

[Registration No.: 201701020066 (1234231-M)]

(Incorporated in Malaysia)

FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2020 ("HALF YEARLY FINANCIAL STATEMENTS")

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 RED IDEAS HOLDINGS 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 CONSIDERATION.

[Registration No.: 201701020066 (1234231-M)] (Incorporated in Malaysia)



UNAUDITED FINANCIAL STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2020

	Individual 6 months ended		Cummulative 6 months ended		
	Unaudited Current year 30/6/2020 RM'000	Audited Preceding year corresponding period 30/6/2019 RM'000	Unaudited Current year 30/6/2020 RM'000	Audited Preceding year corresponding period 30/6/2019 RM'000	
				NW 000	
REVENUE	1,798	1,416	1,798	1,416	
Cost of Sales	(846)	(698)	(846)	(698)	
GROSS PROFIT	952	718	952	718	
Other Operating Income	188	86	188	86	
Administrative expenses	(2,421)	(1,788)	(2,421)	(1,788)	
Finance expenses	(9)	-	(9)	-	
PROFIT (LOSS) BEFORE TAX	(1,290)	(984)	(1,290)	(984)	
Income Tax Expenses	-	-	-	-	
PROFIT (LOSS) FOR THE FINANCIAL PERIOD	(1,290)	(984)	(1,290)	(984)	
Other Comprehensive Income	(23)	(18)	(23)	(18)	
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	(1,313)	(1,002)	(1,313)	(1,002)	
PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO					
Owners of the Company	(1,290)	(984)	(1,290)	(984)	
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO					
Owners of the Company	(1,313)	(1,002)	(1,313)	(1,002)	
EARNING / (LOSS) PER ORDINARY SHARE (Sen)					
Basic	(1.23) @	(0.98) #	(1.23) @	(0.98) #	
Diluted	(1.23)	(0.98)	(1.23)	(0.98)	

@Total number of ordinary shares of 105,003,340 as at 30 June 2020 # Total number of ordinary shares of 100,003,340 as at 30 June 2019

The unaudited Condensed Consolidated Statement Income should be read in conjunction with the accompanying explanatory notes attached to the Half Yearly Financial Statements.

[Registration No.: 201701020066 (1234231-M)] (Incorporated in Malaysia)



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

ASSETS AS AT all/Razion problems of the Company State of Exercised properties of the Company State of Exercised properties of the Company State of Exercised problems of the Company State of Exercised problems of the Company State of Exercised problems of Exercised problems of the Company State of Exercised problems of Exercised prob		UNAUDITED		AUDITED
ASSETS Non-Current Assets 411 323 Property, plant and equipment 411 323 Intra gible Assets 2,482 2,566 Right of user* 3,074 2,910 Current Assets 126 164 Inventories 126 164 Other receivables, deposit and prepayments 443 499 Other receivables, deposit and prepayments 3,251 4,530 Other investments*** 3,251 4,530 Cash and Bank Balances 3,251 4,530 Cash and Bank Balances 4,776 6,161 Equity attributed to owners of the Company 4,776 6,161 Equity attributable to owners of the Company 1,553 1,553 Share Captall 1,653 1,553 1,650 Share Captall 1,653 1,650 2,00 Potacle Education 43 66 66 66 Redeemable Preference shares 2,00 7,520 66 66 66 66 66 66		30/6/2020		31/12/2019
Property, plant and equipment 411 323 Intrangible Assets* 2,482 2,366 Right of use** 181 221 Current Assets 126 164 Inventories 126 164 Trade receivables 443 499 Other receivables, deposit and prepayments 324 364 Other investments*** 3,251 4,630 Cash and Bank Balances 632 504 Cash and Bank Balances 4,776 6,161 TOTAL ASSETS 7,850 9,071 Equity Attributable to owners of the Company 4,776 6,161 Total ASSETS 11,653 11,653 11,653 Redeemable Preference Shares 2,200 2,200 2,200 Redeemable Preference Shares 2,200 2,200 2,200 Redeemable Preference Shares 1,665 2,66 2,66 Retained Earnings 7,950 6,650 2,750 Tomationing interest - - - Tomationing interest	ASSETS			
Intangible Assets 2,482 2,366 Right of use** 151 271 Current Assets	Non-Current Assets			
Right of use** 181 2.21 Current Assets 2.00 Invent Orise 126 164 Trade receivables 443 499 Other receivables, deposit and prepayments 324 368 Other investments*** 3.251 4,630 Cash and Bank Balances 662 504 Cash and Bank Balances	Property, plant and equipment	41	1	323
Current Assets 3,074 2,910 Inventories 126 164 Trade receivables 433 499 Other receivables, deposit and prepayments 324 364 Other investments*** 3,251 4,630 Cash and Bank Balances 632 504 Cash and Bank Balances 6,161 10 TOTAL ASSETS 7,850 9,071 EQUITY AND LIABILITIES Equity attributable to owners of the Company Share Capital Ordinary Shares**** 11,653 11,653 Redeemable Preference Shares 2,200 2,200 Redeemable Preference Shares 2,200 2,200 Reger reserve 2,66 2,66 Reger reserve 2,66 2,66 Reger reserve 6,207 7,520 SHAREHOLDERS' EQUITY Non-controlling interest - - TOTAL EQUITY 6,207 7,520 Lasse Payable 198 137 Lease Payables<	Intangible Assets	2,48	2	2,366
Current Assets 1 16	Right of use**		_	
Inventories 126 164 Trade receivables, deposit and prepayments 324 364 Other receivables, deposit and prepayments 3251 4,630 Other investments*** 3,251 4,630 Cash and Bank Balances 632 504 TOTAL ASSETS 7,850 9,071 EQUITY AND LIABILITIES Equity attributable to owners of the Company Share Capital 11,653 11,653 Ordinary Shares**** 11,653 11,653 Redeemable Preference Shares 2,200 2,200 Translation reserve 266 266 Retained Earnings (7,955) (6,665) Retained Earnings (7,955) (6,665) Retained Earnings 5,20 7,520 SHAREHOLDERS' EQUITY Non-controlling interest 5 - TOTAL EQUITY 6,207 7,520 Lase Payable 198 137 Lease Payable 198 137 Current Liabilities 12		3,07	4	2,910
Trade receivables 443 499 Other receivables, deposit and prepayments 324 364 Other investments*** 3,251 4,630 Cash and Bank Balances 632 504 TOTAL ASSETS 7,850 9,071 EQUITY AND LIABILITIES EQUITY AND LIABILITIES EQUITY AND LIABILITIES Stage demable Preference Shares 2,200 2,200 Ordinary Shares**** 11,653 11,653 Redeemable Preference Shares 43 66 Redeemable Preference Shares 43 6 Redeemable Preference Shares 6,207 7,520 Read and Equity 46 266 Retailed Earnings 6,207 7,520 SHAREHOLDERS' EQUITY Non-controlling interest 5 - TOTAL EQUITY 5 17 Non-Current Liabilities Lease Payable 198 137 Current Liabilities 148 86 Other payables and acc				
Other receivables, deposit and prepayments 324 364 Other investments*** 3,251 4,630 Cash and Bank Balances 632 504 Cash and Bank Balances 4,776 6,161 TOTAL ASSETS 7,850 9,071 EQUITY AND LIABILITIES Teguity attributable to owners of the Company 500 2,000				
Other investments*** 3,251 4,630 Cash and Bank Balances 632 504 TOTAL ASSETS 7,850 9,071 EQUITY AND LIABILITIES Equity attributable to owners of the Company Share Capital Ordinary Shares**** 11,653 11,653 Redeemable Preference Shares 2,200 2,200 Redeemable Preference Shares 2,66 266 Redeigher reserve 266 266 Retained Earnings (7,955) (6,665) Retained Earnings (7,950) 7,520 SHAREHOLDERS' EQUITY Non-controlling interest 5 5 TOTAL EQUITY 6,207 7,520 LIABILITIES Non-Current Liabilities Lease Payable 198 137 Current Liabilities 148 86 Chiter payables and accruals 419 404 Lease payable 52 93 Provisions 12 2				
Cash and Bank Balances 632 504 TOTAL ASSETS 4,776 6,161 EQUITY AND LIABILITIES EQUITY AND LIABILITIES Sequity attributable to owners of the Company Share Capital Share Says Ordinary Shares*** 11,653 11,653 Redeemable Preference Shares 2,200 2,200 Translation reserve 43 66 Merger reserve 266 266 Retained Earnings (7,955) (6,665) Retained Earnings 7,520 7,520 SHAREHOLDERS' EQUITY 5 - Non-controlling interest - - TOTAL EQUITY 6,207 7,520 LIABILITIES 198 137 Current Liabilities 198 137 Current Liabilities 198 137 Trade payables and accruals 449 404 Lease payable 52 93 Provisions 12 24 Deferred income 814 80 <				
TOTAL ASSETS 4,776 6,161 EQUITY AND LIABILITIES Equity attributable to owners of the Company Share Capital Ordinary Shares**** 11,653 11,653 Redeemable Preference Shares 2,200 2,200 Redeemable Preference Shares 2,666 266 Merger reserve 266 266 Retained Earnings (7,955) (6,665) Non-controlling interest - - TOTAL EQUITY 6,207 7,520 LIABILITIES 198 137 Non-Current Liabilities 198 137 Current Liabilities 198 137 Trade payables 198 137 Other payables and accruals 419 404 Lease payable 52 93 Provisions 12 24 Deferred income 314 80 Deferred income 314 80 Ease payable 52 93 Provisions 1,245 1,414 <		· · · · · · · · · · · · · · · · · · ·		•
TOTAL ASSETS 7,850 9,071 EQUITY AND LIABILITIES Equity attributable to owners of the Company Share Capital 11,653 11,653 Ordinary Shares**** 11,653 11,653 Redeemable Preference Shares 2,200 2,200 Translation reserve 43 66 Merger reserve 266 266 Retained Earnings 6,207 7,520 SHAREHOLDERS' EQUITY Non-controlling interest - - - TOTAL EQUITY 6,207 7,520 LIABILITIES Non-Current Liabilities 198 137 Lease Payable 198 137 Current Liabilities 198 137 Lage payables 198 137 Current Liabilities 198 137 Under the Liabilities 198 137 Lease payable 198 137 Other payables and accruals 419 404 Lease payable 29 3	Cash and Bank Balances		_	
EQUITY AND LIABILITIES Equity attributable to owners of the Company Equity attributable to owners of the Company Share Capital 11,653 11,653 Ordinary Shares**** 2,200 2,200 Redeemable Preference Shares 2,200 2,200 Translation reserve 43 66 Merger reserve 266 266 Retained Earnings (7,955) (6,665) SHAREHOLDERS' EQUITY 5,207 7,520 SHAREHOLDERS' EQUITY 6,207 7,520 TOTAL EQUITY 6,207 7,520 LIABILITIES Non-Current Liabilities 198 137 Lease Payable 198 137 Current Liabilities 148 86 Other payables and accruals 149 404 Lease payable 52 93 Provisions 12 24 Deferred income 814 807 TOTAL LIABILITIES 7,850 9,071		4,77	<u> </u>	6,161
Equity attributable to owners of the Company Share Capital 11,653 11,653 11,653 11,653 11,653 11,653 11,653 11,653 11,653 11,653 12,000 2,200 2,200 2,200 12,000	TOTAL ASSETS	7,85	0	9,071
Redeemable Preference Shares 2,200 2,200 Translation reserve 43 66 Merger reserve 266 266 Retained Earnings (7,955) (6,665) SHAREHOLDERS' EQUITY - - Non-controlling interest - - TOTAL EQUITY 6,207 7,520 LABILITIES - - Non-Current Liabilities - 198 137 Current Liabilities - 198 137 Trade payables 148 86 Other payables and accruals 419 404 Lease payable 52 93 Provisions 12 24 Deferred income 814 80 TOTAL LIABILITIES 1,445 1,414 TOTAL LIABILITIES 7,850 9,071	Equity attributable to owners of the Company			
Translation reserve 43 66 Merger reserve 266 266 Retained Earnings (7,955) (6,665) SHAREHOLDERS' EQUITY Non-controlling interest - - TOTAL EQUITY 6,207 7,520 LIABILITIES Non-Current Liabilities 8 198 137 Lease Payable 198 137 137 Current Liabilities 198 137 Trade payables and accruals 419 404 Lease payable 52 93 Provisions 12 24 Deferred income 814 807 TOTAL LIABILITIES 1,643 1,551 TOTAL EQUITY AND LIABILITIES 7,850 9,071	Ordinary Shares****	11,65	3	11,653
Merger reserve 266 266 Retained Earnings (7,955) (6,665) SHAREHOLDERS' EQUITY 6,207 7,520 Non-controlling interest - - TOTAL EQUITY 6,207 7,520 LABILITIES - - Non-Current Liabilities 198 137 Lease Payable 198 137 Trade payables 148 86 Other payables and accruals 419 404 Lease payable 52 93 Provisions 12 24 Deferred income 814 80 TOTAL LIABILITIES 1,445 1,414 TOTAL LIABILITIES 7,850 9,071				
Retained Earnings (7,955) (6,665) 5HAREHOLDERS' EQUITY - - Non-controlling interest - - TOTAL EQUITY 6,207 7,520 LIABILITIES - - Non-Current Liabilities 198 137 Lease Payable 198 137 Current Liabilities 148 86 Other payables and accruals 419 404 Lease payable 52 93 Provisions 12 24 Deferred income 814 807 TOTAL LIABILITIES 1,643 1,551 TOTAL EQUITY AND LIABILITIES 7,850 9,071	Translation reserve			
SHAREHOLDERS' EQUITY Non-controlling interest - - TOTAL EQUITY 6,207 7,520 LIABILITIES Non-Current Liabilities Lease Payable 198 137 Current Liabilities Trade payables 148 86 Other payables and accruals 419 404 Lease payable 52 93 Provisions 12 24 Deferred income 814 807 TOTAL LIABILITIES 1,643 1,551 TOTAL EQUITY AND LIABILITIES 7,850 9,071				
SHAREHOLDERS' EQUITY Non-controlling interest -	Retained Earnings			
Non-controlling interest - - TOTAL EQUITY 6,207 7,520 LIABILITIES Non-Current Liabilities Lease Payable 198 137 Current Liabilities Trade payables 148 86 Other payables and accruals 419 404 Lease payable 52 93 Provisions 12 24 Deferred income 814 807 TOTAL LIABILITIES 1,643 1,551 TOTAL EQUITY AND LIABILITIES 7,850 9,071		6,20	7	7,520
TOTAL EQUITY 6,207 7,520 LIABILITIES Non-Current Liabilities Lease Payable 198 137 Current Liabilities Trade payables 148 86 Other payables and accruals 419 404 Lease payable 52 93 Provisions 12 24 Deferred income 814 807 TOTAL LIABILITIES 1,643 1,551 TOTAL EQUITY AND LIABILITIES 7,850 9,071		_		_
LIABILITIES Non-Current Liabilities 198 137 Lease Payable 198 137 Current Liabilities Trade payables 148 86 Other payables and accruals 419 404 Lease payable 52 93 Provisions 12 24 Deferred income 814 807 TOTAL LIABILITIES 1,643 1,551 TOTAL EQUITY AND LIABILITIES 7,850 9,071		6.20		7 520
Non-Current Liabilities Lease Payable 198 137 Current Liabilities Trade payables 148 86 Other payables and accruals 419 404 Lease payable 52 93 Provisions 12 24 Deferred income 814 807 TOTAL LIABILITIES 1,643 1,551 TOTAL EQUITY AND LIABILITIES 7,850 9,071		0,20	<u>_</u>	7,320
Lease Payable 198 137 Current Liabilities Trade payables Other payables and accruals 148 86 Other payables and accruals 419 404 Lease payable 52 93 Provisions 12 24 Deferred income 814 807 TOTAL LIABILITIES 1,643 1,551 TOTAL EQUITY AND LIABILITIES 7,850 9,071				
Current Liabilities 198 137 Trade payables 148 86 Other payables and accruals 419 404 Lease payable 52 93 Provisions 12 24 Deferred income 814 807 TOTAL LIABILITIES 1,643 1,551 TOTAL EQUITY AND LIABILITIES 7,850 9,071		19	R	137
Current Liabilities Trade payables 148 86 Other payables and accruals 419 404 Lease payable 52 93 Provisions 12 24 Deferred income 814 807 TOTAL LIABILITIES 1,643 1,551 TOTAL EQUITY AND LIABILITIES 7,850 9,071	Lease i ayabic		_	
Trade payables 148 86 Other payables and accruals 419 404 Lease payable 52 93 Provisions 12 24 Deferred income 814 807 TOTAL LIABILITIES 1,643 1,551 TOTAL EQUITY AND LIABILITIES 7,850 9,071	Current Liabilities		-	107
Other payables and accruals 419 404 Lease payable 52 93 Provisions 12 24 Deferred income 814 807 TOTAL LIABILITIES 1,643 1,551 TOTAL EQUITY AND LIABILITIES 7,850 9,071		14	8	86
Lease payable 52 93 Provisions 12 24 Deferred income 814 807 TOTAL LIABILITIES 1,643 1,551 TOTAL EQUITY AND LIABILITIES 7,850 9,071	···			
Provisions 12 24 Deferred income 814 807 TOTAL LIABILITIES 1,445 1,414 TOTAL EQUITY AND LIABILITIES 7,850 9,071				
TOTAL LIABILITIES 1,445 1,414 TOTAL EQUITY AND LIABILITIES 1,643 1,551	• •	1:	2	24
TOTAL LIABILITIES 1,643 1,551 TOTAL EQUITY AND LIABILITIES 7,850 9,071	Deferred income	81	4	807
TOTAL EQUITY AND LIABILITIES 7,850 9,071		1,44	5	1,414
	TOTAL LIABILITIES	1,64	3	1,551
NET ASSETS PER ORDINARY SHARE (RM) @ 0.04 # 0.05	TOTAL EQUITY AND LIABILITIES	7,85	0	9,071
	NET ASSETS PER ORDINARY SHARE (RM)	@ 0.0	4 #	0.05

^{**}Lease asset - Rental of office in accordance latest MFRS 16 Leases

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes attached to the Half Yearly Financial Statements.

^{***}Money market fund investment.

^{****}Position as at 31 December 2019 takes into account net investment proceeds from investor amounting to approximately RM 3.94 millions @Total number of ordinary shares of 105,003,340 as at 30 June 2020

[#] Total number of ordinary shares of 105,003,340 as at 31 December 2019

[Registration No.: 201701020066 (1234231-M)]

(Incorporated in Malaysia)

Balance as at 30.06.2020



6,207

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FIRST HALF YEARLY ENDED 30 JUNE 2020

ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT ENTITY

266

(7,955)

	•	Non-distributable		Distributable		
	SHARE CAPITAL	REDEEMABLE PREFERENCE SHARES	TRANSLATION RESERVE	MERGER RESERVE	RETAINED EARNINGS	TOTAL EQUITY
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Restated balance as at 31.12.2018/01.01.2019*	7,714	2,200	70	266	(4,468)	5,782
New ordinary shares subscription	3,939	-	-	-	-	3,939
Profit/(Loss) of the financial year	-	-	(4)	-	(2,197)	(2,201)
Balance as at 31.12.2019/01.01.2020**	11,653	2,200	66	266	(6,665)	7,520
Profit/(Loss) of the financial year	-	-	(23)	-	(1,290)	(1,313)

2,200

43

11,653

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes attached to the Half Yearly Financial Statements.

^{*}Restated as a result of prior year adjustments made in respect of errors in accounting treatment for business combination in the previous accounting periods

^{**}Audited financial statements of financial position as at 31 December 2019

[Registration No.: 201701020066 (1234231-M)] (Incorporated in Malaysia)



UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FIRST HALF YEARLY ENDED 30 JUNE 2020

	(Unaudited)	(Audited) Preceding year corresponding period	
	Current year		
	30/6/2020 RM'000	30/6/2019 RM'000	
CASH FLOWS FROM OPERATING ACTIVITIES		()	
Profit / (Loss) before income tax	(1,290)	(984)	
Adjustments for	252	200	
Amortisation of Intangible Assets	352	308	
Allowance for expected credit losses	51	22	
Depreciation of Plant and Equipment & Right of Use Assets	148	126	
Inventories written off	-	-	
Plant and equipment written off	-	-	
Intangible assets written off	35	55	
Provision for warranty cost	(7)	(15)	
Changes in fair value of other investment Gain on investment	(56)	(18)	
	(66)	- (16)	
Unrealized nett loss on foreign exchange	(22)	(16)	
Income distributed from financial assets at fair value through profit or loss Interest expense on lease liabilities paid	9	(62) 13	
Interest income	9	13	
Operating profit / (loss) before working capital changes	(846)	(571)	
Operating profit / (1035) before working capital changes	(840)	(371)	
Change in working capital			
Inventories	39	2	
Trade and other receivables	44	128	
Trade and other payables	77	(65)	
Contract liability	6	218	
Provision	(4)	(7)	
Cash generated from / (used in) operations	162	276	
Net cash generated from / (used in) operating activities		(295)	
Cash flows from investing activities			
Purchase of intangible assets	(504)	(352)	
Purchase of plant and equipment	(129)	(66)	
Held for trading investment	(500)	-	
Disposal of investment	2,000	900	
Net cash used in investing activities	867	482	
Cash flows from financing activities			
Advances from/(to) directors	1	-	
Interest received	-	1	
Net proceed from new ordinary shares subscription	-	-	
Repayments of lease liabilities	(56)	(55)	
Net cash generated from / (used in) financing activities	(55)	(54)	
Net increase / (decrease) in cash and cash equivalents	128	133	
Effect of exchange translation differences on cash and cash equivalents	-	-	
Cash and cash equivalent at the beginning of the financial period	504	234	
Cash and cash equivalents at the end of the financial period	632	367	

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes attached to the Half Yearly Financial Statements.



EXPLANATORY NOTES TO THE UNAUDITED 1st HALF YEARLY FINANCIAL REPORTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

A1. BASIS OF PREPARATION

The interim financial Statements of Red Ideas Holdings Berhad and its subsidiaries (the "Group") are unaudited and have been prepared in accordance with the requirements of the Malaysian Financial Reporting Standards ("MFRS") 134: Interim Financial Reporting and Paragraph 6.12 of the Leap Market's Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

This is the first half yearly interim report six (6) months period ended 30 June 2020 under review for the Group's financial year ending 31 December 2020.

The interim financial statements should be read in conjunction with the latest set of audited financial statement as at 31 December 2019 and its accompanying explanatory notes attached to this interim half yearly report.

A2. CHANGES IN ACCOUNTING POLICIES

At the date of authorization of the unaudited 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 2019.

The following standards relevant to the Group that are issued up to the date of the issuance of the half yearly result adopted by the Group are as follow:-

MFRS 9	Effective: 1 January 2018
Financial Instruments (IFRS as issued by IASB in July 2014)	
MFRS 15	Effective: 1 January 2018
Revenue from Contracts with Customers	
MFRS 16	Effective: 1 January 2019
Leases	
Amendments to MFRS 3	Effective: 1 January 2020
Definition of a Business	
Amendments to MFRS 9, MFRS 139 and MFRS 7	Effective: 1 January 2020
Interest Rate Benchmark Reform	
Amendments to MFRS 101	Effective: 1 January 2020
Definition of Material	
Amendments to MFRS 108 Accounting Policies	Effective: 1 January 2020
Definition of Material	

Α



The following standards relevant to the Group that are issued up to the date of the issuance of the half yearly result but have not been adopted by the Group are as follow:-

Amendment to MFRS 16	Effective : 1 June 2020
Covid-19-Related Rent Concessions	

A3. SEASONAL OR CYCLICAL FACTORS

The Group's operations were not affected by seasonal or cyclical factors for the current period under review.

A4. UNUSUAL ITEMS

There were no items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size or incidence for the current period under review.

A5. MATERIAL CHANGES IN ESTIMATES

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

A6. DEBT AND EQUITY SECURITIES

There was no other issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current period under review.

A7. SEGMENTAL INFORMATION

No reporting segment is presented as Group is predominantly in the business of community security services through mobile applications. The Group activities are predominantly in Malaysia and the oversea segment does not contribute more than 10% of the consolidated assets and liabilities. The Group does not have significant reliance on a single major customer, with whom the Group transacted 10% or more of its revenue during the financial period.

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

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

A9. CHANGES IN THE COMPOSITION OF THE GROUP

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



A10. CHANGES IN 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

There were no material capital commitments in respect of plant and equipment as at the end of the current financial period.

B. ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS

B1. REVIEW OF PERFORMANCE

During the six (6) months period ended 30 June 2020 under review, the Group recorded revenue of approximately RM 1.80 million with the loss before tax ("LBT") of approximately RM 1.29 million as compared to reported revenue of RM 1.42 million with the LBT of RM 0.98 million in corresponding half yearly results ended 30 June 2019.

The marginal increase of approximately RM 0.38 million in revenue is primarily attributable to lower acquisition number of communities/neighbourhood and service providers due to movement restriction amidst the lockdowns in Malaysia since 18 March 2020.

B2. PROSPECTS OF THE GROUP

The Group remains committed to continuously expanding its sales forces and to review the sale forces' commission scheme & marketing strategies to accelerate its customer/ community acquisition rate and the number of service providers.

There were no changes in the business direction of the Group which may have an impact on any for the 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.

B4. CORPORATE PROPOSALS

There were no corporate proposals during the current period under review.



B5. UTILISATION OF PROCEEDS

The status of the utilization of the private placement proceeds, RM 4 million are as follows:-

Purposes	Proposed Utilisation RM'000	Actual* Utilization RM'000	Balance of Proceeds RM'000	Estimated Timeframe for utilization upon listing
Research & Development	2,000	504	1,496	Within 24 months
General working capital	1,940	684	1,256	Within 24 months
Estimated placement expenses	60	60	-	Within 1 month
Total	4,000	1,248	2,752	

^{*}Utilisation as at 30.06.2020

B6. MATERIAL LITIGATION

The Directors do not have any knowledge of any proceedings pending or threatened against the Group as the date of this report.

B7. DIVIDEND PROPOSED

There were no dividends proposed by the Board of Directors of the Company for the current period under review.

B8. EARNINGS / (LOSS) PER SHARE

- (i) The basic earnings / (loss) per share for the current period as follow:(RM 1,290,000)/ 105,003,340 ordinary shares = (RM 0.0123)/Ordinary Share
- (ii) The basic earnings / (loss) per share for the preceding year corresponding period as follow :
 (RM 984,000)/ 100,003,340 ordinary shares = (RM 0.0098)/Ordinary Share.

By the order of the Board Red Ideas Holdings Berhad

Dato' Wee Hoe Soon @ Gooi Hoe Soon Chairman 25 August 2020