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MATRIX PARKING SOLUTION HOLDINGS BERHAD

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

FINANCIAL STATEMENTS FOR THE 30TH JUNE 2023

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 2023

	INDIVIDUAL 6 MONTHS ENDED	
	30th June 2023	30th June 2022
	RM	RM
Revenue	7,474,052	4,335,185
Direct costs	(5,054,893)	(2,780,937)
Gross profit	2,419,159	1,554,248
Other operating income	766,461	318,022
Other operating expenses	(2,302,373)	(1,960,421)
Operating (Loss)/Profit	883,247	(88,151)
Finance costs	(342,585)	(136,663)
	540,662	(224,814)
Leap / Corporate exercise expenses	-	-
Profit / (Loss) before tax	540,662	(224,814)
Income tax expenses	(84,605)	-
Profit / (Loss) after tax	456,057	(224,814)
Share of Minority Interest	(92,018)	-
Net profit for the period/financial year	364,039	(224,814)
Other comprehensive income	766,461	318,022
Total comprehensive income for the financial period	766,461	318,022
Profit / (Loss) for the financial period attributable to Owner of the Company	364,039	(224,814)
Profit/(Loss) Per Ordinary Share (Sen)	0.16	(0.10)

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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UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2023

	As at 30.06.2023 RM	As at 30.06.2022 RM
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	4,718,213	4,214,779
Investment In Associate Companies	344,805	2,152,859
Other Investment	1,300,000	-
Right-of-use Asset	5,462,027	8,784,782
TOTAL NON-CURRENT ASSETS	11,825,045	15,152,420
CURRENT ASSETS		
Trade receivables	938,429	304,871
Other receivable	3,196,366	2,968,462
Other Investment	815,370	1,424,117
Cash and bank balances	891,061	701,883
TOTAL CURRENT ASSETS	5,841,226	5,399,333
TOTAL ASSETS	17,666,271	20,551,753
EQUITY AND LIABILITIES		
Capital and Reserves		
Share capital	9,257,000	9,257,000
Retained earnings	(1,435,090)	(1,071,958)
Reserves	(307,882)	(451,919)
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	7,514,028	7,733,123
Loan and borrowings	2,257,544	2,862,440
Lease liability	1,753,938	3,954,128
Deferred tax liabilities	154,607	668,200
TOTAL NON-CURRENT LIABILITIES	4,166,089	7,484,768
CURRENT LIABILITIES		
Payables	3,995,563	2,738,154
Lease liability	1,316,452	2,185,012
Amount owing to holding company	-	-
Amount owing to subsidiary company	-	-
Loan and borrowings	389,847	332,533
Bank overdraft	142,014	78,162
Tax liabilities	142,278	-
TOTAL CURRENT LIABILITIES	5,986,154	5,333,861
TOTAL LIABILITIES	10,152,243	12,818,629
TOTAL EQUITY AND LIABILITIES	17,666,271	20,551,753
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.0337	0.0347

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 2023

GROUP	Share Capital RM	Revaluation Reserve RM	Merger Reserve RM	Capital Reserve RM	Retained Earnings RM	Total RM
Balance as at 1 st January 2022, resated	9,257,000	1,431,166	(2,000,000)	241,380	(1,300,966)	7,628,580
Loss for the financial year					(498,163)	(498,163)
Other comprehensive income for the financial year		19,572				19,572
Issuance of shares						
Balance as at 31 ST December 2022	9,257,000	1,405,738	(2,000,000)	241,380	(1,799,129)	7,149,989
Profit for the financial year					364,039	364,039
Issuance of shares						-
Balance as at 30 June 2023	9,257,000	1,450,738	(2,000,000)	241,380	(1,435,090)	7,514,028

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

**COMBINED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD FROM
01ST January 2023 to 30th JUNE 2023**

	30.06.2023	30.06.2022
	RM	RM
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss)/ Profit before tax	448,644	(224,814)
Adjustment for:		
Adjustment on initial application of MFRS16	-	-
Depreciation of property, plant and equipment	292,839	176,445
Depreciation of right-of-use asset	2,110,000	2,083,731
Impairment loss on trade receivables	-	-
Finance costs	113,496	136,663
Waiver of rental	(78,974)	(197,338)
Interest income	15,788	(13,895)
Operating profit before working capital changes	2,901,793	1,960,792
Changes in working capital: -		
Decrease/(Increase) in receivables	(861,462)	14,858
Increase in amount owing by subsidiary	-	(447,445)
Increase/(Decrease) in payables	1,060,641	(645,164)
Cash generated from operations	3,100,972	883,041
Interest paid	(113,496)	(136,663)
Interest income	(15,788)	13,895
Tax paid	(26,196)	-
Tax refund	145,831	37,992
Net cash from operating activities	3,091,323	798,265
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(330,970)	(592,512)
Purchases of other investment	-	(155,000)
Net cash used in investing activities	(330,970)	(747,512)

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	30.06.2023	30.06.2022
	RM	RM
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from drawdown of HP loans	-	111,300
Repayment of term loan obligations	(343,993)	-
Repayment of HP loan	(46,124)	(202,723)
Payment of lease liabilities	(2,244,910)	476,919
Net cash used in financing activities	(2,635,027)	385,496
NET INCREASE IN CASH AND CASH EQUIVALENTS	125,326	436,249
CASH AND CASH EQUIVALENTS AT BEGINING OF PERIOD	623,721	187,472
CASH AND CASH EQUIVALENTS AT END OF PERIOD	749,047	623,721
Cash and cash equivalents at end of period consist of:		
Cash and bank balances	891,061	701,883
Bank overdraft	(142,014)	(78,162)
	749,047	623,721

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 2023

A1. BASIS OF PREPARATION

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 2023 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 2023 should be read in conjunction with the audited combined financial statements of the Group for the financial year ended 31 December 2022.

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 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.

PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR 30th JUNE 2023

A7. SEGMENTAL INFORMATION

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

	<u>6 months ended</u> <u>30/06/2023</u> RM	<u>6 months ended</u> <u>30/06/2022</u> RM
Car park operator and Jockey services	7,081,283	3,978,245
Management Consultancy	<u>392,769</u> <u>7,474,052</u>	<u>356,940</u> <u>4,335,185</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 report.

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 report.

A11. CAPITAL COMMITMENTS

Capital expenditure commitment as below: -

	As At 30/6/2023	As At 30/6/2022
Car park Contracted but 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 RM7.47 million for the 6 months period up to 30 June 2023 as compared to RM4.33 million for the previous 6 months period to 30 June 2022, a increase of 72.5%.

The Group incurred a profit before tax of RM0.448 million for the 6 months period up to 30 June 2023 as compared to loss before tax of RM0.224 million for the previous 6 months period to 30 June 2022.

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 and technology.

The intelligent platform will integrate the data across all aspects of the parking process thus, creating a more efficient data-driven payment process. 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.

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 is no corporate proposals during the year.

C2. BORROWINGS

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

	6 months ended 30.6.2023 RM	6 months ended 30.6.2022 RM
<u>Current liabilities</u>		
Secured		
Term loans	343,993	310,071
Overdraft	142,014	78,162
Hire purchase	<u>45,854</u>	<u>22,462</u>
Sub-total	<u>531,861</u>	<u>410,695</u>
<u>Non-current liabilities</u>		
Secured		
Term loans	1,990,461	2,651,857
Hire purchase	<u>267,083</u>	<u>210,583</u>
Sub-total	<u>2,257,544</u>	<u>2,862,440</u>
Total	<u>2,789,405</u>	<u>3,273,135</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

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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 25th October 2018, 18th November 2018 and 2nd 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 21/10/2015-25/5/2018 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

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

The hearing for assessment of damages is on 24th July 2023 and now fixed for oral arguments on 17th October 2023.

C4. DIVIDENDS

The Directors did not declare any interim dividend in respect of the financial year ending 31 December 2023.

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 30.06.2023	Audited 30.06.2022
Profit attributable to owners of the group (RM)	364,039	(224,814)
Weighted number of ordinary shares in issue	222,851,000	222,851,000
Basic earnings per share (sen)	0.16	(0.10)

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