

# CME GROUP BERHAD

(Company No. 52235-K)

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 MARCH 2020

(The figures have not been audited)

	Unaudited At 31/03/2020 RM '000	Audited At 30/06/2019 RM '000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	28,279	28,586
Land held for property development	10,760	11,739
Investment properties	36,113	36,113
Other investment	277	268
<b>TOTAL NON-CURRENT ASSETS</b>	<b>75,429</b>	<b>76,706</b>
<b>CURRENT ASSETS</b>		
Inventories	6,669	17,462
Contract assets	-	-
Trade receivables and other receivables	2,979	8,156
Tax recoverable	365	249
Cash and bank balances	5,883	6,760
<b>TOTAL CURRENT ASSETS</b>	<b>15,896</b>	<b>32,627</b>
<b>TOTAL ASSETS</b>	<b>91,325</b>	<b>109,333</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY AND LIABILITIES</b>		
Share capital	49,459	49,459
ICULS	31,370	31,370
Reserves	(42,762)	(44,196)
<b>TOTAL EQUITY</b>	<b>38,067</b>	<b>36,633</b>
<b>NON-CURRENT LIABILITIES</b>		
Hire-purchase payables	206	278
Long-term loan	842	1,119
Other payables	55	370
Deferred tax liabilities	3,088	3,088
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>4,191</b>	<b>4,855</b>
<b>CURRENT LIABILITIES</b>		
Hire-purchase payables	134	180
Bank borrowings	23,440	31,460
Contract liabilities	3,718	14,410
Trade payables and other payables	21,775	21,741
Tax payables	0	54
<b>TOTAL CURRENT LIABILITIES</b>	<b>49,067</b>	<b>67,845</b>
<b>TOTAL LIABILITIES</b>	<b>53,257</b>	<b>72,700</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>91,325</b>	<b>109,333</b>
<b>Net Assets Per Share</b>	<b>0.065</b>	<b>0.063</b>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statement for the period ended 30 June 2019 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 6-MONTH PERIOD ENDED 31 MARCH 2020**

*(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
	31/03/2020 (RM '000)	31/03/2019 (RM '000)	31/03/2020 (RM '000)	31/03/2019 (RM '000)
Revenue	10,323	4,107	27,905	13,315
Cost of sales	(8,115)	(3,137)	(20,454)	(10,687)
<b>Gross profit</b>	<b>2,208</b>	<b>970</b>	<b>7,452</b>	<b>2,628</b>
Other gains	-	65	-	93
Fair value gain/(loss) on available-for-sale financial assets	78	(36)	9	(354)
Administrative expenses	(1,047)	(1,700)	(3,520)	(4,423)
Other expenses	(186)	(294)	(499)	(815)
Finance costs	(330)	(393)	(1,030)	(1,093)
<b>Profit/(Loss) before tax</b>	<b>723</b>	<b>(1,388)</b>	<b>2,412</b>	<b>(3,964)</b>
Income tax expense	-	-	-	-
<b>Profit/(Loss) for the period</b>	<b>723</b>	<b>(1,388)</b>	<b>2,412</b>	<b>(3,964)</b>
<b>Other comprehensive income/ (loss)</b>				
Foreign currency translation	(852)	(203)	(978)	(668)
Gain on revaluation of property, plant and equipment	-	-	-	-
	<b>(852)</b>	<b>(203)</b>	<b>(978)</b>	<b>(668)</b>
<b>Total comprehensive income/(loss) for the period</b>	<b>(129)</b>	<b>(1,591)</b>	<b>1,434</b>	<b>(4,632)</b>
Profit/(Loss) for the period attributable to:-				
Equity holders of the parent	723	(1,388)	2,412	(3,964)
Non-controlling interests	-	-	-	-
	<b>723</b>	<b>(1,388)</b>	<b>2,412</b>	<b>(3,964)</b>
Total comprehensive income/(loss) attributable to:-				
Equity holders of the parent	(129)	(1,591)	1,434	(4,632)
Non-controlling interests	-	-	-	-
	<b>(129)</b>	<b>(1,591)</b>	<b>1,434</b>	<b>(4,632)</b>
<b>Earnings/(Loss) per share attributable to owners of the Company</b>				
<b>Basic (sen)</b>	0.124	-0.238	0.413	-0.678

*(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 2019 and the explanatory notes attached to the interim financial report.)*

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE 6-MONTH PERIOD ENDED 31 MARCH 2020**

*(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
<b>Balance as at 1 July 2018</b>	49,459	31,370	(45,886)	5,273	-	19,694	639	60,549
Loss for the financial period	-	-	(23,645)	-	-	-	-	(23,645)
Other comprehensive income/(loss) for the financial period	-	-	-	-	-	235	(506)	(271)
Total comprehensive income/(loss) for the financial period	-	-	(23,645)	-	-	235	(506)	(23,916)
Transactions with owners:								
Issue of ordinary shares	-	-	-	-	-	-	-	-
Issue of right shares	-	-	-	-	-	-	-	-
<b>Total transactions with owners</b>	-	-	-	-	-	-	-	-
<b>Balance as at 30 June 2019</b>	49,459	31,370	(69,531)	5,273	-	19,929	133	36,633
Profit for the financial period	-	-	2,412	-	-	-	-	2,412
Other comprehensive income for the financial period	-	-	-	-	-	-	(978)	(978)
Total comprehensive income/(loss) for the financial period	-	-	2,412	-	-	-	(978)	1,434
<b>Balance as at 31 March 2020</b>	49,459	31,370	(67,119)	5,273	-	19,929	(845)	38,067

*(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 2019 and the explanatory notes attached to the interim financial report.)*

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE 6-MONTH PERIOD ENDED 31 MARCH 2020**  
*(The figures have not been audited)*

	<b>Current year-to-date 31/03/2020 RM'000</b>	<b>Current year-to-date 31/03/2019 RM'000</b>
<b>CASH FLOWS FROM/ (USED IN) OPERATING ACTIVITIES</b>		
Profit/(Loss) for the period	2,412	(3,964)
Adjustments for:		
Depreciation of property, plant and equipment	307	397
Fair value gain on available-for-sale financial assets	(9)	354
Finance costs	1,030	1,093
Property, plant and equipment written off		98
Property, plant and equipment written back	-	(1)
Operating income/( loss) before working capital changes	3,740	(2,023)
Changes in working capital		
Net changes in current assets	15,970	5,288
Net changes in current liabilities	(10,807)	1,072
Cash generated/(used in) operations	8,903	4,337
Income tax paid	(170)	(96)
Net cash generated/(used in) operating activities	8,733	4,241
<b>CASH FLOWS FROM/ (USED IN) INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	-	(16)
Net cash used in investing activities	-	(16)
<b>CASH FLOWS FROM/ (USED IN) FINANCING ACTIVITIES</b>		
Decrease in amount owing to third parties	(165)	(165)
Interest expense paid	(1,030)	(1,093)
Proceeds from/(Repayment) bank borrowings	(8,114)	(3,179)
Repayment of hire purchase payables	(118)	(136)
Net cash from financing activities	(9,427)	(4,573)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(694)	(348)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	(4,500)	(5,726)
Effects of exchange rate changes on cash and cash equivalents	-	(17)
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	(5,194)	(6,091)
<b>Cash and Cash Equivalents are as follows:-</b>		
Cash and bank balances	5,883	6,003
Bank overdrafts	(11,077)	(12,094)
	(5,194)	(6,091)

*(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Audited Financial Statement for the period ended 30 June 2019 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, 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 (“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 2019. 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 2019.

#### **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 2019.

The Group has adopted the Malaysian Financial Reporting Standards (“MFRS”) framework issued by MASB with effect from 1 January 2018. 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 January 2018. 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 2019 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.

## 8 Dividends paid

There was no dividend paid/ declared by the Company for the current quarter ended 31 March 2020 (30 June 2019: Nil.).

## 9 Segmental reporting

31.03.2020	Invest. Holding RM '000	Manufacturing RM '000	Trading RM '000	Others RM '000	Elimination RM '000	Consolidated RM '000
<b>Revenue</b>						
External sales	913	25,358	1,634	-	-	27,905
Inter-segment sales	-	10,192	1,390	-	(11,582)	-
<b>Total revenue</b>	<b>913</b>	<b>35,550</b>	<b>3,024</b>	<b>-</b>	<b>(11,582)</b>	<b>27,905</b>
<b>Results</b>						
Segment results	(738)	3,455	355	(250)	620	3,442
Finance costs						(1,030)
<b>Profit before tax</b>						<b>2,412</b>
Income tax expense						-
<b>Profit for the period</b>						<b>2,412</b>
<b>Other information</b>						
Capital additions	-	-	-	-	-	-
Depreciation	6	139	162	-	-	307
<b>Consolidated Balance Sheet</b>						
<b>Assets</b>						
Segment assets	75,512	54,588	34,938	15,495	(89,485)	91,048
Other investment	277	-	-	-	-	277
<b>Consolidated total assets</b>	<b>75,789</b>	<b>54,588</b>	<b>34,938</b>	<b>15,495</b>	<b>(89,485)</b>	<b>91,325</b>
<b>Liabilities</b>						
Segment Liabilities	58,405	39,866	11,068	56,061	(112,143)	53,257

<b>31.03.2019</b>	<b>Invest. Holding RM '000</b>	<b>Manufacturing 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	765	10,678	1,872	-	-	13,315
Inter-segment sales	-	4,875	1,304	-	(6,179)	-
<b>Total revenue</b>	<b>765</b>	<b>15,553</b>	<b>3,176</b>	<b>-</b>	<b>(6,179)</b>	<b>13,315</b>
<b>Results</b>						
Segment results	<b>(1,501)</b>	<b>(816)</b>	<b>(207)</b>	<b>(1,876)</b>	<b>1,529</b>	<b>(2,871)</b>
Finance costs						(1,093)
<b>Loss before tax</b>						<b>(3,964)</b>
Income tax expense						-
<b>Loss for the period</b>						<b>(3,964)</b>
<b>Other information</b>						
Capital additions	11	5	-	-	-	16
Depreciation	8	176	212	1	-	397
<b>Consolidated Balance Sheet</b>						
<b>Assets</b>						
Segment assets	109,526	66,059	35,555	26,770	(116,278)	121,632
Other investment	269	-	-	-	-	269
<b>Consolidated total assets</b>	<b>109,795</b>	<b>66,059</b>	<b>35,555</b>	<b>26,770</b>	<b>(116,278)</b>	<b>121,901</b>
<b>Liabilities</b>						
Segment Liabilities	59,133	49,024	27,311	56,080	(132,419)	59,129

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 31 March 2020 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. Baker Tilly Monteiro Heng 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 2019 ("FS 2019").

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

##### "Material Uncertainty Related to Going Concern

We draw attention to Note 2.7 to the financial statements, which disclosed that the Group and the Company incurred net losses of RM23,645,000 and RM34,274,000 respectively during the financial period ended 30 June 2019 and, as of that date, the Group's and the Company's current liabilities exceeded their current assets by RM35,218,000 and RM53,324,000 respectively, thereby indicating the existence of a material uncertainty which may cast significant doubt about the Group's and the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter."

The reference to Note 2.7 of the FS 2019 is reproduced below:-

**“BASIS OF PREPARATION**

The financial statement of the Group and the Company have been prepared on the assumption that the Group and the Company will continue as a going concern. The application of the going concern basis is based on the assumption that the Group and the Company will be able to realise their assets and liquidate their liabilities in the normal course of business.

During the financial period ended 30 June 2019, the Group and the Company incurred net losses of RM14,103,000 and RM23,645,000 and RM34,274,000 respectively and, as of that date, the Group’s and the Company’s current liabilities exceeded their current assets by RM35,218,000 and RM53,324,000 respectively. These events or conditions indicate that a material uncertainty exists that may cast significant doubt of the Group’s and the Company’s ability to continue as a going concern.”

The following are the Key Audit Matters as reported in the Independent Auditors’ Report of the FS 2019:-

Key audit matter	How the matter was addressed in the audit
<p><b>Property, plant and equipment, land held for property development and investment properties (Note 4.1, 4.2, 5, 6 and 7 to the financial statements)</b></p> <p>The directors estimated the fair value of the freehold land and building and investment properties and the net realizable value of the freehold land held under inventories based on the valuation performed by an external independent valuers.</p> <p>The Group recognised revaluation surplus on freehold land and building of RM1,446,000, a fair value loss on investment properties of RM10,124,000 and write down on freehold land held for development of RM9,553,000 respectively during the financial year.</p> <p>We focused on this area because these adjustments requires significant judgement made by the Group as it was determined based on valuation performed by external independent valuers which involves determining the appropriate valuation methods and the key assumptions used in the valuations.</p>	<p><b>Our audit procedures included, among others:</b></p> <ul style="list-style-type: none"> <li>• Assessing the competency and objectivity of the external valuers which included consideration of their qualifications and experience;</li> <li>• Understanding the scope and purpose of the valuation by reading the terms of reference;</li> <li>• Reading the valuation reports and discussed with external valuers on their valuation approach and the significant judgements they made; and</li> <li>• Assessing the valuation approach used and appropriateness of the key assumptions based on our knowledge of the property industry.</li> </ul>

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

- (a) The Independent Auditors have expressed unqualified opinion on the FS 2019 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,
  - The Group is positive and will continue to leverage it’s core competencies by focusing on our core business of 30 years, in manufacturing and supplying of Specialised Mobility Vehicles. The group will remain very active in tendering and procurement of new projects in this segment.
  - The Group is exploring new product range and opportunities within the Specialised Mobility Vehicle and Fire Fighting related products and wishes to put CME staying at the forefront of this sector.
  - The Group is implementing measures to strengthen it’s production team performance ensuring productive and effective production methods. This shall be in line with our mission to monitor and manage the progress of its existing manufacturing activities which are expected to be completed within the projected timeline;
  - Obtain financial support from the financial institutions for financing the on-going and upcoming projects;

In addition, the Group have shareholders’ equity of RM38,067,824. Based on the above measures, 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**

For the 3<sup>rd</sup> quarter ended 31 March 2020, The Group recorded a higher revenue of RM27.9 million and pre-tax profit of RM2.4 million respectively as compared to the preceding year corresponding period ended 31 March 2019 which reported a revenue of RM13.3 million and loss before tax of RM3.9million.

The Group consolidated revenue increased by RM14.6 million or 109.8% as compared to preceding year's corresponding period, mainly attributed by the Manufacturing segment. The increase in revenue recognition from the Specialised Mobility Vehicles ("SMV") Division is in compliance to the adoption of MFRS15 Revenue from Contracts with Customers, whereby the revenue recognition were based on vehicles which were fully completed and delivered.

The Group recorded a Profit before tax of RM2.4 million for the period under review, increased by RM6.3 million or 161.5% as compared to the preceding year corresponding period loss before tax of RM3.9 million.

**2 Material change in profit/(loss) before tax for the quarter 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:

	31.03.20 RM'000	30.12.19 RM'000	← Variance → RM'000	%
Revenue	10,323	16,673	(6,350)	(38.1)
Profit/(Loss) before tax	723	2,968	(2,245)	(75.6)

For the current quarter ended 31 March 2020, the Group registered a total revenue of RM10.3 million, a decrease of RM6.3 million or 38.1% as compared to the preceding quarter ended 30 Dec 2019.

The Group recorded a Profit before tax of RM0.7 million for the current quarter as compared to RM2.9 million in the preceding quarter. The decrease was mainly due to lower revenue.

**3 Commentary on Future Prospects**

Malaysia's challenging growth outlook however is not unexpected given the current global economic slowdown brought about by the Covid-19 pandemic.

The Directors remain optimistic of the Group's prospects. 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 performance of the Group.

**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 year provision

	Current quarter RM '000	Current year-to-date RM '000
	-	-
	-	-

**6 Corporate Proposals**

There were no corporate proposals announced but not completed as at the date of this interim report.

## 7 Group borrowings and debt securities

	As at 31/03/2020 Secured RM'000
<b>Amount payable within one year</b>	
Bank borrowings	23,440
Finance leases	134
	<u>23,574</u>
<b>Amount payable after one year</b>	
Bank borrowings	842
Finance leases	206
	<u>1,048</u>
<b>Total borrowings</b>	<u>24,622</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:-

- (1) The sum of RM8,401,756.85 as at 27-12-2013;
- (2) Monthly rental for January 2014 and the following months until expiry of the 3 year tenancy; and
- (3) 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.

## 8 Material litigation (Cont.)

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:

- (1) Allowed CME's appeal against Bellajade;
- (2) 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;
- (3) 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
- (4) 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:-

- (1) 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");
- (2) Set aside the FC Appeal Order delivered on 25.09.2018;
- (3) 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;
- (4) No order as to costs was made; and
- (5) Fixed a Case Management for the FC Appeal on 15.02.2019 for further directions to be given.  
("the FC Review Order")

On 18 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 is currently fixed for hearing on 17 September 2020. The FC Appeal is currently fixed for re-hearing on 13 October 2020 subject to the Federal Court's decision on the Company's Review Motion.

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 CME's application for Fortuna Injunction on the condition that the Stakeholder Sum is to be maintained in the Stakeholder Account.

On 24 July 2019, CME filed a Notice of Appeal to appeal to the Court of Appeal against such part only of the decision of the High Court on the fortuna injunction order (the "CME's Appeal"). CME's Appeal is currently fixed for hearing on 04 December 2020.

On 15 August 2019, Bellajade filed a Notice of Appeal to appeal to the Court of Appeal against such part only of the decision of the High Court on the fortuna injunction order (the "Bellajade's Appeal"). Bellajade's Appeal is currently fixed for hearing on 04 December 2020.

## 9 Dividend

No dividend had been declared for the financial period ended 31 March 2020.

## 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 31/03/2020 (RM '000)	Preceding year corresponding quarter 31/03/2019 (RM '000)	Current year-to-date 31/03/2020 (RM '000)	Preceding year corresponding period 31/03/2019 (RM '000)
Profit/(Loss) attributable to equity holders of the parent	723	(1,388)	2,412	(3,964)
Weighted average number of ordinary shares	584,236	584,236	584,236	584,236
<b>Basic Earnings/(loss) per share (sen):-</b>	<b>0.124</b>	<b>-0.238</b>	<b>0.413</b>	<b>-0.678</b>

### (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 31/03/2020 RM'000	Current year-to-date 31/03/2020 RM'000
This is arrived at after charging:-		
Depreciation of property, plant and equipment	85	307
Finance costs	330	1,030
Impairment gains on available-for-sale financial asset	78	9
Realised loss on foreign exchange	-	-

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<sup>th</sup> June 2020**