
APPENDIX I – COMPUTATION OF ADJUSTMENTS TO THE WARRANTS C PURSUANT TO THE PROPOSED SHARE CONSOLIDATION AND PROPOSED RIGHTS ISSUE WITH WARRANTS

The illustrative adjustments to Warrants C pursuant to the Proposed Share Consolidation and Proposed Rights Issue with Warrants are set out below:

1. Adjustments to the exercise price and number of outstanding Warrants C

Any such Adjustments will be determined by the Board and certified by the external auditors of the Company at a later date. Despite the Adjustments as illustrated above, the rights and obligations of the holders of Warrants C will remain unchanged.

Pursuant to Deed Poll C, a notice setting out the details of the actual Adjustments made to the exercise price and number of outstanding Warrants C will be issued and despatched to our Warrants C holders within 21 market days from the effective date of such Adjustments.

(i) Proposed Share Consolidation

For illustrative purpose, assuming all of the outstanding 48,421,408 Warrants C are not exercised into new Meridian Shares prior to the Share Consolidation Entitlement Date, the adjustments to the exercise price and number of outstanding Warrants C are based on the assumption below:

- (a) the assumption that the Share Consolidation Entitlement Date is on the LPD; and
- (b) the following formula as adopted by the Board:

$$\begin{aligned}
 \text{New exercise price for Warrants C} &= \frac{\text{Aggregate number of issued Meridian Shares before the Proposed Share Consolidation)}}{\text{Aggregate number of Meridian Shares after the Proposed Share Consolidation}} \times \text{Existing exercise price of Warrants C} \\
 &= \frac{904,175,708}{226,043,927} \times \text{RM0.800} \\
 &= \text{RM3.200} \\
 \\
 \text{Adjusted number of outstanding Warrants C} &= \frac{\text{Aggregate number of Meridian Shares after the Proposed Share Consolidation}}{\text{Aggregate number of issued Meridian Shares before the Proposed Share Consolidation}} \times \text{Existing number of Warrants C} \\
 &= \frac{226,043,927}{904,175,708} \times 48,421,408 \\
 &= 12,105,352
 \end{aligned}$$

APPENDIX I – COMPUTATION OF ADJUSTMENTS TO THE WARRANTS C PURSUANT TO THE PROPOSED SHARE CONSOLIDATION AND PROPOSED RIGHTS ISSUE WITH WARRANTS (CONT'D)

(ii) Proposed Rights Issue with Warrants

For illustrative purpose, the adjustments to Warrants C arising from the Proposed Rights Issue with Warrants under the Minimum Scenario and Base Case Scenario are based on the following assumptions:

- (a) Proposed Share Consolidation is completed prior to the Rights Entitlement Date;
- (b) Rights Entitlement Date is assumed at LPD;
- (c) adjusted Current Market Price is assumed at RM0.117 (being 5-day VWAMP up to LPD after adjusted for Proposed Share Consolidation);
- (d) Issue price of Rights Share is assumed at RM0.070 each;
- (e) Exercise price of Warrants D is assumed at RM0.070 each; and
- (f) The formula as provided in Deed Poll C:

$$\begin{aligned}
 \text{New exercise price for Warrants C} &= \text{Existing exercise price of Warrants C (after Proposed Share Consolidation)} \times \frac{(G \times C) + (H \times I) + (J \times K)}{(G + H + J) \times C} \\
 \text{Adjusted no. of outstanding Warrants C} &= \text{No. of outstanding Warrants C (after Proposed Share Consolidation)} \times \frac{(G + H^*) \times C}{(G \times C) + (H^* \times I^*)}
 \end{aligned}$$

Where:

- C = the market price of each Share as may be determined in accordance with any guideline or rule issued by the Securities Commission from time to time, if any, or if there is none, the Current Market Price of each Share on the market day immediately preceding the date on which the capital distribution or, as the case may be, at the price fixing date or failing which, immediately preceding the date of the announcement of the book closure date of the capital distribution or, as the case may be, of the offer or invitation;
- G = the aggregate number of issued and fully paid-up Shares in issue on the book closure date;
- H = the aggregate number of new shares under an offer or invitation to acquire or subscribe for Shares by way of rights or under an offer or invitation by way of rights to acquire or subscribe for securities convertible into Shares or rights to acquire or subscribe for Shares, as the case may be;
- H* = the aggregate number of new shares under an offer or invitation to acquire or subscribe for Shares by way of rights;
- I = the exercise consideration of one (1) additional Share under the offer or invitation to acquire or subscribe for Shares or the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one (1) additional Share, as the case may be;
- I* = the subscription consideration of one (1) additional Share under the offer or invitation to acquire or subscribe for Shares;
- J = the aggregate number of Shares to be issued to its Shareholders upon conversion of such securities or exercise of such rights to subscribe for Shares by the Shareholders; and
- K = the exercise price on the conversion of such securities or exercise of such rights to acquire or subscribe for one (1) additional Share.

APPENDIX I – COMPUTATION OF ADJUSTMENTS TO THE WARRANTS C PURSUANT TO THE PROPOSED SHARE CONSOLIDATION AND PROPOSED RIGHTS ISSUE WITH WARRANTS (CONT'D)

Minimum Scenario

C = RM0.117;
G = 226,043,927 issued Shares as at LPD (excluding treasury shares);
H/H* = 142,857,144 Rights Shares to be issued under Minimum Scenario;
I/I* = RM0.070, indicative Issue Price of Rights Share;
J = 71,428,571 Warrants to be issued under the Minimum Scenario; and
K = RM0.070, indicative Exercise Price of Warrants D.

$$\begin{aligned}
 \text{New exercise price for Warrants C} &= \text{RM3.200} \times \frac{(226,043,927 \times 0.117) + (142,857,144 \times 0.070) + (71,428,571 \times 0.070)}{(226,043,927 + 142,857,144 + 71,428,571) \times 0.117} \\
 &= \text{RM3.200} \times \frac{41,447,140}{51,518,568} \\
 &= \text{RM2.57}
 \end{aligned}$$

$$\begin{aligned}
 \text{Adjusted number of outstanding Warrants C} &= 12,105,352 \times \frac{(226,043,927 + 142,857,144) \times 0.117}{(226,043,927 \times 0.117) + (142,857,144 \times 0.070)} \\
 &= 12,105,352 \times \frac{43,161,425}{36,447,140} \\
 &= \text{14,335,397}
 \end{aligned}$$

$$\begin{aligned}
 \text{Additional number of Warrants C} &= 14,335,397 - 12,105,352 \\
 &= 2,230,045
 \end{aligned}$$

Base Case Scenario

C = RM0.117;
G = 226,043,927 issued Shares as at LPD (excluding treasury shares);
H/H* = 1,130,219,635 Rights Shares to be issued under Minimum Scenario;
I/I* = RM0.070, indicative Issue Price of Rights Share;
J = 565,109,817 Warrants to be issued under the Minimum Scenario; and
K = RM0.070, indicative Exercise Price of Warrants D.

$$\begin{aligned}
 \text{New exercise price for Warrants C} &= \text{RM3.200} \times \frac{(226,043,927 \times 0.117) + (1,130,219,635 \times 0.070) + (565,109,817 \times 0.070)}{(226,043,927 + 1,130,219,635 + 565,109,817) \times 0.117} \\
 &= \text{RM3.200} \times \frac{145,120,201}{224,800,685} \\
 &= \text{RM2.06}
 \end{aligned}$$

APPENDIX I – COMPUTATION OF ADJUSTMENTS TO THE WARRANTS C PURSUANT TO THE PROPOSED SHARE CONSOLIDATION AND PROPOSED RIGHTS ISSUE WITH WARRANTS (CONT'D)

$$\begin{aligned}
 \text{Adjusted no. of outstanding Warrants C} &= 12,105,352 \times \frac{(226,043,927 + 1,130,219,635) \times 0.117}{(226,043,927 \times 0.117) + (1,130,219,635 \times 0.070)} \\
 &= 12,105,352 \times \frac{158,682,837}{105,562,514} \\
 &= 18,196,910
 \end{aligned}$$

$$\begin{aligned}
 \text{Additional number of Warrants C} &= 18,196,910 - 12,105,352 \\
 &= 6,091,558
 \end{aligned}$$

In summary, the Adjustments based on the Minimum Scenario and Base Case Scenario would be as follows:-

| | Minimum Scenario ^(a) | | |
|-----------------------------------|--|-------------|-----------------------|
| | After the Proposed Share Consolidation | Adjustments | After the Adjustments |
| Exercise price of Warrants C (RM) | 3.20 | (0.63) | 2.57 |
| Number of Warrants C | 12,105,352 | 2,230,045 | 14,335,397 |

Note:-

- (a) Based on an illustrative issue price of RM0.070 per Rights Share and an illustrative exercise price of RM0.070 per Warrants D.

| | Base Case Scenario ^(a) | | |
|-----------------------------------|--|-------------|-----------------------|
| | After the Proposed Share Consolidation | Adjustments | After the Adjustments |
| Exercise price of Warrants C (RM) | 3.20 | (1.14) | 2.06 |
| Number of Warrants C | 12,105,352 | 6,091,558 | 18,196,910 |

Note:-

- (a) Based on an illustrative issue price of RM0.070 per Rights Share and an illustrative exercise price of RM0.070 per Warrants D.

APPENDIX I – COMPUTATION OF ADJUSTMENTS TO THE WARRANTS C PURSUANT TO THE PROPOSED SHARE CONSOLIDATION AND PROPOSED RIGHTS ISSUE WITH WARRANTS (CONT'D)

Maximum Additional Warrants C

Solely for the purpose of computing the maximum number of additional Warrants C that may be issued pursuant to the Adjustments for the additional listing application purpose (“**Maximum Additional Warrants C**”), the following assumptions to the parameters were considered:

- (a) Proposed Share Consolidation is completed prior to the Rights Entitlement Date;
- (b) Rights Entitlement Date is assumed at 19 October 2022, being the latest practicable date prior to the submission of the listing application (“**ALA LPD**”);
- (c) the adjusted Current Market Price of the Shares is assumed at RM0.720, being the highest trading price over past 1 year up to ALA LPD, after adjusting for Proposed Share Consolidation;
- (d) Issue price of Rights Share is assumed at RM0.080 each, being the lowest trading price over past 1 year up to ALA LPD, after adjusting for Proposed Share Consolidation;
- (e) Exercise price of Warrants D is assumed at RM0.080 each, which is same as the issue price of Rights Shares; and
- (f) The formula as provided in Deed Poll C (as above).

C = RM0.720

G = 226,043,927 issued Shares as at ALA LPD (excluding treasury shares)

H/H* = 1,130,219,635 Rights Shares to be issued

I/I* = RM0.080, indicative Issue Price of Rights Share

J = 565,109,817 Warrants to be issued

K = RM0.080, indicative Exercise Price of Warrants D

$$\begin{aligned}
 \text{New exercise price for Warrants C} &= \text{RM3.200} \times \frac{(226,043,927 \times 0.720) + (1,130,219,635 \times 0.080) + (565,109,817 \times 0.080)}{(226,043,927 + 1,130,219,635 + 565,109,817) \times 0.720} \\
 &= \text{RM3.200} \times \frac{298,377,984}{1,383,388,833} \\
 &= \text{RM0.69}
 \end{aligned}$$

$$\begin{aligned}
 \text{Adjusted number of outstanding Warrants C} &= 12,105,352 \times \frac{(226,043,927 + 1,130,219,635) \times 0.720}{(226,043,927 \times 0.720) + (1,130,219,635 \times 0.080)} \\
 &= 12,105,352 \times \frac{976,509,765}{253,169,198} \\
 &= \text{46,692,072}
 \end{aligned}$$

$$\begin{aligned}
 \text{Adjusted Number of Warrants C} &= 46,692,072 - 12,105,352 \\
 &= 34,586,720
 \end{aligned}$$

APPENDIX I – COMPUTATION OF ADJUSTMENTS TO THE WARRANTS C PURSUANT TO THE PROPOSED SHARE CONSOLIDATION AND PROPOSED RIGHTS ISSUE WITH WARRANTS (CONT'D)

The adjusted Current Market Price of the Shares is assumed at RM0.720, being the highest trading price over past 1 year up to ALA LPD of RM0.180, after adjusting for Proposed Share Consolidation. The Board is of the view that it is reasonable to assume the adjusted Current Market Price at RM0.720 as Meridian Shares had in the past 1 year traded up to RM0.180 (i.e. RM0.720 post-adjustment). The actual number of Additional Warrants C is dependent on the market price on the ex-rights date and the share price fluctuation is depending on the market response at the material time, as such, the Board being prudent in the assumptions and considered the above parameters before submitting the listing application. Besides, the Maximum Additional Warrants C in the listing application could also save the cost in submitting another listing application should the number of Additional Warrants C and Additional Shares is insufficient. The issuance of Maximum Additional Warrants C is in compliance with Paragraph 6.50 of the Listing Requirements and the Company will continue to monitor prior issuance of the Additional Warrants C.

Paragraph 6.50 of the Listing Requirements

Paragraph 6.50 of the Listing Requirements states that a listed issuer must ensure that the number of new shares which will arise from the exercise or conversion of all outstanding convertible equity securities (i.e. warrants and convertible preference shares), does not exceed 50% of the total number of issued shares of the listed issuer (excluding treasury shares and before the exercise of the convertible equity securities) at all times. For avoidance of doubt, the Company does not have any convertible preference shares in issue.

Depending on the total number of outstanding Warrants D on the Rights Entitlement Date, the maximum number of Additional Warrants C that can be issued pursuant to the Adjustments under the Minimum Scenario, Base Case Scenario and Maximum Additional Warrants C scenario are illustrated below:-

| | | Minimum Scenario | Base Case Scenario | Maximum Additional Warrants C |
|---|------------|-----------------------------|-------------------------------|--|
| Total number of issued Shares before the Proposed Rights Issue with Warrants | | 226,043,927 | 226,043,927 | 226,043,927 |
| Add: Total number of Rights Shares to be issued | | 142,857,144 | 1,130,219,635 | 1,130,219,635 |
| After the Proposed Rights Issue with Warrants | [A] | 368,901,071 | 1,356,263,562 | 1,356,263,562 |
| 50% of [A] | | 184,450,535 | 678,131,781 | 678,131,781 |
| Less: Total number of existing Warrants C | | (12,105,352) | (12,105,352) | (12,105,352) |
| Less: Total number of Warrants D to be issued | | (71,428,571) | (565,109,817) | (565,109,817) |
| Maximum additional number of Warrants C that can be issued pursuant to the Adjustments (rounded down to the nearest warrant) | | 100,916,612 | 100,916,612 | 100,916,612 |
| <hr/> | | | | |
| Number of Additional Warrants C to be issued pursuant to the Adjustments | | 2,230,045 | 6,091,558 | 34,586,720 |
| Compliance with Paragraph 6.50 of the Listing Requirements | | Yes | Yes | Yes |

Based on the above, the 50% threshold under Paragraph 6.50 of the Listing Requirements will not be breached under the Minimum Scenario and Base Case Scenario. Accordingly, under the Minimum Scenario, Base Case Scenario and Maximum Additional Warrants C scenario, the exercise price and number of Warrants C will be fully adjusted in accordance with the provisions of the Deed Poll C.

APPENDIX II – SALIENT TERMS OF LICENSE AGREEMENT

1. Definition

- (a) **“Licensed Physical Product”** means the physical components of the Project (as defined in Section 3 below);
- (b) **“Licensee-Generated Sponsorship”** means a sponsorship agreement entered into by the Licensees with a third-party sponsor for the Project (or a component of the Project), where such third-party sponsor was not introduced by Licensor to Licensees, but was sought by the Licensees and approved by the Licensor;
- (c) **“Licensor-Generated Sponsorship”** means a sponsorship agreement entered into by the Licensees with a potential sponsor of the Project, introduced by the Licensor to the Licensees;
- (d) **“Manufacturer(s)”** means any third-party manufacturer, assembler, printer or packager of the Licensed Physical Product (as defined above) and/or any component of the Project;
- (e) **“Operations Consultant”** means an independent, outside professional operations specialist/consultant firm with appropriate expertise and experience in the applicable industry and with projects such as the Project and which is qualified to analyze and determine the Project’s compliance with Clause 5 (Quality, Environmental, Health and Safety Requirements) of the Standard Terms and Conditions of the License Agreement, including but not limited to Clause 5.1 (compliance with (a) all applicable laws, rules, regulations, standards, ordinances and requirements; (b) Licensor’s “Global Business Ethics Principles”, which can be found at <https://csr.hasbro.com/en-us/csr/global-business-ethics-principles>; (c) any lawful requirements of the police department, fire department, public safety authorities and any other authorities, governmental body, international organization and/or agency with jurisdiction over the Project Venue (as defined), and to perform the services set forth in Clauses 5.3 (analysis and a letter of approval to Licensor on operational feasibility of the Project), 5.4 (development of operational guidelines for the Project) and 5.13 (submission of updated documentations as set out in Clause 5.13 (a) to (m) of the Standard Terms and Conditions of the License Agreement through the Licensor’s licensing approval system (“LAS” for the Licensor’s approval) of the Standard Terms and Conditions of the License Agreement;
- (f) **“Project Venue”** means Lot PT 1374 and Lot 1826, Mukim Alor Gajah, Melaka, Malaysia;
- (g) **“Term”** means the Development Term (as defined in Section 7 below) and the Initial Term (as defined in Section 7 below) collectively;
- (h) **“Territory”** means Malaysia, except the definition of “Territory” for use of the Licensed Property (as defined in Section 2 below) solely in regards to the advertisement and promotion of the Project and the sales and distribution of admission to the Project in accordance with the terms of the License Agreement shall be worldwide;
- (i) **“Third Party”** (each, a “Third Party” and collectively, the “Third Parties”) means any third party appointed to perform any element of the rights granted under the License Agreement, including but not limited to designers, design firms, Manufacturers (as defined above), operators, contractors, permitted vendors, permitted subcontractors, Operations Consultant (as defined above), real estate owners and land developers; and
- (j) **“Venue”** means a water park being an entertainment location that offers primarily water-based rides and attractions and markets itself as a “water park” or water-centric location to the public and being no larger than ten (10) hectares (approximately 24.7 acres) and no smaller than four (4) hectares (approximately 9.9 acres).

2. Licensed Property & Grant of Rights

The licensed property entails the following:-

- (a) BATTLESHIP – CLASSIC;
- (b) G.I. JOE – CLASSIC MILITARY;
- (c) MY LITTLE PONY: FRIENDSHIP IS MAGIC – TELEVISION SERIES;
- (d) MR. POTATO HEAD – CLASSIC;
- (e) MONOPOLY;
- (f) ELEFUN or ELEFUN & FRIENDS;
- (g) MOUSE TRAP;
- (h) NERF; and
- (i) PLAY-DOH.

("Licensed Property")

In consideration of the payments payable under the License Agreement, Hasbro International, Inc. ("**Licensors**") grants to M101 Holdings Sdn Bhd and Meridian Berhad (collectively, the "**Licensees**") the right to utilise the Licensed Property during the Term solely for the following:-

- (a) the design, development, manufacture and assembly of the Project (as described in Section 3 below), Licensed Physical Product and/or licensed digital product (if any);
- (b) the construction, installation, production, performance, sale, distribution, operation, display and maintenance of the Project, Licensed Physical Product and/or licensed digital product (if any) in the Project Venue in the Territory; and
- (c) the advertisement and promotion of the Project and the sales and distribution for admission to the Project in the Territory.

3. Project

The Licensors grants to the Licensees the right to utilise the Licensed Property in connection with the following during the Term, in the Venue in the Territory ("**Project**"):-

- (a) Water rides (wet type rides including water slides, wave pools, lazy river, splash down, log flume, river raft ride and aqua play) which shall solely feature the Licensed Property during the Term;
- (b) Themed environments such as the changing rooms, the common areas and the box office.

Both (a) and (b) above shall comprise a minimum of 70% of the total Project Venue;

- (c) Strolling costumed characters ("**Strolling Characters**") that will meet and greet visitors to the Project and provide the visitors with photograph taking opportunities, free of charge. Each Strolling Character is subject to the Licensors's prior written approval in Licensors's sole discretion;
- (d) Non-ticketed Licensed Property-themed, non-scripted live dance shows by the Strolling Characters at the Project Venue, consisting of choreographed dance set to music with no dialogue intended for families ("**Live Dance Shows**"), which concept is subject to the Licensors's prior written approval in Licensors's sole discretion;
- (e) Licensed Property themed short-term events such as a festival and parades, which shall primarily be water-based events;

APPENDIX II – SALIENT TERMS OF LICENSE AGREEMENT (CONT'D)

(f) Themed environments in cafeterias, food courts, cafes, snack bars, restaurants and other food and beverage areas within the Project Venue (“**F&B Area**”) which shall solely feature the Licensed Property but non-Licensed Property-branded food, beverage or other articles or products necessary for the operation are allowed to be used or sold; and

(g) Retail shops and stands.

4. Exclusivity

The Licensees shall have the exclusive use of Licensed Property as set out in Sections 3(a) and 3(b) above as a package of rights for exploitation in a Venue in a Territory during the Term.

The Licensees’ rights in connection with Licensed Property as set out in Sections 3(c) to 3(g) above shall be non-exclusive, and the Licensor reserves the right to exercise such rights worldwide.

5. Project Venue

The Venue of Hasbro Water Park entails a water park being an entertainment location, that offers primarily water-based rides and attractions and markets itself as a “water park” or water-centric location to the public and measuring between 4 hectares (approximately 9.9 acres) to 10 hectares (approximately 24.7 acres) in area. The Project Venue is held under Lot PT 1374 and Lot 1826, Mukim Alor Gajah, Melaka, Malaysia.

6. Territory

Save for the use of the Licensed Property solely regarding advertisement and promotion of the Project, as well as the sales and distribution of admission to the Project which shall be worldwide, the Territory of Hasbro Water Park shall be Malaysia.

7. Term

The Development Term means the period from the date of execution of the First Amendment to Contract No. 130673, i.e. 1 August 2022 to 31 December 2025, whereas the Initial Term means 1 January 2026 to 31 December 2035.

8. Development Schedule

| Milestone | Date/Period |
|---|---|
| Receipt of the full insurance policies in place in accordance with the License Agreement by Licensor. | No later than the dates as set out in Section 10 below. |
| Submission of the outline of dates for additional critical path Project development milestones to Licensor for approval, and automatically be deemed additional milestones incorporated into and part of the Development Schedule upon Licensor’s written approval. | On or before 1 January 2023. |
| Selection of a Third Party design firm. | On or before 1 March 2023. |
| Submission of the design concept plan to Licensor for approval. | On or before 1 June 2023. |

APPENDIX II – SALIENT TERMS OF LICENSE AGREEMENT (CONT'D)

| Milestone | Date/Period |
|---|---|
| Submission of the analysis of the economic and operational feasibility of the Project to Licensor for approval. | On or before 1 June 2023 and updated for each material addition or revision to the Project, Licensed Physical Product (if any), licensed digital product (if any) and/or Project component during the Term. |
| Submission of the Project production schedule to Licensor for approval. | On or before 1 September 2023. |
| Submission of the construction and development design package to Licensor for approval. | On or before 1 September 2023. |
| Completion of the full financing of at least the Minimum Capital Investment as set out in Section 9 below) and receipt of documentation evidencing completion by Licensor. | On or before 1 September 2023. |
| Commencement of Project construction. | On or before 1 January 2024. |
| Submission of Operations Guidelines, Disaster Recovery/Business Continuity Plan and the first Audit Report (as defined in the Standard Terms and Conditions of the License Agreement) to Licensor for approval. | No later than 90 days prior to the Soft Opening Date (as defined below). |
| Delivery of ticketing and marketing plan to Licensor. | No later than 90 days prior to the Grand Opening Date (as defined below). |
| Soft Opening Date | No later than 90 days prior to the Grand Opening Date (as defined below). |
| Grand Opening Date | The date which the Project officially opens to the public, no later than 1 January 2026. |
| Project operational | Soft Opening Date through end of Term. |
| Receipt of documentation evidencing and accounting for the expenditure of at least the Minimum Capital Investment by Licensor. | No later than 90 days after the Grand Opening Date. |

9. Financial Terms

The Licensees shall pay to Licensor the following fees and payments:

- (a) Development Fee (which is required to be paid in stages up to 1 November 2024, the first payment of which shall not be later than 20 December 2022) and Initial Term Minimum Guarantee aggregating US\$16,500,000 (equivalent to RM75,429,750*) of which the Initial Term Minimum Guarantee is recoupable against Royalties (as set out in Section 9(b) below) earned, during the Initial Term from 1 January 2026 to 31 December 2035. For avoidance of doubt, the Licensees had not paid any Development Fee or Initial Term Minimum Guarantee to the Licensor as at LPD;

APPENDIX II – SALIENT TERMS OF LICENSE AGREEMENT (CONT'D)

The Development Fee and Initial Term Minimum Guarantee amounting to US\$16,500,000 (equivalent to RM75,429,750*) was arrived at based on the estimated Royalties to be generated in the Hasbro Water Park during the period of the Initial Term. The Royalties are to be deducted from the Initial Term Minimum Guarantee as illustrated below:-

| | US\$ | RM equivalent* |
|--|-----------|----------------|
| Assumed royalties to be paid for the period from 1 January 2026 – 31 December 2026 | 750,000 | 3,428,625 |
| Initial Term Minimum Guarantee payment for the period from 1 January 2026 – 31 December 2026 | (500,000) | (2,285,750) |
| Balance Royalties to be paid after deducting the Initial Term Minimum Guarantee payment | 250,000 | 1,142,875 |

- (b) Royalties, the sum of which is to be computed based on an agreed stipulated percentage on the net revenues in connection with the Hasbro Water Park and F&B areas, which are non-returnable and non-refundable, for a period from 1 January 2026 to 31 December 2035; and
- (c) Sponsorship Fees, the sum of which is to be computed based on an agreed stipulated percentage on the Licensor-Generated Sponsorship and Licensee-Generated Sponsorship derived from the Project, which are non-refundable and non-recoupable, for a period from 1 January 2026 to 31 December 2035. The Board is of the view that the payment of Sponsorship Fees derived from Licensee-Generated Sponsorship to the Licensor is fair and reasonable as the Board is of the view that the branding of the Hasbro Water Park would be essential to attract visitors to the Hasbro Water Park and similarly, the Licensee would have likely derived the sponsorship from the branding of the Hasbro Water Park.

The Licensees further agree for a Minimum Capital Investment of US\$12,000,000 (equivalent to RM54,858,000*), to be spent on the construction of the Project. The Minimum Capital Investment was arrived at based on the draft plans presented by M101 to the Licensor prior to the date of the License Agreement in 2018.

10. Insurance Requirements

The following insurance minimum limits (“**Minimum Insurance Limits**”) shall apply to the Project:-

- (a) Commercial General Liability: US\$10,000,000 (equivalent to RM45,715,000*) per occurrence and US\$10,000,000 (equivalent to RM45,715,000*) in annual aggregate, to be in place for each individual Project, prior to the start of development or design or each such individual Project;
- (b) Workers’ Compensation/Employer’s Liability: As required by and at the limits required by law but with Employer’s Liability limits not less than US\$1,000,000 (equivalent to RM4,571,500*) per occurrence to be in place no later than the date of signing of the Agreement or upon hiring of any personnel for each individual Project;
- (c) Commercial Automobile Liability: US\$2,000,000 (equivalent to RM9,143,000*) per occurrence to be in place prior to breaking ground or commencement of any construction installation, repair and/or maintenance for each individual Project;
- (d) Liquor Liability: US\$10,000,000 (equivalent to RM45,715,000*) per occurrence to be in place prior to the date liquor is first served at each Project Venue, no later than the Grand Opening Date/1 January 2026 for each individual Project;

APPENDIX II – SALIENT TERMS OF LICENSE AGREEMENT (CONT'D)

- (e) Umbrella Excess Liability: US\$48,000,000 (equivalent to RM219,432,000*) per occurrence and US\$48,000,000 (equivalent to RM219,432,000*) in annual aggregate to be in place as follows:
 - (i) 1/3 of such amount prior to the start of Project development, no later than the date of signing of the Agreement;
 - (ii) 2/3 of such amount prior to breaking ground for the Project and commencement of any construction whatsoever for the Project; and
 - (iii) The entire amount not later than the Grand Opening Date/1 January 2026 for the Project;
- (f) Professional Liability – Errors and Omissions: US\$25,000,000 (equivalent to RM114,287,500*) per occurrence and US\$25,000,000 (equivalent to RM114,287,500*) in annual aggregate to be in place prior to the development, design, redesign, installation, material rebuild, repair and/or replacement of each individual Project;
- (g) Media Errors and Omissions insurance: US\$10,000,000 (equivalent to RM45,715,000*) per occurrence and US\$10,000,000 (equivalent to RM45,715,000*) in annual aggregate to be in place prior to the development, design, publishing and/or streaming of any content for each individual Project; and
- (h) Cyber Liability insurance: US\$10,000,000 (equivalent to RM45,715,000*) per occurrence and US\$10,000,000 (equivalent to RM45,715,000*) in annual aggregate, to be in place from the conduct of the first online transactions, the collection of any personal information online, the publication of any website or social media page or online advertising for each individual Project.

** Based on RM/USD exchange rate of 4.5715 as at LPD (source: Bank Negara Malaysia website)*

The total insurance premium to be paid per annum is unable to be quantified at this juncture as Meridian Group can only engage with the relevant insurer subsequent to the completion of the construction of the Hasbro Water Park.

11. Special Conditions

Right of First Refusal for Theme Park: The Licensor agrees that it will not licence the Licensed Property, be it individually or collectively, in connection with a theme park (i.e. broad based theme parks, amusement parts or themed entertainment facilities, etc.) in Malaysia during the first 3 years of the Development Term i.e. 1 August 2022, without first offering the Licensees the option of acquiring a licence for a theme park ("**Theme Park Licence**").

In the event the Licensees are interested in acquiring a Theme Park Licence in Malaysia, the Licensees are required to provide a written notification of its intention to acquire a Theme Park Licence to the Licensor within 30 days from the Licensor's offer.

12. Approvals

The Licensor's written approval (in the Licensor's sole discretion) through the Licensor's Approval System ("**LAS**") is required for the following:-

- (a) All aspects, elements, materials and items created in connection with the Project and/or the Licensed Property, prior to use by Licensees or disclosure to any third party;
- (b) Any sponsorship and/or tie-in rights (including the company name and sponsorship or tie in plans outlining material terms of such plan) in connection with the Project;

APPENDIX II – SALIENT TERMS OF LICENSE AGREEMENT (CONT'D)

- (c) The use of the Licensor's name in any way; and
- (d) The featuring of any other brands or products in the Project.

The Licensees shall consult with Licensor on a reasonable and regular basis regarding its financing and capitalization plans and progress for the Project and shall provide the Licensor with copies of its intended financing and capitalization plans relating to the Project as well as any material changes thereto.

If Licensees fail to comply with this Section, then Licensor may elect, at its sole discretion and without limitation on any other rights and remedies of Licensor, to do one or more of the following:

- (a) require Licensees to immediately suspend or discontinue operation of the applicable element or portion of the Project;
- (b) terminate the Agreement; and/or
- (c) require that Licensees bring such non-complying element into compliance within thirty (30) days after receipt of written notice from Licensor, failure of which shall entitle Licensor to terminate the Agreement.

13. Intellectual Property

The following intellectual property shall, upon creation, be considered part of the Licensed Property and shall be in the Licensor's name and be owned exclusively by the Licensor:

- (a) All right, title and interest in and to the Licensed Property, Project, etc.;
- (b) Any component of the Project, including, without limitation, all copyrights, trademarks, service marks, registered designs, patents, rights in passing off, unfair competition rights, rights in designs, moral rights, rights in confidential information including know-how and trade secrets and other intellectual property rights, in each case whether registered or unregistered; and
- (c) All performers' property right of whatever nature whether now known of in the future created in the Licensed Property.

The Licensor is assigned with full title guarantee together with the goodwill attaching to that part of the business in which the trademarks are used.

The Licensor will be the owner of any derivative works, adaptations, game variants, game play or its elements of the Licensed Property developed by or for Licensees and included in the Project.

The Licensor claims no ownership in "**Licensee IP**", i.e. trademarks that Licensees demonstrably owned prior to the Agreement and patented elements and propriety technology developed by or on behalf of Licensees.

The Licensees shall ensure that all moral rights are waived and all intellectual property rights shall vest in Licensor and the work shall be created on a work for hire basis, if the Licensees commission or require a third party to create any work in connection with the Project.

The Licensees shall assist the Licensor in the procurement of any protection or to protect the Licensor's rights to the Licensed Property.

The Licensed Property and all rights therein, including goodwill pertaining thereto, belong exclusively to Licensor (or its licensors), and the Licensed Property has a secondary meaning in the mind of the public i.e. the brand name "Hasbro".

A breach by Licensees of any of its covenants, agreements or undertakings with respect to use of the Licensed Property, legal marking requirements, quality standards or ethical standards will cause Licensor irreparable damage, which cannot be readily remedied in damages in an action at law, and may, in addition thereto, constitute an infringement of Licensor's intellectual property rights in the Licensed Property, entitling Licensor to equitable remedies, costs and reasonable attorney's fees.

Notwithstanding anything herein to the contrary, Licensees hereby waive, and forever release Licensor from, any and all claims, actions and suits alleging that Licensor may have failed to adequately promote, advertise or otherwise use or exploit the Licensed Property during or after the Term (such matters being entirely within Licensor's discretion), and Licensor shall be under no obligation to exploit the Licensed Property at any time.

14. Indemnification

Licensees' Indemnification: The Licensees agree to defend, indemnify, and hold harmless Licensor against all claims, judgments, actions, debts or rights of action, suits, loss and damage arising out of or in connection with:

- (a) the Project and/or the Project Venue;
- (b) the Licensees' use of the Licensed Property;
- (c) any strict liability, any actual or alleged defects in the Project;
- (d) any legal actions taken as a result of the Agreement;
- (e) any breach or alleged breach of the Agreement by the Licensees; or
- (f) any alleged or actual act or omission of Licensees.

Licensor's Indemnification: The Licensor indemnifies and undertakes to defend the Licensees against, and to hold the Licensees harmless from any claims, suits, action, loss and damage arising out of any claims of actual or alleged copyright infringement based on the Licensed Property as supplied to Licensees by Licensor and used by Licensees pursuant to the Agreement, provided that the Licensees:

- (a) have given the Licensor prompt written notice of any such claim, suit, action, loss and/or damage;
- (b) permit the Licensor to conduct and control the defence with the Licensor's choice of counsel;
- (c) make no admission of liability, agreement or compromise without the Licensor's prior written consent; and
- (d) provide the Licensor with full cooperation with respect to such claims, suits, action, etc.

Unless stipulated expressly in the "Licensor's Indemnification" under this section, the Licensor will not provide warranty to or indemnify the Licensee for loss arising from any claim of infringement of third-party trademark rights arising out of the use of the Licensed Property regarding the Project, other than rights acquired from Licensor. No warranty is given in relation to the registration of the trademarks' applications. The Licensee is responsible to carry out appropriate investigations to establish that the Project and other material of the Licensed Property do not infringe any third-party trademark rights.

15. Termination

The Licensors may terminate the Agreement under the following circumstances, without prejudice to any rights the Licensors may otherwise have against the Licensees:-

- (a) If the Licensees are unable to meet any date of the Development Schedule as set forth in the Agreement by giving written notice of termination to Licensees;
- (b) If the Licensees become insolvent, or if any insolvency proceedings are instituted by or against it under any law which are not discharged within a period of 10 days, upon 10 days' notice in writing to Licensees;
- (c) If the Licensees violate any of its obligations under the terms of the Agreement relating to the payment of any royalty or any other fee or payment, upon 5 days' notice in writing for non-payment to the Licensees; or
- (d) Upon the happening of *inter alia*, the following events:-
 - (i) change of ownership or control of Licensees which adversely affects Licensees' exercise of rights granted to the Licensees under the Agreement;
 - (ii) appointment of a third-party manufacturer, vendor, sub-contractor or sub-licensee without Licensors' prior written approval; or
 - (iii) infringement of the trademarks, copyrights, patents or other property rights belonging to the Licensors or any of its affiliates by the Licensees or any of its affiliated companies.

The Licensees' material breach of the terms of any other agreements (whether present or future) with Licensors or its affiliates shall be deemed a material breach of the Agreement.

Termination shall be without prejudice to any rights Licensors may otherwise have against Licensees, including, without limitation, the right to recover any payments due hereunder or damages. Upon the termination of this Agreement, notwithstanding anything to the contrary herein, all Royalties, all outstanding Minimum Guaranteed Royalty payments, Development Fee (if any), Sponsorship Fees (if any) and any other fees or payments as set forth in this Agreement shall become immediately due and payable. For the avoidance of doubt, no Minimum Guaranteed Royalty payment, Development Fee (if any), Sponsorship Fees (if any) and any other fees or payments as set forth in this Agreement will be repayable.

All rights granted to the Licensees will forthwith revert to Licensors upon and after the termination of the Agreement. The Licensees will refrain from use of the Licensed Property or any reference to it and cease to hold itself out as licensees of the Licensed Property.

16. Governing Law

The Agreement is governed by the internal laws of the State of Rhode Island without regard to its conflict of law principles. The parties submit to the exclusive jurisdiction of the courts of State of Rhode Island, including the United States District Court for the District of Rhode Island.

APPENDIX III – SALIENT TERMS OF THE COLLABORATION AGREEMENT

1. Conditions Precedent

The collaboration between Meridian and M101 shall be conditional upon the fulfilment of the following conditions precedent on or before the Long Stop Date i.e. 27 January 2023:

- (a) Meridian's shareholders' approval of the Proposed Collaboration between Meridian and M101 at an EGM to be convened;
- (b) M101's shareholder and board of directors' approval of the Proposed Collaboration and of the inclusion of Meridian as an additional licensee to Contract No. 130673; and
- (c) any other necessary approvals of any authorities.

Either party (Meridian or M101) shall be entitled to terminate the Collaboration Agreement on rejection or non-fulfilment of the above-mentioned condition precedents by the Long Stop Date, by giving written notice of termination to the other party and none of the parties (Meridian or M101) shall have any claim against other party thereto.

2. Term

The Collaboration Agreement shall be effective on the date of the Collaboration Agreement and shall remain effective until the expiration or early determination of the License Agreement, whichever occurs first, unless or until the early termination of the Collaboration Agreement.

3. Obligation of Meridian

Meridian shall be responsible:

- (a) in performing all the obligations imposed on both Meridian and M101 under the License Agreement ("**Meridian's Obligations**");
- (b) to comply with all the terms and conditions of the License Agreement;
- (c) for all operation matters of the Project (including constructions and upon completion of constructions on operation of the water park) and Meridian has the sole discretion on all matters in relation the Project;
- (d) for all fundings required in the performance of Meridian's Obligations;
- (e) for all financial obligations to Hasbro Int as set out in Section 9 of Appendix II of this Circular;
- (f) to provide the land being Lot PT 1374, Lot 1826, Mukim Alor Gajah, Melaka, Malaysia as the venue of the Hasbro Water Park;
- (g) to pay all development costs of Hasbro Water Park in which the construction of the same shall commence on or before 1 September 2023; and
- (h) to ensure the grand opening of Hasbro Water Park shall be on no later than 1 January 2026 ("**Grand Opening**"), whereas the soft opening shall be no later than 90 days prior to the Grand Opening.

4. Obligations of M101

M101 shall provide assistance in facilitating the communication between Meridian and Hasbro Int regarding the License Agreement. M101 is merely acting as a co-licensee which shall not be entitled to any revenue/profit generated from the License Agreement.

M101 shall not, during the term of the License Agreement and for a period of 1 year after the expiry or early determination of the License Agreement:

- (a) interfere with, disrupt the relationship between Meridian and Hasbro Int;
- (b) deliberately breach the License Agreement;
- (c) be in direct competition with Meridian to develop and operate a water park in Malaysia other than as a holder of not more than 5% of the issued shares or debentures of any listed company. For information, 5% of the issued shares or debentures of any listed company was derived after taking into consideration the possibility of M101 to exercise significant influence via its substantial holdings of shares and debentures in the listed company; and
- (d) solicit and entice away any person, firm, company or organization who is a customer or client of Meridian, away from Meridian.

5. Termination

Each Party (either Meridian or M101) may terminate the Collaboration Agreement with immediate effect by giving written notice to the other Party, if the other Party:

- (a) commits any material breach of any term and condition of the Collaboration Agreement (which in the case of a breach capable of being remedied) have not been remedied within seven (7) days of a written request to remedy the same;
- (b) enters into liquidation or, among others, convenes a meeting of its creditors or makes a proposal for any scheme of arrangement for the benefit of its creditors;
- (c) is found, known or suspected to be involved in any fraudulent or unlawful activity; or
- (d) is guilty of any conduct which is prejudicial to the other Party's good name and/or interest.

6. Indemnity

Meridian shall indemnify M101 of all liabilities, fines, penalties and amounts actually and reasonably incurred by M101 if M101 was, is, or is threatened to be made, a party to or a participant (as a witness, deponent or otherwise) in any proceeding (in which M101 was, is, will or might be involved as a party, potential party, non-party witness or otherwise, by reason of the fact that M101 is a party of the License Agreement and shall not include any claims against M101 by Hasbro Int or any third party as a result of M101's breach occurring prior to the date of First Amendment to Contract No. 130673, i.e. 1 August 2022), unless such proceedings is caused or contributed by M101.

M101 shall indemnify Meridian of all claims, liabilities and costs incurred by Meridian in the event Meridian suffers any damages as a result of:

- (a) M101's negligence in performing its obligations as per Clause 5.1 of the Collaboration Agreement (facilitation of communication between Meridian and Hasbro Int for all intent relating to the License Agreement);

APPENDIX III – SALIENT TERMS OF THE COLLABORATION AGREEMENT (CONT'D)

- (b) M101's breach as per:
 - (i) Clause 5.2 of the Collaboration Agreement (acts to be refrained by M101 during the subsistence of the Collaboration Agreement and/or License Agreement and a period of one (1) year after the termination/expiry of the License Agreement); and/or
 - (ii) Clause 5.3 of the Collaboration Agreement (M101's obligations to execute documents and provide cooperation to Meridian to give full effect to the Collaboration and License Agreement); and/or
- (c) any breach by M101 of Contract No. 130673 prior to the date of First Amendment to Contract No. 130673.

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**THE BY-LAWS OF
MERIDIAN BERHAD
("MERIDIAN" OR THE "COMPANY")
EMPLOYEES' SHARE OPTION SCHEME**

1. NAME OF SCHEME

This Scheme shall be called the "Meridian's Employees' Share Option Scheme" ("**Scheme**").

2. OBJECTIVES OF SCHEME

The objectives of the Scheme (as defined herein) are:

- 2.1. to reward the Eligible Persons (as defined herein) for their contributions and services that are considered vital to the operations and continued growth of the Group (as defined herein);
- 2.2. to reward such Eligible Persons by allowing them to participate in the Group's profitability by way of potentially realising capital gains that may arise from appreciation in the price of the Shares (as defined herein);
- 2.3. to motivate the Eligible Persons towards improved performance through greater productivity and loyalty;
- 2.4. to instil a greater sense of belonging and dedication as the Eligible Persons are given the opportunity to participate directly in the long-term development and growth of the Group; and
- 2.5. to attract and retain high-calibre Eligible Persons.

3. DEFINITIONS AND INTERPRETATION

- 3.1. In these By-Laws, the following terms and expressions shall have the following meanings:

| | |
|----------------------------|---|
| "Act" | - The Companies Act 2016 as may be amended from time to time and includes any re-enactment thereof or any new act enacted and gazetted to replace and supersede the Act |
| "Available Balance" | - The unissued shares of the Company which is available for the offer of further ESOS Options subject to the limit set out in By-Law 4.2 and after deducting all ESOS Options which have been offered and accepted |
| "Board" | - The Board of Directors of the Company |
| "Bursa Securities" | - BURSA MALAYSIA SECURITIES BHD [Registration No. 200301033577 (635998-W)] |

APPENDIX IV – DRAFT BY-LAWS (CONT'D)

| | |
|-------------------------------|--|
| “By-Law(s)” | - The rules, terms and conditions of the Scheme (as may be amended, varied or supplemented from time to time in accordance with By-Law 22) |
| “CDS” | - A Central Depository System governed under the Security Industry (Central Depositories) Act 1991 |
| “CDS Account” | - An account established by BURSA MALAYSIA DEPOSITORY SDN BHD [Registration No. 198701006854 (165570-W)] for a depositor for the recording of deposits of securities and dealings in such securities by the depositor |
| “Constitution” | - The Constitution of the Company, as amended from time to time |
| “Date of Acceptance” | - The date whereupon the ESOS Committee shall receive the written notice from an Eligible Person accepting an Offer |
| “Date of Expiry” | - The last day of the duration of the Scheme as provided in By-Law 19.3 |
| “Date of Offer” | - The date on which an Offer (including any subsequent Offers) is made by the ESOS Committee to an Eligible Person in the manner provided in By-Law 7 |
| “Director(s)” | - Directors (either an executive director or a non-executive director) of any company within the Group (excluding dormant subsidiaries) and ‘Director’ shall be construed accordingly |
| “Effective Date” | - The effective date for the launching and/or implementation of the Scheme, as provided in By-Law 19.1 |
| “Eligible Director(s)” | - Director(s) who fulfils the conditions of eligibility stipulated in By-Law 5.1 |
| “Eligible Employee(s)” | - Employee(s) who fulfils the conditions of eligibility stipulated in By-Law 5.1 |
| “Eligible Person(s)” | - Eligible Employee(s) or Eligible Director(s), as the case may be |
| “Entitlement Date” | - The date as at the close of business on which shareholders’ names must appear on the Record of Depositors of Meridian in order to participate in any dividends, rights, allotments or other distributions |
| “Employee(s)” | - A natural person who is employed by and on the payroll of |

APPENDIX IV – DRAFT BY-LAWS (CONT'D)

| | | |
|--|------|---|
| | | any company (excluding dormant company) in the Group |
| “Grantee” | - | An Eligible Person who has accepted an Offer (or any part thereof) in the manner provided in By-Law 8 |
| “Listing Requirements” | - | The Main Market Listing Requirements of Bursa Securities, as may be amended from time to time |
| “Market Day(s)” | - | A day in which Bursa Securities is open for the trading of securities |
| “Maximum Allowable Allocation” | - | The maximum number of new Shares that may be offered and allotted to the Eligible Persons in accordance with the provisions of By-Law 6 |
| “Meridian” “Company” | or - | Meridian Berhad (200001005180 (507785-P)) |
| “Meridian Group” or “Group” | - | Collectively, the Company and its subsidiaries (as defined under Section 4 of the Act which are not dormant. Subsidiaries shall include subsidiaries which are existing as at the Effective Date and subsidiaries which are incorporated or acquired at any time during the duration of the Scheme, but exclude any subsidiaries which have been divested in the manner provided under By-Law 17.2) |
| “Meridian Share(s)” or “Share(s)” | - | Ordinary share(s) in the Company |
| “Offer(s)” | - | Written offer(s) made by the ESOS Committee to an Eligible Person in the manner provided in By-Law 7 |
| “ESOS” or “Scheme” | - | The scheme for the granting of ESOS Options to Eligible Persons to subscribe for new Shares upon the terms as herein set out, such scheme to be known as the “Meridian’s Employees’ Share Option Scheme” |
| “ESOS Committee” | - | A committee comprising of Director(s) and/or Senior Management (as defined in By-Law 6.1) or other persons appointed from time to time by the Board to administer the Scheme, in accordance with the provisions of By-Law 21 |
| “ESOS Option(s)” | - | The right of a Grantee to subscribe for new Shares pursuant to the contract constituted by acceptance by the Grantee in the manner provided in By-Law 8 of an Offer made to such Grantee by the ESOS Committee pursuant to By-Law 7 |
| “ESOS Option | - | The period commencing from the Date of Offer and |

APPENDIX IV – DRAFT BY-LAWS (CONT'D)

Period” expiring on the Date of Expiry of the Scheme as provided in **By-Law 19.3**. In the event that the duration of the Scheme shall be extended, the Date of Expiry of the Scheme shall be the date of expiry as so extended

“Exercise Price” - The price at which a Grantee shall be entitled to subscribe for each new Share as calculated in accordance with the provisions of **By-Law 11**

- 3.2. For the purposes of these By-Laws, all references made to “Bursa Securities” and “Listing Requirements” shall where the context so permits and requires, include or refer to such other relevant authority(ies) and such acts, enactments, rules, regulations and guidelines currently or from time-to-time hereafter in force affecting the valid implementation and continuation of the Scheme in accordance with the provisions of these By-Laws.
- 3.3. The headings in these By-Laws are for ease of reference only and shall not be taken into account in the interpretation of these By-Laws.
- 3.4. References to the provisions of statutes include such provisions as amended or re-enacted from time to time, and references to statutes or listing requirements include any consolidations, replacements or revisions of the same.
- 3.5. Words importing the masculine gender shall include the feminine and neuter genders and vice versa.
- 3.6. Words importing the singular number shall include the plural number and vice versa.
- 3.7. If an event is to occur on a stipulated day, which is not a Market Day, then the stipulated day will be taken to be the first (1st) Market Day after that day.
- 3.8. Any liberty or power which may be exercised or any determination which may be made hereunder by the ESOS Committee shall be exercised in the ESOS Committee’s absolute and unfettered discretion and the ESOS Committee shall not be under any obligation to give any reason there for except as may be required by the relevant authorities or under the law.

4. MAXIMUM NUMBER OF NEW SHARES AVAILABLE UNDER THE SCHEME

- 4.1. Each ESOS Option shall be exercisable into one (1) new Share in accordance with the provisions of these By-Laws.
- 4.2. The maximum number of new Shares to be allotted and issued pursuant to the exercise of the ESOS Options that may be granted under the Scheme shall not, in aggregate, exceed fifteen percent (15%) of the total number of issued shares (excluding treasury shares, if any) of the Company at any one time throughout the duration of the Scheme as provided in **By-Law 19.3**.

The aggregate number of new Shares available pursuant to the Scheme shall consist of:

- (i) the ESOS Options exercised by all the Grantees;
- (ii) the remaining ESOS Options exercisable by all the Grantees; and
- (iii) the unexpired Offers pending acceptance by all the Eligible Persons,

and shall not exceed an amount equivalent to fifteen percent (15%) of the prevailing total number of issued shares of the Company (excluding treasury shares, if any) at any point of time.

- 4.3. Notwithstanding **By-Law 4.2** above or any other provisions herein contained, in the event the maximum number of new Shares comprised in the ESOS Options granted under the Scheme exceeds the aggregate of fifteen percent (15%) of the prevailing total number of issued shares (excluding treasury shares, if any), at any one time of the Company as a result of the Company:

- (i) purchasing its own Shares pursuant to Section 127 of the Act whereby the shares so purchased in treasury will not be taken into account in calculating the number of its issued shares; or
- (ii) undertaking any other corporate proposal and thereby diminishing the total number of issued shares of the Company,

then the ESOS Options granted prior to the adjustment of the total number of issued shares of the Company shall remain valid and exercisable in accordance with these By-Laws. However, in such a situation, the ESOS Committee shall not make any further Offers, unless and until such time when the total number of Shares to be issued under the Scheme falls below fifteen percent (15%) of the Company's prevailing total number of issued shares (excluding treasury shares), at any one time throughout the duration of the Scheme as provided in **By-Law 19.3**.

5. ELIGIBILITY

- 5.1. To qualify as an Eligible Person for participation in the Scheme, a person must, as at the Date of Offer fulfil the following conditions:

- (a) the director or employee shall have attained the age of 18 years on the Date of Offer and neither an undischarged bankrupt nor subject to any bankruptcy proceedings;
- (b) if an employee or executive director, he/she must have been employed by the Group (excluding dormant subsidiaries) and his/her employment as an Eligible Person must have been confirmed on the Date of Offer, irrespective of whether he/she was transferred to a subsidiary within the Group (excluding dormant subsidiaries), in which case he/she must have been a confirmed employee in that subsidiary within the Group (excluding dormant subsidiaries), employed on

- a full-time basis and has not served a notice to resign nor received a notice of termination;
- (c) if a non-executive director, he/she must have been appointed and remain appointed as a director of the Group (excluding dormant subsidiaries), as at the Date of Offer;
 - (d) if the director or employee is employed by a company which is acquired by the Group during the duration of the Scheme and becomes a subsidiary upon such acquisition, the said Director or employee must become an Eligible Person within the meaning of the By-Laws following the date that such company becomes or is deemed to be a subsidiary of the Group; and/or
 - (e) they must fulfil such other eligibility criteria as may be determined by the ESOS Committee from time to time at its sole discretion.

The Eligible Person must fulfil any other criteria and/or fall within such category/designation of employment as may be determined by the ESOS Committee from time to time at its sole discretion, whose decision shall be final and binding. Notwithstanding the above, the ESOS Committee may, in its absolute discretion, waive any of the conditions of eligibility set out above.

The eligibility for consideration under the Scheme does not confer an Eligible Person a claim or right to participate in the Scheme unless the ESOS Committee has made an offer in writing to the Eligible Person and the Eligible Person has accepted the Offer in accordance with the terms of the By-Laws.

Notwithstanding that, the selection of any Eligible Person for participation in the Scheme as well as the allocation of ESOS Options to any Eligible Person shall be at the sole and absolute discretion of the ESOS Committee and that the decision of the ESOS Committee shall be final and binding.

- 5.2. The Eligible Employees or Eligible Directors of the subsidiaries of the Company which are dormant shall not be eligible to participate in the Scheme.
- 5.3. Subject to **By-Law 6.1**, in the event that the ESOS Committee has determined that certain Eligible Persons are entitled to be offered additional ESOS Options and the Available Balance is insufficient to grant their full additional entitlements, the Available Balance may be distributed on such basis as the ESOS Committee may determine and such decision shall be final and binding.
- 5.4. The ESOS Committee has the sole and absolute discretion not to make further additional Offers regardless of the amount of the Available Balance.
- 5.5. Each Eligible Director can only participate in the Scheme in one (1) capacity irrespective of the number of directorships or positions he holds in the Group.
- 5.6. Eligibility under the Scheme does not confer a claim or right to participate in the Scheme unless the ESOS Committee has made an Offer to the Eligible Person under **By-Law 7**, and an Eligible Person does not acquire or has any rights over or in connection with any ESOS Options or the Shares comprised therein unless an Offer

has been made by the ESOS Committee and has been accepted by the Eligible Person in accordance with the terms of the Offer and the Scheme.

- 5.7. A set of criteria on eligibility and criteria for allocation as determined by the Board from time to time shall be made available to the Eligible Persons. The allocation of the ESOS Options pursuant to the Scheme shall be verified by the audit committee of the Company at the end of each financial year and a statement made by the audit committee on the verification of such allocation shall be included in the annual report of the Company.
- 5.8. Where an Offer is made to an Eligible Person who is a member of the ESOS Committee, such grant of ESOS Option shall be decided and carried out by the ESOS Committee PROVIDED ALWAYS that such Eligible Person and persons connected to him/her who are also members of the ESOS Committee shall abstain from all deliberations and voting in respect of the Offer proposed to be granted to him/her at the relevant ESOS Committee meetings.

6. BASIS OF ALLOTMENT AND MAXIMUM ALLOWABLE ALLOTMENT

- 6.1. Subject to **By-Law 4** and any adjustment which may be made under the By-Laws, the aggregate maximum number of new Shares comprised in the ESOS Options to be offered to an Eligible Person shall be at the sole and absolute discretion of the ESOS Committee after taking into consideration, designation, ranking, seniority, performance, length of service, contribution, employment grade and potential contribution to the continued success of the Eligible Person and such other factors that the ESOS Committee may deem relevant, subject to the following:
- (a) any Eligible Person shall not participate in the deliberation or discussion of their own allocation under the Scheme;
 - (b) the allocation to an Eligible Person who, either singly or collectively through persons connected with him, holds twenty percent (20%) or more of the total number of issued shares (excluding treasury shares. If any) of Meridian, does not exceed ten percent (10%) of the total number of new Shares to be issued under the Scheme; and
 - (c) not more than eighty percent (80%) of the new Shares to be issued under the Scheme shall be allocated in aggregate to the Eligible Directors and Senior Management,

provided always that it is in accordance with any prevailing guidelines, rules or regulations issued by Bursa Securities, the Listing Requirements or any other requirements of the relevant authorities as may be amended from time to time.

The term “**Senior Management**” shall refer to an Employee of the Group who are deemed as senior management by the Board and/or the ESOS Committee (including Director) and above and shall be subject to criteria to be determined by the ESOS Committee that may change from time to time and the term “**person(s) connected**” shall have the same meaning as defined in Paragraph 1.01 of the Listing Requirements.

APPENDIX IV – DRAFT BY-LAWS (CONT'D)

- (a) For avoidance of doubt, the ESOS Committee shall have the sole and absolute discretion in determining whether the Shares available for vesting under this Scheme are to be offered to the Eligible Person via:
 - (i) one single Offer (as the case may be) at a time to be determined by the ESOS Committee; or
 - (ii) several Offers (as the case may be) where the vesting of Shares comprised in those Offers is staggered or made in several tranches at such times and on terms determined by the ESOS Committee

provided always that the aggregate number of new Shares in respect of the Offers granted to any Eligible Person shall not exceed an amount equivalent to fifteen percent (15%) of the prevailing total number of issued shares of the Company (excluding treasury shares, if any) at any one (1) time. In deciding between (i) and (ii) above, the ESOS Committee shall consider, amongst others, whether it wishes to provide a one-off reward for the relevant Grantee's contribution to the Group to incentivise the Grantee's continued employment with the Group, or to motivate the relevant Grantee to achieve certain milestones throughout the course of the Grantee's career progression with the Group moving forward.

- (b) The ESOS Committee also has the discretion to determine, amongst others:-
 - (i) whether or not to stagger the Offer over the duration of the ESOS for which each Offer shall be separate and independent from the others, including the maximum allocation of the Offer for each financial year in the event the Offer is staggered over the duration of the ESOS;
 - (ii) the number of ESOS Options to be offered in each Offer;
 - (iii) whether or not the ESOS Options are subject to any vesting period and if so, the vesting conditions and whether such vesting is subject to performance target; and
 - (iv) such other terms and conditions as it shall deem fit and appropriate to be imposed for the participation in the Scheme.
- (c) In the event that an Eligible Person is moved to a higher category of employment or entitlement within the Scheme, his/her Maximum Allowable Allocation shall be increased accordingly with the scale of such category upon his/her confirmation in the higher category. This shall be subject to the sole and absolute discretion of the ESOS Committee, notwithstanding any such change in the Employee's Maximum Allowable Allocation.
- (d) In the event that an Eligible Person is moved to a lower category, the following provisions shall apply:
 - (i) his/her Maximum Allowable Allocation shall be reduced accordingly with the scale of such category;

- (ii) in the event that the total number of ESOS Options which have been offered to him/her up to the date he/she is moved to the lower category is greater than his/her Maximum Allowable Allocation under such lower category, he/she shall be entitled to continue to hold and to exercise all unexercised ESOS Options held by him/her on such date but he/she shall not be entitled to be offered any further ESOS Options unless and until he/she is subsequently moved to a higher category or there is an increase to his/her Maximum Allowable Allocation under such lower category, so that his/her new Maximum Allowable Allocation is increased to an amount greater than the total number of ESOS Options which have already been offered to him/her; and
 - (iii) in the event that the total number of ESOS Options which have been offered to him/her as of the date he/she is moved to the lower category is less than his/her Maximum Allowable Allocation under such lower category, he/she shall be entitled to continue to hold and to exercise all unexercised ESOS Options held by him/her on such date and, subject to **By-Law 6.1** to be offered further ESOS Options up to his/her Maximum Allowable Allocation under such lower category.
- 6.2. The ESOS Committee shall not be obliged in any way to offer to an Eligible Person all of the specified Maximum Allowable Allocation. The decision of the ESOS Committee shall be final and binding.
- 6.3. The ESOS Committee may at its sole and absolute discretion introduce additional categories of Eligible Persons which it shall deem necessary during the duration of the Scheme provided always that the Maximum Allowable Allocation in respect of these additional categories are in compliance with the relevant Listing Requirements and applicable laws.
- 6.4. The ESOS Committee may make more than one (1) Offer to an Eligible Person provided that the aggregate number of ESOS Options offered to an Eligible Person throughout the entire duration of the Scheme does not exceed his Maximum Allowable Allocation.

7. OFFER

- 7.1. During the existence of the Scheme, the ESOS Committee may at its sole and absolute discretion at any time and from time to time make Offers in writing to an Eligible Person, subject to the Eligible Person's Maximum Allowable Allocation.
- 7.2. The ESOS Committee shall state the following particulars in the Offer:
 - (a) date of the Offer;
 - (b) the vesting conditions of the ESOS Options (if any/if applicable);
 - (c) the vesting date(s) of the ESOS Options (if any/if applicable);
 - (d) the number of ESOS Options that are being offered to the Eligible Person;

APPENDIX IV – DRAFT BY-LAWS (CONT'D)

- (e) the number of Shares which the Eligible Person shall be entitled to subscribe for upon the exercise of the ESOS Options being offered;
- (f) the ESOS Option Period;
- (g) the Exercise Price;
- (h) the Offer Period as defined in **By-Law 7.3**; and

may include such / any other conditions as may be stipulated by the ESOS Committee.

- 7.3. An Offer shall be valid for a period of thirty (30) days from the Date of Offer or such period as may be determined by the ESOS Committee on a case-to-case basis ("**Offer Period**").
- 7.4. No Offer shall be made to any Eligible Person who is a Director, chief executive officer or major shareholders of the Company or who is a person connected with a Director or chief executive officer or major shareholders of the Company, unless such Offer and the grant of ESOS Options have previously been approved by the shareholders of the Company in a general meeting.
- 7.5. Without prejudice to **By-Law 21**, in the event of an error on the part of the Company in stating any of the particulars referred to in **By-Law 7.2**, the following provisions shall apply:
 - (a) within one (1) month after the discovery of the error, the Company shall issue a supplemental Offer, stating the correct particulars referred to in **By-Law 7.2**;
 - (b) in the event that the error relates to particulars other than the Exercise Price, the Exercise Price applicable in the supplemental Offer shall remain as the Exercise Price as set out in the original Offer; and
 - (c) in the event that the error relates to the Exercise Price, the Exercise Price applicable in the supplemental Offer shall be the correct Exercise Price applicable as at the date of the initial Offer (as determined in accordance with **By-Law 11**), but it shall not apply to any ESOS Options which have already been exercised as at the date of issue of the supplemental Offer.
- 7.6. The Company shall keep and maintain at its expense a register of Grantees and shall enter in that register the names and addresses of the Grantees, the Maximum Allowable Allocation, the number of ESOS Options offered and accepted, the number of ESOS Options exercised, the Date of Offer and the Exercise Price.

8. ACCEPTANCE

- 8.1. An Offer must be accepted by an Eligible Person within the Offer Period by written notice to the ESOS Committee accompanied by a payment of a nominal non-refundable consideration of Ringgit Malaysia One (RM1.00) only for the grant of the ESOS Options. The date of receipt by the ESOS Committee of such written notice shall constitute the Date of Acceptance.

APPENDIX IV – DRAFT BY-LAWS (CONT'D)

- 8.2. If an Offer is not accepted in the foregoing manner, the Offer shall automatically lapse upon the expiry of the Offer Period and shall be null and void and be of no further force and effect. The number of ESOS Options offered in the lapsed Offer shall be deducted from the Maximum Allowable Allocation or the balance of the Maximum Allowable Allocation of that Eligible Person, and that Eligible Person shall not be entitled to be offered the number of ESOS Options offered in the lapsed Offer, in any Offers made in the future unless otherwise decided by the ESOS Committee. However, ESOS Options not taken up resulting from the non-acceptance of Offers within the Offer Period shall thereafter form part of the balance of ESOS Options available under the Scheme for future Offers.
- 8.3. The Offer shall automatically lapse and be null and void in the event of death of an Eligible Person or in the event an Eligible Person shall cease to be an Eligible Director or an Eligible Employee within the Group for any reason whatsoever, or become a bankrupt prior to the acceptance of the Offer by the Eligible Person in the manner set out in **By-Law 8**.

9. NON-TRANSFERABILITY

- 9.1. An ESOS Option is personal to the Grantee and subject to the provisions of **By-Laws 14.1, 14.2 and 14.3**, is exercisable only by the Grantee personally during his lifetime.
- 9.2. An ESOS Option shall not be transferred, assigned, disposed of or made subject to any encumbrances by the Grantee save and except in the event of the death of the Grantee as provided under **By-Law 14.3**. Any such transfer, assignment, disposal or encumbrance shall result in the automatic cancellation of the ESOS Option.

10. EXERCISE OF OPTIONS

- 10.1. Subject to **By-Laws 14, 16 and 17**, an ESOS Option granted to an Eligible Person under the Scheme is exercisable by the Eligible Person in full or in part as the Eligible Person may be entitled under the ESOS Option at any time during the ESOS Option Period. There will be no restriction to the Eligible Person on the percentage of ESOS Options exercisable during the ESOS Option Period. Any partial exercise of an ESOS Option shall not preclude the Eligible Person from exercising the ESOS Option in respect of the balance of the Shares comprised in the ESOS Option.
- 10.2. Any ESOS Options which remain unexercised at the expiry of the ESOS Option Period shall be automatically terminated without any claim against the Company.
- 10.3. A Grantee shall exercise his ESOS Options by notice in writing to the Company in the prescribed form stating the number of ESOS Options exercised, the number of new Shares relating thereto and the Grantee's individual/nominee CDS Account number ("**Exercise Notice**"). The procedure for the exercise of ESOS Options to be complied with by a Grantee shall be determined by the ESOS Committee from time to time. The ESOS Options shall be exercised in multiples of and not less than one hundred (100) new Shares. The exercise by a Grantee of some but not all of the ESOS Options which have been offered to and accepted by him/her shall not preclude the Grantee from

APPENDIX IV – DRAFT BY-LAWS (CONT'D)

subsequently exercising any other ESOS Options which have been or will be offered to and accepted by him/her, during the ESOS Option Period. In the event that the balance of the ESOS Options exercisable by a Grantee in accordance with these By-Laws shall be less than one hundred (100) new Shares, the said balance shall, if exercised, must be exercised in a single tranche.

- 10.4. Every Exercise Notice shall be accompanied by a remittance in Ringgit Malaysia as may be determined by the ESOS Committee in the form of a banker's draft or banker's cheque for the full amount of the subscription money in relation to the number of new Shares in respect of which the Exercise Notice is given.
- 10.5. Within eight (8) Market Days of the receipt by the Company of such Exercise Notice and payment, or such other period as may be prescribed by Bursa Securities, and subject to the Constitution, the Company shall allot the relevant number of new Shares to the Grantee. The said new Shares will be credited directly into the Grantee's individual/nominee CDS Account as stipulated by the Grantee in the Exercise Notice, and a notice of allotment stating the number of new Shares so credited will be issued to the Grantee. No physical certificates will be issued. An application will be made by the Company for the listing of and quotation for such new Shares to Bursa Securities.
- 10.6. The Company, the Board and the ESOS Committee shall not under any circumstances be held liable to any person for any costs, losses, expenses, damages or liabilities howsoever arising in the event of any delay on the part of the Company in allotting and issuing the new Shares or in procuring Bursa Securities to list and quote the new Shares subscribed for by a Grantee or any delay in receipt or non-receipt by the Company of the Exercise Notice or for any errors in any Offers.
- 10.7. Any failure to comply with the procedures specified by the ESOS Committee or to provide information as required by the Company in the Exercise Notice or inaccuracy in the CDS Account number provided shall result in the Exercise Notice being rejected at the discretion of the ESOS Committee, and the ESOS Committee shall inform the Grantee of the rejection of the Exercise Notice within fourteen (14) Market Days from the date of rejection and the Grantee shall be deemed to not have exercised his/her ESOS Option.
- 10.8. Every ESOS Options shall be subjected to the condition that no new Shares shall be issued pursuant to the ESOS Options if such issue would be contrary to any law, enactment, rule and/or regulation of any legislative or non-legislative body which may be in force during the duration of the Scheme or such period as may be extended.

10A. DISCIPLINARY PROCEEDING

- 10A.1 Notwithstanding anything to the contrary contained in these By-Laws, the ESOS Committee shall have the discretion by giving notice in writing to any Grantee who is being subjected to any disciplinary proceeding (whether or not such disciplinary proceedings will give rise to a dismissal or termination of service) to suspend his rights to exercise his ESOS Option pending the outcome of such disciplinary proceeding. In addition to these rights of suspension, the ESOS Committee may impose such terms and conditions as it shall deem appropriate in its discretion, on the rights of exercise of the ESOS Option having regard to the nature of the charges made or brought against such Grantee, provided always that:

- (a) in the event such Grantee is found not guilty of the charges which gave rise to such disciplinary proceeding at the end of its proceedings, the ESOS Committee shall reinstate the rights of such Grantee to exercise his ESOS Option as if such disciplinary proceeding had not been instituted in the first place;
- (b) in the event the disciplinary proceeding resulted in a recommendation for the dismissal or termination of service of such Grantee, the ESOS Option shall be immediately terminated and be null and void and be of no further force and effect upon the Grantee being served the notice of the dismissal or termination of service notwithstanding that such recommendation may be subsequently challenged (successfully or otherwise) by the Grantee in any other forum; and
- (c) in the event such Grantee is found guilty but is not dismissed or terminated, the ESOS Committee shall have the rights to determine at its discretion whether or not the Grantee may continue to exercise his ESOS Option and if so, to impose such limits, terms and conditions as it deems appropriate, on such exercise rights; and
- (d) in the event that no decision is made and/or the disciplinary proceedings are not concluded prior to the Date of Expiry, the ESOS Options of such Grantee shall immediately lapse on the Date of Expiry without notice,

and nothing herein shall impose any obligation on the ESOS Committee to enquire into or investigate the substantiveness and/or validity of such disciplinary proceeding(s) and the ESOS Committee shall not under any circumstances be held liable for any costs, losses, expenses, damages or liabilities, gains or profits foregone, arising from the ESOS Committee's exercise of or failure to exercise any of its rights under this By-Law.

For the purpose of this By-Law, a Grantee shall be deemed to be subject to **"disciplinary proceedings"** if:

- (i) the Grantee is suspended from work pending investigation into his/her conduct;
- (ii) the Grantee is issued with a letter requiring him/her to attend an internal domestic inquiry; or
- (iii) such other instances as the Board may deem as being subject to disciplinary proceedings.

11. EXERCISE PRICE

The Exercise Price of each new Share comprised in any ESOS Option shall be determined by the Board upon recommendation of the ESOS Committee and fixed based on the five (5)-day weighted average market price of the Shares, at the Date of Offer, with a discount of not more than ten percent (10%), subject to such adjustments as stipulated under **By-Law 15**.

12. RANKING OF THE NEW SHARES TO BE ISSUED PURSUANT TO THE EXERCISE OF THE OPTIONS

The new Shares to be issued upon the exercise of any ESOS Options shall, upon allotment and issuance, rank *pari passu* in all respects with the existing Shares, save and except that the new Shares shall not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid, for which the entitlement date (namely the date as at the close of business on which shareholders must be registered in order to be entitled to any dividends, rights, allotments and/or other distributions) is prior to the date of allotment of the new Shares to be issued upon the exercise of any ESOS Options.

The new Shares will be subject to all the provisions of the Constitution including those relating to the transfer, transmission and otherwise of the Shares.

13. RETENTION/RESTRICTION OF SHARES

The Shares issued and/or transferred to a Grantee (save for an Eligible Person who is a non-executive director) arising from the exercise of the Options under the Proposed ESOS will not be subjected to any retention period or restriction on transfer. The Grantees are encouraged to hold the Shares as a long-term investment and not for any speculative and/or realisation to yield a profit. Notwithstanding the foregoing, the ESOS Committee shall be entitled to prescribe or impose, in relation to any Offer, any condition relating to any retention period or restriction on transfer as it deems fit.

A Grantee, who is a non-executive Director shall not sell, transfer or assign the new Shares obtained through the exercise of ESOS Options offered to him pursuant to the Scheme within one (1) year from the Date of Offer, as per Listing Requirements or such period as may be prescribed by Bursa Securities.

14. TERMINATION OF OPTION

14.1. Any ESOS Option which has not been exercised by a Grantee shall be automatically terminated in the following circumstances:

- (a) cessation of directorship or employment of the Grantee with the Group for any reason whatsoever, in which event the ESOS Option shall be automatically terminated on the day which the ESOS Committee shall at its absolute discretion determine on a case-to-case basis; or
- (b) upon the happening of any event which results in the Grantee being deprived of the beneficial ownership of the ESOS Option; or
- (c) if the Grantee becomes a bankrupt in which event the ESOS Option shall be automatically terminated on the day the Grantee is adjudicated bankrupt; or
- (d) winding up or liquidation of the Company, in which event the ESOS Options shall be automatically terminated and/or cease to be valid on the following date:
 - (i) in the case of a voluntary winding up, the date on which a provisional liquidator is appointed by the Company; or

- (ii) in the case of an involuntary winding up, the date on which a petition for winding up is served on the Company; or
- (e) termination of the Scheme pursuant to **By-Law 19.6**, in which event the ESOS Options shall be automatically terminated and cease or cease to be valid without any claim against the Group on the Termination Date (as defined in **By-Law 19.6**).

Upon the termination of ESOS Options pursuant to **By-Law 14.1** above, the Grantee shall have no right to compensation or damages or any claim against the Company for any loss of any right or benefit or prospective right or benefit under the Scheme which he might otherwise have enjoyed, whether for wrongful dismissal or breach of contract or loss of office or otherwise howsoever arising from his ceasing to hold office or employment or from the suspension of his right to exercise his ESOS Options or his ESOS Options ceasing to be valid on having been terminated.

- 14.2. Notwithstanding **By-Law 14.1** above, the ESOS Committee may at its sole and absolute discretion allow an ESOS Option to remain exercisable during the ESOS Option Period on such terms and conditions as it shall deem fit if the cessation occurs as a result of:
- (a) retirement in accordance with the applicable retirement policy of the Group, as may be amended from time to time, on attaining the Group's then prevailing retirement age;
 - (b) retirement before attaining the Group's then prevailing retirement age with the consent of his/her employer;
 - (c) ill-health, injury, physical or mental disability;
 - (d) redundancy, retrenchment or voluntary separation scheme;
 - (e) secondment or transfer to any company outside the Group at the direction of the Company; or
 - (f) any other circumstances which are acceptable to the ESOS Committee in its sole and absolute discretion.
- 14.3. In the event that a Grantee dies before the expiry of the ESOS Option Period and, at the date of death, holds any ESOS Options which are unexercised, such ESOS Options may be exercised by the personal or legal representative of the deceased Grantee within the ESOS Option Period or within twelve (12) months after the Grantee's death, whichever expires first, subject to the approval of the ESOS Committee and/or terms and conditions as set out by the ESOS Committee.
- 14.4. Unless otherwise agreed in writing by the ESOS Committee at its sole discretion, upon the resignation of the Grantee from his/her employment or directorship with the Group (as the case may be) or on the Grantees last day of employment, an ESOS Option shall lapse forthwith on the date the Grantee tenders his/her resignation. Any ESOS Option which lapses upon the resignation of the Grantee from his/her

employment or directorship with Group (as the case may be), at the discretion of the ESOS Committee, shall be offered to other Eligible Persons.

15. ALTERATION OF SHARE CAPITAL DURING THE ESOS OPTION PERIOD

15.1. Subject to **By-Law 15.3**, in the event of any alteration in the capital structure of the Company during the ESOS Option Period, whether by way of a rights issue, bonus issue or other manner of capitalisation, consolidation or subdivision of shares or reduction of capital or otherwise howsoever implemented, the Company shall cause such adjustment to be made to:

- (a) the number of ESOS Options granted to each Grantee (excluding ESOS Options already exercised); and/or
- (b) the Exercise Price,

for purposes of ensuring that the capital outlay to be incurred by the Grantee in subscribing for the same proportion of the total number of issued shares to which he was entitled prior to the event giving rise to such adjustment (i.e. not taking into account any ESOS Options already exercised) shall remain unaffected. Notwithstanding the above, the ESOS Committee may, at its discretion, determine whether the Exercise Price and/or the number of unexercised ESOS Options shall be adjusted, and if so, the manner in which such adjustments should be made. Any such adjustment must be confirmed in writing by the external auditors or the adviser (acting as experts and not as arbitrators) of the Company to be in their opinion, fair and reasonable.

The computation for the adjustment to the number of ESOS Options granted to each Grantee and/or the Exercise Price is set out in **Attachment 1** to these By-Laws.

15.2. **By-Law 15.1** shall not be applicable where an alteration in the capital structure of the Company arises from any of the following:

- (a) an issue of new Shares pursuant to the exercise of ESOS Options under the Scheme;
- (b) an issue of securities as consideration for an acquisition;
- (c) an issue of securities as a private placement;
- (d) an issue of securities as a special issue approved by the relevant governmental authorities;
- (e) a restricted issue of securities;
- (f) an issue of warrants, convertible loan stocks or other instruments by the Company which give a right of conversion into new Shares arising from the conversion of such securities;

- (g) an issue of new Shares arising from the exercise of any conversion rights in respect of securities convertible into new Shares including but not limited to warrants, convertible loan stocks and convertible preference shares;
 - (h) an issue of further ESOS Options to Eligible Persons under these By-Laws; or
 - (i) a purchase by the Company of its own Shares pursuant to Section 127 of the Act. In such event, the following provisions shall apply:
 - (i) if the number of Shares in respect of ESOS Options granted by the Company as at the date of designation of the Shares so purchased as treasury shares or cancellation of such purchased Shares is greater than fifteen percent (15%) of the prevailing total number of issued shares of the Company after such designation or cancellation, the ESOS Committee shall not make any further Offers; and
 - (ii) if the number of Shares in respect of ESOS Options granted by the Company as at the date of designation of the Shares so purchased as treasury shares or cancellation of such purchased Shares is less than fifteen percent (15%) of the prevailing total number of issued shares of the Company after such designation or cancellation, the ESOS Committee may make further Offers only until the total number of ESOS Options granted by the Company but which remains unexercised is equivalent to fifteen percent (15%) of the prevailing total number of issued shares of the Company after such designation or cancellation.
- 15.3. In the event that the Company enters into any scheme of arrangement or reconstruction pursuant to Division 7, Subdivision 2 of the Act, **By-Law 15.1** shall be applicable in respect of such part(s) of the scheme which involve(s) any alteration(s) in the capital structure of the Company provided always that **By-Law 15.1** shall not be applicable in respect of such part(s) of the scheme which involve(s) any alteration(s) in the capital structure of the Company to which **By-Law 15.2** applies.
- 15.4. Upon any adjustment being made in accordance with **By-Law 15.1**, the ESOS Committee shall give notice in writing within a period of thirty (30) days from the date of the adjustment to the Grantee, or his legal or personal representative where the Grantee is deceased, to inform him of the adjustment and the event giving rise thereto. Any adjustments must be confirmed in writing by the Company's external auditors or an adviser. Nevertheless, for the avoidance of doubt, by virtue of **By-Law 26**, the decision of the Board shall be final and binding in all respects.
- 15.5. In the event of a dispute in respect of any adjustment, any Grantee may request the Company to seek the opinion of an approved company auditor or an adviser, acting as an expert and not as an arbitrator, as to its fairness and that this be confirmed in writing. In addition, the Company shall in such situations, at the request of any Grantee, furnish such Grantee with a certificate from an approved company auditor or an adviser stating the opinion of such auditor/adviser, acting as an expert and not as an arbitrator. For the purposes of this By-Law, an approved company auditor shall have the meaning given in Section 263 of the Act and an adviser shall be a person who is permitted to carry on regulated activities of advising corporate finance under the Capital Markets and Services Act, 2007 which includes an adviser under the Guidelines on Submission of Corporate and Capital Market Product Proposals issued by the

Securities Commission Malaysia. Nevertheless, for the avoidance of doubt, by virtue of **By-Law 26**, the decision of the Board shall be final and binding in all respects.

16. TAKE-OVERS, SCHEME OF ARRANGEMENT, AMALGAMATION, RECONSTRUCTION, ETC.

16.1. In the event of a take-over offer being made for the Shares under the Malaysian Code on Take-Overs and Mergers, 2016 and such offer being declared unconditional, or such other period as the Board/ESOS Committee may determine, the following provisions shall apply:

- (a) a Grantee shall only be entitled to exercise all or any of the ESOS Options held by him as at the date of such take-over offer being declared unconditional, after such date if allowed by the Malaysian Code on Take-Overs and Mergers, 2016 and in accordance with the provisions of **By-Law 10.3**. In the event that the Grantee elects not to so exercise some or all of the ESOS Options held by him or is not allowed to do so as a result of Malaysian Code on Take-Overs and Mergers, 2016, the unexercised ESOS Options shall be automatically terminated on the expiry of the said period of three (3) months; and/or
- (b) if during the said period of three (3) months, the offeror becomes entitled or bound to exercise any rights of compulsory acquisition in respect of the Shares under the provisions of the Capital Market and Services Act, 2007 or the then prevailing applicable laws, and gives notice to the Grantee that he intends to exercise such rights on a specific date ("**Specified Date**"), the Grantee shall be entitled to exercise all or any of the ESOS Options held by him at any time prior to the expiry of the said period of three (3) months or the Market Day immediately preceding the Specified Date, whichever is the earlier, and in accordance with the provisions of **By-Law 10.3**. In the event that the Grantee elects not to so exercise some or all of the ESOS Options held by him within this period, the unexercised ESOS Options shall be automatically terminated on the expiry of the said period of three (3) months or on the Specified Date, whichever is the earlier.

16.2. In the event that the take-over offer is made on the basis that acceptance is unconditional, a Grantee shall within three (3) months of the date the take-over offer is made or before the first (1st) closing date of the take-over offer, whichever is earlier, be entitled to exercise all or any of the ESOS Options held by him as at the date of such take-over offer was made, and in accordance with the provisions of **By-Law 10.3**. In the event that the Grantee elects not to so exercise some or all of the ESOS Options held by him, the unexercised ESOS Options shall be automatically terminated on the expiry of the said period of three (3) months or the first (1st) closing date of the take-over offer, whichever is the earlier.

16.3. In the event the court has sanctioned a compromise or arrangement between the Company and its members for the purpose of, or in connection with, a scheme for reconstruction of the Company or amalgamation with any other company or companies under the provisions of the Act, then the Grantee shall immediately become entitled at any time upon which compromise or arrangement is sanctioned by the court and ending on the date upon which it becomes effective to exercise in whole or in part his ESOS Options. All unexercised ESOS Options held by a Grantee

shall be automatically terminated on the date such scheme of compromise or arrangement becomes effective.

17. DIVESTMENT FROM AND TRANSFER TO/FROM THE GROUP

- 17.1. In the event that a company within the Group shall be divested from the Group, a Grantee who is holding directorship in or employed by such company shall be entitled to continue to hold and to exercise all the ESOS Options held by him on the date of completion of such divestment until the expiry of three (3) months from the date of completion of such divestment subject to such exercise being made within the ESOS Option Period and in accordance with the provisions of **By-Law 10.3**. In the event that the Grantee does not so exercise some or all of such ESOS Options, the unexercised ESOS Options shall be automatically terminated upon the expiry of the said three (3) months period.
- 17.2. For the purposes of **By-Law 17.1**, a company shall be deemed to be divested from the Group in the event that such company would no longer be a subsidiary of the Company pursuant to Section 4 of the Act.
- 17.3. In the event that the Grantee is transferred from the Group to any associated companies of the Group (which definition shall be that which is adopted by the Financial Reporting Standard issued by the Malaysian Accounting Standards Board) or to any related companies (as defined in Section 6 of the Act) of the Company which have an existing employees' share issuance scheme in which the Grantee will be entitled to participate, unless approved by the ESOS Committee in writing, the ESOS Options unexercised on the date of transfer shall be null and void and be of no effect.
- 17.4. In the event that:
- (a) an Eligible Person who was employed in a company which is related to the Company pursuant to Section 6 of the Act (that is to say, a company which does not fall within the definition of **"the Group"**) and is subsequently transferred from such company to any company within the Group; or
 - (b) an Eligible Person who was in the employment of a company which subsequently becomes a member of the Group as a result of a restructuring or acquisition exercise or otherwise involving the Company and/or any company within the Group with any of the first mentioned company stated in (a) above;

(the first abovementioned company in (a) and (b) herein referred to as the **"Previous Company"**), such Eligible Person of the Previous Company will be eligible to participate in this Scheme for its remaining ESOS Option Period, if the affected Eligible Person becomes an **"Eligible Person"** within the meaning under these By-Laws.

For the avoidance of doubt, in the event of any acquisition or incorporation of any company into the Group pursuant to part (b) above as a subsidiary as defined in Section 5 of the Act or any other statutory regulation in place thereof during the tenure of the Scheme, the Scheme shall apply to the Eligible Person of such company on the date such company becomes a subsidiary of the Group (provided that such subsidiary is not dormant) falling within the meaning of the expression of **"Eligible**

Person” under **By-Law 3** and the provisions of the By-Laws shall apply.

18. WINDING UP

All outstanding ESOS Options shall be automatically terminated in the event that a resolution is passed or a court order is made for the winding up of the Company.

19. DURATION, TERMINATION AND EXTENSION OF THE SCHEME

19.1. The effective date for the implementation and launching of the Scheme shall be the date of full compliance with all the relevant requirements of the Listing Requirements including the following:

- (a) the submission of the final copy of the By-Laws to Bursa Securities pursuant to the Listing Requirements;
- (b) the receipt of approval-in-principle from Bursa Securities for the listing of and quotation for the new Shares to be issued from the exercise of the ESOS Options under the Scheme;
- (c) the approval of the Company’s shareholders in a general meeting for the Scheme;
- (d) the approval(s) of any other relevant authorities, if any; and
- (e) the fulfilment of all conditions attaching to the aforesaid approvals, if any.

19.2. The Adviser of the Company shall submit a confirmation letter to Bursa Securities of full compliance pursuant to the Listing Requirements stating the Effective Date of the Scheme together with a certified true copy of the relevant resolution passed by the shareholders of the Company in a general meeting. The confirmation letter must be submitted to Bursa Securities no later than five (5) Market Days after the Effective Date.

19.3. The Scheme shall be in force for a period of five (5) years from the Effective Date, provided always that on or before the expiry thereof, the Board shall have the absolute discretion, without the approval of the Company’s shareholders in a general meeting, to extend the duration of the Scheme (as the Board may deem fit) for up to a further five (5) years provided that the Company shall serve appropriate notices on each Grantee and/or make the necessary announcements to Bursa Securities (if required). Any extended Scheme under this provision shall be implemented in accordance with the terms of the By-Laws, subject however to any revisions and/or changes to the relevant laws and/or regulations then in force.

For avoidance of doubt, the duration of the Scheme shall not in aggregate exceed ten (10) years from the Effective Date.

19.4. Offers can only be made during the existence of the Scheme and before the Date of Expiry.

APPENDIX IV – DRAFT BY-LAWS (CONT'D)

- 19.5. Notwithstanding anything to the contrary, all unexercised ESOS Options shall lapse on the Date of Expiry.
- 19.6. Notwithstanding the provisions of **By-Law 19.3**, and subject always to compliance with Bursa Securities and any other regulatory authorities' requirements, guidelines or directives, the Scheme may be terminated at any time during the duration of the Scheme by the ESOS Committee upon approval of the Board without obtaining the consents from the Grantees or approvals from the shareholders of the Company. The Company shall provide notice of termination to all the Grantees to allow the Grantees fourteen (14) days from date of notice of termination to exercise all outstanding ESOS Options which have yet to be exercised. The Company shall also on the date of the notice of termination make an announcement to Bursa Securities in relation to the termination of the ESOS which shall include the effective date of termination ("**Termination Date**") reasons for termination and any other information required pursuant to the Listing Requirements.
- 19.7. Upon Termination Date, the following shall apply:
- (a) the ESOS Committee shall make no further Offers;
 - (b) all Offers which have yet to be accepted by the Eligible Persons shall automatically lapse on the Termination Date;
 - (c) all Offers which have yet to be vested in the Eligible Persons shall automatically lapse on the Termination Date; and
 - (d) subject to **By-Law 19.6**, all outstanding ESOS Options which have yet to be exercised by the Grantees and/or vested (if applicable) shall be automatically terminated and be null and void on the Termination Date.

For the avoidance of doubt, ESOS Options which have been exercised but where the new Shares have yet to be issued or registered in the name of the Eligible Person or his estate as at the date of the resolution to terminate the Scheme shall remain effective and the Company shall issue and register the new Shares accordingly.

20. SUBSEQUENT EMPLOYEE SHARES OPTION SCHEME

Subject to the approval of the relevant authorities and compliance with the requirements of the relevant authorities, the Company may establish a new employees share issuance scheme after the Date of Expiry or after the termination of the Scheme pursuant to **By-Law 19.6**, provided that the aggregate number of shares available under all the Schemes does not breach the maximum limit prescribed in the prevailing guidelines issued by Bursa Securities, the Listing Requirements or any other relevant authorities as amended from time to time.

21. ADMINISTRATION

- 21.1. The Scheme shall be administered by the ESOS Committee. The ESOS Committee shall, subject to these By-Laws, administer the Scheme in such manner as it shall think fit.

APPENDIX IV – DRAFT BY-LAWS (CONT'D)

- 21.2. Without limiting the generality of **By-Law 21.1**, the ESOS Committee may, for the purpose of administering the Scheme, do all acts and things and enter into any transaction, agreement, deed, documents or arrangement, and make rules, regulations or impose terms and conditions, rectify any errors in Offers, execute all documents and delegate any of its powers and duties relating to the Scheme as it may in its discretion consider to be necessary or desirable for giving effect to the Scheme.
- 21.3. The Board shall have power at any time and from time to time to rescind the appointment of any person appointed to the ESOS Committee as it shall deem fit.

22. MODIFICATION, VARIATION AND/OR AMENDMENT TO THE BY-LAWS

- 22.1. Subject to **By-Law 22.2**, the ESOS Committee may at any time and from time to time recommend to the Board any additions or amendments to or deletions of these By-Laws as it shall in its discretion think fit and the Board shall have the power by resolution to add to, amend or delete all or any of these By-Laws upon such recommendation subject to the Company submitting an amended By-Laws and compliance letter to Bursa Securities (within 5 market days after the effective date of the modification, variation and/or amendment of the By-Laws or such other period as may be prescribed by Bursa Securities or any other relevant authorities) for the amendment made, that the said amendment is in compliance with the provisions of the Listing Requirements pertaining to employees share issuance scheme and Rules of the Depository (as defined under the Listing Requirements) pursuant to the Listing Requirements
- 22.2. The approval of the shareholders of the Company in general meeting shall not be required for any amendments to the By-Laws PROVIDED THAT no additions or amendments to or deletions of these By-Laws shall be made which will:
- (a) materially prejudice any rights then accrued to any Grantee without the prior consent or sanction of that Grantee;
 - (b) increase the number of Shares available under the Scheme beyond the maximum imposed by **By-Law 6.1**;
 - (c) prejudice any rights of the shareholders of the Company; or
 - (d) alter to the advantage to the Eligible Person and/or Grantee any provisions of the Scheme without the prior approval of the Company's shareholders in a general meeting.
- 22.3. The provisions of these By-Laws shall not be amended or altered to the advantage of any Eligible Person in respect of any matters which are to be contained in these By-Laws by virtue of Appendix 6E of the Listing Requirements, without the prior approval of the shareholders of the Company in a general meeting unless allowed otherwise by the provisions of the Listing Requirements.

23. RIGHTS OF GRANTEE

- 23.1. The ESOS Options shall not carry any right to attend and vote at any general meeting of the Company. The Grantee shall not in any event be entitled to any dividends, distributions, rights or other entitlement on his unexercised ESOS Options.
- 23.2. Subject to the Constitution, all Grantees are entitled to inspect the latest audited financial statements of the Company during the usual business hours on any working day at the Registered Office of the Company.

24. SCHEME NOT A TERM OF EMPLOYMENT

This Scheme shall not confer or be construed to confer on an Eligible Person any special rights or privileges over the Eligible Person's terms and conditions of employment nor any rights additional to any compensation or damages that the Eligible Person may be normally entitled to arising from the cessation of such employment. The Scheme shall not form part of or constitute or be in any way construed as a term or condition of employment of any employee of the Company.

25. NO COMPENSATION FOR TERMINATION

No Eligible Persons shall be entitled to any compensation for damages arising from the termination of any ESOS Options or this Scheme pursuant to the provisions of these By-Laws. Notwithstanding any provisions of these By-Laws:

- (a) this Scheme shall not form part of any contract of employment between the Company or any company within the Group and any Eligible Person. The rights of any Eligible Person under the terms of his/her employment with any company in the Group shall not be affected by his/her employment participation in the Scheme nor shall such participation or the ESOS Options afford such Eligible Person any additional rights to compensation or damages due to the termination of such employment for any reason whatsoever;
- (b) this Scheme shall not confer on any legal or equitable right or other rights under any other laws (other than those constituting the ESOS Options) against the Company or any company(ies) in the Group, or give rise to any course of legal action or in equity or under any other laws against the Company or company(ies) in the Group;
- (c) no Grantee or his/her personal or legal representative or any third party shall bring any claim action or proceeding against the Company, company in the Group, the ESOS Committee or the Board for any compensation, loss or damage whatsoever arising from the termination, suspension or cancellation of his/her rights to exercise of his/her ESOS Options or his/her ESOS Options ceasing to be valid pursuant to the provision of these By-Laws; and
- (d) the Company, the Board or the ESOS Committee or the company in the Group shall not in any event be liable to the Grantee and/or his/her personal or legal representative or any third party claim, loss of profits, loss of opportunity, loss of savings or any punitive, incidental or consequential damage/loss arising from

the termination, breach or non-performance of these By-Laws or any loss suffered by reason of any change/adjustment in the price of the Share any other cause or reason whatsoever.

26. DISPUTES

Any disputes arising hereunder shall be referred for decision by the Board, whose decision shall be final and binding in all respects, provided that any Directors of such Board meeting convened to determine the dispute who are also in the ESOS Committee shall abstain from deliberations and voting, and no person shall be entitled to dispute any decision or certification which is stated to be final and binding under these By-Laws.

27. COSTS AND EXPENSES

All fees, costs and expenses incurred in relation to the Scheme including but not limited to the fees, costs and expenses relating to the allotment and issue of new Shares pursuant to the exercise of ESOS Options, shall be borne by the Company.

28. TAXES

Any income tax arising from the exercise of any ESOS Option under the Scheme shall be borne by the Grantee.

29. CONSTITUTION

In the event of a conflict between any of the provisions of these By-Laws and the Constitution, the Constitution shall prevail.

30. SEVERABILITY

Any term, condition, stipulation, provision in these By-Laws which is illegal, void, prohibited or unenforceable shall be ineffective to the extent of such illegality, voidness, prohibition or unenforceability without invalidating the remainder thereof, and any such illegality, voidness, prohibition or unenforceability shall not invalidate or render illegal, void or unenforceable any other term, condition, stipulation, provision herein contained.

31. DISCLOSURES IN ANNUAL REPORT

The Company will make such disclosures in its annual report for as long as the Scheme continues in operation as from time to time required by the Listing Requirements including (where applicable) a statement by the audit committee verifying that the allocation of ESOS Options pursuant to the Scheme is in compliance with the criteria for allocation disclosed by the Company to the Eligible Persons.

32. GOVERNING LAW

The Scheme and these By-Laws and all ESOS Options granted hereunder shall be governed by and construed in accordance with the laws of Malaysia.

33. NOTICE

33.1. Any notice or request which the Company is required to give, or may desire to give, to any Eligible Person or the Grantee pursuant to the Scheme shall be in writing and shall be deemed to be sufficiently given:-

- (a) if it is sent by ordinary post by the Company to the Eligible Person or the Grantee at the last address known to the Company as being his address, such notice shall be deemed to have been received three (3) Market Days after posting;
- (b) if it is given by hand to the Eligible Person or the Grantee, such notice or request shall be deemed to have been received on the date of delivery; or
- (c) if it is sent by electronic media, including but not limited to electronic mail, to the Eligible Person or the Grantee, such notice or request shall be deemed to have been received upon the date of delivery in the timestamp in such electronic media.

Any change of address of the Eligible Person or the Grantee shall be communicated in writing to the Company and the ESOS Option Committee.

33.2. Any certificate, notification or other notice required to be given to the Company or the ESOS Committee shall be properly given if sent by registered post or delivered by hand to the Company at its registered address or any other business address which may be notified in writing by the ESOS Committee from time to time.

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Attachment 1

The Exercise Price and/or the number of Shares to be comprised in the ESOS Options in respect of the right to subscribe for new Shares so far as unexercised to which a Grantee may be entitled from time to time be adjusted, calculated or determined by the ESOS Committee and certified by the external auditors or an adviser (acting as experts and not as arbitrators) in accordance with the following relevant provisions:

- (a) If and whenever a consolidation or subdivision or conversion of the Shares occurs, the Exercise Price and the Shares comprised in the ESOS Options so far as unexercised ("**Revised Number of Shares Under ESOS Option**") shall be adjusted, calculated or determined in the following manner:

$$\text{New Exercise Price} = \frac{S \times U}{V}$$

$$\text{Revised Number of Shares Under ESOS Option} = \frac{T \times V}{U}$$

Where:-

S = Existing Exercise Price; and

T = Existing number of Shares comprised in the ESOS Option in respect of the right to subscribe for new Shares so far as unexercised

U = Aggregate number of Shares (excluding Shares held as treasury shares, if any) in the share capital of the Company immediately preceding such consolidation, subdivision or conversion; and

V = Aggregate number of Shares in the share capital of the Company after such consolidation, subdivision or conversion.

Each such adjustment will be effective from the close of business of the Market Day next following the date on which the consolidation or subdivision or conversion becomes effective (being the date on which the Shares are traded on Bursa Securities after such consolidation or subdivision or conversion) or such other date as may be prescribed by Bursa Securities.

- (b) If and whenever the Company shall make an issue of new Shares credited as fully paid, by way of by way of bonus issue or capitalisation of profits or reserves (whether of a capital or income nature), the Exercise Price shall be adjusted by multiplying it by the following fraction:

$$\text{New Exercise Price} = \frac{S \times A}{A + B}$$

APPENDIX IV – DRAFT BY-LAWS (CONT'D)

Whilst the additional Shares comprised in the ESOS Options so far as unexercised (“**Additional Shares Under ESOS Option**”) shall be calculated in the following manner:-

$$\text{Additional Shares Under ESOS Option} = \frac{T \times (A + B)}{A} - T$$

Where:-

- A = The aggregate number of issued Shares immediately before such capitalisation issue;
- B = The aggregate number of new Shares to be issued pursuant to any allotment credited as fully-paid by way of capitalisation of profits or reserves (whether of a capital or income nature);
- S = Existing Exercise Price; and
- T = Existing number of Shares comprised in the ESOS Option in respect of the right to subscribe for new Shares so far as unexercised

Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the day next following the entitlement date for such issue.

- (c) If and whenever the Company shall make:
- (i) A Capital Distribution (as defined below) to ordinary shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets); or
 - (ii) Any offer or invitation to ordinary shareholders where under they may acquire or subscribe for new Shares by way of rights; or
 - (iii) Any offer or invitation to ordinary shareholders by way of rights where under they may acquire or subscribe for securities convertible into new Shares or securities with rights to acquire or subscribe for new Shares;

then and in any such case, the Exercise Price shall be adjusted in the following manner:-

$$\text{New Exercise Price} = \frac{S \times (C - D)}{C}$$

Where:-

- S = Existing Exercise Price
- C = The Current Market Price (as defined in paragraph (h) below) of one (1) Share on the Market Day immediately preceding the date on which the Capital Distribution, or as the case may be, the offer or invitation is publicly announced or (failing any such announcement), immediately preceding the date of the Capital Distribution or, as the case may be, of the offer or invitation; and

APPENDIX IV – DRAFT BY-LAWS (CONT'D)

- D = (A) In the case of an offer or invitation to acquire or subscribe for new Shares under paragraph (c)(ii) above or for securities convertible into new Shares or securities with rights to acquire or subscribe for new Shares under paragraph (c)(iii) above, the value of rights attributable to one (1) Share (as defined below); or
- (B) In the case of any other transaction falling within this paragraph (c), the fair market value, as determined (with the concurrence of the external auditors of the Company) by an adviser, of that portion of the Capital Distribution attributable to one (1) Share.

For the purpose of definition (A) of “D” above, the “value of rights attributable to one (1) Share” shall be calculated in accordance with the formula:

$$\frac{C - E}{F + 1}$$

Where:-

- C = C in this paragraph (c);
- E = The subscription price of one (1) additional Share under the terms of such offer or invitation to acquire or one (1) additional security convertible into new Shares or one (1) additional security with rights to acquire or subscribe for new Shares;
- F = The number of Shares which it is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) new Share or security convertible into new Shares or right to acquire or subscribe for new Shares; and
- 1 = One (1)

In the case of paragraphs (c)(ii) and (c)(iii) above, the Additional Shares Under ESOS Option shall be calculated as follows:

$$\text{Additional Shares Under ESOS Option} = T \times \frac{(C)}{(C - D^*)} - T$$

Where:-

- T = Existing number of Shares comprised in the ESOS Option in respect of the right to subscribe for new Shares so far as unexercised;
- C = C in this paragraph (c); and
- D* = The “value of the rights attributable to one (1) Share” (as defined below)

APPENDIX IV – DRAFT BY-LAWS (CONT'D)

For the purpose of D* above, the “value of the rights attributable to one (1) Share” shall be calculated in accordance with the formula:

$$\frac{C - E^*}{F^* + 1}$$

Where:-

C = C in this paragraph (c);

E* = The subscription consideration of one (1) new Share under the terms of such offer or invitation to acquire or subscribe for one (1) new Share;

F* = The number of Shares which it is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) new Share; and

1 = One (1).

For the purpose of this paragraph (c), “**Capital Distribution**” shall (without prejudice to the generality of that expression) include distributions in cash or specie or by way of issue of Shares (other than an issue falling within paragraph (b) above) credited as fully or partly paid up by way of capitalisation of profits or reserves (whether of a capital or income nature). Any dividend charged or provided for in the accounts of any period or made shall (whenever paid and howsoever described) be deemed to be a Capital Distribution unless it is paid out of the aggregate of the net profits attributable to the ordinary shareholders as shown in the audited consolidated income statement of the Company.

Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the day next following the entitlement date for the above transaction.

- (d) If and whenever the Company makes any allotment to its ordinary shareholders as provided in paragraph (b) above and also makes any offer or invitation to its ordinary shareholders as provided in paragraph (c)(ii) or paragraph (c)(iii) above and the entitlement date for the purpose of the allotment is also the entitlement date for the purpose for the offer or invitation, the Exercise Price shall be adjusted in the following manner:

$$\text{New Exercise Price} = \frac{S \times [(G \times C) + (H \times I)]}{(G + H + B) \times C}$$

and in respect of each case referred to in paragraph (b) and paragraph (c)(ii) above, the Additional Shares Under ESOS Option shall be calculated in the following manner:-

$$\text{Additional Shares Under ESOS Option} = \frac{T \times [(G + H^* + B) \times C]}{(G \times C) + (H^* \times I^*)} - T$$

Where:-

G = The aggregate number of issued Shares on the entitlement date;

C = C in paragraph (c) above;

APPENDIX IV – DRAFT BY-LAWS (CONT'D)

| | | |
|----|---|---|
| H | = | The aggregate number of new Shares under an offer or invitation to acquire or subscribe for new Shares by way of rights or under an offer or invitation by way of rights to acquire or subscribe for securities convertible into new Shares or with rights to acquire or subscribe for new Shares as the case may be; |
| H* | = | The aggregate number of Shares under an offer or invitation to acquire or subscribe for new Shares by way of rights; |
| I | = | The subscription price of one (1) new Share under an offer or invitation to acquire or subscribe for new Shares or the exercise price on conversion of securities or exercise of such rights to acquire or subscribe for one (1) new Share as the case may be; |
| I* | = | The subscription price of one (1) new Share under the offer or invitation to acquire or subscribe for new Shares; |
| B | = | B in paragraph (b) above; |
| S | = | Existing Exercise Price; and |
| T | = | Existing number of Shares comprised in the ESOS Option in respect of the right to subscribe for new Shares so far as unexercised. |

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the day next following the entitlement date for such issues.

- (e) If and whenever the Company makes any offer or invitation to its ordinary shareholders to acquire or subscribe for new Shares as provided in paragraph (c)(ii) above together with an offer or invitation to acquire or subscribe securities convertible into new Shares or securities with rights to acquire or subscribe for new Shares as provided in paragraph (c)(iii) above, the Exercise Price shall be adjusted in the following manner:-

$$\text{New Exercise Price} = \frac{S \times (G \times C) + (H \times I) + (J \times K)}{(G + H + J) \times C}$$

and the Additional Shares Under ESOS Option shall be calculated in the following manner:-

$$\text{Additional Shares Under ESOS Option} = \frac{T \times (G + H^*) \times C}{(G \times C) + (H^* \times I^*)} - T$$

Where:-

| | | |
|----|---|-------------------------------|
| G | = | G as in paragraph (d) above; |
| C | = | C as in paragraph (c) above; |
| H | = | H as in paragraph (d) above; |
| H* | = | H* as in paragraph (d) above; |

APPENDIX IV – DRAFT BY-LAWS (CONT'D)

| | | |
|----|---|--|
| I | = | I as in paragraph (d) above; |
| I* | = | I* as in paragraph (d) above; |
| J | = | The aggregate number of new Shares to be issued to its ordinary shareholders upon conversion of such exercise of such rights to subscribe for new Shares by the ordinary shareholders; |
| K | = | The exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one (1) new Share; |
| S | = | Existing Exercise Price; and |
| T | = | Existing number of Shares comprised in the ESOS Option in respect of the rights to subscribe for new Shares so far as unexercised. |

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the day next following the entitlement date for above transaction.

- (f) If and whenever the Company makes an allotment to its ordinary shareholders as provided in paragraph (b) above and also makes an offer or invitation to acquire or subscribe for new Shares to its ordinary shareholders as provided in paragraph (c)(ii) above together with rights to acquire or subscribe for securities convertible into or with rights to acquire or subscribe for new Shares as provided in paragraph (c)(iii) above and the entitlement date for the purpose of the allotment is also the entitlement date for the purpose of offer or invitation, the Exercise Price shall be adjusted in the following manner:

$$\text{New Exercise Price} = \frac{S \times [(G \times C) + (H \times I) + (J \times K)]}{(G + H + J + B) \times C}$$

and the Additional Shares Under ESOS Option shall be calculated in the following manner:-

$$\text{Additional Shares Under ESOS Option} = \frac{T \times [(G + H^* + B) \times C]}{(G \times C) + (H^* \times I^*)} - T$$

Where:-

| | | |
|----|---|-------------------------------|
| G | = | G as in paragraph (d) above; |
| C | = | C as in paragraph (c) above; |
| H | = | H as in paragraph (d) above; |
| H* | = | H* as in paragraph (d) above; |
| I | = | I as in paragraph (d) above; |
| I* | = | I* as in paragraph (d) above; |
| J | = | J as in paragraph (e) above; |

APPENDIX IV – DRAFT BY-LAWS (CONT'D)

| | | |
|---|---|---|
| K | = | K as in paragraph (e) above; |
| B | = | B as in paragraph (b) above; |
| S | = | Existing Exercise Price; and |
| T | = | Existing number of Shares comprised in the ESOS Option in respect of the right to subscribe for new Shares so far as unexercised. |

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the day next following the entitlement date for the above transaction.

- (g) If and whenever (otherwise than pursuant to a rights issue available to all ordinary shareholders alike and requiring an adjustment under paragraphs (c)(ii), (c)(iii), (d), (e) or (f) above), the Company shall issue either any Shares or any securities convertible into new Shares or with rights to acquire or subscribe for new Shares, and in any such case the Total Effective Consideration per Share (as defined below) is less than ninety percent (90%) of the Average Price for one (1) Share (as defined below) or, as the case may be, the price at which the Shares will be issued upon conversion of such securities or exercise of such rights is determined, the Exercise Price shall be adjusted in the following manner:

$$\text{New Exercise Price} = \frac{S \times (L + M)}{L + N}$$

Where:-

| | | |
|---|---|---|
| L | = | The number of Shares in issue at the close of business on the Market Day immediately preceding the date on which the relevant adjustment becomes effective; |
| M | = | The number of new Shares which the Total Effective Consideration (as defined below) would have purchased at the Average Price (exclusive of expenses); |
| N | = | The aggregate number of new Shares which so issued or in the case of securities convertible into new Shares or with rights to acquire or subscribe for new Shares, the maximum number assuming no adjustment of such rights) of new Shares issuable upon full conversion of such securities or the exercise in full of such rights; and |
| S | = | Existing Exercise Price |

For the purposes of this paragraph (g) the “Total Effective Consideration” shall be determined by the Directors of the Company with the concurrence of the Company’s external auditors or an adviser and shall be:

- (i) In the case of the issue of new Shares, the aggregate consideration receivable by the Company on payment in full for such new Shares; or

- (ii) In the case of the issue by the Company of securities wholly or partly convertible into new Shares, the aggregate consideration receivable by the Company on payment in full for such securities or such part of the securities as is convertible together with the total amount receivable by the Company upon full conversion of such securities (if any); or
- (iii) In the case of the issue by the Company of securities with rights to acquire or subscription for new Shares, the aggregate consideration attributable to the issue of such rights together with the total amount receivable by the Company upon full exercise of such rights;

in each case without any deduction of any commission, discounts or expenses paid, allowed or incurred in connection with the issue thereof, and the “Total Effective Consideration per Share” shall be the Total Effective Consideration divided by the number of new Shares issued as aforesaid or, in the case of securities convertible into new Shares by the maximum number of new Shares issuable on full conversion of such securities or on exercise in full of such rights.

For the purpose of this paragraph (g), the Average Price of a Share shall be the average price of one (1) Share as derived from the last dealt prices for one (1) or more board lots of the Shares as quoted on the Bursa Securities on the Market Days comprised in the period used as a basis upon which the issue price of such Shares is determined.

Each such adjustment will be calculated (if appropriate, retroactively) from the close of business on the Bursa Securities on the Market Day next following the date on which the issue is announced, or (failing any such announcement) on the Market Day next following the date on which the Company determined the offering/issue price of such Shares. Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the Market Day next following the completion of the above transaction.

- (h) For the purpose of paragraphs (c), (d), (e) and (f), the “Current Market Price” in relation to one (1) Share for any relevant day shall be the average of the last dealt price for the five (5) consecutive Market Days before such date or other period as many be determined in accordance with any guidelines issued, from time to time, by Bursa Securities.

The foregoing provisions on adjustment of the Exercise Price shall be subject to the following:

- (i) On any such adjustment the resultant Exercise Price shall be rounded up to the nearest one (1) sen and in no event shall any adjustment (otherwise than upon the consolidation of Shares) involve an increase in the Exercise Price or reduce the number of Shares comprised in the ESOS Option so far as unexercised to which the Grantee is already entitled to;
- (ii) No adjustment shall be made to the Exercise Price in any case in which the amount by which the same would be reduced in accordance with the foregoing provisions of “would be less than one (1) sen” or the number of Shares comprised in the ESOS Option so far as unexercised is less than one (1) Share and any adjustment that would otherwise be required then to be made will not be carried forward;
- (iii) If an event giving rise to any such adjustment shall be capable of falling within any two (2) or more of paragraphs (a) to (g) of **By-Law 15.2** (both inclusive) or if such event is capable of giving rise to more than one adjustment, the adjustment shall be made in

APPENDIX IV – DRAFT BY-LAWS (CONT'D)

such manner as the Directors of the Company and the external auditors or an adviser may agree;

- (iv) If for any reason an event giving rise to an adjustment to the Exercise Price and/or the number of Shares comprised in the ESOS Option so far as unexercised to which a Grantee may be entitled to is cancelled, revoked or not completed, the adjustment shall not be required to be made or shall be reversed with effect from such date and in such manner as the Directors of the Company and the external auditors or an adviser may agree; and
- (v) In determining a Grantee's entitlements to subscribe for Shares, any fractional entitlements will be disregarded.

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APPENDIX V – HISTORICAL FINANCIAL INFORMATION OF THE GROUP

The summary of the historical financial performance and financial position of Meridian Group based on its audited consolidated financial statements for the FYE 31 December 2018, the 18-months FPE 30 June 2020, FYE 30 June 2021 and FYE 30 June 2022 is set out below:-

| | Audited | | | |
|---|--|---|-----------------------------|-----------------------------|
| | FYE 31 December 2018 (Restated) | ^(a)18-months FPE 30 June 2020 | FYE 30 June 2021 | FYE 30 June 2022 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 13,135 | 20,750 | 32,671 | 15,792 |
| Gross (loss)/profit | (2,271) | 13,790 | (2,158) | (948) |
| (LBT)/PBT | (22,726) | 971 | (6,048) | (14,409) |
| (LAT)/PAT | (23,271) | 968 | (9,065) | (12,309) |
| Weighted number of ordinary shares | 492,555 | 530,121 | 609,553 | 839,422 |
| (Loss)/Profit per share (sen) | (4.73) | 0.18 | (1.49) | (1.47) |
| Accumulated losses | (143,078) | (142,115) | (151,180) | (154,602) |
| NA | 118,154 | 125,989 | 137,286 | 133,587 |
| Number of shares outstanding (excluding treasury shares) ('000) | 482,992 | 579,590 | 753,467 | 904,175 |
| NA per share (RM) | 0.24 | 0.22 | 0.18 | 0.15 |
| Total borrowings (including lease liabilities) | 38,210 | 31,301 | 14,800 | 17,584 |
| Gearing ratio (times) | 0.32 | 0.25 | 0.11 | 0.13 |
| Current assets | 63,695 | 55,973 | 34,610 | 21,854 |
| Current liabilities | 80,901 | 74,547 | 57,331 | 44,292 |
| Current ratio (times) | 0.79 | 0.75 | 0.60 | 0.49 |
| Cash flows position: | | | | |
| Cash flows from operating activities | (3,984) | 4,464 | (10,412) | (22,265) |
| Cash flows from investing activities | 265 | (1,276) | 3,858 | (80) |
| Cash flows from financing activities | 2,383 | (4,340) | 18,500 | 10,474 |
| Net cash flows | (1,336) | (1,152) | 11,946 | (11,871) |
| Cash and cash equivalents | (11,753) | (12,905) | (959) | (12,830) |

APPENDIX V – HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONT'D)

Note:

- (a) The Board had on 3 March 2020 approved the change of the Company's financial year end from 31 December to 30 June. Following the change of financial year end, the audited financial statements made up for a period of 18 months from 1 January 2019 to 30 June 2020.

Commentaries:-**FYE 31 December 2018 ("FY2018")**

The revenue decreased by 30.89% from RM19.0 million in FYE 31 December 2017 ("FY2017") to RM13.1 million in FY2018. Revenue for Meridian Group's property development segment decreased to RM1.7 million (FY2017: RM7.0 million) due to lower sales activity and there were no projects completed during the financial year. Revenue for the construction segment decreased to RM8.0 million (FY2017: RM8.4 million) as the construction projects undertaken were at the tail-end stage. Revenue for the hotel operations segment decreased to RM0.5 million (FY2017: RM2.4 million) as the Meridian Group's remaining hotel operation ceased effective 1 April 2018.

The LAT increased by RM14.4 million from RM8.9 million in FY2017 to RM23.3 million in FY2018. The increase in LAT was mainly due to increase of impairment losses on trade and other receivables of RM6.0 million in FY2018, gain on revaluation of a residential property with 393 car park lots at The Arc@Cyberjaya of RM7.0 million and reversal of provision on guaranteed rental return of RM2.5 million which was recognised in the FY2017.

The accumulated losses increased by RM17.1 million from RM126.0 million in FY2017 to RM143.1 million in FY2018 which was due to the LAT generated during the financial year.

18-months FPE 30 June 2020 ("FY2020")

In view of the change of the financial year end from 31 December 2019 to 30 June 2020, there is no comparative financial information available for the 18 months FPE 30 June 2020. Revenue for the financial period ended 30 June 2020 was recorded at RM20.8 million, mainly driven by the sales of landed development properties in Kuala Linggi and sale of inventory in the Bukit Mertajam Summit Mall, resulting in PAT of RM1.0 million.

The accumulated losses decreased by RM1.0 million from RM143.1 million in FY2018 to RM142.1 million in FY2020 which was due to the PAT generated during the financial year.

FYE 30 June 2021 ("FY2021")

For the FY2021, the Group achieved a revenue of RM32.7 million, representing a 57.45% increase from the FY2020 despite a shorter financial period in FY2021. The property investment segment and property development segment are the major contributors to the Group revenue through the sale of inventories in Bukit Mertajam, Penang and Tanjung Kling, Melaka.

The Group made a LBT of RM6.1 million for the financial year under review compared to a PBT of RM1.0 million in FY2020. The Group posted a LAT of RM9.1 million in FY2021 compared to a PAT of RM1.0 million in FY2020. The current year loss of RM9.1 million arose due to the provision of tax of RM3.0 million, impairment loss on trade receivables of RM0.6 million and impairment loss on other receivables of RM2.1 million.

The accumulated losses increased by RM9.1 million from RM142.1 million in FY2020 to RM151.2 million in FY2021 which was due to the LAT generated during the financial year.

APPENDIX V – HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONT'D)

FYE 30 June 2022 (“FY2022”)

The Group recorded a revenue of RM15.8 million, representing a 51.66% decreased from FY2021. The revenue was mainly derived from the property development segment through selling of inventories of RM12.8 million, property investment segment through rental income from the investment properties of RM1.2 million and sale of palm kernel of RM1.8 million.

The LAT increased by RM3.2 million from RM9.1 million in FYE 2021 to RM12.3 million in FYE 2022. The increase in the LAT was mainly due to decrease in the revenue of the Group which was negated by the over provision of tax in previous year of RM2.1 million.

The accumulated losses increased by RM3.5 million from RM151.2 million in FY2021 to RM154.6 million in FY2022 which was due to LAT generated during the financial year as well as the transfer of warrants reserve of RM8.9 million to accumulated losses upon expiry of warrants.

Moving forward, the Group expects to improve its accumulated losses position via profits to be generated from its operations. If necessary, Meridian may in the future, consider a capital reduction exercise to reduce the Group's accumulated losses.

APPENDIX VI – INDEPENDENT MARKET RESEARCH REPORT

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50480 KUALA LUMPUR
WILAYAH PERSEKUTUAN
MALAYSIA

25 November 2022

Dear Sirs,

Overview and Outlook of Hospitality, Tourism and Leisure Industry in Malaysia

Overview and Outlook of Melaka Tourism

Overview and Outlook of the Amusement and Theme Park Industry in Malaysia

Protégé Associates Sdn Bhd ("**Protégé Associates**") is an independent market research and business consulting company. Our market research reports provide an in-depth industry and business assessment for companies raising capital and funding in the financial markets; covering their respective market dynamics such as market size, key competitive landscape, demand and supply conditions, government regulations, market trends and the outlook of the market.

Mr. Seow Cheow Seng is the Managing Director of Protégé Associates. He has 22 years of experience in market research starting his career at Frost & Sullivan where he spent 7 years. He has been involved in a multitude of industries covering Agriculture, Automotive, Food and Beverages, Construction, Electronics, Healthcare, Energy, Information Technology, Oil and Gas, etc. He has also provided his market research expertise to government agencies such as Malaysia Digital Economy Corporation Sdn Bhd, Malaysia Debt Ventures Berhad and Malaysia Technology Development Corporation Sdn Bhd.

We have prepared this overview in an independent and objective manner and have taken adequate care to ensure the accuracy and completeness of the write-up. We believe that this overview presents a true, balanced and fair view of the industry within the boundaries and limitations of secondary statistics and continued industry movements. Our research has been conducted to present a view of the overall industry and may not necessarily reflect the performance of individual companies in this industry. We are not responsible for the decisions and/ or actions of the readers of this report. This write-up should also not be considered as a recommendation to buy or not to buy the shares of any company or companies.

Thank you.

Yours sincerely,



SEOW CHEOW SENG
Managing Director

OVERVIEW AND OUTLOOK OF THE MALAYSIA ECONOMY

Malaysia's gross domestic product ("GDP") in 2021 rebounded with 3.1% growth from a decline of 5.6% in 2020, mainly driven by continued policy support, improved domestic demand and robust exports performance. The Malaysian economy registered a strong growth of 14.2% in the third quarter of 2022 (2Q 2022: 8.9%), underpinned by the continued recovery in labour market conditions and policy support. The improvement also reflected normalising economic activity as the country moved towards endemicity and reopened international borders. Exports remain supported by strong demand for E&E products. In terms of economic activity, the services and manufacturing sectors continued to drive growth.

Figure 1: The Malaysian Economic Performance by Sector, 1Q 2022, 2Q 2022 and 3Q 2022

| Sector | Change (%) | | |
|---------------|------------|---------|---------|
| | 1Q 2022 | 2Q 2022 | 3Q 2022 |
| Services | 6.5 | 12.0 | 16.7 |
| Manufacturing | 6.6 | 9.2 | 13.2 |
| Mining | -1.1 | -0.5 | 9.2 |
| Construction | -6.2 | 2.4 | 15.3 |
| Agriculture | 0.1 | -2.4 | 1.2 |

Source: BNM

The services sector expanded by 16.7% (2Q 2022: 12.0%) as consumer-related subsectors such as retail and leisure-related activities continued to recover amid the transition to endemicity, reopening of the international borders, improving labour market conditions and the additional support from policy assistance. Strong expansion was also seen in business related activities such as transport and storage due to higher air passenger traffic and tourist arrivals. Additionally, the information and communication subsector provided further support to growth following greater usage of e-commerce services.

The manufacturing sector expanded by 13.2% (2Q 2022: 9.2%), supported by both the export and domestic-oriented industries. The effect of global supply disruptions was partly mitigated, as manufacturers were able to implement proactive measures to cushion the impact such as building inventory buffers through advance bookings and using alternative modes of transportation. The E&E cluster continued to record double-digit growth driven by global demand for semiconductors. The consumer product cluster grew at a faster pace, supported



by strong domestic spending activities. In particular, the motor vehicle and transport equipment segment ramped up production to meet order backlogs and fulfil demand as orders accelerated ahead of the expiration of Sales and Services Tax exemption on 30 June 2022. However, growth in the primary-related cluster moderated as the production of selected pandemic-induced products such as rubber gloves continued to normalise.

The construction sector expanded by 15.3% (2Q 2022: 2.4%). Large commercial and industrial projects as well as small-scale projects continued to support activity in the non-residential and special trade subsectors. Meanwhile, the slower progress in infrastructure projects led to subdued growth in the civil engineering subsector. The mining sector rebounded by 9.2% (2Q 2022: -0.5%), supported by higher production from oil and gas fields such as the Pegaga gas field in Block SK320 located in offshore East Malaysia. Lastly, the agriculture sector increased by 1.2% (2Q 2022: -2.4%). During the quarter, production in livestock and other agriculture subsectors were affected by rising input costs particularly for animal feed and fertiliser. The higher oil palm output led by receding labour shortages and improved yields saw to the recovery in agriculture sector.

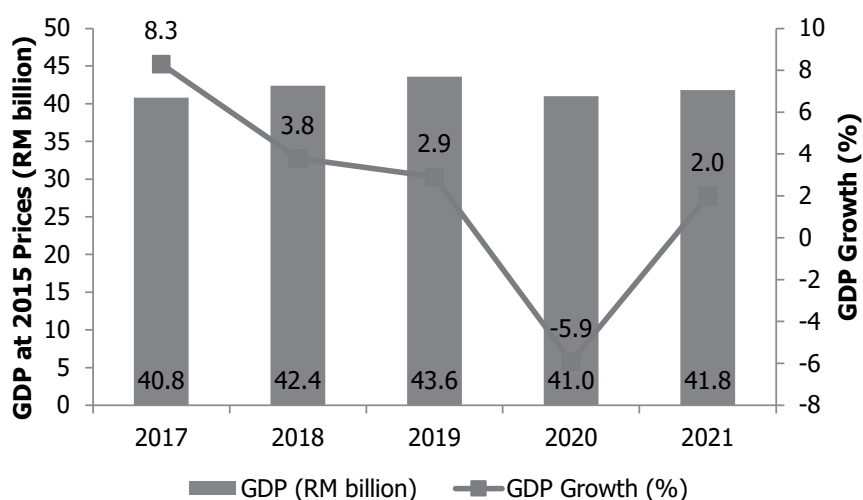
In 2022, the Malaysian economy is projected to register growth of 5.5% to 6.5%, supported by significant improvement in global trade, stabilised commodity prices, containment of the pandemic, and gradual improvement in consumer and business sentiments. Almost all economic sectors are projected to expand on the supply side, led by the services and manufacturing sectors. The services sector will benefit from the pent-up demand, following increased business and consumer confidence as the nation records a high national vaccination rate. The normalisation of economic activities underpinned by mass vaccination is anticipated to boost wholesale and retail trade subsector and domestic tourism-related activities. The projected higher volume of manufactured products is also in line with the expected rising demand from export- and domestic-oriented industries.

Nevertheless, the downside risks to the growth outlook remain and stem from the emergence of new COVID-19 variants of concern, continued disruption in global supply chains, labour shortages, as well as higher-than-expected cost and price pressures weighing on consumer and business sentiments.

OVERVIEW AND OUTLOOK OF MELAKA ECONOMY

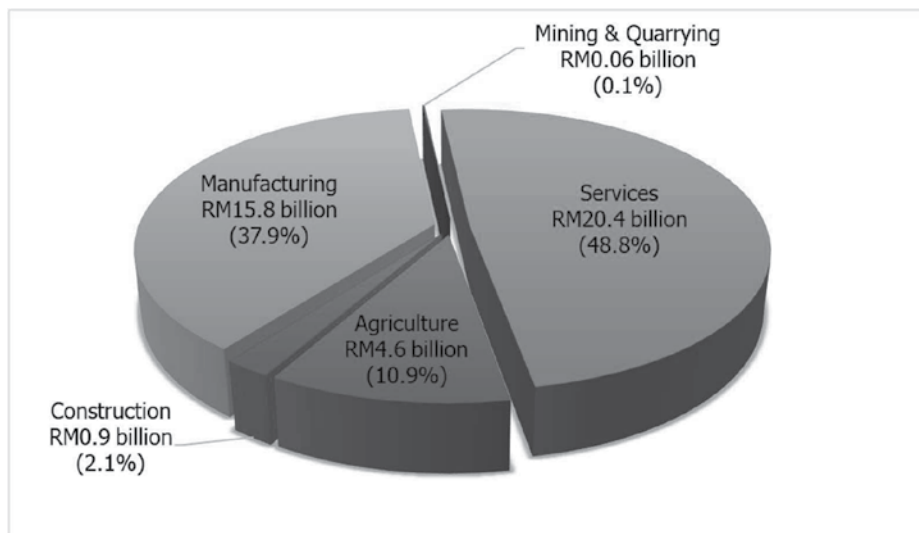
The Melaka's GDP rebounded with 2.0% growth in 2021 from a decline of 5.9% in 2020. Melaka's GDP accounted for 3.0% of Malaysia's GDP of RM1,386.7 billion during the year. The increase in GDP follows that of the past five years, albeit at a lower rate compared to 2017.

Figure 2: GDP of Melaka, 2017-2021



Source: Department of Statistics Malaysia

The services sector remained the leading contributor to the state economy at 48.8% of the GDP. This is followed by the manufacturing sector at 37.9% of the GDP. The manufacturing sector rebounded at 3.3% (2020: -8.5%) driven by the petroleum, chemical, rubber, plastic products, electrical and electronic, and optical products.

Figure 3: GDP of Melaka by Sector, 2021

Source: Department of Statistics Malaysia

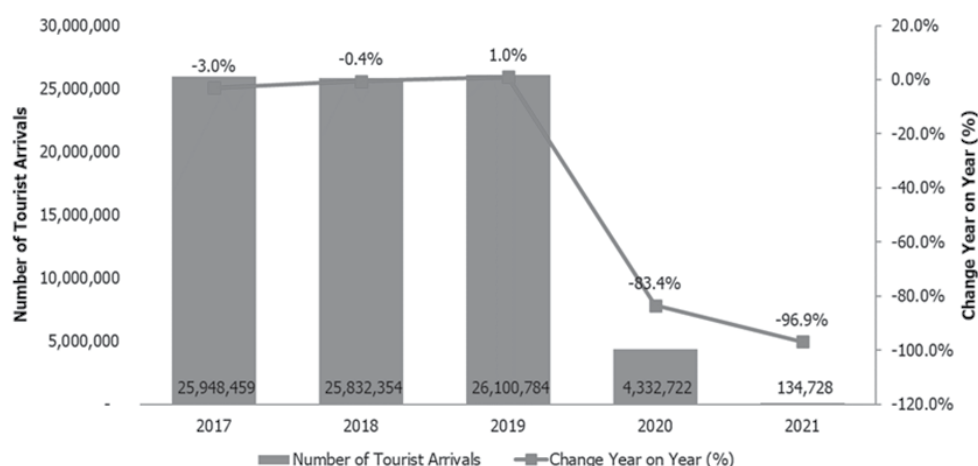
In 2021, the services sector recorded a growth of 2.3% from 2020 which was mainly due to the wholesale and retail, utility and information & communication sub-sectors. The growth of the services industry correlates to the growth of the tourism in Melaka as tourism drives the retail, accommodation as well as the food & beverage sub-sector. These three sub-sectors contributed to 17.4% of the state's GDP in 2021. The tourism industry is expected to continue contributing to this sector in the future due to Melaka City's designation as a World Heritage Site by the United Nations Educational, Scientific and Cultural Organisation ("UNESCO") and the Malaysia Truly Asia Global Campaign. The Melaka state government has also identified places that are able to attract the attention of tourists including the Datuk Patinggi Abang Abdul Gapur Tomb, Limbongan, Kapal Mendam Berahi, Sungai Melaka, Sungai Duyong River Cruise, Duyong, Jebat Street, Dataran Klebang and Complex Klebang Tourism.

The manufacturing sector rebounded by 3.3% (2020: -8.5%) mainly due to improvement in the petroleum, chemical, rubber and plastic products as well as electrical, electronic & optical products. The agriculture sector contracted by 0.6 percent (2020: 3.4%) due to decline in palm oil production, as well as decrease in the output of vegetables and fruits. Meanwhile, the construction sector contracted by -9.5% (2020: -26.9%), driven by the residential building construction subsector which has contributed to the recovery of this sector. The mining and quarrying sector contracted by -4.4 percent (2020: -12.7%), driven by granite, sand and stone quarrying activities.

OVERVIEW AND OUTLOOK OF THE MALAYSIA HOSPITALITY, TOURISM AND LEISURE INDUSTRY

The hospitality, tourism and leisure industry in Malaysia is an important service industry that contributes greatly to the growth of the Malaysian economy. However, the outbreak of the COVID-19 in 2019 has led to many countries including Malaysia implementing restrictions on foreign tourists into the country, interstate travel and large gatherings to curb the spread of the COVID-19 virus. In 2021, foreign tourist arrivals into Malaysia amounted to 134,728 tourists, a decline of 96.9% from 4.3 million foreign tourist arrivals in the 2020.

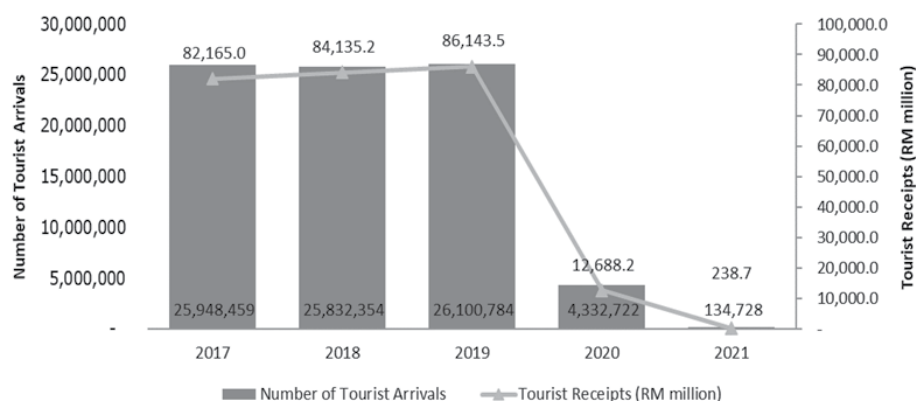
Figure 4: Tourist Arrivals into Malaysia, 2017-2021



Source: Tourism Board Malaysia

With the lack of tourist arrival, tourist's receipts in the 2021 recorded a 98.1% decline from RM12.68 billion in 2020 to RM0.24 billion. Tourists from Thailand, Singapore, and Indonesia making up the top 3 arrivals into the country during the year.

Figure 5: Tourist Receipts in Malaysia, 2017-2021



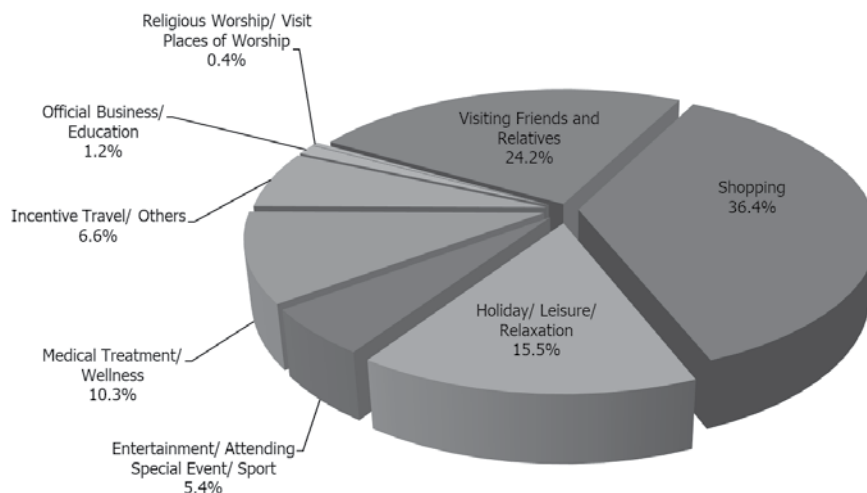
Source: Tourism Board Malaysia

With no inbound tourist arrival, the hospitality, tourism and leisure industry rely on domestic tourism during the COVID-19 pandemic. The domestic visitors decreased by 49.9% from 131.7 million visitors in 2020 to 66.0 million visitors in 2021. Johor, Perak, Pahang, Negeri Sembilan and Selangor are the top 5 most visited states.

In 2021, the number of domestic visitors in Malaysia decreased by 49.9% from 131.7 million visitors in 2020 to 66.0 million visitors. Out of the total number of domestic tourists in 2021, 77.4% (51.1 million) were excursionists or day-trippers, which represented a 40.2% decrease from the year before. The remaining 22.6% (14.9 million) of domestic visitors were overnight tourists, which represented a 67.8% decreased from 2020. Overnight visitors recorded an average length of stay of 2.2 days in 2021, an increase of 13.2% from 1.9 days in 2020. The total number of trips taken by domestic visitors decreased 50.7% from 147.0 trips in 2020 to 72.4 trips in 2021.

Similarly, domestic tourism expenditure declined by 54.5% from RM40.42 billion in 2020 to RM18.41 billion in 2021. Consequently, the average expenditure per trip in 2021 was RM254.00, a decrease of 7.5% from 2020. The average expenditure of excursionists increased by 10.6% to RM194.00 in 2021 while the average expenditure of overnight tourists decreased 0.7% to RM476.00 in the same year. Shopping accounted for the highest share (50.3%) of total domestic tourism expenditure followed by food and beverage ("F&B") (15.1%) and purchase of automotive fuel (11.1%). Money spent on packages, entrance fees, tickets, and expenditures prior to the trip only made up 4.7% of the share in 2021. As seen in the figure below, the major purpose for domestic tourism 2021 was to shopping, followed by visit friends and relatives and holidaying.

Figure 6: Purpose of Trip by Category, 2021

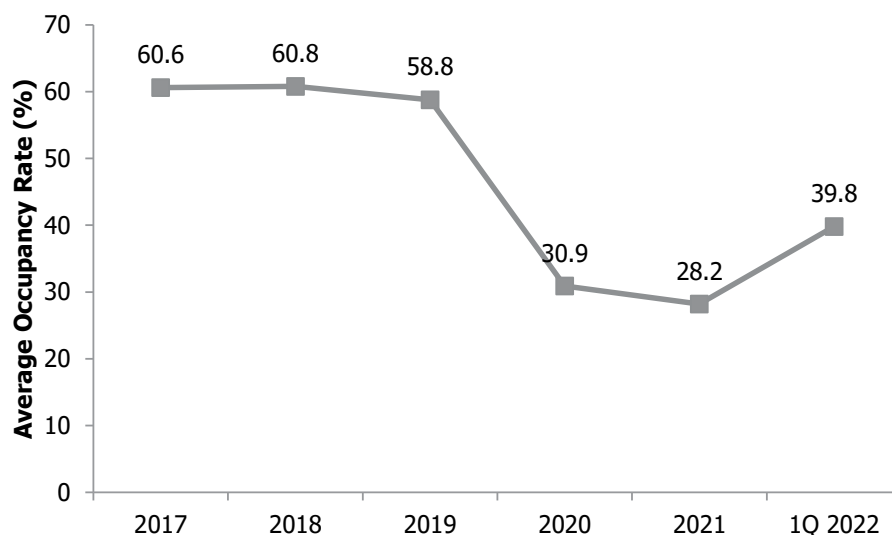


Source: Department of Statistics Malaysia

Multiple modes of transport were used by domestic visitors in 2021 with land transport taking up the biggest share at 98.6% followed by air at 1.1% and water at 0.3%. The majority (97.2%) of visitors travelling by land opted for private vehicles while 1.3% travelled by bus, 1.1% travelled by taxis, and the remaining 0.4% travelled by train.

Accommodation in the hospitality industry provides travellers with a temporary place to stay and it includes lodgings such as hotels, resorts, motels, and chalets. The impact of COVID-19 pandemic on the leisure sector was significant as many hotels and resorts had been forced to either temporarily shut down or permanently closed down as the operating costs were beyond its sustenance. According to Tourism Malaysia Board, the average occupancy rate dropped to 28.2% in 2021 from 30.9% in 2020. However, the average occupancy rate grew to 39.8% in 1Q 2022 in line with the recovery in tourism sector in Malaysia.

Figure 7: Average Occupancy Rate of Hotel in Malaysia, 2017-2021



Source: Tourism Board Malaysia

The accommodation services sub-sector recorded RM4.56 billion in revenue in 2021, a decrease of 29.2% from RM6.44 billion in 2020. The sub-sector however recorded 18.4% growth in 3Q 2022 from RM2.59 billion in the preceding quarter to RM3.06 billion.

The F&B services sub-sector are also key components of the hospitality industry that also supports tourism in Malaysia. It helps tourists to experience the different cultures of Malaysia by sampling the various offerings of cuisines in different types of establishments. The F&B services sub-sector recorded RM50.80 billion in revenue in 2021, a decrease of 10.0% from RM56.43 billion in 2020. The sub-sector however recorded a 1.6% growth in the third quarter of 2022 ("3Q 2022") from RM16.47 billion in the preceding quarter to RM16.74 billion.

In particular, the performance of domestic tourism in Melaka registered a downward trend in terms of number of visitor arrivals. Melaka saw a decrease 46.7% from 7.3 million domestic visitors in 2020 to 3.9 million domestic visitors in 2021. Melaka domestic tourism receipt also decrease by 51.0% from RM2.37 billion in 2020 to an estimated RM1.16 billion in 2021. Visiting family and friends remains the top purpose for visit to Melaka, followed by holiday, leisure and relaxation, and education. The top 5 most visited destinations in Melaka are Pantai Emas Klebang, Mahkota Parade, Dataran Pahlawan, Taman Botanical Melaka, and Pantai Pengkalan Balak.

The performance of domestic tourism In Melaka is also expected to improve accordingly as Malaysia transition towards the endemic phase of COVID-19 together with the re-opening of



the international borders. In anticipation of this, the Melaka State Government has introduced Melaku Maju Jaya 2035 Strategic Plan with one of key objectives outlined to improve the Melaka's tourism industry. Under the Melaku Maju Jaya 2035 Strategic Plan, the Melaka State Government plans to develop various new tourism landmarks such as the Klebang Tourism Complex with attractions including theme park, One Stop Tourism Centre at Melaka Planetarium as well as upgrading of existing tourism landmarks in Melaka.

Going forward, the Malaysian Government has on 1 April 2022 announced the transition towards an endemic phase of COVID-19. With the easing of restriction on international tourist arrival and re-opening of borders, the Malaysian hospitality, tourism and leisure industry is expected to recover gradually. The services sub-sectors that support the hospitality industry, particularly the F&B services sub-sector, is likely to recover as the restrictions imposed have been eased and consumer and business sentiments improve further.

Shopping complexes in Malaysia are made up of a mixture of retail stores, F&B establishments, and leisure and entertainment outlets. The emergence of e-commerce and online shopping and its convenience to shoppers have led to a lower footfall and impacted retail trade in shopping complexes. As a result, shopping complexes have begun allocating a higher percentage of their tenant mix to other retailers such as F&B establishments as a way to attract consumers to their premises. F&B establishments can create an experience for consumers and could be a way to boost footfall in shopping complexes. The continuously increasing number of shopping complexes and the shift towards more F&B establishments in such complexes is likely to create more space for F&B brands and retailers.

The Government introduced several economic stimulus packages such as moratoriums on loans, discounts on electricity bills, deferment of taxes, wage subsidies to help individuals and businesses including those in the tourism, leisure, and hospitality industry and its related sub-sectors such as retail and F&B. Specifically for tourism-related activities, the Government has implemented personal tax relief of up to RM1,000 per individual for expenditure on domestic tourism and allocated RM500 million for provision of travel vouchers and grants for tourism promotion. The Malaysian Government has also announced additional initiatives to boost the tourism, leisure, and hospitality industry in the PENJANA ERP. Under the PTF initiative of the plan, RM1 billion has been allocated to assist SMEs and microenterprises in the tourism industry to remain viable and competitive in the new normal. In 3Q 2022, foreign tourist arrivals into Malaysia stood at 1.08 million tourists compared to 2.03 million tourists in the preceding quarter. In addition, Tourism Malaysia Board has also launched the Tourism Recovery Plan



2022, offering attractive discounts, vouchers, and rebates for Malaysians, seeks to restore confidence to travel and boost the country's domestic tourism sector.

OVERVIEW AND OUTLOOK OF THE AMUSEMENT AND THEME PARK INDUSTRY IN MALAYSIA

Some of Malaysia's most popular theme parks includes Legoland Malaysia in Johor, Resorts World Genting in Pahang, and Berjaya Times Square Theme Park in Kuala Lumpur. Malaysia also boasts several water parks for people to combat the Malaysian heat and have some family-friendly fun. Some well-known water parks are Escape Waterplay in Penang, Sunway Lagoon in Selangor, and A-Famosa Water Themepark in Melaka.

The COVID-19 pandemic brought the amusement and theme park industry to a halt in 2020 as the Government impose the first nationwide movement control order ("MCO") in March 2020 which led to closure of non-essential business including the amusement and theme parks. Resorts World Genting, a popular and expansive integrated resort with hotels, theme parks, malls, and casinos in Pahang closed temporarily during the MCO and this has caused adverse financial effects where its parent company having to undertake aggressive measures like salary reduction and mass retrenchment and optimising other operational expenditures to ensure the sustainability of businesses. According to the Malaysian Association of Amusement Theme Parks & Family Attractions, the losses for the amusement and theme park industry between March 2020 to December 2021 is estimated to exceed RM5 billion.

As the country reached a high vaccination rate among its population, the Malaysia government had on 1 July 2021 allowed the reopening of amusement and theme parks albeit under standard operating procedures. The reopening of such theme parks and leisure facilities helps to promote domestic tourism. In response to that, hotels and theme parks have rolled out marketing campaigns such as attractive packages and promotions to attract customers to patronise their activities and services.

Going forward, the outlook for the local amusement and theme park industry is positive. With the transition to endemic phase of COVID-19 and the re-opening of international borders, tourism in general is expected to see a spike due to pent-up demand. The amusement and theme park industry is expected to rebound strongly with the resurgence of tourists arrivals and domestic tourism.



FUTURE PLAN AND THE PROSPECT OF MERIDIAN GROUP

In the past, Meridian Group mainly focused on property development and construction where it has been a major contributor to the Group's revenue. Since May 2019, the Group had undertaken several initiatives including a shift in focus towards the niche property tourism sub-sector, and the launch of the Malaysia Tourism City development in Kuala Linggi, Melaka comprising attractions such a water theme park and a weekend market inspired by the Chatuchak Market in Bangkok.

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 Group has decided to proceed with the development of its existing landbank at Kuala Linggi, Melaka with its longer-term perspective to provide the Meridian Group with a diversified revenue stream.

Meridian's immediate plan is to commence the development of the water theme park. This is expected to generate interest and increase the prospects of the Malaysia Tourism City and in return, gain traction on the sale of the remaining vacation bungalows / land. The Group intends to utilise anticipated cashflows from the sales of the vacation bungalows / land to complete construction of the other components of Phase 1 of the Kuala Linggi Land. Once the Phase 1 components are completed in the medium term (i.e. approximately 3-5 years), the Group is expected to derive recurring revenue from the operation of the water theme park, weekend market and thematic adventure park.

The other components within Phase 2 and Phase 3 will be considered once the Group observes the visibility of returns from the Phase 1 components of the Kuala Linggi Land. Should Malaysia Tourism City be able to attract sufficient traffic volume, the Group will then consider the development of Phase 2 and Phase 3 in the longer term.

Though the development of Malaysia Tourism City is still at its initial stage, Meridian Group remain optimistic on the delivery of its intended plans for the Kuala Linggi Land. The Kuala Linggi Land is strategically located between Kuala Lumpur and Melaka, and an hour drive from the Kuala Lumpur International Airport. Malaysia Tourism City is located in Melaka on the Western Coast of Peninsula Malaysia, along the coastal corridor running between Kuala Lumpur and Johor-Singapore. Malaysia Tourism City is accessible via the E2 North South Expressway from Kuala Lumpur, and alternatively from Johor Bahru. As such, Meridian Group viewed that



the Kuala Linggi Land is thus strategically well positioned to attract both local and international tourists.

The long-term prospects of the Malaysia Tourism City remain positive as Melaka, being a UNESCO World Heritage Site is anticipated to draw tourist arrivals from all over the world for its long history and array of tourist attractions. Meridian Group believes that upon completion of the Malaysia Tourism City, it should be a further catalyst in expanding the reach of Melaka as a tourist destination both domestically and globally.

Barring any unforeseen circumstances, after having considered all the relevant aspects including the current business operations and production, the abovementioned prospects and the hospitality, tourism and leisure industry outlook, the development of Malaysia Tourism City and proposed plans for Kuala Linggi Land are expected to place Meridian Group in a better financial footing moving forward as well as deliver greater value to the shareholders of the Company.

1. DIRECTORS' RESPONSIBILITY

This Circular has been seen and approved by the Board and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there is no false or misleading statement or other facts the omission of which would make any information in this Circular false or misleading.

2. CONSENTS AND DECLARATION OF CONFLICT OF INTERESTS**(i) Malacca Securities**

Malacca Securities, being the Principal Adviser for the Proposals, has given and not subsequently withdrawn its written consent for the inclusion in this Circular of its name and all references thereto in the form and context in which they appear in this Circular.

Malacca Securities has given its written confirmation that it is not aware of any conflict of interest which exists or is likely to exist in its capacity as the Principal Adviser in respect of the Proposals.

(ii) SCA

SCA, being the Independent Adviser for the Proposed Collaboration, has given and not subsequently withdrawn its written consent for the inclusion in this Circular of its name and its independence advice letter, and all references thereto in the form and context in which they appear in this Circular.

SCA has given its written confirmation that it is not aware of any conflict of interest which exist or likely to exist in its capacity as the Independent Adviser for the Proposed Collaboration.

(iii) Protégé Associates Sdn Bhd

Protégé Associates Sdn Bhd, being the Independent Market Researcher for the overview and outlook of the Melaka economy, Melaka tourism, hospitality, tourism and leisure industry in Malaysia and amusement and theme park industry in Malaysia, has given and has not subsequently withdrawn its written consent to the inclusion of its name, report and all references thereto in the form and context in which they appear in this Circular.

Protégé Associates Sdn Bhd has given its written confirmation that it is not aware of any conflict of interest which exist or likely to exist in its relation to its role as the Independent Market Researcher.

3. MATERIAL LITIGATION

Save as disclosed below, as at LPD, the Group is not engaged in any material litigation, claims or arbitration either as plaintiff/claimant or defendant/respondent, which may have a material and adverse effect on the business or financial position of the Group and the Board is not aware of any proceedings, pending or threatened against the Group, or of any facts likely to give rise to any proceedings which may have material impact on the business or financial position of the Group.

(i) Saw Hui Peng (“Claimant”) v Sri Lingga Sdn Bhd (“Sri Lingga”) & 4 Ors (“Respondents”)

This is an industrial court claim pursuant to section 20 of the Industrial Relations Act 1967 (dismissal) between the Claimant and Sri Lingga, a wholly-owned subsidiary of Meridian, which was referred to the Kuala Lumpur Industrial Court (“**Court**”) under the case no. 14(11)/4-138/21 on 6 January 2021 (“**Suit**”). The total amount of claim of the Suit is approximately Ringgit Malaysia Six Hundred and Fifty Thousand (RM650,000.00).

On 2 November 2021, the Claimant filed a notice of application to join Meridian, Maju Puncakbumi Sdn Bhd, M101 and M101 Resources Sdn Bhd as co-respondents to the Suit (“**Joinder Application**”). On 26 April 2022, the Joinder Application was allowed by the Court.

The Suit is now fixed for trial on 30 January 2023 and 31 January 2023.

4. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES**4.1 Material Commitments**

Save for the cost to be involved for the Hasbro Water Park, as at LPD there are no material commitments incurred or known to be incurred by the Group which upon becoming due or enforceable, may have a material impact on the financial position or business of the Group.

4.2 Contingent Liabilities

As at LPD, there are no contingent liabilities incurred or known to be incurred by the Group, which upon becoming due or enforceable, may have a material impact on the financial position or business of the Group.

5. MATERIAL CONTRACTS

Save for the License Agreement and the Collaboration Agreement, as at the LPD, the Group has not entered into any material contracts (not being contracts entered into in the ordinary course of business) within the 2 years immediately preceding the date of this Circular.

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the registered office of Meridian at Suite 20.08 - 20.09, Plaza 138, Jalan Ampang, 50450 Kuala Lumpur, Wilayah Persekutuan, Malaysia, during normal business hours from Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of the forthcoming EGM:-

- (i) Constitution of Meridian;
- (ii) The audited financial statements of Meridian for the 18-months FPE 30 June 2020 and FYE 30 June 2021 and the unaudited financial statements of Meridian for the FYE 30 June 2022;
- (iii) The Undertaking Letters;
- (iv) License Agreement;
- (v) Collaboration Agreement;
- (vi) The draft Deed Poll;
- (vii) The draft By-Laws;
- (viii) The letters of consent and declaration of conflict of interest referred to in Section 2 of this Appendix VII; and
- (ix) The cause paper in respect of the material litigation referred to in Section 3 of this Appendix VII.



M E R I D I A N

MERIDIAN BERHAD

Registration No.: 200001005180 (507785-P)
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting (“**EGM**”) of Meridian Berhad (“**Meridian**” or the “**Company**”) will be conducted via online meeting platform (<https://bit.ly/3guJidw>) at Level 5, Tower 8, Avenue 5, Horizon 2, Bangsar South City, 59200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia, on Thursday, 22 December 2022 at 10.00 a.m., or any adjournment thereof, for the purpose of considering and, if thought fit, passing the following resolutions, with or without modifications:-

ORDINARY RESOLUTION 1

PROPOSED COLLABORATION BETWEEN MERIDIAN AND M101 HOLDINGS SDN BHD (“M101”) TO FACILITATE THE LICENSE AGREEMENT FOR MERIDIAN’S DEVELOPMENT AND OPERATION OF A WATER PARK (“PROPOSED COLLABORATION”)

“**THAT** subject to the approvals being obtained from the relevant authorities and/or parties (where relevant), approval be and is hereby given for Meridian to collaborate with M101 for the development and operation of a water park at Lot PT 1374 and Lot 1826, Mukim Alor Gajah, Melaka, Malaysia, being a land held by Sri Lingga Sdn. Bhd., a wholly-owned subsidiary of Meridian, based on the terms and conditions as stipulated in the collaboration agreement dated 1 August 2022 entered into between Meridian and M101, and any supplementals thereto, in relation to the Proposed Collaboration;

AND THAT the Board of Directors of the Company (“**Board**”) (save for Dato’ Yap Ting Hau being the interested director for the Proposed Collaboration), be and is hereby empowered and authorised to do all acts, deeds and such things and to execute, enter into, sign and deliver on behalf of the Company, all such documents and/or agreements as the Board may deem necessary and/or expedient and/or appropriate to implement and give full effect to complete the Proposed Collaboration including without limitation, with full power to assent to any conditions, modifications, variations and/or amendments as the Board in their absolute discretion may deem fit or expedient or appropriate by the Board in order to carry out, finalise and give full effect to the Proposed Collaboration.”

ORDINARY RESOLUTION 2

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 1,190,746,395 NEW ORDINARY SHARES IN MERIDIAN (“MERIDIAN SHARES” OR “SHARES”) (“RIGHTS SHARES”) TOGETHER WITH UP TO 595,373,197 FREE DETACHABLE WARRANTS (“WARRANTS D”) TO THE ENTITLED SHAREHOLDERS OF MERIDIAN, ON THE BASIS OF 10 RIGHTS SHARES TOGETHER WITH 5 WARRANTS D FOR EVERY 2 CONSOLIDATED SHARES (AS DEFINED HEREIN) HELD BY THE ENTITLED SHAREHOLDERS OF MERIDIAN ON AN ENTITLEMENT DATE TO BE DETERMINED LATER (“PROPOSED RIGHTS ISSUE WITH WARRANTS”)

“**THAT**, subject to the passing of Special Resolution 1 and the approvals being obtained from the relevant authorities and/or parties (where applicable), approval be and is hereby given to the Board to:-

- (i) determine and fix the issue price of the Rights Shares and exercise price of Warrants D which shall be announced later by the Board on the price-fixing date;

- (ii) provisionally allot and issue by way of a renounceable rights issue of up to 1,190,746,395 Rights Shares together with up to 595,373,197 Warrants D to the shareholders of the Company whose names appear in the Record of Depositors of the Company at the close of business on an entitlement date to be determined and announced later by the Board ("**Entitled Shareholders**") and/or their renounee(s) and/or transferee(s), as the case may be;
- (iii) enter into and execute the deed poll constituting the Warrants D ("**Deed Poll**") with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required by the relevant authorities or deemed necessary by the Board and to do all acts, deeds and things as the Board may deem fit or expedient in order to implement, finalise and give effect to the Deed Poll (including, without limitation, the affixing of the Company's company seal, where necessary);
- (iv) allot and issue the Warrants D in registered form to the Entitled Shareholders and/or their renounee(s) and/or transferee(s), as the case may be, and Excess Applicants (as defined below), if any, who subscribe for and are allotted Rights Shares, each Warrant D conferring the right to subscribe for 1 new Meridian Share at an exercise price to be determined on a later date, subject to the provisions for adjustment to the subscription rights attached to the Warrants D in accordance with the provisions of the Deed Poll;
- (v) allot and issue such number of additional Warrants D pursuant to adjustments as provided for under the Deed Poll ("**Additional Warrants D**") and to adjust from time to time the exercise price of the Warrants D as a consequence of the adjustments under the provisions of the Deed Poll and/or to effect such modifications, variations and/or amendments as may be imposed, required or permitted by Bursa Malaysia Securities Berhad ("**Bursa Securities**") and any other relevant authorities or parties (where required);
- (vi) allot and issue such number of new Meridian Shares credited as fully paid-up to the holders of Warrants D upon their exercise of the relevant Warrants D to subscribe for new Meridian Shares during the tenure of the Warrants D, and such further new Meridian Shares as may be required or permitted to be allotted and issued pursuant to the exercise of the Additional Warrants and such adjustments in accordance with the provisions of the Deed Poll; and
- (vii) utilise the proceeds to be derived from the Proposed Rights Issue with Warrants for the purposes as set out in Section 4.7.1 of Part A of the circular to the shareholders of Meridian dated 30 November 2022 ("**Circular**") to and to vary the manner and/or purposes of such proceeds as the Board may deem fit, necessary and/or expedient in the best interest of the Company, subject (where required) to the approval of the relevant authorities;

THAT in determining the shareholders' entitlement to the Rights Shares, the fractional entitlements, if any, will be disregarded and dealt with in such manner and on such terms and conditions as the Board in its sole and absolute discretion deem fit or expedient and in the best interest of the Company;

THAT any Rights Shares which are not validly taken up or which are not allotted for any reason whatsoever to the Entitled Shareholders and/or their renounee(s) and/or transferee(s), as the case may be, shall be made available for excess applications in such manner and to such persons ("**Excess Applicants**") as the Board shall determine at its absolute discretion;

THAT the Rights Shares shall, upon allotment and issuance, rank equally in all respects with the existing Meridian Shares, save and except that the Rights Shares shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of the Rights Shares;

THAT the new Meridian Shares to be issued arising from the exercise of the Warrants D shall, upon allotment and issuance, rank equally in all respects with the existing Meridian Shares, save and except that the new Meridian Shares to be issued arising from the exercise of the Warrants D shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of such new Meridian Shares;

THAT the Rights Shares, Warrants D and the new Meridian Shares to be allotted and issued arising from the exercise of the Warrants D and Additional Warrants D (if any) shall be listed on the Main Market of Bursa Securities;

THAT this Ordinary Resolution constitutes specific approval for the issuance of securities in the Company contemplated herein which is made pursuant to an offer, agreement or option and shall continue in full force and effect until all Rights Shares, Warrants D, and new Meridian Shares to be allotted and issued pursuant to or in connection with the Proposed Rights Issue with Warrants have been duly allotted and issued in accordance with the terms of the Proposed Rights Issue with Warrants;

AND THAT the Board, be and is hereby empowered and authorised to do all acts, deeds and such things and to execute, enter into, sign and deliver on behalf of the Company, all such documents and/or agreements as the Board may deem necessary and/or expedient and/or appropriate to implement and give full effect to complete the Proposed Rights Issue with Warrants including without limitation, with full power to assent to any conditions, modifications, variations and/or amendments as the Board in their absolute discretion may deem fit or expedient or appropriate by the Board in order to carry out, finalise and give full effect to the Proposed Rights Issue with Warrants.”

ORDINARY RESOLUTION 3

PROPOSED DIVERSIFICATION OF THE EXISTING PRINCIPAL ACTIVITIES OF MERIDIAN AND ITS SUBSIDIARIES (“MERIDIAN GROUP” OR THE “GROUP”) TO INCLUDE LEISURE AND HOSPITALITY BUSINESSES (“PROPOSED DIVERSIFICATION”)

“**THAT**, subject to the approvals being obtained from the relevant authorities and/or parties (where applicable) and the provisions of the Constitution of Meridian Group, approval be and is hereby given to Meridian Group to diversify the existing principal activities of Meridian Group to include leisure and hospitality businesses;

AND THAT the Board, be and is hereby empowered and authorised to do all acts, deeds and such things and to execute, enter into, sign and deliver on behalf of the Company, all such documents and/or agreements as the Board may deem necessary and/or expedient and/or appropriate to implement and give full effect to complete the Proposed Diversification including without limitation, with full power to assent to any conditions, modifications, variations and/or amendments as the Board in their absolute discretion may deem fit or expedient or appropriate by the Board in order to carry out, finalise and give full effect to the Proposed Diversification.”

ORDINARY RESOLUTION 4

PROPOSED ESTABLISHMENT OF AN EMPLOYEES’ SHARE OPTIONS SCHEME (“SCHEME”) INVOLVING UP TO 15% OF THE TOTAL ISSUED SHARES (EXCLUDING TREASURY SHARES) AT ANY POINT IN TIME DURING THE DURATION OF THE SCHEME (“PROPOSED ESOS”)

“**THAT**, subject to the approvals being obtained from the relevant authorities and/or parties (where applicable), approval and authority be and is hereby given to the Board to undertake the following:-

- (i) to establish a Scheme to the eligible Directors (including non-executive Directors) and employees of Meridian Group (excluding dormant subsidiaries) who fulfil certain specified conditions of eligibility for participation in the Proposed ESOS and to implement and administer the same in accordance with the by-laws of the Proposed ESOS (“**By-Laws**”), a draft of which is set out in Appendix IV of the Circular;

- (ii) to allot and issue and/or procure the transfer of such number of new or existing Meridian Shares (as adjusted or modified from time to time pursuant to the By-Laws) from time to time as may be required for the purpose of or in connection with the Proposed ESOS, provided that the total number of Meridian Shares be allotted and issued and/or transferred pursuant to granting of options to subscribe for Meridian Shares ("**ESOS Options**") to eligible Director(s) (including non-executive Directors) and employees of Meridian Group (excluding dormant subsidiaries) in relation to the Proposed ESOS shall not exceed 15% in aggregate of the total number of issued shares of the Company (excluding treasury shares, if any) at any point in time throughout the duration of the Proposed ESOS;
- (iii) to set up a committee to implement and administer the Proposed ESOS ("**ESOS Committee**");
- (iv) to make the necessary application to Bursa Securities for permission to deal in and for the listing and quotation of the new Meridian Shares (as adjusted or modified from time to time pursuant to the By-Laws) that may hereafter from time to time be allotted and issued pursuant to the Proposed ESOS; and
- (v) to do all such acts, deeds and such things and to execute, enter into, sign and deliver on behalf of the Company, all such documents and/or agreements as the Board may deem necessary and/or expedient and/or appropriate to implement and give full effect to complete the Proposed ESOS including without limitation, with full power to assent to any conditions, modifications, variations and/or amendments as the Board in their absolute discretion may deem fit or expedient or as required by the relevant authorities in order to carry out, finalise and give full effect to the Proposed ESOS and the terms of the By-Laws;

THAT, the pre-emptive right of the existing shareholders to be offered with new shares in the Company in proportion to their shareholding in the Company pursuant to Section 85 of the Act and Article 54 of the Constitution of the Company be and is hereby waived in respect of the issuance and allotment and/or transfer of the new or existing Meridian Shares in relation to the Proposed ESOS;

AND THAT, the By-Laws which is in compliance with the Main Market Listing Requirements of Bursa Securities, be and is hereby approved and adopted and the Directors of the Company be and are hereby authorised to give effect to the Proposed ESOS with full power to modify and/or amend the By-Laws from time to time as may be required or deemed necessary in accordance with the provisions of the By-Laws relating to amendments and/or modifications and to assent to any conditions, modifications, revaluations, variations and/or amendments as may be required by any relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the Proposed ESOS."

SPECIAL RESOLUTION 1

PROPOSED CONSOLIDATION OF EVERY 4 MERIDIAN SHARES INTO 1 CONSOLIDATED MERIDIAN SHARE ("CONSOLIDATED SHARE") ("PROPOSED SHARE CONSOLIDATION")

"THAT subject to the approvals being obtained from the relevant authorities and/or parties (where applicable), approval be and is hereby given for Meridian to consolidate every 4 Meridian Shares held by the shareholders of the Company whose names appear in the Record of Depositors of the Company as at the close of business on an entitlement date to be determined later by the Board, into 1 Consolidated Share and that such Consolidated Shares shall rank equally in all respects with one another;

THAT the fractional entitlements arising from the Proposed Share Consolidation in respect of the Consolidated Shares, if any, shall be disregarded and/or dealt with by the Board in such manner at its absolute discretion as it may deem fit or expedient and in the best interest of the Company;

AND THAT the Board, be and is hereby empowered and authorised to do all acts, deeds and such things and to execute, enter into, sign and deliver on behalf of the Company, all such documents and/or agreements as the Board may deem necessary and/or expedient and/or appropriate to implement and give full effect to complete the Proposed Share Consolidation including without limitation, with full power to assent to any conditions, modifications, variations and/or amendments as the Board in their absolute discretion may deem fit or expedient or appropriate by the Board in order to carry out, finalise and give full effect to the Proposed Share Consolidation.”

By Order of the Board
MERIDIAN BERHAD

WONG YOUN KIM (MAICSA 7018778)
SSM Practicing Certificate No. 201908000410

Company Secretary

Kuala Lumpur
30 November 2022

Explanatory Note:-

Ordinary Resolution 4

Pursuant to Section 85 of the Act read together with Article 54 of the Company's Constitution, the shareholders of Meridian have a statutory pre-emptive right to be offered any new Shares which rank equally to existing Shares issued by the Company. By you voting in favour of the proposed Ordinary Resolution 4, the shareholders of the Company will be waiving their statutory pre-emptive right and the proposed Ordinary Resolution 4 if passed, will exclude the statutory pre-emptive right of the shareholders of the Company to be offered any new Shares to be issued by the Company pursuant to the Proposed ESOS.

Notes:

Appointment of Proxy

- (i) In respect of deposited securities, only members whose names appear in the Record of Depositors on 15 December 2022 (“**General Meeting Record of Depositors**”) are entitled to attend, speak and vote at the Company's Extraordinary General Meeting to be held on 22 December 2022.
- (ii) A member entitled to attend and vote at the meeting is entitled to appoint not more than 2 proxies to attend and vote in his stead. Where a member appoints more than 1 proxy, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
- (iii) A proxy need not be a member of the Company. A member entitled to attend and vote at the Meeting is entitled to appoint any person as his proxy to attend and vote instead of the member at the Meeting. There shall be no restriction as to the qualification of the proxy.
- (iv) In the case of a corporate body, the proxy appointed must be in accordance with the Constitution and the instrument appointing a proxy shall be given under the company's common seal or under the hand of an officer or attorney of the corporation duly authorised.
- (v) Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respects of each omnibus account it holds.

- (vi) The Form of Proxy must be deposited at the Company's Secretariat, Acclime Corporate Services Sdn. Bhd. at Level 5, Tower 8, Avenue 5, Horizon 2, Bangsar South City, 59200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia not less than 24 hours before the time set for holding the meeting or at any adjournment thereof.
- (vii) Any alteration in the Form of Proxy must be initialed.
- (viii) The resolutions as set out in this notice of EGM are to be voted by poll.

PERSONAL DATA POLICY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Extraordinary General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Extraordinary General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Extraordinary General Meeting (including any adjournment thereof) and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.



M E R I D I A N

MERIDIAN BERHAD

Registration No.: 200001005180 (507785-P)
(Incorporated in Malaysia)

FORM OF PROXY

(Before completing the form please refer to the notes below)

No. of shares held

**CDS Account No. of
Authorised Nominee**

I/We _____ NRIC/Passport/Co. No. _____
(FULL NAME IN BLOCK LETTERS)

of _____ Tel No. _____
(ADDRESS)

Email Address _____

being a member of **MERIDIAN BERHAD**, hereby appoint

| Proxy 1 – Full name in Block Letters | NRIC/Passport No. | No. of shares | % of shareholdings |
|--------------------------------------|-------------------|---------------|--------------------|
| Address: | | | |
| Email Address: | | | |

| Proxy 2 – Full name in Block Letters | NRIC/Passport No. | No. of shares | % of shareholdings |
|--------------------------------------|-------------------|---------------|--------------------|
| Address: | | | |
| Email Address: | | | |

or failing him/her, the Chairman of the Meeting, as my/our proxy(ies) to vote for me/us and on my/our behalf at the Extraordinary General Meeting ("**EGM**") of the Company to be conducted via online platform at Level 5, Tower 8, Avenue 5, Horizon 2, Bangsar South City, 59200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia, on Thursday, 22 December 2022 at 10.00 a.m., or any adjournment thereof.

My/our proxy(ies) shall vote as follows:

| | For | Against |
|---|------------|----------------|
| ORDINARY RESOLUTIONS | | |
| (1) Proposed Collaboration | | |
| (2) Proposed Rights Issue with Warrants | | |
| (3) Proposed Diversification | | |
| (4) Proposed ESOS | | |
| SPECIAL RESOLUTION | | |
| (1) Proposed Share Consolidation | | |

(Please indicate with an "X" in the space provided how you wish your vote to be cast on the resolution specified in the Notice of the Extraordinary General Meeting. If you do not do so, the proxy(ies) will vote or abstain from voting at his/her/their discretion).

Dated this _____ day of _____, 2022

Signature/Seal of Shareholder



Notes:

Appointment of Proxy

- (i) In respect of deposited securities, only members whose names appear in the Record of Depositors on 15 December 2022 ("**General Meeting Record of Depositors**") are entitled to attend, speak and vote at the Company's Extraordinary General Meeting to be held on 22 December 2022.
- (ii) A member entitled to attend and vote at the meeting is entitled to appoint not more than 2 proxies to attend and vote in his stead. Where a member appoints more than 1 proxy, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
- (iii) A proxy need not be a member of the Company. A member entitled to attend and vote at the Meeting is entitled to appoint any person as his proxy to attend and vote instead of the member at the Meeting. There shall be no restriction as to the qualification of the proxy.
- (iv) In the case of a corporate body, the proxy appointed must be in accordance with the Constitution and the instrument appointing a proxy shall be given under the company's common seal or under the hand of an officer or attorney of the corporation duly authorised.
- (v) Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respects of each omnibus account it holds.
- (vi) The Form of Proxy must be deposited at the Company's Secretariat, Acclime Corporate Services Sdn. Bhd. at Level 5, Tower 8, Avenue 5, Horizon 2, Bangsar South City, 59200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia not less than 24 hours before the time set for holding the meeting or at any adjournment thereof.
- (vii) Any alteration in the Form of Proxy must be initialed.
- (viii) The resolution as set out in this notice of EGM is to be voted by poll.

PERSONAL DATA POLICY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Extraordinary General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Extraordinary General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Extraordinary General Meeting (including any adjournment thereof) and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Fold this flap for sealing

Then fold here

AFFIX
STAMP

The Secretary of Meridian Berhad

ACCLIME CORPORATE SERVICES SDN BHD
[Registration No. : 199901021060(495960-D)]

Level 5, Tower 8, Avenue 5, Horizon 2,
Bangsar South City,
59200 Kuala Lumpur,
Wilayah Persekutuan Kuala Lumpur,
Malaysia

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