

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND COMPREHENSIVE INCOME FOR THE FIFTH QUARTER ENDED 31 MARCH 2020

	Individual Quarter 3 months ended		Cumulative Quarter 15 months ended	
	31/03/2020 RM'000	31/03/2019 RM'000	31/03/2020 RM'000	31/03/2019 RM'000 **
Revenue	611	970	13,821	-
Cost of sales	(618)	(1,695)	(5,477)	-
Gross (loss)/profit	(7)	(725)	8,344	-
Interest income	2	7	18	-
Other income	(23)	85	4,027	-
Selling and distribution expenses	-	(290)	(464)	-
Administrative and operating expenses	11,530	(1,811)	(11,078)	-
Other operating expenses	595	-	(171)	-
Finance cost	(664)	(436)	(3,954)	-
Profit/(Loss) before tax	11,433	(3,170)	(3,278)	-
Taxation	37	-	(34)	-
Profit/(Loss) after tax	11,470	(3,170)	(3,312)	-
Profit/(Loss) for the financial year				
from discontinued operation, net of tax	-	-	-	-
Net profit/(loss) attributable to:				
Equity holders of the Company	11,470	(3,170)	(3,312)	-
Non-controlling interests	-	-	-	-
	11,470	(3,170)	(3,312)	-
Earnings per share ("EPS") attributable to equity holders of the Company (Sen):				
Basic EPS	1.95	(0.64)	(0.56)	-
Diluted EPS	1.95	(0.64)	(0.56)	-
Net profit/(loss) for the financial period	11,470	(3,170)	(3,312)	-
Other comprehensive income				
Amortisation of revaluation reserve	-	-	-	-
Total comprehensive profit/(loss) for the period	11,470	(3,170)	(3,312)	-
Total comprehensive profit/(loss) for the period attributable to:				
Equity holders of the Company	11,470	(3,170)	(3,312)	-
Non-controlling interests	-	-	-	-
	11,470	(3,170)	(3,312)	-

The above condensed consolidated statement of profit or loss and comprehensive income 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.

** In view of the change in financial year end from 31 December 2019 to 30 June 2020, there were no comparative financial information available for the 15 months financial period end to 31 March 2020.

MERIDIAN BERHAD (507785 - P)
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

	As at 31/03/2020 RM'000	Audited as at 31/12/2018 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	21,148	22,831
Investment properties	94,824	95,124
Land held for property development	55,478	47,995
	171,450	165,950
CURRENT ASSETS		
Inventories	39,371	42,609
Trade receivables	3,243	9,840
Other receivables, deposits and prepayments	8,144	8,660
Contract assets	118	-
Current tax assets	31	642
Cash and bank balances	733	1,826
	51,640	63,577
TOTAL ASSETS	223,090	229,527
EQUITY AND LIABILITIES		
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	(152,633)	(149,321)
TOTAL EQUITY	121,524	117,965
NON-CURRENT LIABILITIES		
Borrowings (interest bearing)	6,255	12,847
Deferred tax liabilities	4,064	4,064
Other payable	19,284	13,679
	29,603	30,590
CURRENT LIABILITIES		
Trade payables	6,981	11,065
Other payables, accruals and deposits	32,879	39,611
Contract liabilities	2,114	71
Borrowings (interest bearing)	25,127	25,363
Current tax liabilities	4,862	4,862
	71,963	80,972
TOTAL LIABILITIES	101,566	111,562
TOTAL EQUITY AND LIABILITIES	223,090	229,527
NET ASSETS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY (RM)		
	0.24	0.24

The above condensed consolidated statement of financial position 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 CHANGES EQUITY FOR THE FIFTH QUARTER ENDED 31 MARCH 2020

	----- 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
At 1 January 2018	258,186	8,889	6,054	(5,843)	(125,993)	141,293
Total loss for the financial period	-	-	-	-	(23,328)	(23,328)
At 31 December 2018	258,186	8,889	6,054	(5,843)	(149,321)	117,965
At 1 January 2019	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	-	-	-	-	(3,312)	(3,312)
At 31 March 2020	265,057	8,889	6,054	(5,843)	(152,633)	121,524

The above condensed consolidated statement of changes equity 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 CASH FLOW FOR THE FIFTH QUARTER ENDED 31 MARCH 2020

	Cumulative quarter ended 31 March	
	2020 RM'000	2019 RM'000
		**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Loss before taxation	(3,312)	-
Adjustments for:		
Depreciation	1,715	-
Gain on Revaluation	(700)	-
Gain on disposal of subsidiary	(2,635)	-
Interest expense	3,954	-
Accrued interest payable	(294)	-
Interest income	(18)	-
Operating cash flows before working capital changes	(1,290)	-
Changes in working capital:		
Contract customer	1,925	-
Receivables	7,022	-
Inventories	(5,022)	-
Payables	872	-
	3,507	-
Interest paid	(11)	-
Interest received	18	-
Net Operating Cash Flows	3,514	-
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(32)	-
Net cash outflow on disposal of investment in a subsidiary	(1,091)	-
Net Investing Cash Flows	(1,123)	-

The above condensed consolidated statement of cash flow 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.

** In view of the change in financial year end from 31 December 2019 to 30 June 2020, there were no comparative financial information available for the 15 months financial period end to 31 March 2020.

MERIDIAN BERHAD (507785 - P)
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE FIFTH QUARTER ENDED 31 MARCH 2020 (Continued)

	Cumulative quarter ended 31 March	
	**	
	2020 RM'000	2019 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net repayment to:		
- bank loans	(6,350)	-
- hire purchase	(112)	-
Proceeds from issuance of shares via private placement	6,873	-
Interest paid	(3,649)	-
Net Financing Cash Flows	(3,238)	-
NET CHANGE IN CASH AND CASH EQUIVALENTS	(847)	-
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE FINANCIAL YEAR	(11,753)	-
CASH AND CASH EQUIVALENTS AS AT THE END OF THE FINANCIAL PERIOD	(12,600)	-
ANALYSIS OF CASH AND CASH EQUIVALENTS:		
Cash and bank balances	295	-
Bank overdrafts - secured	(13,333)	-
	(13,038)	-
Housing Development Accounts	438	-
	(12,600)	-

The above condensed consolidated statement of cash flow 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.

** In view of the change in financial year end from 31 December 2019 to 30 June 2020, there were no comparative financial information available for the 15 months financial period end to 31 March 2020.

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 March 2020 is presented in respect of the Group's business segment.

	Cumulative quarter ended 31 March			
	2020		2019	
	Revenue	(Loss)/Profit	Revenue	(Loss)/Profit
	RM'000	Before Tax	RM'000	Before Tax
		RM'000	RM'000	RM'000
Property development & construction	10,584	4,245	-	-
Property investment	2,887	(1,511)	-	-
Hotel operations	-	-	-	-
Others	350	(394)	-	-
	<u>13,821</u>	<u>2,340</u>	<u>-</u>	<u>-</u>
Unallocated expenses	-	(4,299)	-	-
Net gain on disposal of subsidiaries	-	2,635	-	-
Finance costs	-	(3,954)	-	-
	<u>13,821</u>	<u>(3,278)</u>	<u>-</u>	<u>-</u>

** In view of the change in financial year end from 31 December 2019 to 30 June 2020, there were no comparative financial information available for the 15 months financial period end to 31 March 2020.

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.

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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 the last reporting date, 28 February 2020.

On 16 March 2020, both parties have entered into the deed of revocation to revoke the deal, as a result, Pesona Alfa Sdn Bhd has back to its original position and remain the subsidiary of the Company.

10. Changes in the Composition of the Group

There are no material changes in the composition of the Group for the current financial period ended 31 March 2020.

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:-

	As at 31/3/2020 RM '000	As at 31/12/2018 RM '000
Short Term – Secured	25,127	25,363
Long Term – Secured	6,255	12,847
	<u>31,382</u>	<u>38,210</u>

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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 0.611 million due to low sales activity. With the incurred of operating expenses and the reversal of impairment losses during the financial period, the profit before tax is amounting to RM 11.433 million.

Overall for cumulative period, the Group had recorded revenue of RM 13.821 million and loss after tax of RM 3.312 million.

(Amount shown in RM'000)	Individual Period (5th Quarter)		Changes (%)	Cumulative Period		Changes (%)
	Current Year Quarter	Preceding Year Corresponding Quarter		Current Year To date	Preceding Year Corresponding Period	
	31/03/20	31/03/19		31/03/20	31/03/19**	
Revenue	611	970	-37%	13,821	-	-
Operating Profit/(Loss)	12,118	(2,826)	529%	(3,369)	-	-
Profit/(Loss) Before Interest and Tax	12,096	(2,741)	541%	659	-	-
Profit/(Loss) Before Tax	11,433	(3,170)	461%	(3,278)	-	-
Profit/(Loss) After Tax	11,470	(3,170)	462%	(3,312)	-	-
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent Company	11,470	(3,170)	462%	(3,312)	-	-

** In view of the change in financial year end from 31 December 2019 to 30 June 2020, there were no comparative financial information available for the 15 months financial period end to 31 March 2020.

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 11.433 million in the current quarter as compared to a loss of RM 11.199 million in the immediate preceding quarter.

(Amount shown in RM'000)	Current Quarter Q5 2020	Immediate Preceding Quarter Q4 2019	Changes (%)
Revenue	611	7,454	-92%
Operating Profit	11,523	(10,580)	-209%
Profit Before Interest and Tax	12,096	(10,324)	-217%
Profit Before Tax	11,433	(11,199)	-202%
Profit After Tax	11,470	(11,262)	-202%
Profit Attributable to Ordinary Equity Holders of the Parent Company	11,470	(11,262)	-202%

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3. Prospects

With the Global outbreak of the Covid-19 pandemic beginning from late last year and early 2020 and the imposition by the Malaysian Government of the Movement Control Order (“MCO”) from 18 March 2020, the outlook for the local economy remains uncertain at best and challenging in the near term.

The Group will not be spared from the negative impact of the pandemic. It is still early to quantify the financial effects on the Group’s results for the current financial year ending 30 June 2020.

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:

	Cumulative quarter ended 31 March	
	2020	2019
Interest income	18	-
Interest expense	(3,954)	-
Depreciation	<u>(1,715)</u>	<u>-</u>

** In view of the change in financial year end from 31 December 2019 to 30 June 2020, there were no comparative financial information available for the 15 months financial period end to 31 March 2020.

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

6. Status of Material Events during the period for the Current Quarter

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

7. 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.

8. Group Borrowings and Debt Securities

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

	As at 31 March 2020		
	Long Term RM'000	Short Term RM'000	Total Borrowings RM'000
Secured			
- Hire Purchase	(75)	(128)	(202)
- Bank Overdraft	-	(13,333)	(13,333)
- Term Loans	(6,180)	(11,666)	(17,847)
	(6,255)	(25,127)	(31,382)
	As at 31 March 2019		
	Long Term RM'000	Short Term RM'000	Total Borrowings RM'000
Secured			
- Hire Purchase	(176)	(227)	(403)
- Bank Overdraft	-	(13,672)	(13,672)
- Term Loans	(9,706)	(11,666)	(21,372)
	(9,882)	(25,565)	(35,447)

None of the Group borrowings is denominated in foreign currency.

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

9. Corporate Proposals

- a) On 7 December 2018, the Group had announced to undertake a Private Placement of up to 10% of the total number of issued shares of Meridian Berhad and Shares Issuance representing up to 10% of the total number of issued shares of Meridian Berhad based on the mandate procured from the shareholders of Meridian Berhad pursuant to Sections 75 and 76 of the companies Act 2016. The approval of the proposed Private Placement and Share Issuance has been obtained from Bursa Securities on 8th January 2019. The corporate exercise for Private Placement and Shares Issuance were completed on 5 December 2019.

The details of the Private Placement and Shares Issuance which has been issued by Meridian Berhad under the Proposed Private Placement and Share Issuance are as stated in the table below.

No.	Date of Listing	Total Number of Private Placement and Shares Issuance ('000)	Proceeds (RM' 000)
1	17 September 2019	31,100	2,488
2	17 October 2019	25,380	1,777
3	4 December 2019	40,118	2,608
Total		96,598	6,873

- b) The Company raised total gross proceeds of RM6.873 million from the Private Placement and Share Issuance. The utilization of proceeds is as follows:

Particular	Proposed Utilization (RM' 000)	Actual Utilized as at 26 June 2020 (RM' 000)	Balance to be Utilized (RM' 000)
Property development activities	5,641	5,800	-
General working capital	936	936	-
Estimated expenses in relation to the Proposed Private Placement and Shares Issuance	296	137	-
Total	6,873	6,873	-

10. 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

11. 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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(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.

Due to the imposition of the Movement Control Order (MCO) effective from 18 March 2020, the hearing of the appeal has been postponed. The matter is now fixed for case management on 22 September 2020 and hearing of the appeal on 20 October 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.

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(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.

On 26 February 2020, the parties' representatives met at PR1MA's office and reached a global settlement of all matters between them in the following terms:-

As full and final settlement of all claims, disputes, differences and issues whatsoever and howsoever which have arisen between the Parties, the Parties agree to the following:-

- (a) PR1MA shall pay the sum of RM6,500,000.00 to MPSB by 3 March 2021 or a reduced sum of RM5,200,000.00 if PR1MA is able to pay the same by 3 July 2020;
- (b) Concurrent with the payment in item (a), PR1MA shall transfer the ownership without any encumbrance in respect of a piece of land held under HSD 81099, Lot PT49, Bandar Pekan Tanjong Kling Sek. II, Daerah Melaka Tengah, Melaka ("Land") to MPSB;

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)

- (c) Items (a) and (b) above are subject to the approval being obtained by PR1MA under Section 47 of the Perumahan Rakyat 1Malaysia Act 2012 and the execution of a binding Settlement Agreement between the Parties within 14 days from the receipt of the said approval;
- (d) Pending the approval being obtained by PR1MA under Section 47 of the Perumahan Rakyat 1Malaysia Act 2012, the sum of RM6,500,000.00, the Memorandum of Transfer and the land title in respect of the Land shall be deposited by PR1MA to Messrs Zul Rafique & Partners (“ZRP”) as its stakeholders within thirty (30) days from the date of this Heads of Terms;
- (e) Pending the approval being obtained by PR1MA under Section 47 of the Perumahan Rakyat 1Malaysia Act 2012, PR1MA shall write to the Melaka Land Office to waive the PR1MA restrictions on the land titles for the Land as well as the lands for Phase 2 of the Project currently registered in MPSB’s name;
- (f) Upon the execution of a binding Settlement Agreement between the Parties, both Parties shall as soon as practicable record consent judgment upon the salient terms of the Settlement Agreement in Shah Alam High Court Civil Suit No: BA-22NCvC-204-04/2018, and shall take steps to withdraw all proceedings, including the following without liberty to file afresh and with no order as to costs:-
 - (i) Shah Alam High Court Originating Summons No: BA-24C-88-08/2019; and
 - (ii) Shah Alam High Court Originating Summons No: BA-24C-91-09/2019.

A Heads of Terms dated 21 May 2020 incorporating the above has been signed by both parties.

To date, Items (d) and (e) of the settlement terms have been performed by PR1MA. As for Item (c), MPSB has been advised that the Minister of Housing and Local Government has given her approval to the settlement but the approval from the Minister of Finance is still pending.

On 3 June 2020, PR1MA requested some documents of MPSB on behalf of the Ministry of Finance and these documents have been provided on 4 June 2020. The approval of the Minister of Finance continues to be processed.

Pending the resolution of all the foregoing matters, the main suit between the parties has been adjourned to 29 July 2020 and the CIPAA enforcement/execution applications have been adjourned to 7 July 2020.

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

(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.

Due to the imposition of the Movement Control Order (MCO) effective from 18 March 2020, the Trial was postponed. The matter was then fixed for case management on 18 June 2020 to fix new trial dates but the Court vacated that date and instructed that the new Trial dates will be fixed via email.

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

12. Dividend

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

13. 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 3 months ended		Cumulative Quarter 15 months ended	
	31/3/2020 RM '000	31/3/2019 RM '000	31/3/2020 RM '000	31/03/2019** RM '000
Profit/(Loss) attributable to equity holders of the Company	11,470	(3,170)	(3,312)	-
Weighted average number of ordinary shares ('000)				
Issued ordinary shares at beginning of period	589,154	492,555	589,154	-
	<u>589,154</u>	<u>492,555</u>	<u>589,154</u>	<u>-</u>
Basic earnings per share (sen)	<u>1.95</u>	<u>(0.64)</u>	<u>(0.56)</u>	<u>-</u>

** In view of the change in financial year end from 31 December 2019 to 30 June 2020, there were no comparative financial information available for the 15 months financial period end to 31 March 2020.

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

26 June 2020