



Matrix Parking

MATRIX PARKING SOLUTION HOLDINGS BERHAD

(Company No. 1283160-X)

(Incorporated in Malaysia)

**FINANCIAL STATEMENTS FOR THE 1ST HALF YEAR
ENDED 30 JUNE 2019**

CHARACTERISTICS OF THE LEAP MARKET OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES")

THE LEAP MARKET HAS BEEN POSITIONED AS A MARKET DESIGNED TO ACCOMMODATE CORPORATIONS TO WHICH A HIGHER INVESTMENT RISK MAY BE ATTACHED THAN OTHER CORPORATIONS LISTED ON THE ACE MARKET OR MAIN MARKET OF BURSA SECURITIES. IT IS A QUALIFIED MARKET WHICH IS MEANT MAINLY FOR SOPHISTICATED INVESTORS ONLY. ONLY EXISTING SECURITIES HOLDERS AND SOPHISTICATED INVESTORS ARE ALLOWED TO PARTICIPATE IN CORPORATE EXERCISES UNDERTAKEN BY SEERS BERHAD. SOPHISTICATED INVESTORS SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN SUCH CORPORATIONS AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER DUE AND CAREFUL CONSIDERATIONS, AND, IF APPROPRIATE, CONSULTATION WITH STOCKBROKER, MANAGER, SOLICITOR, ACCOUNTANT AND OTHER PROFESSIONAL ADVISERS.

MATRIX PARKING SOLUTION HOLDINGS BERHAD (Company No. 1283160-X)
(Incorporated in Malaysia)

**UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
 COMPREHENSIVE INCOME FOR THE 1ST HALF YEAR ENDED 30 JUNE 2019**

	INDIVIDUAL 6 MONTHS ENDED	
	30.06.2019	30.06.2018
	RM	RM
Revenue	5,629,265	4,611,733
Direct costs	(3,723,233)	(2,584,482)
Gross profit	1,906,032	2,027,251
Other operating income	37,227	4,914
Other operating expenses	(1,333,628)	(1,269,830)
Operating Profit	609,631	762,335
Employees benefit expense	-	-
Finance costs	(82,498)	(63,849)
Profit before tax	527,133	698,486
Income tax expenses	(92,403)	(129,000)
Net profit for the period/financial year	434,730	569,486
Other comprehensive income	-	-
Total comprehensive income for the financial period	434,730	569,486
Profit for the financial period attributable: Owners of the Company	434,730	569,486
EARNING PER ORDINARY SHARE (SEN)	0.217	0.316

The Unaudited Consolidated Statement of Profit and Loss and other Comprehensive Income should read in conjunction with the accompanying explanation notes attached to this interim financial statement.

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MATRIX PARKING SOLUTION HOLDINGS BERHAD (Company No. 1283160-X)
(Incorporated in Malaysia)

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Unaudited As at 30.06.2019	Audited As at 31.12.2018
	RM	RM
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	4,762,759	4,517,086
TOTAL NON-CURRENT ASSETS	<u>4,762,759</u>	<u>4,517,086</u>
CURRENT ASSETS		
Trade receivables	214,721	287,833
Other receivables, prepare expenses and refundable deposits	4,183,803	1,073,189
Deposits with financial institution	205,794	205,794
Cash and bank balances	1,592,089	1,444,521
TOTAL CURRENT ASSETS	<u>6,196,407</u>	<u>3,011,337</u>
TOTAL ASSETS	<u>10,959,166</u>	<u>7,528,423</u>
EQUITY AND LIABILITIES		
Capital and Reserves		
Share capital	5,601,000	3,001,000
Retained earnings	1,956,686	1,521,956
Reserves	(285,233)	(285,233)
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	<u>7,272,453</u>	<u>4,237,723</u>
NON-CURRENT LIABILITIES		
Terms loans	1,613,592	1,101,705
Deferred tax liabilities	458,000	458,000
TOTAL NON-CURRENT LIABILITIES	<u>2,071,592</u>	<u>1,559,705</u>
CURRENT LIABILITIES		
Other payables and accrued expenses	1,206,319	1,210,166
Bank overdraft	307,403	333,798
Terms loans	67,800	134,486
Tax liabilities	33,599	52,545
TOTAL CURRENT LIABILITIES	<u>1,615,121</u>	<u>1,730,995</u>
TOTAL LIABILITIES	<u>3,686,713</u>	<u>3,290,700</u>
TOTAL EQUITY AND LIABILITIES	<u>10,959,166</u>	<u>7,528,423</u>
NET ASSETS PER ORDINARY SHARE (RM) **	<u>0.036</u>	<u>0.024</u>

The Unaudited Consolidated Statement of Financial Position should read in conjunction with the accompanying explanation notes attached to this interim financial statement.



MATRIX PARKING SOLUTION HOLDINGS BERHAD (Company No. 1283160-X)
(Incorporated in Malaysia)

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 1ST HALF YEAR ENDED 30 JUNE 2019

GROUP	Share Capital RM	Revaluation Reserve RM	Merger Reserve RM	Capital Reserve RM	Retained Earnings RM	Total RM
Balance as at 1 st January 2018	1,000,000	1,594,651			794,524	3,389,175
Net profit for the financial year					727,432	727,432
Other comprehensive loss for the year		(121,264)				(121,264)
Shares granted to employees				241,380		241,380
Transaction with owners						
Incorporation of the company	1,000					1,000
Adjustment arising from restructuring exercise	2,000,000		(2,000,000)			-
Balance as at 31 December 2018	3,001,000	1,473,387	(2,000,000)	241,380	1,521,956	4,237,723
Net profit for the 30 Jun 2019					434,730	434,730
Issuance of shares during 30 Jun 2019	2,600,000					2,600,000
	5,601,000	1,473,387	(2,000,000)	241,380	1,956,686	7,272,453

The Unaudited Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes attached to this interim financial statement.

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE 1ST HALF YEAR ENDED 30 JUNE 2019

	6 MONTHS ENDED	
	Unaudited 30.06.2019 RM	Audited 31.12.2018 RM
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	527,133	1,020,560
Adjustment for:		
Depreciation of property, plant and equipment	241,409	537,897
Finance costs	82,498	137,027
Interest income	(2,526)	(35,915)
Employee benefit expenses	-	241,380
Operating profit/(loss) before working capital changes	848,514	1,900,949
Changes in working capital: -		
Decrease/(Increase) in trade receivables	73,112	88,804
Increase in other receivables, prepaid expenses and refundable deposits	(3,110,614)	(498,866)
Increase/(Decrease) in other payables and accrued expenses	(3,847)	524,782
Cash generated from/(used in) operations	(2,192,835)	2,015,669
Interest paid	(82,498)	(137,027)
Interest income	2,526	35,915
Tax paid	(111,349)	(379,413)
Tax refund		46,432
Net cash from/(used in) operating activities	(2,384,156)	1,581,576
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(487,082)	(974,831)
Net cash used in investing activities	(487,082)	(974,831)

MATRIX PARKING SOLUTION HOLDINGS BERHAD (Company No. 1283160-X)
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	6 MONTHS ENDED	
	Unaudited 30.06.2019 RM	Audited 31.12.2018 RM
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from drawdown of term loans	500,000	-
Proceeds from issuance of shares	2,600,000	1,000
Repayment of hire purchase obligations	-	-
Repayment of term loan obligations	(54,799)	(233,395)
Increase of fixed deposit pledged with licensed bank	-	(6,516)
Dividend paid	-	-
Net cash (used in)/from financing activities	3,045,201	(238,911)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	173,963	367,834
CASH AND CASH EQUIVALENTS AT BEGINING OF YEAR/DATE OF INCORPORATION	1,110,723	742,889
CASH AND CASH EQUIVALENTS AT END OF YEAR	1,284,686	1,110,723
Cash and cash equivalents at end of year consist of:		
Cash and bank balances	1,592,089	1,444,521
Bank overdraft	(307,403)	(333,798)
	1,284,686	1,110,723

The Unaudited Consolidated Statement of Cash Flows should be read in conjunction with the accompanying explanatory note attached to this interim financial statement.

**PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE
1ST HALF-YEAR ENDED 30 JUNE 2019**

A1. BASIS OF PREPARATION

Matrix Parking Solution Holdings Berhad (“Matrix” or “the Company”) was incorporated in Malaysia on 8 June 2018 as a private limited company under the Companies Act 2016. The Company was later converted into a public limited company on 14 December 2018. The Company’s business office is located at Y-BG-02, D’Aman Kayangan, No.1, Jalan PJU 1A/41, Ara Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan.

The interim financial statements of Matrix Parking Solution Holdings Berhad and its subsidiaries (“the Group”) are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting.

This is the interim financial report on the consolidated results for the 1st half-year ended 30 June 2019 announced by the Company in compliance with Paragraph 6.12 of the LEAP Market’s Listing Requirements of Bursa Securities.

The unaudited interim financial statements ended 30 June 2019 should be read in conjunction with the audited combined financial statements of the Group for the financial year ended 31 December 2018.

A2. CHANGES IN ACCOUNTING POLICIES

At the date of authorization of the audited interim half yearly financial statements, the accounting policies, adopted are consistent with those disclosed in the latest set of audited financial statement as at 31 December 2018.

The following are MFRSs, Amendments to MFRSs and IC Interpretations that have been issued by Malaysian Accounting Standards Board (“MASB”) but are not yet effective and have not been adopted by the Group:

MFRSs	Effective Date
MFRS 16 <i>Leases</i>	1 January 2019
IC Interpretation 23 <i>Uncertainty over Income Tax Treatments</i>	1 January 2019
Amendments to MFRS 3 <i>Annual Improvements to MFRS Standards 2015-2017 Cycle</i>	1 January 2019
Amendments to MFRS 9 <i>Prepayment Features with Negative Compensation</i>	1 January 2019
Amendments to MFRS 11 <i>Annual Improvements to MFRS Standards 2015-2017 Cycle</i>	1 January 2019

PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 1ST HALF-YEAR ENDED 30 JUNE 2019 (CONT'D)

A2. CHANGES IN ACCOUNTING POLICIES (CONT'D)

The Group are in the process of accessing the financial impact of implementing these MASB.

A3. SEASONAL OR CYCLICAL FACTORS

The businesses of the Group were not affected by any seasonal or cyclical factors during the current financial period.

A4. UNUSUAL ITEMS

There were no material unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial period.

A5. MATERIAL CHANGES IN ESTIMATES

There were no material changes in accounting estimates in the current financial period.

A6. DEBT AND EQUITY SECURITIES

During the period the Company had issued 20,000,000 shares under the private placement at the indicate price of RM 0.13 per share in conjunction with the listing on the LEAP Market of Bursa Malaysia Securities Berhad.

Other than that there were no other issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial period.

A7. SEGMENTAL INFORMATION

The Group's revenue based on its products is presented as follows: -

	6 months ended 30/06/2019 RM	6 months ended 30/6/2018 RM
Car park operater And Jockey services	5,082,156	4,066,802
Management Consultancy	<u>547,109</u>	<u>544,931</u>
	<u>5,629,265</u>	<u>4,611,733</u>

**PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE
2ND HALF-YEAR ENDED 31 DECEMBER 2018 (CONT'D)**

A8. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD

There were no other material events subsequent to the end of the current financial period.

A9. CHANGES IN THE COMPOSITION OF THE GROUP

There were no material changes in the composition of the Group for the current financial period.

A10. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

There were no contingent assets and contingent liabilities as at the date of this interim financial report.

A11. CAPITAL COMMITMENTS

Capital expenditure commitment as below: -

	As At 30/6/2019	As At 30/6/2018
Car park Contracted by not provided for	<u>1,222,000</u>	<u>0</u>

PART B - ADDITIONAL INFORMATION REQUIRED UNDER THE LEAP MARKET LISTING REQUIREMENTS

B1. REVIEW OF PERFORMANCE

The Group achieve a revenue of RM5.6 million for the 6 months period to 30th June 2019 as compare to RM 4.6 million for the previous 6 months period to 30th June 2018, an increase of 22%.

However the current 6 months gross profit is lower than the previous 6 months period is mainly due to the preliminary cost to get the new site at Hospital Sultanah Aminah ready for operation, that resulted in higher operation cost in the month of January 2019.

B2. PROSPECTS OF THE GROUP

The Group remains committed to continuously looking for new parking site, so as to increase it revenue based. There were no changes in the business direction of the Group which may have an impact on the way of business segments of the Group.

B3. VARIANCE OF ACTUAL PROFIT FROM PROFIT FORECAST AND PROFIT GUARANTEE

The Group has not issued any profit forecast or profit guarantee in any form of public documentation and announcement.

PART C - OTHER INFORMATION

C1. STATUS OF CORPORATE PROPOSALS

There were no corporate proposals announced but pending completion as at the date of this report.

C2. UTILISATION OF PROCEEDS

The status of utilisation of the proceeds, RM2.6 million as at 31/07/2019 are as follows: -

Purposes	Proposed Utilisation	Actual Utilisation*	Proceeds Balance	Estimated Timeframe for Utilisation Upon Listing
	RM	RM	RM	
Purchase of parking site equipment	200,000	93,494	106,506	Within 12 months
Purchase of parking facility	800,000	800,000	-	Within 1 month
General working capital	900,000	857,010	42,990	Within 12 months
Estimated listing expenses	700,000	643,474	56,526	Within 1 month
	2,600,000	2,393,978	206,022	

*There is a change to the allocation of the utilization, as the unutilized estimated listing expenses of RM56,526 will be allocated to general working capital.

C3. MATERIAL LITIGATION

As at the date of this report, save as disclosed below, we are not engaged in any material litigation, claim or arbitration either as plaintiff or defendant and our Directors do not know of any proceeding pending or threatened or of any fact likely to give rise to any proceeding which might materially or adversely affect our financial position or our subsidiaries.

Johor Bahru High Court Suit No: JA-22NCVC-62-04/2016

Plaintiff : Luxury Connection Sdn Bhd

Defendant : Matrix Parking Solution Sdn Bhd

The Plaintiff had sued the Defendant in respect of dispute arising from a License Agreement dated 31st July 2012. Pursuant to the License Agreement, the Defendant as the licensee was to manage and operate the car park at Menara Zurich located at No. 15, Jalan Dato' Abdullah Tahir, 80300 Johor Bahru.

The dispute is mainly on the extension of the license period under the License Agreement. The Plaintiff is their court action is suing for amongst others for the court to declare that the extension of the license period by the Defendant to be invalid and that the Defendant's services had been terminated. The Plaintiff also contended that the Defendant had breached the terms of the license agreement. The Plaintiff is asking for damages on the basis that the Defendant was to vacate the car park based on a court order obtained by the Plaintiff but failed to do so.

The Defendant on the other hand amongst others counter claimed that the extension of the license period was valid and asked that the Plaintiff specifically performed the License Agreement or in the alternative damages. The Defendant also claimed for the sum of RM188,430.90 for over payment of licence fee as a result of the setting aside of a previously agreed arrangement between the Plaintiff and Defendant in a separate court action.

The trial of the court action had proceeded on 25th October 2018, 18th November 2018 and 2nd December 2018. The court subsequently delivered its decision on 21st March 2019.

The court had allowed the Plaintiff's claim and dismissed the Defendant's counterclaim. The court has also ordered the Defendant to pay the Plaintiff cost of RM35,000.00 which had been paid.

The Defendant had lodged an appeal to the Court of Appeal against the decision of the High Court and the appeal is now fixed for case management on 11th September 2019.

The solicitors acting for Defendant is of the view that the Defendant has a reasonable chance of success in their Appeal because the extension of the license period by our client as prescribed under the terms of the license agreement is valid and they had not breached the terms of the license agreement to the extent rendering it sufficient for the Plaintiff to terminate the license agreement.

As at the date of this report, our Directors confirm that there are no contingent liabilities incurred by us or our subsidiaries, which upon becoming enforceable, may have a material effect on our financial position or our subsidiaries.

C4. DIVIDENDS

The Company had make payment for the single-tier final dividend of RM0.00175 per ordinary share for the financial year ended 31st Dec 2018 totaling RM350,001.75 payable on 9th August 2019.

The Board do recommend single-tier interim dividend of RM0.00075 per ordinary share for the financial year ending 31st December 2019, totaling RM150,000.75 payable on 9th August 2019.

C5. (LOSS)/EARNINGS PER SHARE

- (i) The basic (loss)/earnings per share for the current financial year and financial year-to-date are computed as follows: -

	Cumulative 12 months ended	
	Unaudited	audited
	30.06.2019	31.12.2018
Profit attributable to owners of the group (RM'000)	434,730	727,432
Number of ordinary shares in issue ('000)	200,001,000	180,001,000
Basic earnings per share (sen)	0.217	0.404

- (ii) Diluted earnings per share is the same as the basic earnings per share as there were no potential dilutive instruments.

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