholders account.

The Court of Appeal has on 24 August 2016, upon reading the written submissions filed by the respective parties and hearing oral submission allowed the Bellajade’s appeal and set aside the High Court Judgment dated 20-05-2015 and entered Judgment in favour of Bellajade.

Bellajade had, among others, sought the following relief:-

- i) The sum of RM8,401,756.85 as at 27-12-2013;
- ii) Monthly rental for January 2014 and the following months until expiry of the 3 year tenancy; and
- iii) Interest at the rate of 10% per annum for the outstanding rentals to be calculated from the 22nd day of each said rental month until the full settlement.

The Court of Appeal further awarded costs of RM50,000.00 (for the appeal and High Court) to be paid to Bellajade and the deposit is to be refunded to the Bellajade. The Court, however, stayed the Judgment

granted in favour of Bellajade pending disposal of CME's Motion for Leave to Appeal to the Federal Court which was to be filed. CME's Motion for leave to appeal was filed on 22 September 2016.

The Federal Court had on 13 November 2017 allowed CME's Motion for leave to appeal to the Federal Court and granted a stay of execution of the Judgment of the Court of Appeal dated 24 August 2016 ("FC Leave and Stay Order").

The Federal Court had on 25 September 2018:

- i) Allowed CME's appeal against Bellajade;
- ii) Set aside the Court of Appeal's Judgment dated 24 August 2016 that allowed Bellajade's appeal against the High Court Order dated 20 May 2015 and ordered the Company to pay Bellajade the sum of RM8,401,756.85 as at 27 December 2013, month rent for January 2014 and every month thereafter until the expiry of the tenancy, interest and costs of RM50,000.00;
- iii) Re-instated the High Court Order dated 20 May 2015 in Kuala Lumpur High Court Civil Suit No. 22NCVC-19-01/2014 which ordered that Bellajade's claim against the Company be dismissed, the tenancy agreement between Bellajade and the Company as null and void and Bellajade to pay CME the sum of RM9,411,062.50; and
- iv) Bellajade to pay the Company RM80,000.00 as cost. ("the FC Appeal Order")

On 4 October 2018, Bellajade filed in the Federal Court a Notice of Motion to review the FC Appeal Order. The Federal Court had on 14 February 2019:-

- i) Allowed Bellajade's Review Motion dated 02.10.2018 filed in Civil Application No. 08(RS)-10-10/2018 to review the Federal Court's decisions in Civil Appeal No. 02(f)-136-11/2017(W) delivered on 25.09.2018 ("the FC Appeal Order") that allowed the Company's Appeal against the Court of Appeal's decision dated 24.08.2016 ("the CA Judgment");
- ii) Set aside the FC Appeal Order delivered on 25.09.2018;
- iii) Ordered that the Company's Appeal vide Civil Appeal No. 02(f)-136-11/2017(W) ("the FC Appeal") to be re-heard by the Federal Court;
- iv) No order as to costs was made; and
- v) Fixed a Case Management for the FC Appeal on 15.02.2019 for further directions to be given. ("the FC Review Order")

On 15 March 2019, the Company had filed a Notice of Motion to review the FC Review Order vide Federal Court Civil Application No. 08(RS)-2-03/2019(W) ("the Company's Review Motion"). The Company's Review Motion was fixed for hearing on 17 September 2020. The Federal Court had on 13 October 2020 dismissed CME's Notice of Motion to review the Federal Court Order dated 14 February 2019.

On 25 April 2019, the Company received a Notice pursuant to Section 465 (1) (e) and Section 466 (1) (a), Companies Act 2016 dated 24 April 2019 ("the Notice") from a firm of solicitors acting on behalf of Bellajade. In the Notice, Bellajade demanded for the sum of RM55,251,737.85. On 29 April 2019, the Company filed an application in the High Court for an injunction to restrain Bellajade from presenting any winding up petition against the Company.

The High Court had on 14 May 2019 granted an ad interim injunction ("the Ad Interim Injunction") in favour of the Company, restraining Bellajade, its officers, representatives, agents, servants and/or otherwise howsoever from filing, presenting and/or continuing with any petitions of winding up of the Company ("Winding-Up Petition") The Ad Interim Injunction is granted with a condition that the Company shall deposit the sum of RM10,969,932.70 ("Stakeholder Sum") into the joint stakeholders account.

On 17 July 2019, the High Court allowed the Company's application for Fortuna Injunction on the condition that the Stakeholder Sum is to be maintained in the Stakeholder Account ("the Fortuna Injunction Order"). On 24 July 2019, the Company filed a Notice of Appeal to appeal to the Court of Appeal against such part only of the Fortuna Injunction Order. On 15 August 2019, Bellajade filed a Notice of Appeal to appeal to

the Court of Appeal against such part only of the Fortuna Injunction Order. On 4 December 2020, the Court of Appeal dismissed both appeals and reaffirmed the Fortuna Injunction Order.

On 27 January 2021, the Federal Court upon hearing submissions from the parties, reserved their decision in respect of Federal Court Civil Appeal No. 02(f)-136-11/2017(W) (“the Company’s FC Appeal”). The Federal Court has fixed the matter for decision on 30 September 2021.

On 30 September 2021, the Federal Court upon hearing submissions from the parties on 27.01.2021, the Court has allowed the Company’s appeal in part. The Federal Court held that the tenancy agreement is illegal but declined to order restitution of the rental of the sum of RM8,401,756.85 as at 27 December 2013 already paid with no order as to cost.

9. Dividend

No dividend had been declared for the financial period ended 30 September 2021.

10. Earnings/(Loss) Per Share

(a) Basic

Basic earnings/(loss) per share of the Group has been computed by dividing the earning/(loss) attributable to equity holders of the parent for the financial quarter/ period by the weighted average number of ordinary shares in issue during the financial quarter/ period. The basic earnings/(loss) per share was calculated as follows:

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current year quarter 30/9/2021 (RM '000)	Preceding year corresponding quarter 30/09/2020 (RM '000)	Current year-to-date 30/09/2021 (RM '000)	Preceding year corresponding period 30/09/2020 (RM '000)
Profit/(Loss) attributable to equity holders of the parent	(1,281)	(147)	(1,281)	(147)
Weighted average number of ordinary shares	903,448	612,536	903,448	612,536
Basic Earnings/(loss) per share (sen):-	-0.142	-0.024	-0.142	-0.024

(b) Diluted

The basic and diluted earnings/(loss) per ordinary share are equal due to the ICULS and warrants are anti-dilutive in nature and have not been considered in the computation of diluted earnings/(loss) per ordinary share.

11. Profit/(Loss) before tax

	Current year quarter 30/09/2021 RM'000	Current year-to-date 30/09/2021 RM'000
This is arrived at after charging:-		
Depreciation of property, plant and equipment	46	46
Finance costs	269	269

Fair value loss on available-for-sale financial asset	556	556
Amortisation of financial asset	50	50

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**

**En. Azlan Omry Bin Omar
Executive Director**

**Subang Jaya, Selangor
30 November 2021**