

+



MATRIX PARKING SOLUTION HOLDINGS BERHAD

[Registration No. 201801021141 (1283160-X)]

(Incorporated in Malaysia)

FINANCIAL STATEMENTS FOR THE 30TH JUNE 2021

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.

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR 30TH JUNE 2021

	INDIVIDUAL 6 MONTHS ENDED	
	30th June 2021	30th June 2020
	RM	RM
Revenue	3,062,166	4,499,566
Direct costs	(1,645,628)	(2,923,562)
Gross profit	1,416,538	1,576,004
Other operating income	214,417	313,837
Other operating expenses	(1,337,323)	(1,408,865)
Operating profit	293,632	480,976
Finance costs	(391,265)	(393,575)
	(97,633)	87,401
Leap / Corporate exercise expenses	(9,696)	(5,000)
(Loss)/Profit before tax	(107,329)	82,401
Income tax expenses	-	(23,421)
(Loss)/Profit after tax	(107,329)	58,980
Other comprehensive income	214,417	313,837
Total comprehensive income for the financial period	214,417	313,837
(Loss)/Profit for the financial period attributable to Owner of the Company	(107,329)	58,980
(Loss)/Profit Per Ordinary Share (Sen)	(0.048)	0.029

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.

[The rest of this page had been intentionally left blank]

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2021

	As at 30.06.2021 RM	As at 30.06.2020 RM
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	4,701,023	4,959,165
Investment In Associate Companies	2,812,897	-
Right-of-use Asset	7,425,369	12,876,254
TOTAL NON-CURRENT ASSETS	14,939,289	17,835,419
CURRENT ASSETS		
Trade receivables	319,729	857,369
Other receivable, prepay expenses and refundable deposits	2,521,017	3,436,439
Amount owing by associate companies	56,037	-
Deposits with financial institution	96,750	92,092
Other Investment	1,255,368	349,999
Cash and bank balances	298,750	830,857
Tax recoverable	482,599	-
TOTAL CURRENT ASSETS	5,108,080	5,566,756
TOTAL ASSETS	20,047,369	23,402,175
EQUITY AND LIABILITIES		
Capital and Reserves		
Share capital	9,257,000	5,601,000
Retained earnings	(2,221,516)	480,394
Reserves	(451,919)	(285,233)
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	6,583,565	5,796,161
Loan and borrowings	3,040,600	1,800,002
Lease liability	3,606,418	8,861,642
Deferred tax liabilities	465,280	485,719
TOTAL NON-CURRENT LIABILITIES	7,112,298	11,147,363
CURRENT LIABILITIES		
Payables	3,383,318	1,697,455
Lease liability	2,412,150	4,529,827
Loan and borrowings	305,052	135,941
Bank overdraft	111,278	66,277
Tax liabilities	139,708	29,151
TOTAL CURRENT LIABILITIES	6,351,506	6,458,651
TOTAL LIABILITIES	13,463,804	17,606,014
TOTAL EQUITY AND LIABILITIES	20,047,369	23,402,175
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.0295	0.0289

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 2021

GROUP	Share Capital RM	Revaluation Reserve RM	Merger Reserve RM	Capital Reserve RM	Retained Earnings RM	Total RM
Balance as at 1 st January 2020	5,601,000	1,317,119	(2,000,000)	241,380	577,682	5,737,181
Loss for the financial year	-	-	-	-	(2,702,286)	(2,702,286)
Realisation of revaluation reserve	-	(10,418)	-	-	10,418	-
Issuance of shares	3,656,000	-	-	-	-	3,656,000
Balance as at 31 ST December 2019	9,257,000	1,306,701	(2,000,000)	241,380	(2,114,186)	6,690,895
Net Loss for the period	-	-	-	-	(107,330)	(107,330)
Balance as at 30 June 2021	9,257,000	1,306,701	(2,000,000)	241,380	(2,221,516)	6,583,565

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 2021

	30.06.2021	30.06.2020
	RM	RM
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss)/ Profit before tax	(107,329)	82,401
Adjustment for:		
Depreciation of property, plant and equipment	222,548	458,541
Depreciation of right-of-use asset	1,783,448	2,439,792
Finance costs	391,265	428,792
Waiver of rental	(747,528)	-
Interest income	(11,900)	-
Operating profit before working capital changes	1,530,503	3,409,526
Changes in working capital: -		
Decrease/(Increase) in trade receivables	537,640	(1,727,407)
Increase in other receivables, prepaid expenses and refundable deposits	915,422	747,364
Increase in trade payables	862,975	491,136
Cash generated from operations	3,846,540	2,920,619
Interest paid	(391,265)	(428,792)
Interest income	11,900	-
Tax paid	(124,998)	(110,036)
Tax refund	-	-
Net cash from operating activities	3,342,177	2,381,791
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(197,664)	(654,947)
(Placement)/withdrawal of fixed deposits	(4,658)	113,702
Purchases of other investment	(905,369)	-
Net cash used in investing activities	(1,107,691)	(541,245)

	30.06.2021	30.06.2020
	RM	RM
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from drawdown of term loans	-	250,000
Proceeds from drawdown of HP loans	-	199,467
Proceeds from issuance of shares	-	-
Repayment of term loan obligations	(284,964)	(194,916)
Repayment of HP loan	(20,088)	-
Payment of lease liabilities	(2,506,542)	(2,265,204)
Net cash used in financing activities	(2,811,594)	(2,010,653)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(577,108)	(170,107)
CASH AND CASH EQUIVALENTS AT BEGINING OF PERIOD	764,580	934,687
CASH AND CASH EQUIVALENTS AT END OF PERIOD	187,472	764,580
Cash and cash equivalents at end of period consist of:		
Cash and bank balances	298,750	830,857
Bank overdraft	(111,278)	(66,277)
	187,472	764,580

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 2021

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 30 June 2021 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 30 June 2021 should be read in conjunction with the audited combined financial statements of the Group for the financial year ended 31 December 2020.

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 31 December 2020.

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.

PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR 30TH JUNE 2021

A6. DEBT AND EQUITY SECURITIES

During the financial period, no new shares equity has been issued.

A7. SEGMENTAL INFORMATION

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

	<u>6 months ended</u> <u>30/06/2021</u> RM	<u>6 months ended</u> <u>30/06/2020</u> RM
Car park operator and Jockey services	2,691,185	4,105,972
Management Consultancy	<u>370,981</u> <u>3,062,166</u>	<u>393,594</u> <u>4,499,566</u>

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

During the period there is no change to the composition of the group.

A10. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

There were no contingent assets and contingent liabilities as at the date of this current financial period.

A11. CAPITAL COMMITMENTS

Capital expenditure commitment as below: -

	As At 30/6/2021	As At 30/6/2020
Car park Contracted but not provided for	<u>1,172,000</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 RM3.06 million for the 6 months period up to 30 June 2021 as compared to RM4.50 million for the previous 6 months period to 30 June 2020, a decrease of 31.9%.

The Group incurred a loss before tax of RM0.107 million for the 6 months period up to 30 June 2021 as compared to profit before tax of RM0.082 million. The loss before tax for 30 June 2021 is mainly due to the decrease in the revenue of 31.9% amounted to RM1.44 million compared to 30 June 2020.

The Group revenue had been affected during the period from 18 March 2020 onward till today due to the nationwide implementation of the Movement Control Order (MCO), Control Movement Control Order (CMCO), Recovery Movement Control Order (RMCO) and Full Movement Control Order (FMCO) and this has also affected our profit before tax results.

The various MCO has stalled most business economy activities where our business of parking management is 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 or rental reduction 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.

However due to the increase Covid cases, and the impact of the various movement restrictions which have been extended till today, the Group performance will not be good, till this financial year end.

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) 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"). This proposed is still pending completion, and the Group has applied for an extension to complete the proposal by 7 October 2021.

C2. BORROWINGS

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

	6 months ended 30.6.2021 RM	6 months ended 30.6.2020 RM
<u>Current liabilities</u>		
Secured		
Term loans	284,964	130,878
Overdraft	111,278	66,277
Hire purchase	<u>20,088</u>	<u>5,063</u>
Sub-total	<u>416,330</u>	<u>202,218</u>
<u>Non-current liabilities</u>		
Secured		
Term loans	2,896,393	1,610,661
Hire purchase	<u>144,207</u>	<u>189,341</u>
Sub-total	<u>3,040,600</u>	<u>1,800,002</u>
Total	<u>3,456,930</u>	<u>2,002,220</u>

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 31 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 25 October 2018, 18 November 2018 and 2 December 2018. The Court subsequently delivered its decision on 21 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 we wish to inform that the Court of Appeal has held the following decision on 30 June 2021:

1. There was no fundamental breach of the license agreement.
2. The Court has allowed the Defendant's claim for refund of the excess license fee of RM188,430.00 subject to the signage rental fee of RM2,150 being deducted for the period from 21 October 2015 to 25 May 2018 with interest of 5% per annum from date of judgment to full settlement.
3. General damages to be assessed by another High Court Judge.
4. Case management is fixed at the Johor Bahru High Court on 28 July 2021.

The Plaintiff has however filed an application for stay at the High Court for the assessment of damages. The Plaintiff has also filed an application for leave to appeal on 29 July 2021 to the Federal Court and the matter is fixed for case management on 30 August 2021.

C4. DIVIDENDS

The Directors did not declare any interim dividend in respect of the financial year ending 31 December 2021.

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 30.06.2021	Audited 30.06.2020
(Loss)/Profit attributable to owners of the group (RM)	(107,329)	58,980
Weighted number of ordinary shares in issue	222,851,000	200,001,000
Basic earnings per share (sen)	(0.048)	0.029

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