



Matrix Parking

MATRIX PARKING SOLUTION HOLDINGS BERHAD

[Registration No. 201801021141 (1283160-X)]

(Incorporated in Malaysia)

**FINANCIAL STATEMENTS FOR THE
30TH JUNE 2020**

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 [Registration No. 201801021141 (1283160-X)]
(Incorporated in Malaysia)**

**UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR 30TH JUNE 2020**

	INDIVIDUAL 6 MONTHS ENDED	
	30 th June 2020	30 th June 2019
	RM	RM
Revenue	4,499,566	5,629,265
Direct costs	(2,923,562)	(3,723,233)
Gross profit	1,576,004	1,906,032
Other operating income	313,837	37,227
Other operating expenses	(1,408,865)	(1,333,628)
Operating profit	480,976	609,631
Employees benefit expense	-	-
Finance costs	(393,575)	(82,498)
Profit before tax	87,401	527,133
Listing expenses	(5,000)	-
	82,401	527,133
Income tax expenses	(23,421)	(92,403)
Profit after tax	58,980	434,730
Other comprehensive income	-	-
Total comprehensive income for the financial period	58,980	434,730
Profit attributable to:-		
Owner of the parent	58,980	434,730
Total Comprehensive Income attributable to:-		
Owner of the parent	58,980	434,730
EARNING PER ORDINARY SHARE (SEN)		
Basic	0.029	0.217
Diluted	0.029	0.217

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 [Registration No. 201801021141 (1283160-X)]
(Incorporated in Malaysia)**

**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2020**

	As at 30.06.2020 RM	As at 30.06.2019 RM
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	4,959,165	4,762,759
Right-of-use Asset	12,876,254	-
TOTAL NON-CURRENT ASSETS	17,835,419	4,762,759
CURRENT ASSETS		
Trade receivables	857,369	214,721
Other receivables, prepay expenses and refundable deposits	3,436,439	4,183,803
Deposits with financial institution	92,092	205,794
Cash and bank balances	1,180,856	1,592,089
TOTAL CURRENT ASSETS	5,566,756	6,196,407
TOTAL ASSETS	23,402,175	10,959,166
EQUITY AND LIABILITIES		
Capital and Reserves		
Share capital	5,601,000	5,601,000
Retained earnings	480,394	1,956,686
Reserves	(285,233)	(285,233)
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	5,796,161	7,272,453
NON-CURRENT LIABILITIES		
Terms loans	1,610,661	1,613,592
HP Loan	189,341	-
Lease liability	8,861,642	-
Deferred tax liabilities	485,719	458,000
TOTAL NON-CURRENT LIABILITIES	11,147,363	2,071,592
CURRENT LIABILITIES		
Other payables and accrued expenses	1,697,455	1,206,319
Lease liability	4,529,827	-
Term loans	130,878	67,800
HP Loan	5,063	-
Bank overdraft	66,277	307,403
Tax liabilities	29,151	33,599
TOTAL CURRENT LIABILITIES	6,458,651	1,615,121
TOTAL LIABILITIES	17,606,014	3,686,713
TOTAL EQUITY AND LIABILITIES	23,402,175	10,959,166
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.0289	0.036

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

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR 30TH JUNE 2020

GROUP	Share Capital RM	Revaluation Reserve RM	Merger Reserve RM	Capital Reserve RM	Retained Earnings RM	Total RM
Balance as at 1 st January 2019	3,001,000	1,473,387	(2,000,000)	241,380	1,521,956	4,237,723
Adjustment on initial application of MFRS 16					(195,760)	(195,760)
Loss for the financial year					(404,780)	(404,780)
Dividend paid for year					(500,002)	(500,002)
Issuance of shares	2,600,000					2,600,000
Balance as at 31 ST December 2019	5,601,000	1,473,387	(2,000,000)	241,380	421,414	5,737,181
At 1 Jan 2019, previously stated	5,601,000	1,473,387	(2,000,000)	241,380	421,414	5,737,181
Adjustment on initial application of MFRS16, net of tax	-	-	-	-	-	-
At 1 Jan 2019, restated	5,601,000	1,473,387	(2,000,000)	241,380	421,414	5,737,181
Net profit for the period					58,980	58,980
Balance as at 30 June 2020	5,601,000	1,473,387	(2,000,000)	241,380	480,394	5,796,161

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 30TH JUNE 2020

	30.06.2020	30.06.2019
	RM	RM
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	82,401	527,133
Adjustment for:		
Depreciation of property, plant and equipment	458,541	241,409
Depreciation of right-of-use asset	2,439,792	-
Finance costs	428,792	82,498
Interest income	-	(2,526)
Operating profit/(loss) before working capital changes	3,409,526	848,514
Changes in working capital: -		
Decrease/(Increase) in trade receivables	(1,727,407)	73,112
Increase in other receivables, prepaid expenses and refundable deposits	747,364	(3,110,614)
Increase/(Decrease) in trade payables	491,136	(3,847)
Cash generated from/(used in) operations	2,920,619	(2,192,835)
Interest paid	(428,792)	(82,498)
Interest income	-	2,526
Tax paid	(110,036)	(111,349)
Tax refund		
Net cash from/(used in) operating activities	2,381,791	(2,384,156)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(654,947)	(487,082)
(Placement)/withdrawal of fixed deposits	113,702	-
Net cash used in investing activities	(541,245)	(487,082)

	30.06.2020	30.06.2019
	RM	RM
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from drawdown of term loans	250,000	500,000
Proceeds from drawdown of HP loans	199,467	
Proceeds from issuance of shares		2,600,000
Repayment of term loan obligations	(194,916)	(54,799)
Payment of lease liabilities	(2,265,204)	-
Net cash (used in)/from financing activities	(2,010,653)	3,045,201
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(170,107)	173,963
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR/DATE OF INCORPORATION	1,284,686	1,110,723
CASH AND CASH EQUIVALENTS AT END OF YEAR	1,114,579	1,284,686
Cash and cash equivalents at end of year consist of:		
Cash and bank balances	1,180,856	1,592,089
Bank overdraft	(66,277)	(307,403)
	1,114,579	1,284,686

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
30TH JUNE 2020**

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 30th June 2020 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 for 30th June 2020 should be read in conjunction with the audited combined financial statements of the Group for the financial year ended 31st December 2019.

The comparative financial statements figure of the Group for the financial year ended 31st December 2019 had been adjusted to reflect the implementation of MFRS 16, at the retain earning only.

A2. CHANGES IN ACCOUNTING POLICIES

At the date of authorization of the unaudited interim financial statements, the accounting policies, adopted are consistent with those disclosed in the latest set of audited financial statements as at 31st December 2019.

The following are MFRSs, Amendments to MFRSs and IC Interpretations that have been issued by Malaysian Accounting Standards Board (“MASB”) and these MASB had 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
30TH JUNE 2020**

A2. CHANGES IN ACCOUNTING POLICIES (CONT'D)

The Group had reflected in the financial statements the 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

There were no debt and equity securities issue during the current financial period.

A7. SEGMENTAL INFORMATION

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

	<u>6 months ended</u> <u>30/06/2020</u> RM	<u>6 months ended</u> <u>30/06/2019</u> RM
Car park operator		
And Jockey services	4,105,972	5,082,186
Management	<u>393,594</u>	<u>547,109</u>
Consultancy	<u>4,499,566</u>	<u>5,629,265</u>

**PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE
1ST HALF-YEAR ENDED 30 JUNE 2020 (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	As At
	30/6/2020	30/6/2019
Car park		
Contracted by not provided for	<u>1,222,000</u>	<u>1,222,000</u>

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

B1. REVIEW OF PERFORMANCE

The Group achieved a revenue of RM4.49 million for the 6 months period to 30th June 2020 as compared to RM5.63 million for the previous 6 months period to 30th June 2019.

The Group revenue had been affected during the period from 18 March 2020 to 12 May 2020 due to Movement Control Order (MCO) and similar to our profitability.

The outbreak of Covid-19 pandemic in January 2020 has shocked the world economic structure and had impact Malaysia economy substantially and expected to take a long period to recover.

The Movement Control Order (MCO) and Recovery Movement Control Order (RMCO) that imposed from 18 March 2020 to 31 August 2020, has stalled most business economy activities where our business of parking management are depending on these business activities. Our recovery will depend on how fast the business economy recover. All sectors are affected, particularly small and medium enterprises who are most susceptible to cash flow pressures and our Group are no exceptional to this pressure. The Group's major cost is the rental expenses and the Group's survival will be depending on the rental waiver that the Group will seek to obtain from the car park facilities' owners.

B2. PROSPECTS OF THE GROUP

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

The Group leverage on technology to improve the operations of parking facilities by deploying and integrating the latest applications, improving the infrastructure and ultimately make the most of what we have to offer to move our business forward. The Group has proposed to link a joint venture agreement with a technology-based company in order to jointly build and develop a mobile application, internet of things and licensed plate recognition system for the Group. The cashless payment system had been roll out and in the testing stage.

The intelligent platform will integrate the data across all aspects of the parking process thus creating a more efficient data-driven payment processes. With this addition into our parking management and operation, it would strengthen our ability in cash controls, customer service and will lower the operating expenses.

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

**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

1) Proposed Acquisition

On 7 February 2020 the Company had entered into a conditional share sale agreement (“SSA”) with Mohd Izzuddin Bin Osman, Rafizuddin Bin Ramly and Mohd Hata Bin Hashim (collectively, the “Vendors”) for the purchase by the Company from the Vendors of 40% equity interest in Smart Integra Tech Sdn Bhd (“SITSB”) for a purchase consideration of RM1,400,000 (“Purchase Consideration”) to be satisfied by a cash consideration of RM75,000 and the issuance of 8,281,250 new ordinary shares in Matrix (“Matrix Shares”) at an issued price of RM0.16 each (“Consideration Shares”) (“Proposed Acquisition”). On the even date, in conjunction with the Proposed Acquisition and subject to its completion, Matrix also proposed to subscribe for new redeemable convertible preference shares in SITSB amounting to a total of RM3,500,000 (“Proposed Subscription of RCPS”);

2) Private Placement

On 7 February 2020, the Company had proposed to undertake a private placement of up to 40,000,200 new Matrix Shares (“Placement Shares”) representing up to 20% of the issued shares in Matrix (“Proposed Private Placement”).

3) Proposed Bonus Issue of warrants

On 18 February 2020, the Company proposed to undertake a proposed bonus issue of 100,000,500 new warrants (“Warrants”) on the basis of 1 Warrant for every 2 existing ordinary shares in Matrix (“Matrix Shares” or “Shares”) held by shareholders of the Company (“Entitled Shareholders”) on an entitlement date to be determined and announced later by the Board (“Entitlement Date”).

(4) Proposed Acquisition of Prospect Builders Sdn Bhd (PBSB)

The conditional share sale agreement (“SSA 2”) entered on 29 May 2020 for the purchase of 100% equity interest in PBSB for a consideration of RM 2,331,000.

The above proposals are now pending the approval of Bursa and Shareholders.

C2. BORROWINGS

As at the reporting date, the Group's borrowings (all denominated in RM) are as follows: -

	6 months ended 30.6.2020 RM	6 months ended 30.6.2019 RM
<u>Current liabilities</u>		
Secured		
Term loans	130,878	67,800
Overdraft	66,277	307,403
Hire purchase	5,063	-
Sub-total	202,218	375,203
<u>Non-current liabilities</u>		
Secured		
Term loans	1,610,661	1,613,592
Hire purchase	189,341	-
Sub-total	1,800,002	1,613,592
Total	2,002,220	1,988,795

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 was mainly on the extension of the license period under the License Agreement. The Plaintiff in 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 had 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 hearing on 24th August 2020.

The solicitors acting for the Defendant is of the view that the Defendant has a reasonable chance of success in their Appeal because the extension of the license period as prescribed under the terms of the license agreement is valid and the Defendant 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 Directors did not declare any interim dividend in respect of the financial year ending 31 December 2020.

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: -

	Unaudited 30.06.2020	Audited 30.06.2019
Profit attributable to owners of the group (RM'000)	58,980	434,730
Number of ordinary shares in issue ('000)	200,001,000	200,001,000
Basic earnings per share (sen)	0.029	0.217

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