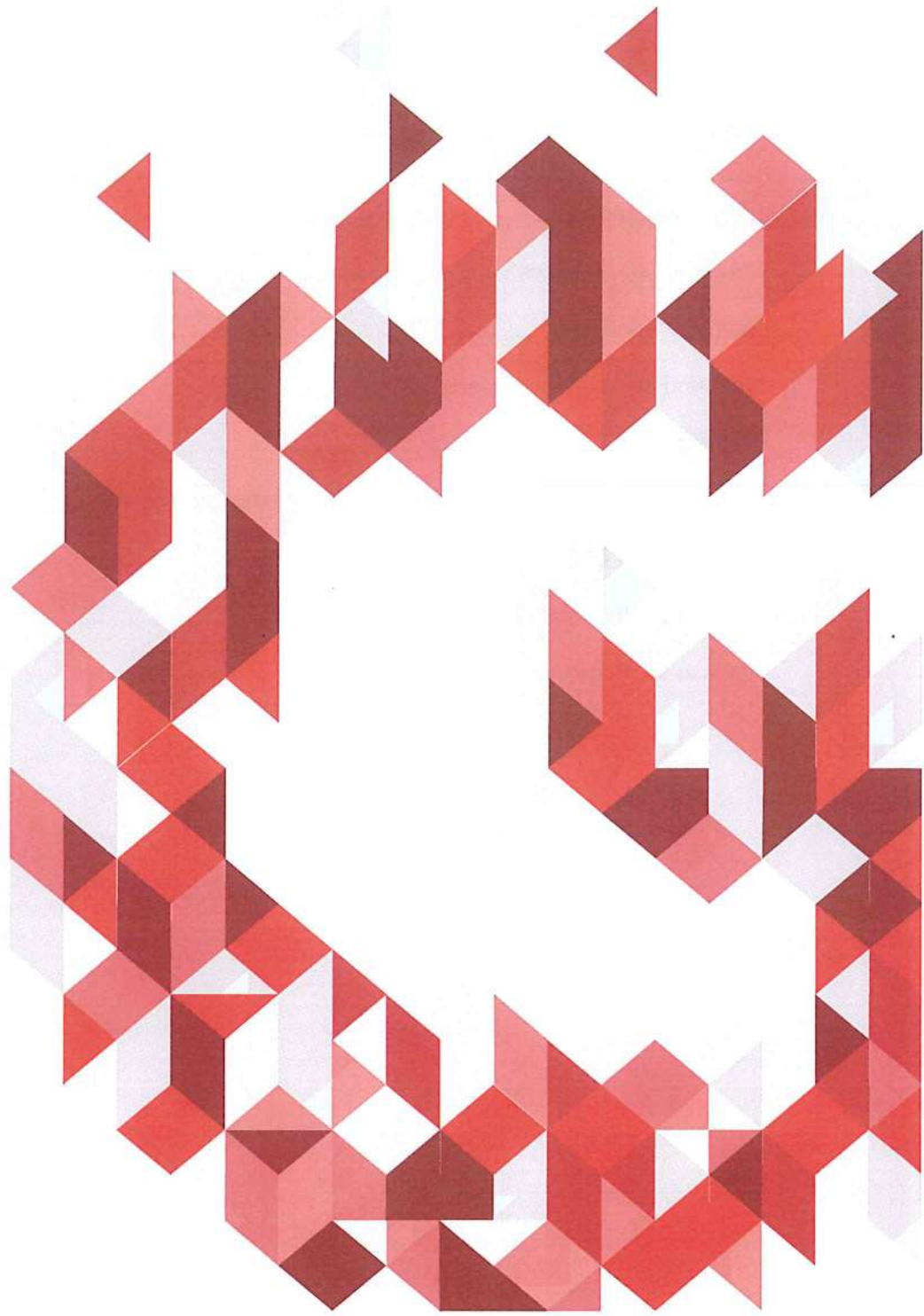


JAN 2023 - JUN 2024

AUDITED FINANCIAL STATEMENTS



2024



RED IDEAS
HOLDINGS BERHAD

Red Ideas Holdings Berhad 201701020066 (1234231-M)

Registration No : 201701020066 (1234231 - M)

RED IDEAS HOLDINGS BERHAD

(Incorporated in Malaysia)

TABLE OF CONTENTS

	Page
Directors' Report.....	1
Statement by Directors	7
Statutory Declaration	7
Independent Auditors' Report.....	8
Statements of Financial Position.....	14
Statements of Profit or Loss and Other Comprehensive Income	16
Statements of Changes in Equity.....	18
Statements of Cash Flows	20
Notes to the Financial Statements	22

Registration No : 201701020066 (1234231 - M)

RED IDEAS HOLDINGS BERHAD

(Incorporated in Malaysia)

DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial period from 1 January 2023 to 30 June 2024.

PRINCIPAL ACTIVITIES

The Company is principally engaged an investment holding company. The principal activities of the subsidiaries are set out in Note 7 to the financial statements.

CHANGE OF FINANCIAL YEAR END

During the current financial period, the Company changed its financial year end from 31 December to 30 June.

RESULTS

	The Group RM	The Company RM
Loss after taxation for the financial period	<u>(2,684,767)</u>	<u>(207,607)</u>

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial period other than those disclosed in the financial statements.

ISSUES OF SHARES AND DEBENTURES

During the financial period:-

- (a) there were no changes in the issued and paid-up share capital of the Company; and
- (b) there were no issues of debentures by the Company.

RED IDEAS HOLDINGS BERHAD

(Incorporated in Malaysia)

DIRECTORS' REPORT

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial period, no options were granted by the Company to any person to take up any unissued shares in the Company.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the further writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate. The financial statements of the Group and of the Company are prepared on the basis of accounting principles applicable to going concerns as a director has indicated his willingness to provide continuous financial support to the Group and the Company to enable for both the Group and the Company to operate as going concerns in the foreseeable future.

RED IDEAS HOLDINGS BERHAD

(Incorporated in Malaysia)

DIRECTORS' REPORT

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:-

- (a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial period which secures the liabilities of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial period.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial period which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial period were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial period in which this report is made.

RED IDEAS HOLDINGS BERHAD

(Incorporated in Malaysia)

DIRECTORS' REPORT

DIRECTORS

The names of directors of the Company who served during the financial period and up to the date of this report are as follows:-

Tan Sri Dato' (Dr) Wee Hoe Soon @ Gooi Hoe Soon
 Dato' Yong Lei Choo
 Loke Tan Chung
 Ignatius Ho Tzin Sung
 Foo Kah Seong
 Lim Kee Choon
 Gooi Yi Jia (Alternate to Tan Sri Dato' (Dr) Wee Hoe Soon @ Gooi Hoe Soon and appointed on 6.12.2023)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial period in shares, options over unissued shares or debentures of the Company and its related corporations during the financial period are as follows:-

	NUMBER OF ORDINARY SHARES			AT 30.6.2024
	AT 1.1.2023/ DATE OF APPOINTMENT	BOUGHT	SOLD	
THE COMPANY				
<i>Direct Interests</i>				
Tan Sri Dato' (Dr) Wee Hoe Soon @				
Gooi Hoe Soon	7,900,595	-	-	7,900,595
Loke Tan Chung	24,130,595	-	-	24,130,595
Ignatius Ho Tzin Sung	20,300,675	-	-	20,300,675
Foo Kah Seong	20,300,675	-	-	20,300,675
<i>Indirect Interests</i>				
Gooi Yi Jia*	7,900,595	-	-	7,900,595

* Deemed interested by virtue of his father's direct substantial shareholding in the Company.

	NUMBER OF REDEEMABLE PREFERENCE SHARES			AT 30.6.2024
	AT 1.1.2023	BOUGHT	SOLD	
THE COMPANY				
<i>Direct Interests</i>				
Loke Tan Chung	2,200,000	-	-	2,200,000

The other directors holding office at the end of the financial period have no interest in shares, options over unissued shares or debentures of the Company or its related corporations during the financial period.

RED IDEAS HOLDINGS BERHAD

(Incorporated in Malaysia)

DIRECTORS' REPORT

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" of this report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Neither during nor at the end of the financial period was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Group and the Company during the financial period are as follows:

	The Group RM	The Company RM
Fee	180,000	180,000
Salaries, bonuses and other benefits	778,440	-
Defined contribution benefits	87,708	-
	<u>1,046,148</u>	<u>180,000</u>

INDEMNITY AND INSURANCE COST

During the financial period, there was no indemnity given to or professional indemnity insurance effected for directors or officers of the Company.

SUBSIDIARIES

The details of the subsidiary name, place of incorporation, principal activities and percentage of issued share capital held by the Company in the subsidiaries are disclosed in Note 7 to the financial statements.

The available auditors' reports on the financial statements of the subsidiaries did not contain any qualification.

Registration No : 201701020066 (1234231 - M)

RED IDEAS HOLDINGS BERHAD

(Incorporated in Malaysia)

DIRECTORS' REPORT

AUDITORS

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The details of the auditors' remuneration for the financial period are as follows:-

	THE GROUP RM	THE COMPANY RM
Audit fee	144,450	21,070
Non-audit fee	13,500	-
	<hr/>	<hr/>
	157,950	21,070
	<hr/>	<hr/>

**SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS
DATED 23 OCT 2024**

Ignatius Ho Tzin Sung

Foo Kah Seong

Registration No : 201701020066 (1234231 - M)

RED IDEAS HOLDINGS BERHAD

(Incorporated in Malaysia)

**STATEMENT BY DIRECTORS
PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016**

We, Ignatius Ho Tzin Sung and Foo Kah Seong, being two of the directors of Red Ideas Holdings Berhad, state that, in the opinion of the directors, the financial statements set out on pages 14 to 66 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2024 and of their financial performance and cash flows for the financial period ended on that date.

**SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS
DATED 23 OCT 2024**

Ignatius Ho Tzin Sung

Foo Kah Seong

**STATUTORY DECLARATION
PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016**

I, Ignatius Ho Tzin Sung, being the officer primarily responsible for the financial management of Red Ideas Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 14 to 66 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
Ignatius Ho Tzin Sung,
at Klang in the State of Selangor Darul Ehsan
on this **23 OCT 2024**

Ignatius Ho Tzin Sung

Before me

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RED IDEAS HOLDINGS BERHAD

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Red Ideas Holdings Berhad, which comprise the statements of financial position as at 30 June 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial period then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 14 to 66.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2024, and of their financial performance and cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Material Uncertainty Related to Going Concern

We draw attention to Note 5 in the financial statements, which indicates that the Group and the Company incurred a loss after taxation of RM2,684,767 and RM207,607 respectively during the financial period ended 30 June 2024 and, as of that date, the Group's current liabilities exceeded its current assets by RM579,661 and the Company reported negative operating cash flows for two consecutive reporting periods. As stated in Note 5, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Group's and the Company's ability to continue as going concerns. Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RED IDEAS HOLDINGS BERHAD (CONT'D)

(Incorporated in Malaysia)

Registration No : 201701020066 (1234231 - M)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Impairment of intangible assets	
Key Audit Matter	How our audit addressed the Key Audit Matter
<p>The Group has intangible assets of RM574,400 as disclosed in Note 10 to the financial statements.</p> <p>This is considered a key audit matter given the materiality of the Group's intangible assets and the inherent subjectivity in impairment testing.</p>	<p>We performed the following audit procedures:</p> <ul style="list-style-type: none"> ▪ Evaluated method used by the Group in measuring the recoverable amount is appropriate in the circumstances; ▪ Made enquiries and challenging management on the key assumptions and inputs used in the measurement method; ▪ Evaluated the key assumptions and inputs used are reasonable and consistent with consideration from past performance, future growth, market development, and etc.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
RED IDEAS HOLDINGS BERHAD (CONT'D)**

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

Key Audit Matters (Cont'd)

Impairment of trade receivables	
Key Audit Matter	How our audit addressed the Key Audit Matter
<p>As at 30 June 2024, trade receivables amounted to RM520,081. The details of trade receivables and its credit risks are disclosed in Note 32.1(b) to the financial statements.</p> <p>The management applied assumptions in assessing the level of allowance for impairment losses on trade receivables based on the following:</p> <ul style="list-style-type: none"> ▪ specific known facts or circumstances on customers' ability to pay; and/or ▪ by reference to past default experiences. <p>The impairment assessment involved significant judgements and there is inherent uncertainty in the assumptions applied by the management to determine the level of allowance.</p> <p>This is considered a key audit matter due to the inherent subjectivity that is involved in making judgement in relation to the recoverability of the trade receivables.</p>	<p>We performed the following audit procedures:</p> <ul style="list-style-type: none"> ▪ Reviewed the ageing analysis of receivables and test the reliability thereof; ▪ Reviewed subsequent cash collection for major receivables and overdue amounts; ▪ Inquired management regarding the action plans to recover overdue amounts; ▪ Compared and challenged management's view on the recoverability of overdue amounts to historical patterns of collection; and ▪ Assessed the expected credit loss computation, including assumptions and reasonableness of the input date used in the computation.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RED IDEAS HOLDINGS BERHAD (CONT'D)

(Incorporated in Malaysia)

Registration No : 201701020066 (1234231 - M)

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the directors' report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the directors' report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the directors' report and, in doing so, consider whether the directors' report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the directors' report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RED IDEAS HOLDINGS BERHAD (CONT'D)

(Incorporated in Malaysia)

Registration No : 201701020066 (1234231 - M)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RED IDEAS HOLDINGS BERHAD (CONT'D)

(Incorporated in Malaysia)

Registration No : 201701020066 (1234231 - M)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary of which we have not acted as auditors, is disclosed in Note 7 to the financial statements.

OTHER MATTERS

- (1) The financial statements of the Company for the preceding financial year ended 31 December 2022 were audited by another firm of chartered accountants whose report dated 17 April 2023 expressed an unmodified opinion on those statements.
- (2) This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Shah Alam

23 OCT 2024

Ong Beng Chooi
03155/05/2025 J
Chartered Accountant

RED IDEAS HOLDINGS BERHAD

(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION As At 30 JUNE 2024

	NOTE	THE GROUP		THE COMPANY	
		2024 RM	2022 RM (Restated)	2024 RM	2022 RM
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	7	-	-	8,400,030	8,400,030
Equipment	8	98,895	162,080	-	-
Right-of-use assets	9	193,492	134,299	-	-
Intangible assets	10	574,400	2,213,735	-	-
		<u>866,787</u>	<u>2,510,114</u>	<u>8,400,030</u>	<u>8,400,030</u>
CURRENT ASSETS					
Inventories	11	145,238	125,934	-	-
Trade receivables	12	520,081	533,906	-	-
Other receivables, deposits and prepayments	13	140,454	145,069	184,248	1,200
Other investment	14	912,390	1,327,345	912,390	1,327,345
Current tax assets		5,250	-	5,250	-
Cash and bank balances		141,426	581,697	98,469	199,432
		<u>1,864,839</u>	<u>2,713,951</u>	<u>1,200,357</u>	<u>1,527,977</u>
TOTAL CURRENT ASSETS		<u>1,864,839</u>	<u>2,713,951</u>	<u>1,200,357</u>	<u>1,527,977</u>
TOTAL ASSETS		<u>2,731,626</u>	<u>5,224,065</u>	<u>9,600,387</u>	<u>9,928,007</u>

RED IDEAS HOLDINGS BERHAD

(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION As At 30 JUNE 2024 (CONT'D)

	NOTE	THE GROUP		THE COMPANY	
		2024 RM	2022 RM (Restated)	2024 RM	2022 RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	15	13,852,656	13,852,656	13,852,656	13,852,656
Merger reserve	16	266,074	266,074	-	-
Foreign exchange translation reserves	17	54,419	54,828	-	-
Accumulated losses		(13,996,400)	(11,311,633)	(4,284,760)	(4,077,153)
TOTAL EQUITY		176,749	2,861,925	9,567,896	9,775,503
NON-CURRENT LIABILITIES					
Lease liabilities	18	92,354	35,799	-	-
Hire purchase payable	19	18,023	22,066	-	-
		110,377	57,865	-	-
CURRENT LIABILITIES					
Trade payables	20	107,135	35,046	-	-
Other payables and accruals	21	744,268	497,453	32,491	50,262
Contract liabilities	22	1,462,777	1,530,704	-	-
Lease liabilities	18	102,482	101,968	-	-
Hire purchase payable	19	1,768	12,336	-	-
Provision for warranties	23	25,970	24,526	-	-
Current tax liabilities		100	102,242	-	102,242
		2,444,500	2,304,275	32,491	152,504
TOTAL LIABILITIES		2,554,877	2,362,140	32,491	152,504
TOTAL EQUITY AND LIABILITIES		2,731,626	5,224,065	9,600,387	9,928,007

RED IDEAS HOLDINGS BERHAD

(Incorporated in Malaysia)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2024

	NOTE	THE GROUP		THE COMPANY	
		1.1.2023 to 30.6.2024 RM	1.1.2022 to 31.12.2022 RM (Restated)	1.1.2023 to 30.6.2024 RM	1.1.2022 to 31.12.2022 RM
REVENUE	24	7,997,296	4,713,732	-	-
COST OF SALES		(3,781,456)	(2,289,710)	-	-
GROSS PROFIT		4,215,840	2,424,022	-	-
OTHER INCOME		136,467	32,822	108,298	27,718
ADMINISTRATIVE AND OTHER OPERATING EXPENSES		(6,947,721)	(3,277,868)	(318,824)	(252,806)
NET IMPAIRMENT LOSSES ON FINANCIAL ASSET	25	(77,868)	74,413	-	-
FINANCE COSTS		(12,743)	(11,960)	-	-
LOSS BEFORE TAXATION	26	(2,686,025)	(758,571)	(210,526)	(225,088)
INCOME TAX EXPENSE	27	1,258	(108,112)	2,919	(108,112)
LOSS AFTER TAXATION		(2,684,767)	(866,683)	(207,607)	(333,200)
OTHER COMPREHENSIVE (EXPENSES)/INCOME: <u>Item that will be reclassified subsequently to profit or loss</u> Foreign currency translation differences		(409)	18,545	-	-
TOTAL COMPREHENSIVE EXPENSES FOR THE FINANCIAL PERIOD/YEAR		(2,685,176)	(848,138)	(207,607)	(333,200)

RED IDEAS HOLDINGS BERHAD

(Incorporated in Malaysia)

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2024 (CONT'D)**

	NOTE	THE GROUP		THE COMPANY	
		1.1.2023 to 30.6.2024 RM	1.1.2022 to 31.12.2022 RM (Restated)	1.1.2023 to 30.6.2024 RM	1.1.2022 to 31.12.2022 RM
LOSS AFTER TAXATION ATTRIBUTABLE TO OWNERS OF THE COMPANY		<u>(2,684,767)</u>	<u>(866,683)</u>	<u>(207,607)</u>	<u>(333,200)</u>
TOTAL COMPREHENSIVE EXPENSES ATTRIBUTABLE TO OWNERS OF THE COMPANY		<u>(2,685,176)</u>	<u>(848,138)</u>	<u>(207,607)</u>	<u>(333,200)</u>
LOSS PER SHARE (SEN) - Basic	28	<u>(2.56)</u>	<u>(0.83)</u>		

Registration No : 201701020066 (1234231 - M)

RED IDEAS HOLDINGS BERHAD
(Incorporated in Malaysia)

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2024**

THE GROUP	SHARE CAPITAL RM	FOREIGN EXCHANGE TRANSLATION RESERVE RM	MERGER RESERVE RM	ACCUMULATED LOSSES RM	TOTAL EQUITY RM
Balance at 1.1.2022	13,852,656	36,283	266,074	(10,444,950)	3,710,063
Loss after taxation for the financial year	-	-	-	(866,683)	(866,683)
Other comprehensive income for the financial year:					
- Foreign currency translation differences	-	18,545	-	-	18,545
Total comprehensive expenses for the financial year	-	18,545	-	(866,683)	(848,138)
Balance at 31.12.2022/1.1.2023	13,852,656	54,828	266,074	(11,311,633)	2,861,925
Loss after taxation for the financial period	-	-	-	(2,684,767)	(2,684,767)
Other comprehensive expenses for the financial period:					
- Foreign currency translation differences	-	(409)	-	-	(409)
Total comprehensive expenses for the financial period	-	(409)	-	(2,684,767)	(2,685,176)
Balance at 30.6.2024	13,852,656	54,419	266,074	(13,996,400)	176,749

The annexed notes form an integral part of these financial statements.

RED IDEAS HOLDINGS BERHAD

(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2024 (CONT'D)

THE COMPANY	SHARE CAPITAL RM	ACCUMULATED LOSSES RM	TOTAL EQUITY RM
Balance at 1.1.2022	13,852,656	(3,743,953)	10,108,703
Loss after taxation/Total comprehensive expenses for the financial year	-	(333,200)	(333,200)
Balance at 31.12.2022/1.1.2023	13,852,656	(4,077,153)	9,775,503
Loss after taxation/Total comprehensive expenses for the financial period	-	(207,607)	(207,607)
Balance at 30.6.2024	13,852,656	(4,284,760)	9,567,896

RED IDEAS HOLDINGS BERHAD

(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS**FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2024**

	THE GROUP		THE COMPANY	
	1.1.2023 to 30.6.2024 RM	1.1.2022 to 31.12.2022 RM (Restated)	1.1.2023 to 30.6.2024 RM	1.1.2022 to 31.12.2022 RM (Restated)
	NOTE			
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES				
Loss before taxation		(2,686,025)	(758,571)	(210,526)
Adjustments for:-				
Amortisation of intangible assets		621,393	893,755	-
Bad debts written off		15,136	67,822	-
Depreciation of equipment		89,656	115,618	-
Depreciation of right-of-use assets		151,889	99,720	-
Equipment written off		2,131	-	-
Impairment losses on trade receivables		99,841	-	-
Intangible assets written off		1,522,452	2,401	-
Interest expense on hire purchase payable		1,997	2,215	-
Interest expense on lease liabilities		10,746	9,745	-
Net provision for warranty costs		13,058	20,630	-
Unrealised loss on foreign exchange		-	19,856	-
Fair value gain on other investment		(18,939)	(2,127)	(18,939)
Gain on disposal of equipment		(16,072)	(500)	-
Gain on disposal of other investment		(66,105)	(25,591)	(66,105)
Reversal of impairment losses on trade receivables		(21,973)	(74,413)	-
Operating (loss)/profit before working capital changes		(280,815)	370,560	(295,570)
(Increase)/Decrease in inventories		(19,304)	22,073	-
Increase in trade and other receivables		(74,564)	(62,170)	(3,048)
Increase/(Decrease) in trade and other payables		318,904	155,440	(17,771)
(Decrease)/Increase in contract liabilities		(67,927)	429,539	-
Decrease in provisions for warranties		(11,614)	(10,889)	-
CASH (FOR)/FROM OPERATIONS		(135,320)	904,553	(316,389)
Income tax paid		(106,134)	(13,289)	(104,573)
NET CASH (FOR)/FROM OPERATING ACTIVITIES		(241,454)	891,264	(420,962)
				(234,168)

RED IDEAS HOLDINGS BERHAD

(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2024 (CONT'D)

	NOTE	THE GROUP		THE COMPANY	
		1.1.2023 to 30.6.2024 RM	1.1.2022 to 31.12.2022 RM (Restated)	1.1.2023 to 30.6.2024 RM	1.1.2022 to 31.12.2022 RM (Restated)
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES					
Addition to intangible assets (Advance to)/Repayment from a subsidiary		(504,510)	(818,118)	-	-
Proceeds from disposal of equipment		-	-	(180,000)	66,894
Proceeds from disposal of other investments		39,227	500	-	-
Purchase of equipment	29(a)	499,999 (30,757)	350,000 (39,694)	499,999 -	350,000 -
NET CASH FROM/(FOR) INVESTING ACTIVITIES		3,959	(507,312)	319,999	416,894
CASH FLOW FOR FINANCING ACTIVITIES					
Interest paid	29(b)	(12,743)	(11,960)	-	-
Repayment of hire purchase obligations	29(b)	(35,611)	(11,645)	-	-
Repayment of lease liabilities	29(b)	(154,013)	(100,433)	-	-
NET CASH FOR FINANCING ACTIVITIES		(202,367)	(124,038)	-	-
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(439,862)	259,914	(100,963)	182,726
EFFECTS OF FOREIGN EXCHANGE TRANSLATION		(409)	(1,311)	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD/YEAR		581,697	323,094	199,432	16,706
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD/YEAR		141,426	581,697	98,469	199,432

RED IDEAS HOLDINGS BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2024

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office and principal place of business are as follows:-

Registered office : 54B, Damai Complex,
Jalan Lumut,
50400 Kuala Lumpur.

Principal place of business : Unit 606, Block G,
Pusat Dagangan Phileo Damansara 1,
No. 9, Jalan 16/11, Seksyen 16,
46350 Petaling Jaya,
Selangor Darul Ehsan.

These financial statements comprise both separate and consolidated financial statements. The financial statements of the Company are separate financial statements, while the financial statements of the Group are consolidated financial statements that include those of the Company and its subsidiaries as of the end of the reporting period. The Company and its subsidiaries are collectively referred to as "the Group".

The financial statements of the Company and of the Group are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 23 October 2024.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged an investment holding company. The principal activities of the subsidiaries are set out in Note 7 to the financial statements.

3. CHANGE OF FINANCIAL YEAR END

During the current financial period, the Company changed its financial year end from 31 December to 30 June.

RED IDEAS HOLDINGS BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2024

4. BASIS OF PREPARATION

The financial statements of the Group and of the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under material accounting policy information, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

- 4.1 During the current financial period, the Group and the Company have adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

MFRS 17: Insurance Contracts

Amendments to MFRS 17: Insurance Contracts

Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 - Comparative Information

Amendments to MFRS 101: Disclosure of Accounting Policies

Amendments to MFRS 108: Definition of Accounting Estimates

Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Amendments to MFRS 112: International Tax Reform - Pillar Two Model Rules

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the financial statements of the Group and of the Company.

RED IDEAS HOLDINGS BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2024

4. BASIS OF PREPARATION (CONT'D)

- 4.2 The Group and the Company have not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial period:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 18: Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025
Annual Improvements to MFRS Accounting Standards - Volume 11	1 January 2026

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group and of the Company upon their initial application.

RED IDEAS HOLDINGS BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2024

5. GOING CONCERN

During the current financial period, both the Group and the Company incurred a loss after taxation of RM2,684,767 and RM207,607 respectively and the Company recorded negative operating cash flows of RM420,962 and RM234,168 respectively. As at 30 June 2024, the Group's current liabilities exceeded its current assets by RM579,661. These indicate the existence of a material uncertainty which may cast significant doubt on the Group and the Company to continue as going concerns.

The directors have reviewed the Group's cash flow forecast prepared by management, which covers a period of 12-months ending 30 June 2025 in assessing whether it is appropriate to prepare the financial statements of the Group and the Company for the year ended 30 June 2024 on a going concern basis. The directors believe that the Group will generate sufficient cash from its operations within the next twelve months from the end of the reporting date to meet its working capital needs.

Further, a director, who is also a substantial shareholder of the Company has indicated his willingness to provide financial support to the Company, in the event if there is any shortfall, to enable it to operate as a going concern in the foreseeable future.

Based on the measures taken above, the directors are of the opinion that the going concern basis used in the preparation of the financial statements is appropriate.

6. MATERIAL ACCOUNTING POLICY INFORMATION

6.1 Critical Accounting Estimates And Judgements

Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period other than as disclosed below:-

(a) Impairment of Intangible Assets

The assessment of whether an intangible asset is impaired requires an estimation of the value in use of the cash-generating unit to which the intangible asset is allocated. Estimating a value in use amount requires management to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of intangible assets as at the reporting date is disclosed in Note 10 to the financial statements.

RED IDEAS HOLDINGS BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2024

6. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

6.1 Critical Accounting Estimates And Judgements (Cont'd)

Key Sources of Estimation Uncertainty (Cont'd)

(b) Write-down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of inventories as at the reporting date is disclosed in Note 11 to the financial statements.

(c) Impairment of Trade Receivables

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying values of trade receivables. The carrying amounts of trade receivables as at the reporting date are disclosed in Note 12 to the financial statements.

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the accounting policies of the Group and of the Company which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

(a) Lease Terms

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

RED IDEAS HOLDINGS BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2024

6. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

6.1 Critical Accounting Estimates And Judgements (Cont'd)

Critical Judgements Made in Applying Accounting Policies (Cont'd)

(b) *Going Concern*

Management concludes there were material uncertainties relating to events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern at the end of the current reporting period. The judgements applied in concluding the appropriate basis for preparing these financial statements are disclosed in Note 5 to the financial statements.

6.2 Financial Instruments

(a) Financial Assets

Financial Assets Through Profit or Loss

The financial assets are initially measured at fair value. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest and dividend income.

Financial Assets at Amortised Cost

The financial assets are initially measured at fair value plus transaction costs except for trade receivables without significant financing component which are measured at transaction price only. Subsequent to the initial recognition, all financial assets are measured at amortised cost less any impairment losses.

(b) Financial Liabilities

Financial Liabilities at Amortised Cost

The financial liabilities are initially measured at fair value less transaction costs. Subsequent to the initial recognition, the financial liabilities are measured at amortised cost.

RED IDEAS HOLDINGS BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2024

6. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

6.2 Financial Instruments (Cont'd)

(c) Equity

Ordinary and Redeemable Preference Shares

Ordinary and redeemable preference shares are recorded on initial recognition at the proceeds received less directly attributable transaction costs incurred. The ordinary and redeemable preference shares are not remeasured subsequently.

6.3 Basis of Consolidation

The Group applies the acquisition method of accounting for all business combinations except for those involving entities under common control which are accounted for applying the merger method of accounting.

Under the merger method of accounting, the assets and liabilities of the merger entities are reflected in the financial statements of the Group at their carrying amounts reported in the individual financial statements. The consolidated statement of profit or loss and other comprehensive income reflect the results of the merger entities for the full reporting period (irrespective of when the combination takes place) and comparatives are presented as if the entities had always been combined since the date for which the entities had come under common control.

The difference between the cost of the merger and the share capital of the merger entities is reflected within equity as merger reverse.

6.4 Investments In Subsidiaries

Investments in subsidiaries, which are eliminated on consolidation, are stated in the financial statements of the Company at cost less impairment losses, if any.

RED IDEAS HOLDINGS BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2024

6. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

6.5 Equipment

All items of equipment are initially measured at cost.

Subsequent to the initial recognition, all equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation on equipment is calculated using the straight-line method to allocate their depreciable amounts over the estimated useful lives. The principal annual depreciation rates are:-

Furniture and fittings	10%
Guard devices	50%
Motor vehicles	20%
Office equipment	40%
Renovation	20%
Signage and website	20%

6.6 Right-of-use Assets and Lease Liabilities

(a) Leases of Low-value Assets

The Group applies the "lease of low-value assets" recognition exemption. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more appropriate.

(b) Right-of-use Assets

Right-of-use assets are initially measured at cost. Subsequent to the initial recognition, the right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities.

The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the estimated useful lives of the right-of-use assets or the end of the lease term.

RED IDEAS HOLDINGS BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2024

6. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

6.6 Right-of-use Assets And Lease Liabilities (Cont'd)

(c) Lease Liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the entity's incremental borrowing rate. Subsequent to the initial recognition, the lease liabilities are measured at amortised cost and adjusted for any lease reassessment or modifications.

6.7 Intangible Assets

Research and Development Expenditure

Research costs are recognised as an expense when they are incurred.

Capitalised development costs are initially measured at cost. Subsequent to the initial recognition, the development costs are stated at cost less accumulated amortisation and any accumulated impairment losses.

Capitalised development costs are amortised from the point at which the asset is available for use using the straight-line method over a period of 5 years. Prior to that, the capitalised development costs are tested for impairment annually and whenever there is an indication that they may be impaired.

6.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average cost method and comprises all costs of purchase plus other costs incurred in bringing the inventories to their present location and condition.

[The rest of this page is intentionally left blank]

RED IDEAS HOLDINGS BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2024

7. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2024 RM	2022 RM
Unquoted shares, at cost	<u>8,400,030</u>	<u>8,400,030</u>

The details of the subsidiaries are as follows:-

Name of Subsidiaries	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2024 %	2022 %	
<i>Subsidiaries of the Company</i>				
Red Ideas Sdn. Bhd. [^]	Malaysia	100	100	Community security services and advertising through mobile and web applications.
Intellectual Property Register Pte. Ltd. [*]	Singapore	100	100	Development of the Graaab mobile application, registration of trademark to the Graaab name and maintenance of Graaab system.
<i>Subsidiary of Red Ideas Sdn. Bhd.</i>				
Red Ideas Indonesia Sdn. Bhd. [@]	Malaysia	-	100	Community management services through mobile and web application.

[^] The auditors' report on the financial statements of the subsidiary included a "Material Uncertainty Related to Going Concern" regarding the ability of the subsidiary to continue as a going concern in view of its capital deficiency position as at the end of the current reporting period. The financial statements were prepared on a going concern basis as the Company has undertaken to provide continued financial support to the subsidiary.

^{*} Not required to be audited under the laws of the country of incorporation.

[@] The subsidiary has been struck off during the current financial period.

RED IDEAS HOLDINGS BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2024

7. INVESTMENT IN SUBSIDIARIES (CONT'D)

During the financial year, the Company has carried out a review of the recoverable amounts of its investment in a subsidiary that had been persistently making losses.

The recoverable amounts were determined based on their value in use approach, determined by discounting future cash flows projected to be generated by the subsidiary based on various assumptions. The key assumptions used in the determination of the recoverable amounts are as follows:-

- | | |
|--------------------------------|---|
| (i) Revenue | Revenue is estimated based on existing and historical revenue trends. The revenue growth used range from 11.8% to 19.7% (2022 - 10.3% to 17.0%). |
| (ii) Budgeted gross margin | Gross margins are estimated based on past experience and management's expectation. The margins used were ranging from 60.4% to 72.3% (2022 - 60% to 71.8%). |
| (iii) Discount rates (pre-tax) | The discount rate reflects country's industry weighted average cost of capital relating to the relevant subsidiary. The rate used is 12.4% (2022 - 11.5%). |

[The rest of this page is intentionally left blank]

Registration No : 201701020066 (1234231 - M)

RED IDEAS HOLDINGS BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2024

8. EQUIPMENT

	AT 1.1.2023 RM	ADDITIONS (Note 29(a)) RM	DISPOSAL RM	WRITE OFF (Note 26) RM	DEPRECIATION CHARGE (Note 26) RM	AT 30.6.2024 RM
The Group						
2024						
<i>Carrying Amount</i>						
Furniture and fittings	73,987	2,550	-	(2,131)	(21,212)	53,194
Guard devices	8,194	-	-	-	(7,447)	747
Motor vehicles	30,872	22,080	(23,155)	-	(11,029)	18,768
Office equipment	36,835	27,127	-	-	(38,226)	25,736
Renovation	12,050	-	-	-	(11,600)	450
Signage and website	142	-	-	-	(142)	-
	162,080	51,757	(23,155)	(2,131)	(89,656)	98,895

RED IDEAS HOLDINGS BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2024

8. EQUIPMENT (CONT'D)

The Group	AT 1.1.2022 RM	ADDITIONS (Note 29(a)) RM	DEPRECIATION CHARGE (Note 26) RM	AT 31.12.2022 RM
2022				
<i>Carrying Amount (Restated)</i>				
Furniture and fittings	88,115	-	(14,128)	73,987
Guard devices	23,416	979	(16,201)	8,194
Motor vehicles	46,309	-	(15,437)	30,872
Office equipment	32,418	38,715	(34,298)	36,835
Renovation	46,791	-	(34,741)	12,050
Signage and website	955	-	(813)	142
	238,004	39,694	(115,618)	162,080
2024				
	AT COST RM	ACCUMULATED DEPRECIATION RM	CARRYING AMOUNT RM	
Furniture and fittings	137,422	(84,228)	53,194	
Guard devices	20,460	(19,713)	747	
Motor vehicles	22,080	(3,312)	18,768	
Office equipment	372,383	(346,647)	25,736	
Renovation	173,707	(173,257)	450	
Signage and website	4,063	(4,063)	-	
	730,115	(631,220)	98,895	
2022 (Restated)				
Furniture and fittings	141,275	(67,288)	73,987	
Guard devices	314,960	(306,766)	8,194	
Motor vehicles	77,183	(46,311)	30,872	
Office equipment	418,503	(381,668)	36,835	
Renovation	173,707	(161,657)	12,050	
Signage and website	4,063	(3,921)	142	
	1,129,691	(967,611)	162,080	

Included in the equipment of the Group was motor vehicle held under hire purchase arrangements with a total carrying amount of RM18,768 (2022 - RM30,872). This asset has had been pledged as security for the hire purchase payable of the Group as disclosed in Note 19 to the financial statements.

RED IDEAS HOLDINGS BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2024

9. RIGHT-OF-USE ASSETS

	AT 1.1.2023 RM	MODIFICATION OF LEASE LIABILITIES (NOTE 18) RM	DEPRECIATION CHARGE (NOTE 26) RM	AT 30.6.2024 RM
The Group				
2024				
<i>Carrying Amount</i>				
Offices	134,299	211,082	(151,889)	193,492
2022				
<i>Carrying Amount (Restated)</i>				
Offices	32,571	201,448	(99,720)	134,299

The Group leases offices of which the leasing activity is summarised below:-

Offices The Group has leased 2 units of office premises for business operation. The lease period of the office premises are for a period of 1 (2022 - 1) year, with an option to renew the leases after that date.

[The rest of this page is intentionally left blank]

RED IDEAS HOLDINGS BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2024

10. INTANGIBLE ASSETS

	The Group	
	2024 RM	2022 RM
Cost:-		
At 1 January 2023/2022	6,080,368	5,275,344
Additions during the financial period/year	504,510	818,118
Write off (Note 26)	(3,224,739)	(13,094)
At 30 June/31 December	3,360,139	6,080,368
Accumulated amortisation:-		
At 1 January 2023/2022	(3,866,633)	(2,983,571)
Amortisation during the financial period/year (Note 26)	(621,393)	(893,755)
Write off (Note 26)	1,702,287	10,693
At 30 June/31 December	(2,785,739)	(3,866,633)
	574,400	2,213,735

Included in additions during the financial period/year are:-

	RM	RM
Staff costs	472,835	666,449
Outsourcing costs	30,983	151,669
Inventory	692	-
	504,510	818,118

The intangible assets are in respect of the development of "JaGaSolution", a mobile and web application software. The amortisation charge of JaGaSolution is recognised in profit or loss under the "Cost of Sales" line item.

RED IDEAS HOLDINGS BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2024

11. INVENTORIES

	The Group	
	2024 RM	2022 RM
Device parts and accessories	<u>145,238</u>	<u>125,934</u>
Recognised in profit or loss:- Inventories recognised as cost of sales	<u>379,201</u>	<u>220,518</u>

12. TRADE RECEIVABLES

	The Group	
	2024 RM	2022 RM (Restated)
Trade receivables	669,264	605,221
Allowance for impairment losses	<u>(149,183)</u>	<u>(71,315)</u>
	<u>520,081</u>	<u>533,906</u>
Allowance for impairment losses:-		
At 1 January 2023/2022	71,315	145,728
Addition during the financial period/year (Note 25)	99,841	-
Reversal during the financial period/year (Note 25)	<u>(21,973)</u>	<u>(74,413)</u>
At 30 June/31 December	<u>149,183</u>	<u>71,315</u>

The Group's normal trade credit terms range from 14 to 30 (2022 - 14 to 30) days. Other credit terms are assessed and approved on a case-by-case basis.

RED IDEAS HOLDINGS BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2024

13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2024 RM	2022 RM	2024 RM	2022 RM
Other receivables:-				
Third parties	3,472	3,268	-	-
A subsidiary	-	-	180,000	-
	<u>3,472</u>	<u>3,268</u>	<u>180,000</u>	<u>-</u>
Deposits	45,891	43,869	1,000	1,000
Prepayments	91,091	97,932	3,248	200
	<u>140,454</u>	<u>145,069</u>	<u>184,248</u>	<u>1,200</u>

The amount owing by a subsidiary is non-trade in nature, unsecured, interest-free and repayable on demand.

14. OTHER INVESTMENT

Investment At Fair Value Through Profit or Loss

	The Group/The Company	
	2024 RM	2022 RM
Unit trust, at fair value	<u>912,390</u>	<u>1,327,345</u>

The unit trust is valued using level 2 fair value method and is measured using its net realisable value.

15. SHARE CAPITAL

	The Group/The Company			
	2024 NUMBER OF SHARES	2022	2024 RM	2022 RM
Issued and Fully Paid-up				
Ordinary Shares	105,003,340	105,003,340	11,652,656	11,652,656
Redeemable preference shares				
- Equity Component	<u>2,200,000</u>	<u>2,200,000</u>	<u>2,200,000</u>	<u>2,200,000</u>
	<u>107,203,340</u>	<u>107,203,340</u>	<u>13,852,656</u>	<u>13,852,656</u>

RED IDEAS HOLDINGS BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2024

15. SHARE CAPITAL (CONT'D)

- (i) The holder of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meeting of the Company. The ordinary shares have no par value.
- (ii) The salient features of redeemable preference shares are as follows:-
 - (a) The preference shares are not convertible into ordinary shares;
 - (b) The preference shares are redeemable at the option of the Company at a redemption price of RM1 for each share;
 - (c) The preference shares shall carry no rights to vote except for any proposal for capital reduction, disposal of the whole of the Company's property, business and undertaking and winding up; and
 - (d) The preference shares are entitled to a return of capital in priority to the holders of the ordinary shares in the event of a winding up.

16. MERGER RESERVE

The merger reserve relates to subsidiaries which were consolidated under the merger method of accounting.

The merger reserve arose from the difference between the nominal value of shares issued for the acquisition of the subsidiaries and the nominal value of the shares acquired.

17. FOREIGN EXCHANGE TRANSLATION RESERVE

The foreign exchange translation reserve arose from the translation of the financial statements of a foreign subsidiary whose functional currency is different from the Group's presentation currency.

RED IDEAS HOLDINGS BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2024

18. LEASE LIABILITIES

	The Group	
	2024 RM	2022 RM (Restated)
At 1 January 2023/2022	137,767	36,752
Interest expense recognised in profit or loss (Note 26)	10,746	9,745
Changes due to lease modification (Note 9 and 29(b))	211,082	201,448
Repayment of principal	(154,013)	(100,433)
Repayment of interest expense	(10,746)	(9,745)
At 30 June/31 December	<u>194,836</u>	<u>137,767</u>
Analysed by:-		
Current liabilities	102,482	101,968
Non-current liabilities	92,354	35,799
	<u>194,836</u>	<u>137,767</u>

19. HIRE PURCHASE PAYABLE

	The Group	
	2024 RM	2022 RM (Restated)
Current liabilities	1,768	12,336
Non-current liabilities	18,023	22,066
	<u>19,791</u>	<u>34,402</u>

(a) The hire purchase payable is secured by the equipment of the Group as disclosed in Note 8 to the financial statements.

(b) The interest rate profile of the hire purchase payable is summarised below:-

	<i>Effective Interest Rate</i>	
	2024	2022
Fixed rate	<u>6.88%</u>	<u>5.46%</u>

RED IDEAS HOLDINGS BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2024

20. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 14 to 30 (2022 - 14 to 30) days.

21. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2024 RM	2022 RM (Restated)	2024 RM	2022 RM
Other payables	505,052	340,492	16,032	31,414
Accruals	239,216	156,961	16,459	18,848
	<u>744,268</u>	<u>497,453</u>	<u>32,491</u>	<u>50,262</u>

22. CONTRACT LIABILITIES

	The Group	
	2024 RM	2022 RM (Restated)
At 1 January 2023/2022	1,530,704	1,101,165
Contract liabilities at the beginning of financial period/year recognised as revenue	(1,530,704)	(1,101,165)
Performance obligations performed	(5,333,771)	(2,991,731)
Cash received/Amounts billed for unfulfilled performance obligations	<u>6,796,548</u>	<u>4,522,435</u>
At 30 June/31 December	<u>1,462,777</u>	<u>1,530,704</u>
Represented by:-		
Subscription and listing fees	1,454,727	1,522,654
Rental income	8,050	8,050
	<u>1,462,777</u>	<u>1,530,704</u>

RED IDEAS HOLDINGS BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2024

23. PROVISION FOR WARRANTIES

	The Group	
	2024 RM	2022 RM
At 1 January 2023/2022	24,526	14,785
Provision made during the financial period/year	95,648	48,942
Provision used during the financial period/year	(11,614)	(10,889)
Provision reversed during the financial period/year	(82,590)	(28,312)
	25,970	24,526
At 30 June/31 December	25,970	24,526

The provision for warranties relates to the hardware sold in the past 1 (2022 - 1) year. The provision is based on estimates made from historical warranty data of the products sold. The Group expects to incur most of the liability over the next financial year.

24. REVENUE

	The Group	
	1.1.2023 to 30.6.2024 RM	1.1.2022 to 31.12.2022 RM
Revenue from Contract with Customers		
<u>Recognised at a point in time</u>		
Sale of goods and services	1,032,796	418,218
Commission income	100,025	34,013
	1,132,821	452,231
<u>Recognised over time</u>		
Subscription fees and listing fees	6,638,228	4,071,127
Rental income	226,247	190,374
	6,864,475	4,261,501
	7,997,296	4,713,732

RED IDEAS HOLDINGS BERHAD

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2024**

24. REVENUE (CONT'D)

The information about the performance obligations in contracts with customers is summarised below:-

<u>Recognised at a point in time</u>	<u>Method of revenue recognition</u>
Sale of goods and services	Revenue is recognised when the control of goods and services have been transferred and accepted by customers, net of discount.
Commission income	Revenue is recognised upon completion of the service and acceptance by the customers.
<u>Recognised over time</u>	<u>Method of revenue recognition</u>
Subscription fees and listing fees	Revenue is recognised on a straight-line method over the period of service.
Rental income	Revenue is recognised on a straight-line method over the lease term.

The credit period granted to customers ranges from 14 to 30 days from the invoice date. There is no significant financing component in the selling price as the sales are made on normal credit terms not exceeding 12 months.

25. NET IMPAIRMENT LOSSES ON FINANCIAL ASSET

	The Group	
	1.1.2023 to 30.6.2024 RM	1.1.2022 to 31.12.2022 RM
Impairment losses on trade receivables (Note 12)	99,841	-
Reversal of impairment losses on trade receivables (Note 12)	(21,973)	(74,413)
	<u>77,868</u>	<u>(74,413)</u>

RED IDEAS HOLDINGS BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2024

26. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging/(crediting):-

	The Group		The Company	
	1.1.2023 to 30.6.2024 RM	1.1.2022 to 31.12.2022 RM (Restated)	1.1.2023 to 30.6.2024 RM	1.1.2022 to 31.12.2022 RM (Restated)
Amortisation of intangible assets (Note 10)	621,393	893,755	-	-
Auditors' remuneration:				
- audit fee:				
- current financial period/year	92,000	37,952	10,000	15,000
- others	52,450	-	11,070	-
- (over)/underprovision in the previous financial year	-	(2,591)	-	780
- non-audit fee	13,500	-	-	-
Bad debts written off	15,136	67,822	-	-
Depreciation of equipment (Note 8)	89,656	115,618	-	-
Depreciation of right-of-use assets (Note 9)	151,889	99,720	-	-
Directors' remuneration (Note 30)	1,046,148	628,572	180,000	114,000
Equipment written off (Note 8)	2,131	-	-	-
Intangible assets written off (Note 10)	1,522,452	2,401	-	-
Interest expense on hire purchase payable	1,997	2,215	-	-
Interest expense on lease liabilities (Note 18)	10,746	9,745	-	-
Lease expense on low-value asset	1,944	1,302	-	-
Loss on foreign exchange:				
- realised	202	46	-	-
- unrealised	-	19,856	-	-
Warranty costs	13,058	20,630	-	-
Staff costs (including a director of the subsidiary as disclosed in Note 30)				
- short-term employee benefits	3,720,430	1,632,465	-	-
- defined contribution benefits	249,106	148,149	-	-

RED IDEAS HOLDINGS BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2024

26. LOSS BEFORE TAXATION (CONT'D)

Loss before taxation is arrived at after charging/(crediting):- (Cont'd)

	The Group		The Company	
	1.1.2023 to 30.6.2024 RM	1.1.2022 to 31.12.2022 RM	1.1.2023 to 30.6.2024 RM	1.1.2022 to 31.12.2022 RM
Fair value gain on other investment measured at fair value through profit or loss mandatorily	(18,939)	(2,127)	(18,939)	(2,127)
Gain on disposal of equipment	(16,072)	(500)	-	-
Gain on disposal of other investment	(66,105)	(25,591)	(66,105)	(25,591)

27. INCOME TAX EXPENSE

	The Group		The Company	
	1.1.2023 to 30.6.2024 RM	1.1.2022 to 31.12.2022 RM	1.1.2023 to 30.6.2024 RM	1.1.2022 to 31.12.2022 RM
Current tax expense:				
- for the financial period/year	600	-	-	-
- (over)/underprovision in the previous financial year	(1,858)	108,112	(2,919)	108,112
	(1,258)	108,112	(2,919)	108,112

RED IDEAS HOLDINGS BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2024

27. INCOME TAX EXPENSE (CONT'D)

A reconciliation of income tax expense applicable to the loss before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	The Group		The Company	
	1.1.2023 to 30.6.2024 RM	1.1.2022 to 31.12.2022 RM	1.1.2023 to 30.6.2024 RM	1.1.2022 to 31.12.2022 RM
Loss before taxation	<u>(2,686,025)</u>	<u>(758,571)</u>	<u>(210,526)</u>	<u>(225,088)</u>
Tax at the statutory tax rate of 24%	(644,646)	(182,057)	(50,526)	(54,021)
Tax effects of:-				
Non-taxable income	(25,992)	(6,100)	(25,992)	(6,100)
Non-deductible expenses	497,518	150,794	76,518	60,121
Deferred tax assets not recognised during the financial period/year	168,581	34,800	-	-
Differential in tax rates of a foreign subsidiary	5,139	2,563	-	-
(Over)/Underprovision of current tax in the previous financial year	<u>(1,858)</u>	<u>108,112</u>	<u>(2,919)</u>	<u>108,112</u>
	<u>(1,258)</u>	<u>108,112</u>	<u>(2,919)</u>	<u>108,112</u>

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2022 - 24%) of the estimated assessable profit for the financial period/year. The taxation of other jurisdictions is calculated at the rates prevailing in the respective jurisdiction.

[The rest of this page is intentionally left blank]

RED IDEAS HOLDINGS BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2024

27. INCOME TAX EXPENSE (CONT'D)

At the end of the reporting period, the amounts of deferred tax assets not recognised (stated at gross) due to uncertainty of their realisation are as follows:-

	The Group	
	1.1.2023 to 30.6.2024 RM	1.1.2022 to 31.12.2022 RM
Unutilised tax losses expires on:		
- year of assessment 2028	2,337,274	2,337,274
- year of assessment 2029	976,743	976,743
- year of assessment 2030	1,870,159	1,870,159
- year of assessment 2031	186,839	186,839
- year of assessment 2034	629,044	-
	6,000,059	5,371,015
Unabsorbed capital allowances	1,126,066	954,378
Other deductible temporary differences	1,899,457	1,997,769
	<u>9,025,582</u>	<u>8,323,162</u>

Based on the current legislation, the unutilised tax losses up to the year of assessment 2018 can be carried forward until the year of assessment 2028 and the unutilised tax losses for 2019 onwards are allowed to be utilised for 10 consecutive years of assessment immediately following that year of assessment. Whereas, the unabsorbed capital allowances are allowed to be carried forward indefinitely.

RED IDEAS HOLDINGS BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2024

28. LOSS PER SHARE

(a) Basic Loss Per Share

The basic loss per share is calculated by dividing the consolidated loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial period.

	The Group	
	1.1.2023 to 30.6.2024	1.1.2022 to 31.12.2022
Loss attributable to owners of the Company (RM)	(2,684,767)	(866,683)
Weighted average number of ordinary shares in issue	105,003,340	105,003,340
Basic loss per share (sen)	<u>(2.56)</u>	<u>(0.83)</u>

(b) Diluted Loss Per Share

The diluted loss per share is equal to the basic loss per share because there were no potential ordinary shares as at the end of the reporting period.

29. CASH FLOW INFORMATION

(a) The cash disbursed for the purchase of equipment is as follows:-

	The Group	
	1.1.2023 to 30.6.2024 RM	1.1.2022 to 31.12.2022 RM
Equipment		
Cost of equipment purchased (Note 8)	51,757	39,694
Less: Acquired through hire purchase arrangements	(21,000)	-
	<u>30,757</u>	<u>39,694</u>

RED IDEAS HOLDINGS BERHAD

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2024**

29. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows:-

The Group	Hire Purchase Payable RM	Lease Liabilities RM	Total RM
2024			
At 1 January 2023	34,402	137,767	172,169
<u>Changes in Financing</u>			
<u>Cash Flows</u>			
Repayment of principal	(35,611)	(154,013)	(189,624)
Repayment of interests	(1,997)	(10,746)	(12,743)
	(37,608)	(164,759)	(202,367)
<u>Other Changes</u>			
New hire purchase obligation	21,000	-	21,000
Modifications of leases (Note 18)	-	211,082	211,082
Interest expense recognised in profit or loss (Note 26)	1,997	10,746	12,743
	22,997	221,828	244,825
At 30 June 2024	19,791	194,836	214,627

RED IDEAS HOLDINGS BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2024

29. CASH FLOW INFORMATION (CONT'D)

- (b) The reconciliations of liabilities arising from financing activities are as follows:-
(Cont'd)

The Group	Hire Purchase Payable RM	Lease Liabilities RM	Total RM
2022 (Restated)			
At 1 January 2022	46,047	36,752	82,799
<u>Changes in Financing</u>			
<u>Cash Flows</u>			
Repayment of principal	(11,645)	(100,433)	(112,078)
Repayment of interests	(2,215)	(9,745)	(11,960)
	(13,860)	(110,178)	(124,038)
<u>Other Changes</u>			
Modifications of leases (Note 18)	-	201,448	201,448
Interest expense recognised in profit or loss (Note 26)	2,215	9,745	11,960
	2,215	211,193	213,408
At 31 December 2022	34,402	137,767	172,169

- (c) The total cash outflows for leases as a lessee are as follows:-

	1.1.2023 to 30.6.2024 RM	The Group 1.1.2022 to 31.12.2022 RM (Restated)
Payment of low-value asset	1,944	1,302
Payment of lease liabilities	154,013	100,433
Interest paid on lease liabilities	10,746	9,745
	<u>166,703</u>	<u>111,480</u>

RED IDEAS HOLDINGS BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2024

30. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Company.

The key management personnel compensation during the financial period are as follows:

	The Group		The Company	
	1.1.2023 to 30.6.2024 RM	1.1.2022 to 31.12.2022 RM	1.1.2023 to 30.6.2024 RM	1.1.2022 to 31.12.2022 RM
<u>Directors of the Company</u>				
Short-term employee benefits:				
- fee	180,000	114,000	180,000	114,000
- salaries and other benefits	778,440	460,140	-	-
	958,440	574,140	180,000	114,000
Defined contribution benefits	87,708	54,432	-	-
Total directors' remuneration (Note 26)	1,046,148	628,572	180,000	114,000
<u>Director of a Subsidiary</u>				
Short-term employee benefits:				
- fee	25,757	7,989	-	-
Total director's remuneration of the subsidiary (Note 26)	25,757	7,989	-	-

31. RELATED PARTY DISCLOSURES

(a) Subsidiaries

The subsidiaries are disclosed in Note 7 to the financial statements.

RED IDEAS HOLDINGS BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2024

31. RELATED PARTY DISCLOSURES (CONT'D)

(b) Significant Related Party Transactions and Balances

Other than those disclosed elsewhere in the financial statements, the Company also carried out the following significant transactions with the related parties during the financial period/year:-

	The Company	
	1.1.2023 to 30.6.2024 RM	1.1.2022 to 31.12.2022 RM
Advances to a subsidiary	690,000	200,000
Repayment from a subsidiary	<u>510,000</u>	<u>200,000</u>

32. FINANCIAL INSTRUMENTS

The activities of the Group and of the Company are exposed to a variety of market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group and of the Company.

32.1 Financial Risk Management Policies

The policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group and the Company do not have any transactions or balances denominated in foreign currencies other than the functional currency of the entities within the Group, and hence, are not exposed to foreign currency risk.

RED IDEAS HOLDINGS BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2024

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 Financial Risk Management Policies (Cont'd)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk

The fixed rate borrowings of the Group is carried at amortised cost. Therefore, they are not subject to interest rate risk since neither carrying amounts nor the future cash flow will fluctuate because of a change in market interest rate.

The sensitivity analysis for fixed rate borrowings at the end of the reporting period is not presented as change in interest rate would not have impact to the profit or loss and equity.

(iii) Equity Price Risk

The Group and the Company do not have any quoted investments and hence, is not exposed to equity price risk.

(b) Credit Risk

The exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group and the Company manage their exposures to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

Also, the Company's exposure to credit risk includes loans and advances to subsidiaries. The Company monitors the ability of the subsidiaries to serve their loans on an individual basis.

(i) Credit Risk Concentration Profile

At the end of the reporting period, the Group's major concentration of credit risk relates to the amount owing by 1 (2022 - Nil) customer which constituted approximately 25% (2022 - Nil) of its trade receivables, net of loss allowance.

RED IDEAS HOLDINGS BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2024

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk

(ii) Maximum Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

(iii) Assessment of Impairment Losses

The Group and the Company have an informal credit policy in place and the exposure to credit risk is monitored on an on-going basis through periodic review of the ageing of the receivables. The Group and the Company closely monitor the receivables' financial strength to reduce the risk of loss.

At each reporting date, the Group and the Company evaluate whether any of the financial assets at amortised cost are credit impaired.

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

A financial asset is credit impaired when any of the following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significant financial difficulty of the receivable;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty; or
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

RED IDEAS HOLDINGS BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2024

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

The Group and the Company consider a receivable to be in default when the receivable is unlikely to repay its debt to the Group and the Company in full or is more than 90 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more a lagging default criterion is more appropriate.

Trade Receivables

The Group applies the simplified approach to measure expected credit losses using a lifetime expected credit loss allowance for all trade receivables.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The Group measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on an individual basis.

The expected loss rates are based on the payment profiles of sales over 18 months (2022 - 12 months) before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts. The Group has identified the inflation rate as the key macroeconomic factor of the forward-looking information.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

RED IDEAS HOLDINGS BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2024

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables (Cont'd)

Allowance for Impairment Losses

The information about the credit exposure and loss allowances recognised for trade receivables are as follows:-

The Group	Gross Amount RM	Lifetime Loss Allowance RM	Carrying Amount RM
2024			
Current (not past due)	366,811	(15,254)	351,557
1 to 30 days past due	87,771	(14,665)	73,106
31 to 60 days past due	101,255	(12,634)	88,621
61 to 90 days past due	-	-	-
Credit impaired	113,427	(106,630)	6,797
	669,264	(149,183)	520,081
2022			
(Restated)			
Current (not past due)	305,179	(4,532)	300,647
1 to 30 days past due	104,818	(2,939)	101,879
31 to 60 days past due	39,472	(2,884)	36,588
61 to 90 days past due	1,908	-	1,908
Credit impaired	153,844	(60,960)	92,884
	605,221	(71,315)	533,906

The movements in the loss allowances in respect of trade receivables are disclosed in Note 12 to the financial statements.

RED IDEAS HOLDINGS BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2024

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Other Receivables

The Group and the Company apply the 3-stage general approach to measuring expected credit losses for its other receivables.

Under this approach, loss allowance is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

In deriving the PD and LGD, the Group and the Company consider the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts.

Allowance for Impairment Losses

No expected credit loss is recognised on other receivables as it is negligible.

Amount Owed by a Subsidiary

The Company applies the 3-stage general approach to measuring expected credit losses for all inter-company balances. The Company considers loans and advances to a subsidiary has low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly.

The Company measures the expected credit losses on an individual basis, which is aligned with its credit risk management practices on the inter-company balances.

RED IDEAS HOLDINGS BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2024

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Amount Owinq by a Subsidiary (Cont'd)

For loans and advances that are repayable on demand, impairment loss is assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the subsidiary does not have sufficient highly liquid resources when the loans and advances are demanded, the Company will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through 'repayable over time' or a fire sale of less liquid assets by the subsidiary.

For loans and advances that are not repayable on demand, impairment loss is measured using techniques that are similar for estimating the impairment losses of other receivables as disclosed above.

Allowance for Impairment Losses

At the end of the reporting period, there was no indication that the balances are not recoverable.

Cash and Bank Balances

The Group and the Company consider the licensed banks have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group and the Company are of the view that the loss allowance is immaterial and hence, it is not provided for.

RED IDEAS HOLDINGS BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2024

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 Financial Risk Management Policies (Cont'd)

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group and the Company practise prudent risk management by maintaining sufficient cash balances.

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

The Group	CONTRACTUAL COUPON/ INTEREST RATE %	CARRYING AMOUNT RM	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM	WITHIN 1 YEAR RM	1 - 5 YEARS RM
2024					
<u>Non-derivative</u>					
<u>Financial Liabilities</u>					
Trade payables	-	107,135	107,135	107,135	-
Other payables and accruals	-	744,268	744,268	744,268	-
Lease liabilities	8.58	194,836	211,256	115,232	96,024
Hire purchase payable	3.82	19,791	25,862	3,144	22,718
		1,066,030	1,088,521	969,779	118,742
2022					
(Restated)					
<u>Non-derivative</u>					
<u>Financial Liabilities</u>					
Trade payables	-	35,046	35,046	35,046	-
Other payables and accruals	-	497,453	497,453	497,453	-
Lease liabilities	7.85	137,767	145,554	109,166	36,388
Hire purchase payable	2.90	34,402	36,933	13,860	23,073
		704,668	714,986	655,525	59,461

RED IDEAS HOLDINGS BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2024

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 Financial Risk Management Policies (Cont'd)

(c) Liquidity Risk

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):- (Cont'd)

The Company	Contractual Coupon/ Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM
2024				
<u>Non-derivative</u>				
<u>Financial Liabilities</u>				
Other payables and accruals	-	32,491	32,491	32,491
2022				
<u>Non-derivative</u>				
<u>Financial Liabilities</u>				
Other payables and accruals	-	50,262	50,262	50,262

[The rest of this page is intentionally left blank.]

RED IDEAS HOLDINGS BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2024

32. FINANCIAL INSTRUMENTS (CONT'D)

32.2 Capital Risk Management

Capital structure is a combination of equity and debt used by an entity to finance its overall operations and growth. The objective of the capital management of the Group and of the Company is to maintain an optimal capital structure and ensuring availability of funds in order to support its businesses and related shareholders value. To achieve this objective, the Group and the Company may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group and the Company monitor and maintain a prudent level of total debt to total equity ratio to optimise shareholders value and to ensure compliance with debt covenants and regulatory, if any.

There was no change in the approach to capital management during the financial period.

32.3 Classification of Financial Instruments

	The Group		The Company	
	2024	2022	2024	2022
	RM	RM	RM	RM
		(Restated)		
Financial Assets				
<u>Fair Value Through Profit or Loss</u>				
Other investment (Note 14)	912,390	1,327,345	912,390	1,327,345
<u>Amortised Cost</u>				
Trade receivables (Note 12)	520,081	533,906	-	-
Other receivables (Note 13)	3,472	3,268	180,000	-
Cash and bank balances	141,426	581,697	98,469	199,432
	<u>664,979</u>	<u>1,118,871</u>	<u>278,469</u>	<u>199,432</u>

RED IDEAS HOLDINGS BERHAD

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2024**

32. FINANCIAL INSTRUMENTS (CONT'D)

32.3 Classification of Financial Instruments (Cont'd)

	The Group		The Company	
	2024	2022	2024	2022
	RM	RM	RM	RM
		(Restated)		
Financial Liabilities				
<u>Amortised Cost</u>				
Trade payables (Note 20)	107,135	35,046	-	-
Other payables and accruals (Note 21)	744,268	497,453	32,491	50,262
Lease liabilities (Note 18)	194,836	137,767	-	-
Hire purchase payable (Note 19)	19,791	34,402	-	-
	<u>1,066,030</u>	<u>704,668</u>	<u>32,491</u>	<u>50,262</u>

32.4 Gains Arising From Financial Instruments

	The Group/Company	
	1.1.2023	1.1.2022
	to	to
	30.6.2024	31.12.2022
	RM	RM
Financial Asset		
<u>Fair Value Through Profit or Loss</u>		
Net gains recognised in profit or loss by mandatorily required by MFRS 9	<u>18,939</u>	<u>2,127</u>

[The rest of this page is intentionally left blank.]

Registration No : 201701020066 (1234231 - M)

RED IDEAS HOLDINGS BERHAD
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2024**

32. FINANCIAL INSTRUMENTS (CONT'D)

32.5 Fair Value Information

The fair values of the financial assets and financial liabilities of the Group and of the Company which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:-

The Group/The Company 2024	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments not Carried at Fair Value			Total Fair Value RM	Carrying Amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM		
Financial Asset								
Other investment: - unquoted unit trust	-	912,390	-	-	-	-	912,390	912,390

Registration No : 201701020066 (1234231 - M)

RED IDEAS HOLDINGS BERHAD
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2024**

32. FINANCIAL INSTRUMENTS (CONT'D)

32.5 Fair Value Information (Cont'd)

The Group/The Company 2022	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments not Carried at Fair Value			Total Fair Value RM	Carrying Amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM		
<u>Financial Assets</u>								
Other investment: - unquoted unit trust	-	1,327,345	-	-	-	-	1,327,345	1,327,345

(i) The fair value of unit trust is determined by reference to statements provided by the respective financial institutions, with which the investments were entered into.

(ii) There were no transfers between level 1 and level 2 during the financial period.

RED IDEAS HOLDINGS BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2024

33. COMPARATIVE FIGURES

The following figures have been reclassified to conform with the presentation of the current financial period:-

The Group	As Previously Reported RM	As Restated RM
Consolidated Statement of Financial Position (Extract):-		
<u>Non-current Assets</u>		
Equipment	131,208	162,080
Right-of-use assets	165,171	134,299
<u>Current Assets</u>		
Trade receivables	468,175	533,906
<u>Non-current Liabilities</u>		
Lease liabilities	57,865	35,799
Hire purchase payable	-	22,066
<u>Current Liabilities</u>		
Other payables and accruals	446,833	497,453
Contract liabilities	1,515,593	1,530,704
Lease liabilities	114,304	101,968
Hire purchase payable	-	12,336
	<hr/>	<hr/>
Consolidated Statement of Profit Or Loss And Other Comprehensive Income (Extract):-		
Cost of sales	(1,634,903)	(2,289,710)
Administrative and other operating expenses	(3,932,675)	(3,277,868)
	<hr/>	<hr/>

RED IDEAS HOLDINGS BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2024

33. COMPARATIVE FIGURES (CONT'D)

The following figures have been reclassified to conform with the presentation of the current financial period:- (Cont'd)

The Group	As Previously Reported RM	As Restated RM
Consolidated Statement of Cash Flows (Extract):-		
<u>Cash flows (for)/from operating activities</u>		
<u>Adjustments for:</u>		
Fair value gain on other investment	(25,591)	(2,127)
Gain on disposal of other investment	(2,127)	(25,591)
<u>Operating (loss)/profit before working capital changes</u>		
Increase in trade and other receivables	3,561	(62,170)
Increase/(Decrease) in trade and other payables	104,820	155,440
(Decrease)/Increase in contract liabilities	414,428	429,539
<u>Cash flows for financing activities</u>		
Repayment of lease liabilities	(112,078)	(100,433)
Repayment of hire purchase obligations	-	(11,645)
<hr/>		
The Company		
Statement of Cash Flows (Extract):-		
<u>Cash flows (for)/from operating activities</u>		
<u>Adjustments for:</u>		
Fair value gain on other investment	(25,591)	(2,127)
Gain on disposal of other investment	(2,127)	(25,591)
<hr/>		

The Group and the Company changed their financial year end from 31 December to 30 June. Consequently, the comparative figures for the statements of profit or loss and other comprehensive income, statements of changes in equity, statements of cash flows and their related notes are not comparable to that for the current 18-month period ended 30 June 2024.