

**MERIDIAN BERHAD (507785 - P)**  
*(formerly known as Meda Inc. Berhad)*

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019**

	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
	RM'000	RM'000	RM'000	RM'000
Revenue	7,454	7,971	13,210	12,946
Cost of sales	(1,408)	(10,860)	(4,859)	(15,406)
<b>Gross profit/(loss)</b>	<b>6,046</b>	<b>(2,889)</b>	<b>8,351</b>	<b>(2,460)</b>
Interest income	2	10	16	38
Other income	940	1,156	4,050	1,636
Selling and distribution expenses	(57)	14	(464)	(9)
Administrative and operating expenses	(16,569)	(3,650)	(22,608)	(10,943)
Other operating expenses	(684)	(6,822)	(766)	(7,773)
Finance cost	(877)	(806)	(3,290)	(3,404)
<b>Loss before tax</b>	<b>(11,199)</b>	<b>(12,987)</b>	<b>(14,711)</b>	<b>(22,915)</b>
Taxation	(63)	(545)	(71)	(545)
<b>Loss after tax</b>	<b>(11,262)</b>	<b>(13,532)</b>	<b>(14,782)</b>	<b>(23,460)</b>
<b>Loss for the financial period</b>				
from discontinued operation, net of tax	-	(339)	-	132
<b>Net loss attributable to:</b>				
Equity holders of the Company	(11,262)	(13,871)	(14,782)	(23,328)
Non-controlling interests	-	-	-	-
	<b>(11,262)</b>	<b>(13,871)</b>	<b>(14,782)</b>	<b>(23,328)</b>
<b>Earnings per share ("EPS") attributable to equity holders of the Company (Sen):</b>				
Basic EPS	(1.91)	(2.82)	(2.51)	(4.74)
Diluted EPS	(1.91)	(2.82)	(2.51)	(4.74)
<b>Net loss for the financial period/year</b>	<b>(11,262)</b>	<b>(13,871)</b>	<b>(14,782)</b>	<b>(23,328)</b>
<b>Other comprehensive income</b>				
Amortisation of revaluation reserve	-	-	-	-
<b>Total comprehensive loss for the period</b>	<b>(11,262)</b>	<b>(13,871)</b>	<b>(14,782)</b>	<b>(23,328)</b>
<b>Total comprehensive loss for the period attributable to:</b>				
Equity holders of the Company	(11,262)	(13,871)	(14,782)	(23,328)
Non-controlling interests	-	-	-	-
	<b>(11,262)</b>	<b>(13,871)</b>	<b>(14,782)</b>	<b>(23,328)</b>

The above condensed consolidated statement of profit or loss should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to these interim financial statements.

**MERIDIAN BERHAD (507785 - P)**  
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019**

	As at 31/12/2019 RM'000	Audited as at 31/12/2018 RM'000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	19,788	22,831
Investment properties	87,624	95,124
Land held for property development	50,855	47,995
	<u>158,267</u>	<u>165,950</u>
<b>CURRENT ASSETS</b>		
Inventories	39,243	42,609
Trade receivables	8,231	9,840
Other receivables, deposits and prepayments	7,248	8,660
Contract assets	118	-
Current tax assets	31	642
Cash and bank balances	942	1,826
	<u>55,813</u>	<u>63,577</u>
<b>TOTAL ASSETS</b>	<u>214,080</u>	<u>229,527</u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	265,057	258,186
Treasury shares	(5,843)	(5,843)
Warrants reserve	8,889	8,889
Revaluation reserve	6,054	6,054
Accumulated losses	(164,103)	(149,321)
<b>TOTAL EQUITY</b>	<u>110,054</u>	<u>117,965</u>
<b>NON-CURRENT LIABILITIES</b>		
Borrowings (interest bearing)	15,200	12,847
Deferred tax liabilities	4,112	4,064
Other payable	18,542	13,679
	<u>37,854</u>	<u>30,590</u>
<b>CURRENT LIABILITIES</b>		
Trade payables	10,553	11,065
Other payables, accruals and deposits	31,875	39,611
Contract liabilities	2,114	71
Borrowings (interest bearing)	16,768	25,363
Current tax liabilities	4,862	4,862
	<u>66,172</u>	<u>80,972</u>
<b>TOTAL LIABILITIES</b>	<u>104,026</u>	<u>111,562</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>214,080</u>	<u>229,527</u>
<b>NET ASSETS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY (RM)</b>	<b>0.23</b>	<b>0.24</b>

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES EQUITY FOR THE FORTH QUARTER ENDED 31 DECEMBER 2019**

	----- Attributable to equity holders of the Company -----					
	Share Capital RM'000	Warrant Reserve RM'000	Revaluation Reserve RM'000	Treasury Shares RM'000	Accumulated Losses RM'000	Total Equity RM'000
<b>At 1 January 2018</b>	258,186	8,889	6,054	(5,843)	(125,993)	141,293
Total loss for the financial period	-	-	-	-	(23,328)	(23,328)
<b>At 31 December 2019</b>	<b>258,186</b>	<b>8,889</b>	<b>6,054</b>	<b>(5,843)</b>	<b>(149,321)</b>	<b>117,965</b>
<b>At 1 January 2019</b>	258,186	8,889	6,054	(5,843)	(149,321)	117,965
Issuance of new shares - Private Placement	6,871	-	-	-	-	6,871
Total loss for the financial period	-	-	-	-	(14,782)	(14,782)
<b>At 31 December 2019</b>	<b>265,057</b>	<b>8,889</b>	<b>6,054</b>	<b>(5,843)</b>	<b>(164,103)</b>	<b>110,054</b>

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE FORTH QUARTER ENDED 31 DECEMBER 2019**

	<b>Cumulative quarter ended 31 December</b>	
	<b>2019 RM'000</b>	<b>2018 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Loss before taxation	(14,782)	(22,543)
Depreciation	1,633	1,944
Gain on disposal of subsidiary	(2,625)	-
- investment properties	6,500	-
- property, plant and equipment	1,443	-
Reversal of provision for onerous contracts	(3,356)	-
Reversal of provision of LAD	(210)	(115)
Reversal of provision of GRR	-	13,638
Interest expense	3,290	3,404
Accrued interest payable	(959)	-
Interest income	(16)	(38)
<b>Operating cash flows before working capital changes</b>	<b>(9,082)</b>	<b>(3,710)</b>
Changes in working capital:		
Contract customer	2,049	(3,011)
Receivables	(271)	23,524
Inventories	(3,497)	3,905
Payables	12,670	(13,280)
	<b>1,869</b>	<b>7,428</b>
Interest paid	(10)	(41)
Interest received	16	38
<b>Net Operating Cash Flows</b>	<b>1,875</b>	<b>7,425</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	(32)	-
Net cash outflow on disposal of investment in a subsidiary	(1,091)	-
<b>Net Investing Cash Flows</b>	<b>(1,123)</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Net repayment to:		
- bank loans	(6,242)	(8,956)
- hire purchase	(98)	(170)
Proceeds from issuance of shares via private placement	6,871	-
Interest paid	(2,321)	(3,367)
<b>Net Financing Cash Flows</b>	<b>(1,791)</b>	<b>(12,493)</b>

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE FORTH QUARTER ENDED 31 DECEMBER 2019 (Continued)**

	<b>Cumulative quarter ended 31 December</b>	
	<b>2019</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(1,038)	(1,335)
<b>CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE FINANCIAL YEAR</b>	<u>(11,753)</u>	<u>(10,418)</u>
<b>CASH AND CASH EQUIVALENTS AS AT THE END OF THE FINANCIAL PERIOD</b>	<u><b>(12,791)</b></u>	<u><b>(11,753)</b></u>

**ANALYSIS OF CASH AND CASH EQUIVALENTS:**

Cash and bank balances	606	407
Bank overdrafts - secured	<u>(13,733)</u>	<u>(13,579)</u>
	<u><b>(13,127)</b></u>	<u><b>(13,172)</b></u>
 Housing Development Accounts	 336	 1,419
	<u><b>(12,791)</b></u>	<u><b>(11,753)</b></u>

The above condensed consolidated statement of profit or loss should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to these interim financial statements.

**PART A – EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**1. Basis of Preparation**

The unaudited interim financial report has been prepared in accordance with the reporting requirements as set out in the Malaysian Financial Reporting Standards (“MFRS”) No. 134 - Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2018. 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 2018.

The accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the financial statements for the financial year ended 31 December 2018 except for the adoption of the following new MFRS:

**Effective for financial periods beginning on or after 1 January 2019:**

MFRS 16      Leases

The adoption of the above amendments to MFRSs did not result in material impact to the interim financial statements of the Group.

**2. Report of the Auditors**

The preceding financial year audit report in respect of the financial year ended 31 December 2018 was not qualified by the external auditors.

**3. Seasonal or Cyclical Factors**

The results for the current quarter under review were not materially affected by seasonal or cyclical factors.

**4. Unusual Items**

There were no unusual items materially affecting the assets, liabilities, equity, net income or cash flow of the Group during the interim financial period.

**5. Material Changes in Estimates**

There were no material changes in estimates that have had any material effect results of the financial period under review.

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**PART A – EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**6. Changes in Debt and Equity Securities**

There was no issuance, cancellations, repurchases, resale and repayments of debt and equity securities during the quarter under review.

**7. Segment Reporting**

Segmental information for the financial period ended 31 December 2019 is presented in respect of the Group's business segment.

	Cumulative quarter ended 31 December			
	2019		2018	
	Revenue	Loss	Revenue	(Loss)/Profit
	RM'000	Before Tax	RM'000	Before Tax
		RM'000		RM'000
Property development & construction	10,584	(7,813)	9,714	(24,327)
Property investment	2,305	(1,415)	2,604	13,219
Hotel operations	-	-	508	132
Others	321	(2,947)	628	1,883
	<u>13,210</u>	<u>(12,176)</u>	<u>13,454</u>	<u>(9,093)</u>
Unallocated expenses	-	(1,871)	-	(10,286)
Net gain on disposal of subsidiary	-	2,625	-	-
Finance costs	-	(3,290)	-	(3,404)
	<u><b>13,210</b></u>	<u><b>(14,711)</b></u>	<u><b>13,454</b></u>	<u><b>(22,783)</b></u>

**8. Valuation of Property, Plant and Equipment**

There were no material changes in the valuation of property, plant and equipment brought forward from the previous financial year.

**9. Material Event Subsequent to Reporting Date**

a) Disposal of the entire equity interest in a subsidiary, Pesona Alfa Sdn. Bhd.

On 31 December 2019, the Company entered into a Share Purchase Agreement with Mutual Group Property Sdn. Bhd. to dispose off its 100% equity interest in Pesona Alfa Sdn. Bhd., a wholly owned subsidiary of the Company, for a cash consideration of RM1,000.00 only.

The disposal of Pesona Alfa Sdn. Bhd. to Mutual Group Property Sdn. Bhd. has yet to be completed as of 28 February 2020.

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**PART A – EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**10. Changes in the Composition of the Group**

There is no material changes in the composition of the Group for the current financial period ended 31 December 2019.

**11. Changes in Contingent Liabilities and Contingent Assets**

There is no significant change in contingent liabilities since the last annual balance sheet date as at 31 December 2018 as follows:-

**Contingent liabilities**

	<b>As at 31/12/2019 RM '000</b>	<b>As at 31/12/2018 RM '000</b>
Guarantees given to financial institutions for credit facilities granted to subsidiaries:	<u>31,968</u>	<u>38,210</u>



**MERIDIAN BERHAD (507785 - P)***(formerly known as Meda Inc. Berhad)***PART B – EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****1. Review of Performance**

For the current quarter under review, the Group recorded revenue of RM 7.454 million due to sales activity from housing landed project at Kuala Linggi. With the incurred of operating expenses during the financial period, the profit before tax is amounting to RM 4.486 million and profit after tax is amounting to RM 4.423 million.

Overall for cumulative period, the Group had recorded revenue of RM 13.210 million and profit after tax of RM 0.903 million.

(Amount shown in RM'000)	Individual Period (4rd Quarter)		Changes (%)	Cumulative Period		Changes (%)
	Current Year Quarter	Preceding Year Corresponding Quarter		Current Year Todate	Preceding Year Corresponding Period	
	31/12/19	31/12/18		31/12/19	31/12/18	
Revenue	7,454	7,971	-6%	13,210	12,946	2%
Operating Loss	(11,265)	(13,347)	16%	(15,488)	(21,185)	27%
Loss Before Interest and Tax	(10,324)	(12,191)	15%	(11,437)	(19,549)	41%
Loss Before Tax	(11,199)	(12,987)	14%	(14,711)	(22,915)	36%
Loss After Tax	(11,262)	(13,532)	17%	(14,782)	(23,460)	37%
Loss Attributable to Ordinary Equity Holders of the Parent Company	(11,262)	(13,871)	19%	(14,782)	(23,328)	37%

**2. Material Changes in Loss Before Taxation for the Current Quarter as compared with the Immediate Preceding Quarter**

The Group recorded a profit before tax of RM 4.486 million in the current quarter as compared to a profit before tax of RM 38,000 in the immediate preceding quarter.

(Amount shown in RM'000)	Current Quarter Q4 2019	Immediate Preceding Quarter Q3 2019	Changes (%)
Revenue	7,454	4,121	81%
Operating (Loss)/Profit	(10,580)	927	-1241%
(Loss)/Profit Before Interest and Tax	(10,324)	1,178	-976%
(Loss)/Profit Before Tax	(11,199)	38	-29572%
(Loss)/Profit After Tax	(11,262)	30	-37640%
(Loss)/Profit Attributable to Ordinary Equity Holders of the Parent Company	(11,262)	30	-37640%

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**PART B – EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**3. Prospects**

For the remaining period to the end of the financial year ending 31 December 2019, the Group anticipates that the fundamental conditions of the property sector will remain similar to 2018. The general outlook is that the soft market will continue through the year.

Whilst the overall prospects for the industry continue to remain challenging in the short term, the Group believes that there will still be demand for properties in strategic locations with attractive pricing and hence, continue to focus on being market-driven in its products offerings. In addition to that, the Group continues to unlock the value of its landbank on hand. With this in mind, the Group continues to focus to host on the Malaysia Tourism City (MTC) and housing landed project development at Kuala Linggi towards this year. It is expected to contribute positively to the Group's revenue earnings and cashflow.

**4. Profit Forecast**

The Group did not issue any profit forecast or profit guarantee during the current financial period under review.

**5. Profit/(Loss) before Taxation**

The following amounts have been included in arriving at profit/(loss) before taxation:

	<b>Cumulative quarter ended 31 December</b>	
	<b>2019</b>	<b>2018</b>
Interest income	16	38
Interest expense	(3,290)	(3,404)
Depreciation	<u>(1,633)</u>	<u>(1,944)</u>

**6. Taxation**

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% (2018: 24%) of the estimated assessable profit for the financial period.

Taxation is computed after taking into consideration of the available capital allowance and adjusted business losses carried forward from previous years to set off against taxable profit. Hence, there is no provision of taxation for the current quarter.

**PART B – EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**7. Status of Material Events during the period for the Current Quarter**

There is no material event during the period for the current quarter.

**8. Group Borrowings and Debt Securities**

The borrowings of the Group compared to preceding year corresponding period were as follows:-

	<b>As at 31 December 2019</b>		
	<b>Long Term RM'000</b>	<b>Short Term RM'000</b>	<b>Total Borrowings RM'000</b>
<b>Secured</b>			
- Hire Purchase	47	32	79
- Bank Overdraft	-	13,733	13,733
- Term Loans	15,153	3,003	18,156
	<b>15,200</b>	<b>16,768</b>	<b>31,968</b>

	<b>As at 31 December 2018</b>		
	<b>Long Term RM'000</b>	<b>Short Term RM'000</b>	<b>Total Borrowings RM'000</b>
<b>Secured</b>			
- Hire Purchase	272	163	435
- Bank Overdraft	-	13,579	13,579
- Term Loans	12,251	11,945	24,196
	<b>12,523</b>	<b>25,687</b>	<b>38,210</b>

None of the Group borrowings is denominated in foreign currency.

**9. Off Balance Sheet Financial Instruments**

During the financial period under review, the Group did not enter into any contracts involving off balance sheet financial instruments.

**PART B – EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**10. Changes in Material Litigation**

(a) Litigation from 137 Owners - The Arc@Cyberjaya

On 4 October 2017, a class action was initiated by 137 owners of The Arc@Cyberjaya (the “137 Owners”) against the Group’s wholly owned subsidiary and the Arc@Cyberjaya developer, Maju Puncakbumi Sdn. Bhd. (“MPSB”) claiming for breach of contract in relation to the Guarantee Rental Return (“GRR”) Option Agreements they signed with MPSB. On 9 November 2017, the Shah Alam High Court allowed the Plaintiffs’ summary judgement application.

The 137 owners are claiming for the following:

- (a) RM3,971,736 being the outstanding rental up till May 2017;
- (b) 8% interest on the outstanding rentals;
- (c) Agreed liquidated damages as stated in the agreement (for the unexpired term);
- (d) General damages, and/or aggravated damages, as well as exemplary damages;
- (e) 5% interest from the judgement till the full payment date;
- (f) Cost;
- (g) Vacant possession of the unit; and
- (h) Any relief deemed fit by the Honorable Court.

MPSB’s solicitors filed a Notice of Appeal to the Court of Appeal on 23 November 2017 against said decision. As at 13 February 2018, the Court granted a stay of execution of the judgement pending the disposal of the appeal. The Court of Appeal dismissed the appeal on 21 May 2018.

MPSB subsequently filed for an Extension of Time to file for Leave to Appeal and Leave Application to the Federal Court. On 4 December 2018, the application was allowed by the Federal Court. MPSB was required to file the Notice of Appeal by 18 December 2018.

Notwithstanding the above, a settlement was reached between the parties in respect of items (a), (b), (d), part of (e) relating to exemplary damages of RM10, (f) and (g) of the Judgment dated 9 November 2017. MPSB made the first tranche of payment amounting to RM1,200,000 and second tranche of payment for the sum of RM2,000,000 was made to the Plaintiffs’ solicitors, Messrs. Quah & Yeap. In respect of final payment of the Judgment Sum above, MPSB forwarded Three (3) post-dated cheques each amounting to RM500,000.00 dated 27 May 2019, 27 Jun 2019 and 27 July 2019 respectively.

The appeal at the Federal Court is currently pending issuance of the Court of Appeal’s grounds of judgment. Upon issuance of the same, the Federal Court will fix the appeal for hearing. Case Management was fixed on 30 July 2019.

At the Case Management on 30 July 2019, the matter was postponed to 8 August 2019 due to the installation of the YDPA. It is currently scheduled on 5 November 2019.

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**PART B – EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

(a) Litigation from 137 Owners - The Arc@Cyberjaya *(Continued)*

On 5 November 2019, both parties' counsels informed the Federal Court that the grounds of judgment from the Court of Appeal has yet to be received to enable the appeal to proceed. The Plaintiffs' counsel informed the Court that the main Plaintiff intends to write for the second time to the Chief Justice to expedite issuance of the grounds of judgment.

On 12 November 2019, the company's solicitors advised that the Court of Appeal has issued the grounds of judgment and the appeal to the Federal Court can now proceed. The matter is now fixed for case management on 30 April 2020 and for hearing of the appeal on 14 May 2020.

There is no material financial impact as the Group has already captured all the outstanding rentals amounting to RM3,972,000 and the 8% interest on the outstanding rentals.

**PART B – EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**(b) Litigation from 55 Owners - The Arc@Cyberjaya**

On 23 January 2018, a wholly owned subsidiary of the Group, Maju Puncakbumi Sdn. Bhd. (“MPSB”), the developer of The Arc@Cyberjaya project was served with a Shah Alam High Court Writ of Summons and Statement of Claim by Lim Pei Pei and Chen Yun Loy dated 19 January 2018.

This is a representative action filed by Lim Pei Pei and Chen Yun Loy representing 55 owners of The Arc@Cyberjaya (“The 55 Owners”) against MPSB claiming for the breach of contract in relation to the GRR Option Agreement.

The Plaintiffs are claiming for:

- (a) RM 1,816,179.35 being the outstanding rentals up till July 2017;
- (b) 8% interest on the outstanding rentals or such other rate of interest as the Honourable Court deems just on the outstanding rentals as stated in para (i) above;
- (c) Cost; and
- (d) Any other relief that deemed fit by the Honourable Court.

After full trial, the Court had on 26 October 2018 allowed the Plaintiff’s claim with interest of 5% per annum from the date of judgement and with costs of RM30,000. The Court had also allowed MPSB to set off in the sum of RM295,181, reducing the Plaintiffs’ claim to the sum of RM1,520,998.

MPSB had on 23 November 2018 filed a Notice of Appeal to the Court of Appeal against the decision of the High Court on 26 October 2018 in allowing the Plaintiff’s claim. Nevertheless, both parties have reached a settlement on 23 January 2019 that MPSB shall forward on or before 30 January 2019 three (3) post-dated cheques for the total sum of RM1,583,892 in the following manner:

- (a) A cheque for the sum of RM250,000 dated 30 January 2019;
- (b) A cheque for the sum of RM250,000 dated 28 February 2019; and
- (c) A cheque for the sum of RM1,083,892 dated 15 April 2019

which all of the above post-dated cheques have been served to the Plaintiff’s solicitors, Messrs Quah & Yeap’s office on 30 January 2019.

In respect of the final cheque in item (c) above, Plaintiffs have agreed at the request by MPSB to further paid in Four (4) instalments whereby all Four (4) post-dated cheques have been forwarded to the Plaintiffs’ Solicitors on 16 May 2019 in the following manner:

- a) A cheque dated 15 May 2019 for the sum of RM200,000.00 only;
- b) A cheque dated 15 June 2019 for the sum of RM200,000.00 only;
- c) A cheque dated 15 July 2019 for the sum of RM200,000.00 only; and
- d) A cheque dated 15 August 2019 for the sum of RM483,891.79 only.

**MERIDIAN BERHAD (507785 - P)**  
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**PART B – EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

(b) Litigation from 55 Owners - The Arc@Cyberjaya *(Continued)*

Due to inability of MPSB to honour their last Two (2) payments, the Plaintiffs have agreed to MPSB's request to reschedule the payment arrangement as follows: -

1. RM50,000.00 / month from August 2019 until December 2019;
2. RM100,000.00 / month from January 2020 to March 2020; and
3. RM133,891.79 on April 2020.

All post-dated cheques have been duly forwarded to the Plaintiffs' Solicitors' office on 29 July 2019.

There is no material financial impact as the Group has already captured all the outstanding rentals amounting to RM1,816,000 except for the 8% interest on the outstanding rentals.

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**PART B – EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

(c) Litigation to PR1MA Corporation Malaysia

Maju Puncakbumi Sdn Bhd (“MPSB”), a wholly owned subsidiary of the Group and registered proprietor of all that land held under HSD 61545 LTPT47 Bandar Pekan Tanjong Kling Sek. II, Daerah Melaka Tengah, Melaka (“the Land”) entered into a Master En-Bloc Purchase Agreement with PR1MA Corporation Malaysia (“PR1MA”) to develop the PR1MA Homes on part of the Land. PR1MA terminated the said Agreement by way of Notice of Termination dated 20 December 2017.

MPSB initiated a Writ in the Shah Alam High Court on 25 April 2018 to claim the sum of RM 109 million together with the damages to be assessed, interest and costs from PR1MA. The Writ was served to PR1MA on 16 May 2018. Both parties were directed to complete pleadings by end of August 2018.

The matter was then fixed for Case Management where the parties must comply with the Pre-Trial directions and later adjourned for Case Management to 9 July 2019 for parties to complete the filing of Common Bundle of Documents. Further, the Court fixed the matter for Trial on 7, 8, 13, 14 and 15 August 2019 at 9.00 a.m.

Trial dates fixed in August 2019 have now been vacated by the Court and has been rescheduled on 14, 19, 20, 21, 25, 26 and 27 November 2019 at 2.15pm at Shah Alam High Court. Further, the Court has also directed the parties to undergo Mediation.

Meanwhile, MPSB is also claiming for RM864,885.91 from PR1MA under the Construction Industry Payment and Adjudication Act 2012 (CIPAA). The Notice of Adjudication pursuant to Section 8 of CIPAA was registered with Asian International Arbitration Centre on 3 December 2018. The Adjudication Claim was issued on 22 March 2019 after which PR1MA issued their Adjudication response on 5 April 2019.

On 24 June 2019, the Adjudicator issued his decision ordering PR1MA to pay MPSB the entire claim amount together with interest at the rate of 5% calculated on RM 728,605.08 from 29.12.2017 until full payment thereof, and on RM 87,325.03 from 16.02.2018 until full payment thereof, Adjudication Cost of RM40,000.00 only, Adjudicator Fees and Expenses of RM17,437.76 and AIAC fees of RM3,654.40 only.

Consequently, MPSB applied to the High Court for an order to enforce the Adjudication Decision. PR1MA has also filed applications to stay and set aside the Adjudication Decision. Subsequently, PR1MA through their solicitors forwarded a “without prejudice” proposal for settlement of the Adjudicator’s Decision in respect of the claim amount and costs only, which MPSB accepted on 29 October 2019. Pending receipt of payment as well as ongoing Mediation proceedings in respect of the Shah Alam High Court suit, the parties have agreed to postpone the hearing of their respective applications before the High Court.



**PART B – EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

(c) Litigation to PR1MA Corporation Malaysia (Continued)

On 26 November 2019, PR1MA made payment amounting to RM 915,431.99, consisting of RM 864,885.91 being payment of the adjudicated claim, and costs of RM 50,546.08, in full settlement of the CIPAA claim.

All the previous trial dates fixed by the Court for the main suit have been vacated. The main suit and the parties' respective applications in respect of the CIPAA award were adjourned to 11 February 2020 and 12 February 2020 respectively for case management.

On 13 December 2019, representatives MPSB and PR1MA met at PR1MA's office for a settlement discussion. MPSB verbally presented PR1MA with two options for the global settlement of all litigation between the parties. This was followed by a formal proposal by letter dated 17 December 2019, the salient contents of which are as follows: -

1) Proposal 1

- (i) PR1MA shall pay MPSB the sum of 13 million as reasonable compensatory damages and to cover the interest portion of the CIPAA claim;
- (ii) PR1MA shall release approximately RM 3.3 million being the retention sum still being held by PR1MA for Phase 1 of the Tg. Kling project;
- (iii) Partial payment of the damages to be paid upon agreement and balance payable by instalments over a period of not more than 2 years.
- (iv) PR1MA shall do whatever that is necessary to re-transfer the land in respect of Phase 1 of the Project ("Phase 1 Land") to MPSB and to uplift and/or cancel the indorsement on the document(s) of title of the lands for Phase 1 and Phase 2 that restricts the use of the lands to development of PR1MA housing

2) Proposal 2

- (i) PR1MA shall pay MPSB the sum of Ringgit Forty-Five Million (RM 45,000,000.00), which includes: -
  - (a) Cost of the land for Phase 2 of the Project ("Phase 2 Land"), which has been set under the MEBPA 2 agreement at RM 21,492,219.00;
  - (b) Retention sum in respect of Phase 1 of the Project amounting to RM 3,295,215.42 still held by PR1MA as well as the interest on the adjudicated sum pursuant to the CIPAA Claim payable to MPSB;
  - (c) Sunk costs of RM 3,065,583.08 in respect of Phase 2 of the Project;

**PART B – EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

(c) Litigation to PR1MA Corporation Malaysia *(Continued)*

- (d) Reasonable compensatory damages.
- (ii) The sum of RM 10,000,000.00 shall be payable upon agreement of this settlement as initial payment and the balance of RM 35,000,000.00 by instalments over a period of not more than two (2) years pursuant to a schedule of payment to be agreed between the Parties;
- (iii) Upon receipt of the initial payment, MPSB shall utilise part of the same to redeem the Phase 2 Land from the existing chargee to render it free from encumbrances;
- (iv) Upon the total initial and instalment payments reaching the approximate equivalent of the land cost for the Phase 2 Land as stated in sub-paragraph (i)(a) above, MPSB shall do all that is necessary to transfer the Phase 2 Land to PR1MA.

On 7 February 2020, PR1MA invited MPSB for a meeting, at which a letter dated 5 February 2020 was delivered containing PR1MA's response to MPSB's proposal. Provisionally, PR1MA agreed to accept Proposal 1 except that PR1MA counter-proposed to offset the compensatory damages with the value of the constructed podium structure on the Phase 1 Land estimated to be worth RM 30.7 million.

However, this was verbally rejected and PR1MA was advised that there needs to be some monetary compensation offered as part of the settlement.

PR1MA has taken note of this and will present the proposal for decision at their Members of Corporation meeting scheduled for 18 February 2020. PR1MA has indicated that they will issue MPSB an invitation for a meeting to convey the outcome on 19 February 2020.

MPSB has now been invited for a meeting on 26 February 2020 where PR1MA will convey their decision of the proposed settlement.

In light of these recent developments, all matters pending before the courts have been adjourned to 23 March 2020.

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**PART B – EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

(d) Class action initiated by 22 owners of The Arc @ Cyberjaya

Maju Puncakbumi Sdn. Bhd. (“MPSB”), a wholly owned subsidiary of the Group and developer of The Arc@Cyberjaya project was served with a Shah Alam High Court Writ of Summons and Statement of Claim by Richard Tan Loke Yew dated 6 March 2019, which was received on 18 March 2019.

This is a representative action filed by Richard Tan Loke Yew representing 22 owners of The Arc@Cyberjaya (“The 22 Owners”) against MPSB claiming for the breach of contract for the sum of RM765,888 only in relation to the GRR Option Agreement.

The Plaintiffs are claiming for:

- (a) RM765,888 only being the outstanding rentals up till July 2017;
- (b) 5% interest on the outstanding rentals on the outstanding rentals as stated in paragraph (a) above;
- (c) Cost; and
- (d) Any other relief that deemed fit by the Honourable Court.

MPSB entered appearance to defend the suit. Case Management was scheduled on 13 June 2019.

Trial that was fixed on 18 September 2019 proceeded with the main Plaintiff taking the stand. The date for Continued Hearing on 12 November 2019 was vacated by the Court, as the judge was unavailable. The continued trial of the matter is now fixed for 26 March 2020.

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**PART B – EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**11. Dividend**

No dividend has been recommended or declared for this current quarter and for this interim financial period under review.

**12. Earnings Per Share**

The basic and diluted earnings per share have been calculated based on the consolidated net profit/(loss) attributable to equity holders of the parent for the interim for financial period and the weighted average number of ordinary shares outstanding during the period as follows:-

**i. Basic earnings per share**

	Individual Quarter		Cumulative Quarter	
	3 months ended	3 months ended	12 months ended	12 months ended
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
	RM '000	RM '000	RM '000	RM '000
<b>Profit/(Loss) attributable to equity holders of the Company</b>	(11,262)	(13,871)	(14,782)	(23,328)
<b>Weighted average number of ordinary shares ('000)</b>				
Issued ordinary shares at beginning of period	589,154	492,555	589,154	492,555
Effect of shares issued during the period	-	-	-	-
	<u>589,154</u>	<u>492,555</u>	<u>589,154</u>	<u>492,555</u>
Effect on dilution of share warrants	-	-	-	-
<b>Adjusted weighted average number of ordinary shares in issue and issuable ('000)</b>	<u>589,154</u>	<u>492,555</u>	<u>589,154</u>	<u>492,555</u>
<b>Diluted earnings per share (sen)</b>	<u>(1.91)</u>	<u>(2.82)</u>	<u>(2.51)</u>	<u>(4.74)</u>

**ii. Diluted earnings per share**

The diluted earnings per ordinary shares are equals to the basic earnings per share because the outstanding warrants are anti-dilutive.

**ON BEHALF OF THE BOARD**

DATO' YAP TING HAU  
Chief Executive Officer  
Kuala Lumpur

28 February 2020