

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND COMPREHENSIVE INCOME FOR THE SIXTH QUARTER ENDED 30 JUNE 2020

	Individual Quarter 3 months ended		Cumulative Quarter 18 months ended	
	30/06/2020 RM'000	30/06/2019 RM'000	30/06/2020 RM'000	30/06/2019 RM'000 **
Revenue	6,952	665	20,774	-
Cost of sales	(1,616)	(692)	(7,093)	-
Gross profit/(loss)	5,336	(27)	13,681	-
Interest income	1	3	19	-
Other income	(947)	2,719	3,080	-
Selling and distribution expenses	(40)	(123)	(504)	-
Administrative and operating expenses	607	(2,119)	(10,471)	-
Other operating expenses	-	-	(171)	-
Operating profit	4,957	453	5,634	-
Finance cost	(709)	(834)	(4,664)	-
Profit/(Loss) before tax	4,248	(381)	970	-
Taxation	-	-	(32)	-
Profit/(Loss) after tax	4,248	(381)	938	-
Profit/(Loss) for the financial year from discontinued operation, net of tax	-	-	-	-
Net profit/(loss) attributable to:				
Equity holders of the Company	4,248	(381)	938	-
Non-controlling interests	-	-	-	-
	4,248	(381)	938	-
Earnings per share ("EPS") attributable to equity holders of the Company (Sen):				
Basic EPS	0.72	(0.08)	0.16	-
Diluted EPS	0.72	(0.08)	0.16	-
Net profit/(loss) for the financial period	4,248	(381)	938	-
Other comprehensive income				
Amortisation of revaluation reserve	-	-	-	-
Total comprehensive profit/(loss) for the period	4,248	(381)	938	-
Total comprehensive profit/(loss) for the period attributable to:				
Equity holders of the Company	4,248	(381)	938	-
Non-controlling interests	-	-	-	-
	4,248	(381)	938	-

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 18 months financial period end to 30 June 2020.

MERIDIAN BERHAD (507785 - P)
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	As at 30/06/2020 RM'000	Audited as at 31/12/2018 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	20,723	22,831
Investment properties	94,124	95,124
Land held for property development	55,478	47,995
	170,325	165,950
CURRENT ASSETS		
Inventories	38,988	42,609
Trade receivables	7,981	9,840
Other receivables, deposits and prepayments	7,589	8,660
Contract assets	118	-
Current tax assets	31	642
Cash and bank balances	503	1,826
	55,210	63,577
TOTAL ASSETS	225,535	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	(148,383)	(149,321)
TOTAL EQUITY	125,774	117,965
NON-CURRENT LIABILITIES		
Borrowings (interest bearing)	5,780	12,847
Deferred tax liabilities	4,064	4,064
Other payable	20,848	13,679
	30,692	30,590
CURRENT LIABILITIES		
Trade payables	6,998	11,065
Other payables, accruals and deposits	29,608	39,611
Contract liabilities	2,114	71
Borrowings (interest bearing)	25,487	25,363
Current tax liabilities	4,862	4,862
	69,069	80,972
TOTAL LIABILITIES	99,761	111,562
TOTAL EQUITY AND LIABILITIES	225,535	229,527
NET ASSETS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY (RM)	0.25	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 IN EQUITY FOR THE SIXTH QUARTER ENDED 30 JUNE 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 profit for the financial period	-	-	-	-	938	938
At 30 June 2020	265,057	8,889	6,054	(5,843)	(148,383)	125,774

The above condensed consolidated statement of Changes in 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 SIXTH QUARTER ENDED 30 JUNE 2020

	Cumulative quarter ended 30 June	
	2020 RM'000	2019 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit before taxation	938	-
Adjustments for:		
Depreciation	2,336	-
Gain on disposal of subsidiary	(2,635)	-
Interest expense	4,664	-
Accrued interest payable	(294)	-
Interest income	(19)	-
Operating cash flows before working capital changes	4,990	-
Changes in working capital:		
Contract customer	1,925	-
Receivables	2,654	-
Inventories	(4,446)	-
Payables	(822)	-
	4,301	-
Interest paid	(13)	-
Interest received	19	-
Net Operating Cash Flows	4,307	-
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(228)	-
Net cash outflow on disposal of investment in a subsidiary	(1,091)	-
Net Investing Cash Flows	(1,319)	-

The above condensed consolidated statement of Cash Flows 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 18 months financial period end to 30 June 2020.

MERIDIAN BERHAD (507785 - P)
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE SIXTH QUARTER ENDED 30 JUNE 2020 (Continued)

	Cumulative quarter ended 30 June **	
	2020 RM'000	2019 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net repayment to:		
- bank loans	(6,817)	-
- hire purchase	(121)	-
Proceeds from issuance of shares via private placement	6,871	-
Interest paid	(4,357)	-
Net Financing Cash Flows	(4,424)	-
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,436)	-
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	(13,189)	-
ANALYSIS OF CASH AND CASH EQUIVALENTS:		
Cash and bank balances	65	-
Bank overdrafts - secured	(13,692)	-
	(13,627)	-
Housing Development Accounts	438	-
	(13,189)	-

The above condensed consolidated statement of Cash Flows 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 18 months financial period end to 30 June 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 30 June 2020 is presented in respect of the Group's business segment.

	Cumulative quarter ended 30 June			
	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	10,395	(7,529)	-	-
Property investment	10,009	13,934	-	-
Hotel operations	-	-	-	-
Others	370	(3,725)	-	-
	<u>20,774</u>	<u>2,680</u>	<u>-</u>	<u>-</u>
Unallocated expenses	-	319	-	-
Net gain on disposal of subsidiaries	-	2,635	-	-
Finance costs	-	(4,664)	-	-
	<u>20,774</u>	<u>970</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 18 months financial period end to 30 June 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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PART A – EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

9. Material Event Subsequent to Reporting Date

On 21st August 2020, it was announced that Maju Puncakbumi Sdn Bhd (MPSB) had entered into a settlement agreement with Perbadanaan PR1MA Malaysia (“PR1MA”) to settle our litigation case whereby PR1MA will pay MPSB RM6.2 Million in compensation and the return of the Phase 1 Project Land to MPSB referred to as HSD 81099 Lot PT49, Bandar Pekan Tanjong Kling Sek II, Daerah Melaka Tengah, Negeri Melaka.

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 30 June 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 30/6/2020 RM ‘000	As at 31/12/2018 RM ‘000
Short Term – Secured	25,487	25,363
Long Term – Secured	5,780	12,847
	<u>31,267</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 6.952 million owing to the sale of inventory units in our Bukit Mertajam Summit Mall. With the inclusion of operating expenses during the financial period, the Profit before Tax amounts to RM 4.248 million.

Overall for cumulative period, the Group had recorded revenue of RM 20.774 million and profit after tax of RM 0.938 million.

(Amount shown in RM'000)	Individual Period (6th Quarter)		Changes (%)	Cumulative Period		Changes (%)
	Current Year Quarter	Preceding Year Corresponding Quarter		Current Year Todate	Preceding Year Corresponding Period	
	30/06/20	30/06/19		30/06/20	30/06/19**	
Revenue	6,952	665	946%	20,774	-	-
Operating Profit/(Loss)	5,903	(2,269)	360%	2,535	-	-
Profit/(Loss) Before Interest and Tax	4,957	453	-995%	5,634	-	-
Profit/(Loss) Before Tax	4,248	(381)	1214%	970	-	-
Profit/(Loss) After Tax	4,248	(381)	1214%	938	-	-
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent Company	4,248	(381)	1214%	938	-	-

** 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 18 months financial period end to 30 June 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 4.248 million in the current quarter as compared to a Profit before Tax of RM 11.433 million in the immediate preceding quarter.

(Amount shown in RM'000)	Current Quarter Q6 2020	Immediate Preceding Quarter Q5 2020	Changes (%)
Revenue	6,952	611	1037%
Operating Profit	5,903	11,523	-49%
Profit Before Interest and Tax	4,957	12,096	-59%
Profit Before Tax	4,248	11,433	-63%
Profit After Tax	4,248	11,470	-63%
Profit Attributable to Ordinary Equity Holders of the Parent Company	4,248	11,470	-63%

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

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 now to quantify the financial effects on the Group’s results for the current financial year ending 30 June 2021 which will to a large extent be dependent on the duration of the Covid-19 crisis and the continued negative impact on economic activity.

However, the Group has taken steps to mitigate the impact by taking measures to reduce operating expenses as well as assessing the various government assistance measures which may be applicable to the Group. The Group will continue to monitor the situation closely and take appropriate actions when necessary.

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 30 June	
	2020	2019
Interest income	19	-
Interest expense	(4,664)	-
Depreciation	(2,336)	-

** 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 18 months financial period end to 30 June 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 30 June 2020		
	Long Term RM'000	Short Term RM'000	Total Borrowings RM'000
Secured			
- Hire Purchase	(66)	(128)	(194)
- Bank Overdraft	-	(13,692)	(13,692)
- Term Loans	(5,714)	(11,667)	(17,381)
	(5,780)	(25,487)	(31,267)
	As at 30 June 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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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 Honourable Court.

MPSB’s solicitors filed a Notice of Appeal to the Court of Appeal on 23 November 2017 against said decision. On 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 subsequently filed 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 fixed for case management on 22 September 2020 and hearing of the appeal on 20 October 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

(b) 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 were vacated by the Court and rescheduled on 14, 19, 20, 21, 25, 26 and 27 November 2019 at 2.15pm at Shah Alam High Court. The Court also directed the parties to undergo Mediation.

Meanwhile, MPSB claimed 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.

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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 were then 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.

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 ("Phase 1 Project Land") to MPSB;
- (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 ("PR1MA Act Approval") and the execution of a binding Settlement Agreement between the Parties within 14 days from the receipt of the said approval;
- (d) 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.

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Litigation to PR1MA Corporation Malaysia (Continued)

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

On 11 August 2020, the PR1MA Act Approval was granted and on 21st August 2020, this matter was resolved by the execution of the Settlement Agreement the salient points of which is set out on Page 8 under No 9. **Material Event Subsequent to Reporting Date** above.

(c) 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. The Sessions Court has now fixed a new Trial date on 8th October 2020.

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 18 months ended	
	30/6/2020 RM '000	30/6/2019 RM '000	30/6/2020 RM '000	30/06/2019** RM '000
Profit/(Loss) attributable to equity holders of the Company	4,248	(381)	938	-
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>0.72</u>	<u>(0.08)</u>	<u>0.16</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 18 months financial period end to 30 June 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

27 August 2020