

# RED IDEAS

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## HOLDINGS BERHAD

### **RED IDEAS HOLDINGS BERHAD**

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

(Incorporated in Malaysia)

## **FINANCIAL STATEMENTS FOR THE SECOND HALF-YEAR ENDED 31 DECEMBER 2021 ("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.

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**SUMMARY OF KEY FINANCIAL INFORMATION**  
**31 DECEMBER 2021**

|  | Individual 6 months ended               |  | Cummulative 12 months ended        |  |
|--|---|--|------------------------------------|--|
|  | Current year                            | Preceding year<br>corresponding period | Current year                       | Preceding year<br>corresponding period |
|  | 31/12/2021                              | 31/12/2020                             | 31/12/2021                         | 31/12/2020                             |
|  | RM'000                                  | RM'000                                 | RM'000                             | RM'000                                 |
| 1 Revenue  | 2,308                                   | 2,105                                  | 4,362                              | 3,904                                  |
| 2 Profit/(loss) before tax   | (304)                                   | (1,423)                                | (983)                              | (2,716)                                |
| 3 Profit/(loss) for the period   | (304)                                   | (1,423)                                | (1,065)                            | (2,716)                                |
| 4 Basic earnings/(loss) per share (subunit) (Sen)                            | (0.29)                                  | (1.36)                                 | (1.01)                             | (2.59)                                 |
| 5 Proposed/declared dividend per share (subunit)                             | N/A                                     | N/A                                    | N/A                                | N/A                                    |
|  | As at End of Current Half Yearly Report |  | As at preceding financial year end |  |
| 6 Net assets per share attributable to ordinary equity holders of the parent |   | 0.01                                   |                                    | 0.02                                   |

|                           | Individual 6 months ended |  | Cummulative 12 months ended |  |
|---------------------------|---------------------------|--|-----------------------------|--|
|                           | Current year              | Preceding year<br>corresponding period | Current year                | Preceding year<br>corresponding period |
|                           | 31/12/2021                | 31/12/2020                             | 31/12/2021                  | 31/12/2020                             |
|                           | RM'000                    | RM'000                                 | RM'000                      | RM'000                                 |
| 1 Gross Interest Income   | -                         | -                                      | -                           | -                                      |
| 2 Gross Interest Expenses | (4)                       | (8)                                    | (11)                        | (17)                                   |

**RED IDEAS HOLDINGS BERHAD**

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**RED IDEAS**  
HOLDINGS BERHAD**UNAUDITED FINANCIAL STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31 DECEMBER 2021**

|  | Individual 6 months ended |   | Cummulative 12 months ended |   |
|--|---------------------------|---|-----------------------------|---|
|  | Unaudited                 | Audited                                   | Unaudited                   | Audited                                   |
|  | Current year              | Preceding year<br>corresponding<br>period | Current year                | Preceding year<br>corresponding<br>period |
|  | 31/12/2021                | 31/12/2020                                | 31/12/2021                  | 31/12/2020                                |
|  | RM'000                    | RM'000                                    | RM'000                      | RM'000                                    |
| <b>REVENUE</b>   | 2,308                     | 2,105                                     | 4,362                       | 3,904                                     |
| Cost of Sales  | (777)                     | (1,168)                                   | (1,532)                     | (2,015)                                   |
| <b>GROSS PROFIT</b>                                      | 1,530                     | 937                                       | 2,830                       | 1,890                                     |
| Other Operating Income                                   | 18                        | 91  | 71                          | 252                                       |
| Administrative expenses                                  | (1,848)                   | (2,444)                                   | (3,872)                     | (4,840)                                   |
| Finance expenses   | (4)                       | (8)                                       | (11)                        | (17)                                      |
| <b>PROFIT (LOSS) BEFORE TAX</b>                          | (304)                     | (1,423)                                   | (983)                       | (2,716)                                   |
| Income Tax Expenses                                      |                           | -   | (82)                        | -   |
| <b>PROFIT (LOSS) FOR THE FINANCIAL PERIOD</b>            | (304)                     | (1,423)                                   | (1,065)                     | (2,716)                                   |
| Other Comprehensive Income                               | 4                         | 24  | (32)                        | 2   |
| <b>TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD</b>  | <u>(301)</u>              | <u>(1,399)</u>                            | <u>(1,096)</u>              | <u>(2,713)</u>                            |
| <b>PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO</b>      |                           |   |                             |   |
| Owners of the Company                                    | <u>(304)</u>              | <u>(1,423)</u>                            | <u>(1,065)</u>              | <u>(2,716)</u>                            |
| <b>TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO</b> |                           |   |                             |   |
| Owners of the Company                                    | <u>(301)</u>              | <u>(1,399)</u>                            | <u>(1,096)</u>              | <u>(2,713)</u>                            |
| <b>EARNING / (LOSS) PER ORDINARY SHARE (Sen)</b>         |                           |   |                             |   |
| Basic  | <u>(0.29) @</u>           | <u>(1.36) #</u>                           | <u>(1.01) @</u>             | <u>(2.59) #</u>                           |
| Diluted  | <u>(0.29)</u>             | <u>(1.36)</u>                             | <u>(1.01)</u>               | <u>(2.59)</u>                             |

@Total number of ordinary shares of 105,003,340 as at 31 December 2021

# Total number of ordinary shares of 105,003,340 as at 31 December 2020

The Unaudited Condensed Consolidated Statement Income as at 31 December 2021 should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to this Unaudited Half Yearly Financial Statements.

**RED IDEAS HOLDINGS BERHAD**

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**RED IDEAS**  
HOLDINGS BERHAD**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021**

|   | UNAUDITED     | AUDITED       |
|---|---------------|---------------|
|   | AS AT         | AS AT         |
|   | 31/12/2021    | 31/12/2020    |
|   | RM'000        | RM'000        |
| <b>ASSETS</b>                                       |               |               |
| <b>Non-Current Assets</b>                           |               |               |
| Property, plant and equipment                       | 192           | 260           |
| Intangible Assets                                   | 2,292         | 2,418         |
| Right of use**                                      | 79            | 193           |
|   | <u>2,562</u>  | <u>2,871</u>  |
| <b>Current Assets</b>                               |               |               |
| Inventories   | 148           | 119           |
| Trade receivables                                   | 503           | 618           |
| Other receivables, deposit and prepayments          | 107           | 127           |
| Other investments***                                | 1,650         | 2,420         |
| Cash and Bank Balances                              | 323           | 459           |
|   | <u>2,731</u>  | <u>3,743</u>  |
| <b>TOTAL ASSETS</b>                                 | <u>5,293</u>  | <u>6,614</u>  |
| <b>EQUITY AND LIABILITIES</b>                       |               |               |
| <b>Equity attributable to owners of the Company</b> |               |               |
| Share Capital                                       |               |               |
| Ordinary Shares****                                 | 11,653        | 11,653        |
| Redeemable Preference Shares                        | 2,200         | 2,200         |
| Translation reserve                                 | 36            | 68            |
| Merger reserve                                      | 266           | 266           |
| Retained Earnings                                   | (10,445)      | (9,380)       |
|   | <u>3,710</u>  | <u>4,807</u>  |
| <b>SHAREHOLDERS' EQUITY</b>                         |               |               |
| Non-controlling interest                            | -             | -             |
| <b>TOTAL EQUITY</b>                                 | <u>3,710</u>  | <u>4,807</u>  |
| <b>LIABILITIES</b>                                  |               |               |
| <b>Non-Current Liabilities</b>                      |               |               |
| Lease Payable                                       | 34            | 83            |
|   | <u>34</u>     | <u>83</u>     |
| <b>Current Liabilities</b>                          |               |               |
| Trade payables                                      | 35            | 126           |
| Other payables and accruals                         | 342           | 469           |
| Lease payable                                       | 48            | 115           |
| Provisions  | 22            | 20            |
| Deferred income                                     | 1,100         | 994           |
|   | <u>1,548</u>  | <u>1,725</u>  |
| <b>TOTAL LIABILITIES</b>                            | <u>1,582</u>  | <u>1,807</u>  |
| <b>TOTAL EQUITY AND LIABILITIES</b>                 | <u>5,293</u>  | <u>6,614</u>  |
| <b>NET ASSETS PER ORDINARY SHARE (RM)</b>           | @ <u>0.01</u> | # <u>0.02</u> |

\*\*Lease asset - Rental of office in accordance latest MFRS 16 Leases

\*\*\*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 31 December 2021

# Total number of ordinary shares of 105,003,340 as at 31 December 2020

The Unaudited Condensed Consolidated Statement Income as at 31 December 2021 should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to this Unaudited Half Yearly Financial Statements.

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**RED IDEAS**  
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## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT ENTITY

← Non-distributable → Distributable

|   | SHARE CAPITAL | REDEEMABLE<br>PREFERENCE<br>SHARES | TRANSLATION<br>RESERVE | MERGER<br>RESERVE | RETAINED<br>EARNINGS | TOTAL EQUITY |
|---|---------------|------------------------------------|------------------------|-------------------|----------------------|--------------|
|   | RM'000        | RM'000                             | RM'000                 | RM'000            | RM'000               | RM'000       |
| Restated balance as at 31.12.2019/01.01.2020* | 11,653        | 2,200                              | 66                     | 266               | (6,664)              | 7,521        |
| New ordinary shares subscription              | -             | -                                  | -                      | -                 | -                    | -            |
| Profit/(Loss) of the financial year           | -             | -                                  | 2                      | -                 | (2,716)              | (2,714)      |
| Balance as at 31.12.2020/01.01.2021**         | 11,653        | 2,200                              | 68                     | 266               | (9,380)              | 4,807        |
| Profit/(Loss) of the financial year           | -             | -                                  | (32)                   | -                 | (1,066)              | (1,097)      |
| Balance as at 31.12.2021                      | 11,653        | 2,200                              | 36                     | 266               | (10,446)             | 3,710        |

\*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 2020

The Unaudited Condensed Consolidated Statement Income as at 31 December 2021 should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to this Unaudited Half Yearly Financial Statements.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
 FOR THE YEAR ENDED 31 DECEMBER 2021**

|   | (Unaudited)  | (Audited)                              |
|---|--------------|--|
|   | Current year | Preceding year<br>corresponding period |
|   | 31/12/2021   | 31/12/2020                             |
|   | RM'000       | RM'000                                 |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                   |              |  |
| Profit / (Loss) before income tax   | (929)        | (2,716)                                |
| Adjustments for   |              |  |
| Amortisation of Intangible Assets   | 915          | 762                                    |
| Allowance for expected credit losses  | (47)         | 37                                     |
| Depreciation of Plant and Equipment & Right of Use Assets                     | 226          | 315                                    |
| Bad Debt write off  | 45           | -                                      |
| Inventories written off   | -            | -                                      |
| Plant and equipment written off   | -            | -                                      |
| Intangible assets written off   | -            | 35                                     |
| Provision for warranty cost   | (3)          | 2                                      |
| Changes in fair value of other investment                                     | 24           | (141)                                  |
| Gain on investment  | (53)         | (50)                                   |
| Gain on Foreign Exchange  | (96)         | -                                      |
| Unrealized nett loss on foreign exchange                                      | 13           | 2                                      |
| Income distributed from financial assets at fair value through profit or loss | -            | -                                      |
| Income Tax Paid   | (75)         | -                                      |
| Interest expense on lease liabilities paid                                    | 11           | 17                                     |
| Interest income   | -            | -                                      |
| Operating profit / (loss) before working capital changes                      | <u>30</u>    | <u>(1,735)</u>                         |
| Change in working capital   |              |  |
| Inventories   | (29)         | 45                                     |
| Trade and other receivables   | 137          | 81                                     |
| Trade and other payables  | (219)        | 106                                    |
| Contract liability  | 108          | 186                                    |
| Provision   | (2)          | (6)                                    |
| Cash generated from / (used in) operations                                    | <u>(5)</u>   | <u>413</u>                             |
| <b>Net cash generated from / (used in) operating activities</b>               | <u>24</u>    | <u>(1,322)</u>                         |
| <b>Cash flows from investing activities</b>                                   |              |  |
| Purchase of intangible assets   | (788)        | (850)                                  |
| Purchase of plant and equipment & right of use                                | (44)         | (156)                                  |
| Held for trading investment   | -            | (500)                                  |
| Disposal of investment  | 800          | 2,900                                  |
| Net cash used in investing activities   | <u>(32)</u>  | <u>1,393</u>                           |
| <b>Cash flows from financing activities</b>                                   |              |  |
| Advances from/(to) directors  | -            | (0)                                    |
| Interest received / (paid)  | -            | -                                      |
| Net proceed from new ordinary shares subscription                             | -            | -                                      |
| Repayments of lease liabilities   | (126)        | (115)                                  |
| Net cash generated from / (used in) financing activities                      | <u>(126)</u> | <u>(115)</u>                           |
| Net increase / (decrease) in cash and cash equivalents                        | (134)        | (44)                                   |
| Effect of exchange translation differences on cash and cash equivalents       | (1)          | (0)                                    |
| Cash and cash equivalent at the beginning of the financial period             | <u>459</u>   | <u>504</u>                             |
| Cash and cash equivalents at the end of the financial period                  | <u>323</u>   | <u>459</u>                             |

The Unaudited Condensed Consolidated Statement Income as at 31 December 2021 should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to this Unaudited Half Yearly Financial Statements.

|    |   |
|----|---|
| A. | EXPLANATORY NOTES TO THE UNAUDITED 2 <sup>ND</sup> HALF YEARLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021 |
|----|---|

**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 second half yearly interim report six (6) months period ended 31 December 2021 under review for the Group’s financial year ended 31 December 2021.

The interim financial statements should be read in conjunction with the latest set of audited financial statement as at 31 December 2020 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 financial statement, the accounting policies adopted are consistent with those disclosed in the latest set of audited financial statement as at 31 December 2020.

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:-

|   |                            |
|---|----------------------------|
| Amendment to MFRS 16 Leases<br><i>Covid-19-Related Rent Concessions</i>                                       | Effective : 1 June 2020    |
| Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16<br><i>Interest Rate Benchmark Reform – Phase 2</i> | Effective : 1 January 2021 |

The adoption of the above did not have any material effect on the financial performance or position of the Group.

The Group has not applied in advance the new Standards, amendments to published standards and IC interpretations that have been issued by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective.

**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 financial period under review.

**A5. MATERIAL CHANGES IN ESTIMATES**

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

**A6. DEBT AND EQUITY SECURITIES**

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

**A7. SEGMENTAL INFORMATION**

No reporting segment is presented as the Group is predominantly in the business of community security services through mobile applications. The Group activities are predominantly in Malaysia and the international 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 current financial period under review.

**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 under review.

**A9. CHANGES IN THE COMPOSITION OF THE GROUP**

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

**A10. CHANGES IN CONTINGENT ASSETS AND CONTINGENT LIABILITIES**

There were no contingent assets and contingent liabilities as at the date of 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 under review.

|           |   |
|-----------|---|
| <b>B.</b> | <b>ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS</b> |
|-----------|---|

#### **B1. REVIEW OF PERFORMANCE**

During the six (6) months period ended 31 December 2021 under review, the Group has recorded the revenue of approximately RM 2.308 million with the loss before tax (“LBT”) of approximately RM 0.304 million as compared to the reported revenue of RM 2.105 million with the LBT of RM 1.423 million in the corresponding Half Yearly Report on Consolidated Results for the financial period ended 31 December 2020.

The increase of approximately RM 0.202 million in revenue was primarily attributable to:

- I. Increase number of total communities/neighbourhood and service providers; and
- II. Increase in the revenue contribution from the up-selling of products to existing site; and
- III. Increase in Partnership performance for the period.

For the year-to-date period ended 31 December 2021, the Group recorded a revenue of RM 4.362 million with the LBT of RM 0.983 million as compared to the reported revenue of RM 3.904 million with the LBT of RM 2.716 million in the corresponding period. The increase of approximately RM 0.458 million in revenue was primarily attributable to the same reasons above.

#### **B2. PROSPECTS OF THE GROUP**

The business environment remains challenging and uncertain as the COVID-19 pandemic continues adversely affecting the economies both locally and globally. During the period, the Group has been continuously looking for opportunities to expand the Group’s products and services as well as improve its internal operations, with the goal of enhancing the Group’s earnings and improving its financial performance.

Despite being in lockdown for the majority of the second half of 2021, the Group managed to post an increase in revenue as well as a decrease in losses for the said period. Going forward the Group remains committed to its core business strategy and prioritizes product development and continuous product enhancement. This is especially true as the market for digitized solutions in property management remains in demand, especially as highlighted by the COVID-19 pandemic.

The Group has taken action and will continue to monitor the impact of COVID-19 pandemic on its operations and financial performance. It will also take appropriate and timely measures to minimise the impact of the outbreak on the Group's performance.

**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 financial period under review.

**B5. UTILISATION OF PROCEEDS**

The status of the utilisation of the private placement's proceeds, RM 4.00 million are as follows: -

| Purposes                   | Proposed Utilisation<br>RM'000 | Actual Utilisation*<br>RM'000 | Balance of Proceeds<br>RM'000 | Estimated Timeframe<br>for Utilisation upon<br>placement |
|----------------------------|--------------------------------|-------------------------------|-------------------------------|--|
| Research & Development     | 2,000                          | 1,638                         | 362                           | Within 24 months   |
| General working capital    | 1,940                          | 1,940                         | -                             | Within 24 months   |
| Estimated listing expenses | 60                             | 60                            | -                             | Within 1 month   |
| <b>Total</b>               | <b>4,000</b>                   | <b>3,638</b>                  | <b>362</b>                    |  |

*Note:*

*\*Utilisation as at 31.12.2021*

**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 financial period under review.

**B8. EARNINGS / (LOSS) PER SHARE**

- (i) The basic earnings / (loss) per share for the current financial period under review as follows :-  
 $(RM\ 304,000) / 105,003,340\ \text{ordinary shares} = (RM\ 0.0029) / \text{Ordinary Share}$
- (ii) The basic earnings / (loss) per share for the preceding year corresponding period as follows :-  
 $(RM\ 1,423,000) / 105,003,340\ \text{ordinary shares} = (RM\ 0.0136) / \text{Ordinary Share}$

By the order of the Board  
**Red Ideas Holdings Berhad**

Dato' Wee Hoe Soon @ Gooi Hoe Soon  
Chairman  
Date : 23 February 2022