



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2021**

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	Unaudited Current period Quarter 31/12/2021 RM'000	Unaudited Preceding period Quarter 31/12/2020 RM'000	Unaudited Current period to date 31/12/2021 RM'000	Unaudited Preceding period to date 31/12/2020 RM'000
CONTINUING OPERATIONS				
Revenue	13,356	6,892	13,971	7,559
Cost of sales	(13,570)	(749)	(14,518)	(1,510)
Gross (loss)/profit	(213)	6,143	(547)	6,049
Other income	68	36	223	159
Administrative expenses	(2,123)	(2,101)	(3,026)	(3,726)
Other expenses	-	(2,100)	-	(2,100)
Finance cost	(183)	(355)	(447)	(831)
(Loss) / Profit before tax	(2,451)	1,623	(3,797)	(449)
Taxation	-	(370)	-	(370)
(Loss) / Profit for the year from continuing operation	(2,451)	1,253	(3,797)	(819)
Year				
(Loss) / Profit for the financial year attributable to:				
Owner of the parent				
- From continuing operations	(2,451)	1,253	(3,797)	(819)
(Loss) / Profit for the year	(2,451)	1,253	(3,797)	(819)
(Loss) / Profit per share				
Basic (sen)	(0.40)	0.21	(0.62)	(0.14)
Diluted EPS (sen)	(0.40)	0.21	(0.62)	(0.14)

The above condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for financial period ended 30 June 2021 and the accompanying explanatory notes attached to these interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2021**

	Unaudited As at 31/12/2021 RM'000	Audited as at 30/06/2021 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	598	631
Inventories	55,476	55,476
Investment properties	96,215	96,255
Right of use asset	13,277	13,884
Total non-current assets	165,566	166,246
CURRENT ASSETS		
Inventories	19,995	19,995
Trade receivables	614	795
Other receivables	1,128	786
Contract assets	118	118
Tax recoverable	-	-
Cash & bank balances	9,815	12,916
Total current assets	31,670	34,610
TOTAL ASSETS	197,236	200,856
EQUITY		
Share capital	294,023	285,409
Treasury shares	(5,843)	(5,843)
Warrant reserves	-	8,889
Accumulated losses	(154,966)	(151,169)
Total shareholders' equity	133,214	137,286
TOTAL EQUITY	133,214	137,286
NON-CURRENT LIABILITIES		
Lease liabilities	-	105
Other payable	370	1,444
Bank borrowings	734	623
Deferred taxation	4,064	4,067
Total non-current liabilities	5,168	6,239
CURRENT LIABILITIES		
Trade payables	3,588	3,771
Other payables	32,450	32,343
Lease liability	118	87
Bank borrowings	14,079	13,985
Tax payable	8,619	7,145
Total current liabilities	58,854	57,331
TOTAL LIABILITIES	64,022	63,570
TOTAL EQUITY AND LIABILITIES	197,236	200,856
NET ASSETS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY (RM)	0.22	0.24

The above condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial period ended 30 June 2021 and the accompanying explanatory notes attached to these interim financial statements.



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2021**

	<----- Attributable to equity holders of the Company ----->					Total Equity RM'000
	<-----None-distributable----->					
	Share Capital RM'000	Treasury Shares RM'000	Revaluation Reserve RM'000	Warrant Reserve RM'000	Accumulated Losses RM'000	
Unaudited						
1 July 2021	285,409	(5,843)	11	8,889	(151,180)	137,286
Total comprehensive (loss) for the financial year	-	-	-	(8,889)	(3,797)	(12,686)
Transaction with owners:						
Issuance of ordinary shares	8,614	-	-	-	-	8,614
At 31 December 2021	294,023	(5,843)	11	-	(154,977)	133,214

	<----- Attributable to equity holders of the Company ----->					Total Equity RM'000
	<-----None-distributable----->					
	Share Capital RM'000	Treasury Shares RM'000	Revaluation Reserve RM'000	Warrant Reserve RM'000	Accumulated Losses RM'000	
Audited						
1 July 2020	265,058	(5,843)	-	8,889	(142,115)	125,989
Total comprehensive income for the financial period	-	-	11	-	(9,065)	(9,054)
Transaction with owners:						
Issuance of ordinary shares	20,351	-	-	-	-	20,351
At 30 June 2021	285,409	(5,843)	11	8,889	(151,180)	137,286

The above condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial period ended 30 June 2021 and the accompanying explanatory notes attached to these interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2021**

	Unaudited Current period to date 6 months 31/12/2021 RM'000	Audited Preceding period to date 12months 30/06/2021 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before tax	(3,797)	(6,048)
Adjustment for:		
Amortisation of right - of use assets	608	1,224
Bad debts write off	-	548
Depreciation of Property, plant and equipment	33	104
Impairment losses on:		
- trade receivables	-	351
- other receivables	-	2,179
Interest expense	411	1,991
Gain on disposal of subsidiary company	-	(15,915)
Interest income	-	(4)
Property, plant and equipment written off	-	196
Operating cash flows before changes in working capital	(2,745)	(15,374)
Changes in working capital:		
Inventories	-	18,994
Trade receivables	182	3,255
Other receivables	(9,178)	(12,574)
Trade payables	(183)	2,435
Other payables	1,684	9,733
Related parties	(1,074)	(16,726)
Cash generated from operating activities	(11,314)	(10,257)
Interest received	-	4
Interest paid	(412)	(1,991)
Tax paid	-	(159)
Net cash generated from operations	(11,726)	(12,403)

The above condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial period ended 30 June 2021 and the accompanying explanatory notes attached to these interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2021 (CONT'D)**

	Unaudited Current period to date 3 months 30/09/2021 RM'000	Audited Preceding period to date 12months 30/06/2021 RM'000
CASH FLOW FROM INVESTING ACTIVITIES		
Deposit Refund	-	1,500
Purchase of right of use asset	-	(193)
Purchase of investment properties	-	(6,553)
Proceeds from disposal of subsidiary companies, nett of cash disposed	-	(411)
Proceed from disposal of investment properties		9,322
Net cash used in investing activities	<u>-</u>	<u>3,665</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of term loans	-	253
Repayment of finance lease liabilities	(191)	80
Proceeds from issuance of shares	8,612	20,351
Net cash used in financing activities	<u>8,421</u>	<u>20,684</u>
Net (decrease) / (increase) in cash and cash equivalents	(3,305)	11,946
Cash and cash equivalents at the beginning of financial period	(959)	(12,905)
Cash and cash equivalents at the end of financial period	<u>(4,264)</u>	<u>(959)</u>
Cash and cash equivalents at the end of financial year comprises:		
Cash and bank balances	9,815	12,916
Bank overdraft	(14,079)	(13,875)
	<u>(4,264)</u>	<u>(959)</u>

The above condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial period ended 30 June 2021 and the accompanying explanatory notes attached to these interim financial statements.



PART A – EXPLANATORY NOTES

1. Basis of Preparation

The interim financial should be read in conjunction with the audited financial statement of the Group for the financial year ended 30 June 2021 which were prepared under the Malaysia Financial Reporting Standards (“MFRS”) and amendments to standards to be applied by all Entities Other Than Private Entities.

These interim financial statements of the Group are not audited and have been prepared in accordance with the requirements of MFRS 134 – *interim financial reporting* and the applicable disclosure provisions of the MAIN Market Listing Requirements of Bursa Malaysia Securities Berhad.

The explanatory notes attached to the interim financial statements provide and 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 30 June 2021.

The financial statements of the Group have been prepared under the historical cost convention unless otherwise indicated in this significant accounting policies below.

Adoption of new and amended standards

During the financial period, the Group have adopted the following new standards and amendments to standards and interpretation issued by the Malaysian Accounting Standards Board (“MASB”) that are mandatory for current financial period:

MFRS 16	Leases
IC Interpretation 23	Uncertainty over Income Tax Treatments
Amendments to MFRS 9	Prepayments Features with Negative Compensation
Amendments to MFRS 119	Plan Amendments, Curtailment or Settlement
Amendments to MFRS 128	Long-term interests in Associates and Joint Ventures
Amendments to MFRS 15	Clarification to MFRS 15
Amendments to MFRS 140	Transfer of Investment Property
Annual Improvement to	Amendments to MFRS 3
	Amendments to MFRS 11
	Amendments to MFRS 112
	Amendments to MFRS 123

The adoption of new standards and amendments to standards and interpretation did not have any significant impact on the financial statements of the Group.



PART A – EXPLANATORY NOTES

2. Auditors’ report in respect of preceding annual financial statements

The auditors’ report on the financial statements for the financial year ended 30 June 2021 was not qualified.

3. Seasonal or Cyclical Factors

The Group’s operations were not significantly affected by any unusual seasonal or cyclical factors.

4. Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the quarter and six months ended 31 December 2021.

5. Changes in Estimates

There were no changes in estimates that have had a material effect during the quarter and six months ended 31 December 2021.

6. Changes in Debt and Equity Security

There were no issuances, cancellations, repurchases, resale and repayment of debt and equity securities during the quarter and six months ended 31 December 2021. Except for the Private Placement disclosed in Part B, Note 7.

7. Dividends Paid

No dividend has been paid during the quarter and six months ended 31 December 2021.



MERIDIAN BERHAD (507785 - P)

PART A – EXPLANATORY NOTES

8. Segment Reporting

Segmental information for the financial period ended 31 December 2021 is presented in respect of the Group's business segment.

	Cumulative quarter 6 months 31/12/2021 Property development RM'000	Cumulative quarter 6 months 31/12/2021 Construction RM'000	Cumulative quarter 6 months 31/12/2021 Property Investment RM'000	Cumulative quarter 6 months 31/12/2021 Others RM'000	Cumulative quarter 6 months 31/12/2021 Consolidated RM'000
Revenue					
External Customer	12,792	-	561	618	13,971
Inter segment	-	-	-	-	-
Total revenue	12,792	-	561	618	13,971
Results					
Segment results	(1,340)	1	(324)	(1,689)	(3,352)
Interest income	1	-	-	-	1
Finance costs	(438)	(3)	(5)	-	(446)
Loss before tax					(3,797)
Taxation					-
Loss for the financial period					(3,797)



MERIDIAN BERHAD (507785 - P)

PART A – EXPLANATORY NOTES

8. Segment Reporting (cont'd)

	Cumulative quarter 6 months 31/12/2020 Property development RM'000	Cumulative quarter 6 months 31/12/2020 Construction RM'000	Cumulative quarter 6 months 31/12/2020 Property Investment RM'000	Cumulative quarter 6 months 31/12/2020 Others RM'000	Cumulative quarter 6 months 31/12/2020 Consolidated RM'000
Revenue					
External Customer	6,200	-	1,142	217	7,559
Inter segment	-	-	-	-	-
Total revenue	6,200	-	1,142	217	7,559
Results					
Segment results	5,023	(7)	(459)	(4,178)	379
Interest income	3	-	-	-	3
Finance costs	(671)	(1)	(4)	(155)	(831)
Loss before tax					(449)
Taxation					(370)
Loss for the financial period					(819)



MERIDIAN BERHAD (507785 - P)

PART A – EXPLANATORY NOTES

9. Related party transaction

There were no related party transaction during the quarter and six months ended 31 December 2021.

10. Changes in the composition of the Group

There were no changes in the composition of the Group during the quarter and six months ended 31 December 2021 and up to the date of this Interim Financial Report.

11. Changes in contingent liabilities and contingent assets

There were no changes in contingent liabilities and contingent assets since the last annual balance sheet date as at 31 December 2021.



PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

1. Review of Performance

The group cumulative revenue performance reported at RM13.97 million were mainly derived from property development arm through selling of inventories of RM12.79 million, property investment arm through rental of RM0.56 million and sale of palm kernel of RM0.62 million.

Loss after tax for the current period quarter were recorded at RM2.45 million as compared to a profit after tax from the preceding period quarter of RM1.25 million.

	Individual Period		Changes (%)	Cumulative Period		Changes
	Current period Quarter 31/12/2021 RM'000	Preceding period Quarter 31/12/2020 RM'000	%	Current period to date 6 months 31/12/2021 RM'000	Preceding period to date 6 months 31/12/2020 RM'000	%
Revenue	13,356	6,892	1	13,971	7,559	85%
Operating Loss	(2,336)	1,942	2	(3,573)	223	1701%
(Loss)/Profit Before Interest and Tax	(2,268)	1,978	2	(3,350)	382	977%
(Loss)/Profit Before Tax	(2,451)	1,623	3	(3,797)	(449)	-746%
(Loss)/Profit After Tax	(2,451)	1,253	3	(3,797)	(819)	-364%
(Loss)/Profit Attributable to Ordinary Equity Holders of the Parent Company	(2,451)	1,253	3	(3,797)	(819)	-364%

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****2. Material Changes in Loss Before Taxation for the Current Quarter as compared with the Immediate Preceding Quarter**

The Group recorded a loss before tax of RM2.45 million in the current quarter as compared to a loss before tax of RM1.35 million in the immediate preceding quarter.

	Current period Quarter 3 months 31/12/2021 RM'000	Immediate preceding Quarter 3 months 30/09/2021 RM'000	Changes (%)
Revenue	13,356	615	2072%
Operating Loss	(2,336)	(1,236)	89%
Loss Before Interest and Tax	(2,268)	(1,081)	110%
Loss Before Tax	(2,451)	(1,345)	82%
Loss After Tax	(2,451)	(1,345)	82%
Loss Attributable to Ordinary Equity Holders of the Parent Company	(2,451)	(1,345)	82%

The current year quarter revenue increase to RM13.36 million as compared to the immediate preceding quarter of RM0.62 million which was mainly attribute from property development arm through sale of inventories.



**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF
BURSA MALAYSIA SECURITIES BERHAD**

3. Prospects

In the Economic Report 2022, the Ministry of Finance (MoF) is expecting that the economy to be strengthened by 5.5% to 6.5% in the coming year as this expansion will be supported by significant improvement in global trade, stabilised commodity prices, containment of the pandemic and gradual improvement in consumer and business sentiments. The Group found that the demand was back on an upward trend during the current financial year. This has indicated that the sentiments are improving in tandem with higher vaccination rates, the reopening of commercial activity and a less restricted environment for consumers. Government-driven initiatives such as the extension of moratorium on loan repayments to include an alternate option of 50% reduction on monthly loan repayment and retention of Overnight Policy Rate (OPR) at 1.75% by Bank Negara Malaysia helped to sustain the development of property market. Furthermore, the move from a “pandemic” to an “endemic” classification of the crisis means the government is adopting sustainable long-term policies in dealing with COVID-19. This will result in more consistent regulations on economic activity and bring clarity for businesses operations, improving sentiments toward consumer confidence.

Historically, Meridian Group is principally reliant on property development and construction revenue. Meridian Group is cognisant that the operating landscape for the property development industry will continue to remain challenging.

The recent global market uncertainties and weak market sentiments had affected the Group’s earnings for the recent years. Notwithstanding the uncertain economic outlook and the potential short-term impact on the prospects of Meridian Group due to COVID-19 pandemic, the management has decided to proceed with the development of its existing landbank at Kuala Linggi, Melaka with a longer-term perspective to provide the Meridian Group with a diversified revenue stream.

Whilst the development of the Kuala Linggi Land is still at its initial stage, Meridian Group remains optimistic on the delivery of its intended plans for the Kuala Linggi Land. Meridian Group believes that its strengthened balance sheet after the Proposed Private Placement and diversified revenue stream to be generated from the operation of the mixed development for Kuala Linggi Land is expected to contribute positively to its financial performance for the foreseeable future.



PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

4. Profit forecast and profit guarantee

The Group has not announced or disclosed any profit forecast or profit guarantee in any public documents

5. Taxation

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% (2020: 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.

6. Group Borrowings and Debt Securities

The Group borrowing as compared to the corresponding preceding period were as follows:-

	As at 31 December 2021		
	Long Term RM'000	Short Term RM'000	Total Borrowings RM'000
Secured			
- Hire purchase	-	(118)	(118)
- Bank overdraft	-	(14,079)	(14,079)
- Term loans	(734)	-	(734)
Total	(734)	(14,197)	(14,931)

	As at 30 June 2021		
	Long Term RM'000	Short Term RM'000	Total Borrowings RM'000
Secured			
- Hire purchase	(105)	(87)	(192)
- Bank overdraft	-	(13,984)	(13,984)
- Term loans	(623)	(1)	(624)
Total	(728)	(14,072)	(14,800)

None of the Group borrowings is denominated in foreign currency.



PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

7. Corporate Proposal

a) On 19 November 2021, the Group had announced to undertake a Private Placement of up to 20% of the total number of issued shares of Meridian Berhad.

Assuming an indicative issue price of RM0.13 per Placement Share, which represents a 6.9% discount to the 5-day VWAP of Meridian Shares up to LPD of RM0.1397, the Company is expected to raise gross proceeds of up to approximately RM19.6 million (assuming none of the Treasury Shares are resold) respectively upon completion of the Proposed Private Placement. The proceeds are expected to be utilised in the following manner:-

<u>Details of utilisation</u>	<u>Notes</u>	<u>Estimated timeframe for utilisation from the listing of each tranche of Placement Shares</u>	<u>Amount</u> RM'000
Property development activities	(i)	Within 24 months	12,950
Working capital	(ii)	Within 24 months	6,500
Estimated expenses for the Proposed Private Placement	(iii)	Within 2 months	140
Total estimated proceeds			<u>19,590</u>

b) On 29 December 2021 the Group Proposed Private Placement has been completed following the listing of 150,695,909 Placement Shares at a price of RM0.0571 with total proceeds of RM8,604,736.

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****7. Corporate Proposal (cont'd)**

c) The Company has a raised total of RM8.6 million from the Private Placement. The utilization of proceeds is as follows:

Particular	Proposed utilisation (RM' 000)	Actual utilised as at 22 February 2021 (RM' 000)	Balance to be utilised (RM' 000)
Property development activities	2,041	417	1,624
Working capital	6,500	5,145	1,355
Estimated expenses in relation to the Proposed Private Placement and Shares Issuance	64	64	-
Total	8,605	5,626	2,979

Note :

In the event the gross proceeds raised are less than RM19.6 million, the proceeds will be utilized in the following priority:-

- (i) estimated expenses for the Proposed Private Placement;
- (ii) working capital; and
- (iii) property development activities.

8. Derivatives financial instrument

As at 31 December 2021, there were no outstanding foreign currency forward contracts.

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

9. Additional disclosures pursuant to para 16, part A, Appendix 9B of Bursa Malaysia Securities Berhad Listing Requirements

	Current period quarter to date 31/12/2021 RM'000	Preceding period to date 30/09/2021 RM'000
Interest income	-	1
Interest expenses	(411)	(264)
Amortisation of right - of use assets	(608)	(304)
Depreciation	(33)	(19)

Other than the item above which have been included in profit or loss, there were no impairment of assets or exceptional item which may have an effect on the results for the current financial period ended 31 December 2021.

10. Dividend proposed

No dividend has been declared or recommended for payment for the quarter and six months ended 31 December 2021.



PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

11. Earning 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		6 months ended	
	Current period	Preceding period	Current period to date	Preceding period to date
	Quarter	Quarter		**
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) attributable to equity holders of the Company	(2,451)	1,253	(3,797)	(819)
Weighted average number of ordinary shares in issue	609,077	589,154	609,077	589,154
Basic earnings per share (sen)	<u>(0.40)</u>	<u>0.21</u>	<u>(0.62)</u>	<u>(0.14)</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

12. 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 APPENDIX 9B OF THE LISTING REQUIREMENTS OF
BURSA MALAYSIA SECURITIES BERHAD**

13. Authorisation for issue

The interim financial statement was authorised for issue by the Board of Directors in accordance with a resolution of the Directors.

BY ORDER OF THE BOARD

DATO' YAP TING HAU

Chief Executive Officer

Kuala Lumpur

28 February 2022