



Matrix Parking

MATRIX PARKING SOLUTION HOLDINGS BERHAD

[Registration No. 201801021141 (1283160-X)]

(Incorporated in Malaysia)

**FINANCIAL STATEMENTS FOR THE
31ST DECEMBER 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 31ST DECEMBER 2021**

	Individual 6 months ended	Individual 6 months ended	Cumulative 12 months ended	
	31 st December 2021	31 st December 2020	31 st December 2021	31 st December 2020
	RM	RM	RM	RM
Revenue	2,761,140	3,754,341	5,823,306	8,253,907
Direct costs	(54,463)	(2,461,467)	(1,700,091)	(5,385,029)
Gross profit	2,706,677	1,292,874	4,123,215	2,868,878
Other operating income	2,675,810	562,078	2,890,227	875,915
Other operating expenses	(3,070,247)	(3,705,231)	(4,407,570)	(5,114,096)
Operating (loss)/profit	2,312,240	(1,850,279)	2,605,872	(1,369,303)
Share of associates results	(660,038)	(153,103)	(660,038)	(153,103)
Finance costs	(277,426)	(525,438)	(668,691)	(919,013)
Profit/ (Loss) before tax	1,374,776	(2,528,820)	1,277,143	(2,441,419)
Income tax expenses	405	47,773	405	24,352
	1,374,371	(2,481,047)	1,276,738	(2,417,067)
Corporate exercise / Listing expenses	-	(280,219)	(9,696)	(285,219)
Profit/ (Loss) for the financial year	1,374,371	(2,761,266)	1,267,042	(2,702,286)
Other comprehensive income	2,675,810	562,078	2,890,227	875,915
Total comprehensive income for the financial period	2,675,810	562,078	2,890,227	875,915
Profit/ (Loss) for the financial period attributable: Owners of the Company	1,374,371	(2,761,266)	1,267,042	(2,702,286)
EARNING/ (LOSS) PER ORDINARY SHARE (SEN)	0.62	(1.35)	0.57	(1.33)

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 31ST DECEMBER 2021**

	31.12.2021	31.12.2020
	RM	RM
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	3,654,594	4,761,842
Investment in associates	2,152,859	2,312,897
Right of use Asset	10,693,591	9,906,219
TOTAL NON-CURRENT ASSETS	<u>16,501,044</u>	<u>16,980,958</u>
CURRENT ASSETS		
Receivables	2,926,820	2,930,957
Amount owing by related company	4,679	1,785
Deposits with financial institution	-	96,750
Other investment	1,170,222	1,593,466
Cash and bank balances	354,893	614,607
Tax recoverable	386,348	215,329
TOTAL CURRENT ASSETS	<u>4,842,962</u>	<u>5,452,894</u>
TOTAL ASSETS	<u>21,344,006</u>	<u>22,433,852</u>
EQUITY AND LIABILITIES		
Capital and Reserves		
Share capital	9,257,000	9,257,000
Retained earnings	(847,144)	(2,114,186)
Reserves	(451,919)	(451,919)
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	<u>7,957,937</u>	<u>6,690,895</u>
NON-CURRENT LIABILITIES		
Loan and borrowings	2,498,775	2,974,792
Lease liability	3,309,755	4,526,667
Deferred tax liabilities	465,280	465,280
TOTAL NON-CURRENT LIABILITIES	<u>6,273,810</u>	<u>7,966,739</u>
CURRENT LIABILITIES		
Payables	1,617,516	2,531,939
Lease liability	4,545,799	4,519,276
Loan and borrowing	948,945	725,003
Tax liabilities	-	-
TOTAL CURRENT LIABILITIES	<u>7,112,260</u>	<u>7,776,218</u>
TOTAL LIABILITIES	<u>13,386,070</u>	<u>15,742,957</u>
TOTAL EQUITY AND LIABILITIES	<u>21,344,006</u>	<u>22,433,852</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	<u>0.035</u>	<u>0.033</u>

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 31ST DECEMBER 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)
Issuance of shares	3,656,000	-	-	-	-	3,656,000
Realisation of revaluation reserve share capital	-	(10,418)	-	-	10,418	-
Balance as at 31 st December 2020	9,257,000	1,306,701	(2,000,000)	241,380	(2,114,186)	6,690,895
At 1 st January 2020, previously stated	9,257,000	1,306,701	(2,000,000)	241,380	(2,114,186)	6,690,895
Profit for the period	-	-	-	-	1,267,042	1,267,042
Balance as at 31 st December 2021	9,257,000	1,306,701	(2,000,000)	241,380	(847,144)	7,957,937

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 31ST DECEMBER 2021

	31.12.2021	31.12.2020
	RM	RM
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	1,267,446	(2,726,638)
Adjustment for:		
Adjustment for bargain purchase	-	(49,210)
Depreciation of property, plant and equipment	502,647	452,551
Depreciation of right-of-use asset	4,837,904	5,395,454
Gain on disposal of properties, plant and equipment	-	(1,760)
Fair value gain on other investment	(26,756)	(22,152)
Impairment (gain)/ loss on trade receivables	(3,312)	3,637
Impairment (gain)/ loss on other receivables	(37,782)	16,525
Impairment (gain)/ loss on right of use assets	(1,719,396)	1,719,396
Amount owing by an associate	474	-
Gain on lease modification	-	(117,567)
Waiver of rental	(4,822,406)	(2,999,181)
Finance costs	668,691	919,012
Interest income	(1,128)	(23,340)
PPE write off	1,205,478	56,788
Bad debt writes off	15,618	-
Share of result of associates	660,038	153,103
Operating profit before working capital changes	<u>2,547,515</u>	<u>2,776,618</u>
Changes in working capital: -		
(Increase)/ Decrease in receivables	(449,872)	43,804
(Decrease)/ Increase in payables	(96,209)	657,586
Cash generated from operations	<u>2,001,434</u>	<u>3,482,008</u>
Interest paid	(668,691)	(919,012)
Tax paid	(171,423)	(221,546)
Net cash from operating activities	<u>1,161,320</u>	<u>2,337,450</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(600,877)	(877,105)
Acquisition of associates	(500,000)	(341,000)
Acquisition of subsidiary, net of cash acquired	-	14,301
Advance to an associate	(3,368)	(1,785)
(Withdrawal)/ Placement of fixed deposits	96,750	(4,658)
Interest received	1,128	23,340
(Proceeds from sale)/ Purchase of other investment	450,001	(515,000)
Proceeds from disposal of properties, plant and equipment	-	153,684
Net cash used in investing activities	<u>(556,367)</u>	<u>(1,548,223)</u>

	31.12.2021	31.12.2020
	RM	RM
CASH FLOW FROM FINANCING ACTIVITIES		
Payment of lease liabilities	(612,593)	(2,652,655)
Drawdown of term loan	-	1,880,000
Repayment of term loan	(211,621)	(86,139)
Repayment of HP loans	(29,979)	(10,904)
Net cash from financing activities	854,193	869,698
NET DECREASE IN CASH AND CASH EQUIVALENTS	(249,240)	(80,471)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR/DATE OF INCORPORATION	431,328	511,799
CASH AND CASH EQUIVALENTS AT END OF YEAR	182,088	431,328
Cash and cash equivalents at end of year consist of:		
Cash and bank balances	354,893	614,607
Bank overdraft	(172,805)	(183,279)
	182,088	431,328

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

**PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR
31ST DECEMBER 2021**

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 are no changes to the equity for the group.

A7. SEGMENTAL INFORMATION

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

	6 months ended 31/12/2021 RM	6 month ended 31/12/2020 RM	12 months ended 31/12/2021 RM	12 months ended 31/12/2020 RM
Car park operator And Jockey services	2,297,180	3,391,301	4,988,365	7,497,273
Management Consultancy	463,960	363,040	834,941	756,634
	<u>2,761,140</u>	<u>3,754,341</u>	<u>5,823,306</u>	<u>8,253,907</u>

**PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR
THE 2ND HALF-YEAR ENDED 31 DECEMBER 2021 (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

During the year 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 report.

A11. CAPITAL COMMITMENTS

Capital expenditure commitment as below: -

	As At	As At
	31/12/2021	31/12/2020
Car park		
Contracted by not provided for	<u>1,172,000</u>	<u>1,172,000</u>

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

B1. REVIEW OF PERFORMANCE

The Group achieved a revenue of RM5.82 million for the 12 months period to 31st December 2021 as compared to RM8.25 million for the previous 12 months period to 31st December 2020, a decrease of 29.4%

The Group incurred a profit before tax of RM1.27 million for the 12 month period to 31 Dec 2021 as compare to loss before tax of RM2.44 million for the previous 12 months period 31st December 2020. The profit before tax for 31 Dec 2021 is mainly due to :-

- a) Written back of the provision that make for right of use assets of which is no longer required of RM1.72 million;
- b) The received of the Program Subsidi Upah from the government of RM0.605 million;
- c) Losses that incurred for the operation of RM0.291 million ; and
- d) The share of the losses for associate company of RM0.66 million.

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

The Movement Control Order (MCO) and Recovery Movement Control Order (RMCO) that imposed from 18 March 2020 to 31 March 2021, 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 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.

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 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.

We had been progressively installing and converting the cashless payment system for our existing car park facilities and hope to achieve 85% by end of 2022.

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"). Subsequently this proposal was aborted upon its expiry on 7 October 2021.

C2. BORROWINGS

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

	12 months Ended 31.12.2021 RM	12 months Ended 31.12.2020 RM
<u>Current liabilities</u>		
Secured		
Term loan	735,965	531,703
Overdraft	172,804	183,279
Hire purchase	40,176	10,021
Sub-total	948,945	725,003
<u>Non-current liabilities</u>		
Secured		
Term loan	2,354,568	2,800,430
Hire purchase	144,207	174,362
Sub-total	2,498,775	2,974,792
Total	3,447,720	3,699,795

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 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 21/10/2015-25/5/2018 with interest of 5% per annum from date of judgment to full settlement.
3. General damages to be assessed by another High Court Judge.

The Plaintiff has then filed an application for stay at the High Court for the assessment of damages, however this application was dismissed with cost of RM3,000.00.

The hearing for assessment of damages is fixed on 28th to 30th June 2022.

Further the Federal court has also dismissed the plaintiff's application for leave to appeal with cost of RM30,000.00.

C4. DIVIDENDS

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

C5. EARNINGS/ (LOSS) PER SHARE

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

	Cumulative 12 months ended	
	Unaudited	Unaudited
	31.12.2021	31.12.2020
Profit / (Loss) attributable to owners of the group (RM'000)	1,267,042	(2,702,296)
Weighted number of ordinary shares in issue ('000)	222,851,000	203,809,333
Basic earnings/ (loss) per share (sen)	0.57	(1.33)

- (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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