

RED IDEAS

HOLDINGS BERHAD

RED IDEAS HOLDINGS BERHAD

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

(Incorporated in Malaysia)

FINANCIAL STATEMENTS FOR THE SECOND HALF-YEAR ENDED 31 DECEMBER 2022 ("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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RED IDEAS
HOLDINGS BERHAD**SUMMARY OF KEY FINANCIAL INFORMATION**
31 DECEMBER 2022

	Individual 6 months ended		Cummulative 12 months ended	
	Current year	Preceding year corresponding period	Current year	Preceding year corresponding period
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	RM'000	RM'000	RM'000	RM'000
1 Revenue	2,445	2,308	4,736	4,362
2 Profit/(loss) before tax	(175)	(304)	(737)	(987)
3 Profit/(loss) for the period	(283)	(304)	(845)	(1,065)
4 Basic earnings/(loss) per share (subunit) (Sen)	(0.27)	(0.29)	(0.80)	(1.01)
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	0.01

	Individual 6 months ended		Cummulative 12 months ended	
	Current year	Preceding year corresponding period	Current year	Preceding year corresponding period
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	RM'000	RM'000	RM'000	RM'000
1 Gross Interest Income	-	-	-	-
2 Gross Interest Expenses	(9)	(4)	(12)	(11)

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RED IDEAS
HOLDINGS BERHAD**UNAUDITED FINANCIAL STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2022**

	Individual 6 months ended		Cumulative 12 months ended	
	Unaudited	Audited	Unaudited	Audited
	Current year	Preceding year corresponding period	Current year	Preceding year corresponding period
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	RM'000	RM'000	RM'000	RM'000
REVENUE	2,445	2,308	4,736	4,362
Cost of Sales	(842)	(777)	(1,635)	(1,532)
GROSS PROFIT	1,603	1,530	3,101	2,830
Other Operating Income	32	18	32	154
Administrative expenses	(1,801)	(1,848)	(3,857)	(3,960)
Finance expenses	(9)	(4)	(12)	(11)
PROFIT (LOSS) BEFORE TAX	(175)	(304)	(737)	(987)
Income Tax Expenses	(108)	-	(108)	(78)
PROFIT (LOSS) FOR THE FINANCIAL PERIOD	(283)	(304)	(845)	(1,065)
Other Comprehensive Income	10	4	19	(32)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	(273)	(301)	(826)	(1,096)
PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO				
Owners of the Company	(283)	(304)	(845)	(1,065)
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO				
Owners of the Company	(273)	(301)	(826)	(1,096)
EARNING / (LOSS) PER ORDINARY SHARE (Sen)				
Basic	(0.27) @	(0.29) #	(0.80) @	(1.01) #
Diluted	(0.27)	(0.29)	(0.80)	(1.01)

@Total number of ordinary shares of 105,003,340 as at 31 December 2022

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

The Unaudited Condensed Consolidated Statement of Comprehensive Income as at 31 December 2022 should be read in conjunction with the Audited Financial Statements of the Group for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to this Unaudited Half Yearly Financial Statements.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	UNAUDITED	AUDITED
	AS AT	AS AT
	31/12/2022	31/12/2021
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	131	192
Intangible Assets	2,214	2,292
Right of use**	165	79
	<u>2,510</u>	<u>2,562</u>
Current Assets		
Inventories	126	148
Trade receivables	468	503
Other receivables, deposit and prepayments	145	107
Other investments***	1,327	1,650
Cash and Bank Balances	582	323
	<u>2,648</u>	<u>2,731</u>
TOTAL ASSETS	<u><u>5,158</u></u>	<u><u>5,293</u></u>
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
Translation reserve	55	36
Merger reserve	266	266
Retained Earnings	(11,290)	(10,445)
	<u>2,884</u>	<u>3,710</u>
SHAREHOLDERS' EQUITY		
Non-controlling interest	-	-
TOTAL EQUITY	<u>2,884</u>	<u>3,710</u>
LIABILITIES		
Non-Current Liabilities		
Lease Payable	58	34
	<u>58</u>	<u>34</u>
Current Liabilities		
Trade payables	35	35
Other payables and accruals	424	342
Lease payable	114	48
Provisions	150	22
Deferred income	1,494	1,100
	<u>2,217</u>	<u>1,548</u>
TOTAL LIABILITIES	<u>2,274</u>	<u>1,582</u>
TOTAL EQUITY AND LIABILITIES	<u><u>5,158</u></u>	<u><u>5,293</u></u>
NET ASSETS PER ORDINARY SHARE (RM)	<u><u>@ 0.01</u></u>	<u><u># 0.01</u></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 2022

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

The Unaudited Condensed Consolidated Statement of Financial Position as at 31 December 2022 should be read in conjunction with the Audited Financial Statements of the Group for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to this Unaudited Half Yearly Financial Statements.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT ENTITY

← 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 31.12.2020/01.01.2021*	11,653	2,200	68	266	(9,380)	4,807
New ordinary shares subscription	-	-	-	-	-	-
Profit/(Loss) of the financial year	-	-	(32)	-	(1,065)	(1,096)
Balance as at 31.12.2021/01.01.2022**	11,653	2,200	36	266	(10,445)	3,711
Profit/(Loss) of the financial year	-	-	19	-	(845)	(826)
Balance as at 31.12.2022	11,653	2,200	55	266	(11,291)	2,884

*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 2021

The Unaudited Condensed Consolidated Statement of Changes in Equity as at 31 December 2022 should be read in conjunction with the Audited Financial Statements of the Group for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to this Unaudited Half Yearly Financial Statements.

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RED IDEAS
HOLDINGS BERHAD**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	(Unaudited)	(Audited)
	Current year	Preceding year corresponding period
	31/12/2022	31/12/2021
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before income tax	(737)	(987)
Adjustments for		
Amortisation of Intangible Assets	894	915
Allowance for expected credit losses	(74)	(47)
Depreciation of Plant and Equipment & Right of Use Assets	215	237
Provision for warranty cost	21	(3)
Changes in fair value of other investment	(2)	24
Gain on investment	(26)	(53)
Unrealized nett loss on foreign exchange	(20)	13
Income Tax Paid	10	(71)
Interest expense on lease liabilities paid	12	11
Operating profit / (loss) before working capital changes	293	39
Change in working capital		
Inventories	22	(29)
Trade and other receivables	71	182
Trade and other payables	82	(219)
Contract liability	392	108
Provision	(11)	(2)
Cash generated from / (used in) operations	557	39
Net cash generated from / (used in) operating activities	850	78
Cash flows from investing activities		
Purchase of intangible assets	(816)	(788)
Purchase of plant and equipment & right of use	(40)	(55)
Disposal of Fixed Asset	1	-
Disposal of investment	350	800
Net cash used in investing activities	(505)	(44)
Cash flows from financing activities		
Interest received / (paid)	(2)	(3)
Repayments of lease liabilities	(122)	(123)
Net cash generated from / (used in) financing activities	(124)	(126)
Net increase / (decrease) in cash and cash equivalents	220	(91)
Effect of exchange translation differences on cash and cash equivalents	38	(44)
Cash and cash equivalent at the beginning of the financial period	323	459
Cash and cash equivalents at the end of the financial period	582	323

The Unaudited Condensed Consolidated Statement of Cash Flow as at 31 December 2022 should be read in conjunction with the Audited Financial Statements of the Group for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to this Unaudited Half Yearly Financial Statements.

A.	EXPLANATORY NOTES TO THE UNAUDITED 2 nd HALF YEARLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022
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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 of six (6) months period ended 31 December 2022 under review for the Group’s financial year ended 31 December 2022.

The unaudited interim financial statements should be read in conjunction with the latest set of audited financial statement as at 31 December 2021 and its accompanying explanatory notes attached to this unaudited 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 2021.

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 <i>Covid-19-Related Rent Concessions</i>	Effective : 1 April 2021
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 <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.	ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS
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B1. REVIEW OF PERFORMANCE

During the six (6) months period ended 31 December 2022 under review, the Group has recorded the revenue of approximately RM 2.445 million with the loss before tax ("LBT") of approximately RM 0.175 million as compared to the reported revenue of RM 2.308 million with the LBT of RM 0.304 million in the corresponding Half Yearly Report on Consolidated Results for the financial period ended 31 December 2021.

The increase of approximately RM 0.137 million in revenue was primarily attributable to:

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

B2. PROSPECTS OF THE GROUP

The management remains focused on the core business of the group, continuing to enhance both its products features and functions and increasing its offerings to both its existing customers and potential customers alike.

The group is committed to continue executing the plans planned for the year and which has already proven to show positive financial impact to the group in the 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.

B4. CORPORATE PROPOSALS

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

B5. UTILISATION OF PROCEEDS

The private placement's proceeds of RM 4.00 million has been fully utilised as at 30 June 2022.

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 283,000)/ 105,003,340 ordinary shares = (RM 0.0027)/Ordinary Share
- (ii) The basic earnings / (loss) per share for the preceding year corresponding period as follows :-
(RM 304,000)/ 105,003,340 ordinary shares = (RM 0.0029)/Ordinary Share

By the order of the Board
Red Ideas Holdings Berhad

Dato' Yong Lei Choo
Chairman
Date : 27 February 2023