

RED IDEAS

HOLDINGS BERHAD

(Company No.: 1234231-M)
(Incorporated in Malaysia)

UNAUDITED COMBINED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

	(Unaudited) 30 June 2017 RM
ASSETS	
Non-current assets	
Plant and equipment	96,296
Intangible assets	379,355
	<u>475,651</u>
Current assets	
Inventories	86,074
Trade receivables	115,316
Other receivables, deposit and prepayments	84,594
Cash and bank balances	901,920
	<u>1,187,904</u>
TOTAL ASSETS	<u><u>1,663,555</u></u>
EQUITY AND LIABILITIES	
Equity attributable to owners of the Company	
Share capital	1,202,645
Translation reserve	(80,431)
Accumulated losses	(1,822,440)
Capital Deficiency	<u>(700,226)</u>
Non-current liability	
Amount due to directors	2,224,051
	<u>2,224,051</u>
Current liability	
Other payables and accruals	139,730
	<u>139,730</u>
Total Liabilities	2,363,781
NET EQUITY	<u><u>1,663,555</u></u>

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**UNAUDITED COMBINED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD
1 JANUARY 2017 TO 30 JUNE 2017**

	(Unaudited) 1.1.2017 to 30.6.2017 RM
Revenue	253,764
Cost of sales	(103,725)
Gross profit	150,039
Other income	47,762
Administrative expenses	(369,012)
Loss from operations	(171,211)
Finance cost	-
Loss before tax	(171,211)
Income tax	-
Loss for the financial period	(171,211)
Other comprehensive loss	(5,885)
Total comprehensive loss for the period	(177,096)
Loss for the financial period attributable to:	
Owners of the Company	(171,211)
Total comprehensive loss for the financial period attributable to:	
Owners of the Company	(177,096)

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UNAUDITED COMBINED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD 1 JANUARY 2017 TO 30 JUNE 2017

	Equity attributable to owners of the Company			
	Non-distributable	Distributable		
	Share Capital RM	Translation Reserve RM	Accumulated Losses RM	Capital Deficiency RM
As at 1.1.2017	252,642	(74,546)	(1,651,229)	(1,473,133)
Loss for the financial period	-	-	(171,211)	(171,211)
Other comprehensive loss	-	(5,885)	-	(5,885)
Total comprehensive loss for the financial period	-	(5,885)	(171,211)	(177,096)
Issue of shares	950,003	-	-	950,003
As at 30.6.2017	1,202,645	(80,431)	(1,822,440)	(700,226)

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UNAUDITED COMBINED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD 1 JANUARY 2017 TO 30 JUNE 2017

	(Unaudited) 1.1.2017 to 30.6.2017 RM
CASH FLOWS FROM OPERATING ACTIVITIES	
Loss before tax	
Adjustment for:	(171,211)
Depreciation	14,125
Operating loss before changes in working capital	(157,086)
Increase in inventories	(43,699)
Increase in receivables	(104,252)
Decrease in payables	(3,627)
Net cash used in operating activities	(308,664)
CASH FLOWS FROM INVESTING ACTIVITY	
Addition to plant and equipment	(246,483)
Net cash used in investing activity	(246,483)
CASH FLOWS FROM FINANCING ACTIVITY	
Increase in amount due to the directors	312,936
Issue of shares	950,003
Net cash generated from financing activities	1,262,939
NET INCREASE IN CASH AND CASH EQUIVALENTS	707,792
Effect of changes in foreign exchange rate	(5,885)
Balance at the beginning of financial year	200,013
Balance at the end of financial period / year	901,920
CASH AND CASH EQUIVALENTS CONSIST OF:	
Cash and bank balances	901,920
	901,920

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PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134

1. Basis of Preparation

The unaudited combined interim financial statements of Red Ideas Holdings Bhd for the six months ended 30 June 2017 have been prepared in accordance with MFRS 134 Interim Financial Reporting paragraph 9.22.

MFRSs and Amendments to MFRS issued but not yet effective

At the date of authorization of the unaudited combined interim financial statements the certain Standards were issued but yet effective and have not been adopted by the Group. The Directors expect that these standards are either not relevant or do not impact the financial statements in the year of initial application.

2. Seasonal or Cyclical Factors

The Group's operations were generally not affected by any seasonal or cyclical factors.

3. Unusual Items due to their Nature, Size or Incidence

There was no unusual items affecting assets, liabilities, equity or cash flow during the period ended 30 June 2017 except for the increase in share capital of RM950,000 which was due to the equity injection by new shareholder in our Group.

4. Changes in Accounting Estimates

There were no material changes in accounting estimates.

5. Changes in the Composition of the Group

There were no changes to the Group.

6. Segment Information

The Group operates only in one industry and location.

7. Loss before Tax

Included in the loss before tax are the following items:

	RM
Interest income	10
Depreciation of Property Plant and Equipment	14,125
Loss on foreign exchange	4,276

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8. Income Tax Expense

There was no tax expense.

9. Earning Per Share

Not applicable.

10. Acquisition and disposals of property, plant and equipment

There was no material acquisition and disposal.

11. Debt and Equity Securities

There were no issuance and repayment of debts.

12. Interest bearing Loans and Borrowings

The Group has no interest bearing borrowings.

13. Capital Commitments

There are no material commitments.

14. Changes in Contingent Liabilities and Assets

There were no material changes in contingent liabilities and assets.

15. Events After Reporting Date

There were no material events after the reporting date except for events in relation to the proposed listing exercise as stated in the Information Memorandum dated 28 September 2017 (“**Information Memorandum**”).

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

16. Review of performance

During the six (6) months period under review, our revenue is derived mostly from deployment of the Graaab JaGaApp to residential/commercial communities.

During the period under review, we have increased the Group has started expanding its sales force, which contributed to the increase in the rate of securing communities as its customers. The Group's performance during the period under review is as summarized below:

	No. of communities
As at 1.1.2017:	27
Addition:	28
Attrition:	-
As at 30.6.2017:	55

In mid-June 2017, the Group has launched a new business segment – 'My Services', which allows third party service providers to list on its Graaab JaGaApp mobile application platform. There was revenue generated under this segment during the period under review.

17. Commentaries on profit/(loss) before tax for the current period as compared with the preceding period

Not applicable. Please refer to Section 13, Part I of the Information Memorandum for details of the Group's financial during the period under review.

18. Prospects and factors likely to influence the Group's prospects

The Group expects to continuously recruit neighborhood / communities and expects to accelerate its customer/ community acquisition rate with the funding it intends to raise from the LEAP Market of Bursa Malaysia Securities Berhad.

Details of the Group's future plans and prospects are set out in Section 4, Part 1 of the Information Memorandum.