



REDPLANET BERHAD

Company No.: 201901014292 (1323620-A)
(Incorporated in Malaysia under the Companies Act, 2016)

**UNAUDITED FINANCIAL STATEMENTS FOR THE SECOND
HALF OF FINANCIAL YEAR ENDED 30 JUNE 2022**

**CHARACTERISTICS OF THE LEAP MARKET OF BURSA MALAYSIA SECURITIES
BERHAD ("BURSA SECURITIES")**

THE LEAP MARKET HAS BEEN POSITIONED AS A MARKET DESIGNED TO ACCOMMODATE CORPORATIONS TO WHICH A HIGHER INVESTMENT RISK MAY BE ATTACHED THAN OTHER CORPORATIONS LISTED ON THE ACE MARKET OR MAIN MARKET OF BURSA SECURITIES. IT IS A QUALIFIED MARKET WHICH IS MEANT MAINLY FOR SOPHISTICATED INVESTORS ONLY. ONLY EXISTING SECURITIES HOLDERS AND SOPHISTICATED INVESTORS ARE ALLOWED TO PARTICIPATE IN CORPORATE EXERCISES UNDERTAKEN BY REDPLANET BERHAD ("REDPLANET" OR THE "COMPANY"). SOPHISTICATED INVESTORS SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN SUCH CORPORATIONS AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER DUE AND CAREFUL CONSIDERATION.

REDPLANET BERHAD
COMPANY NO.: 201901014292 (1323620-A)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2022

	As at 30.06.22	As at 30.06.21
	RM	RM
NON-CURRENT ASSETS		
Equipment	917,184	814,255
Right-of-use assets	642,114	375,215
Deferred tax assets	780,089	520,543
	<u>2,339,387</u>	<u>1,710,013</u>
CURRENT ASSETS		
Trade receivables	2,209,436	1,983,274
Other receivables, deposits and prepayments	1,087,281	1,807,467
Contract costs	978,270	825,619
Contract assets	5,092,515	4,407,663
Current tax asset	332,543	-
Short-term investments	2,265,996	1,794,026
Fixed deposits with licensed banks	619,482	260,198
Cash and bank balances	7,213,795	7,087,029
	<u>19,799,318</u>	<u>18,165,276</u>
TOTAL ASSETS	<u>22,138,705</u>	<u>19,875,289</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	5,544,129	5,544,129
Reorganisation deficit	(1,318,043)	(1,318,043)
Retained profits	12,390,612	9,521,728
Foreign exchange translation reserve	(7,284)	(2,666)
TOTAL EQUITY	<u>16,609,414</u>	<u>13,745,148</u>
NON-CURRENT LIABILITY		
Lease liabilities	497,856	185,319
CURRENT LIABILITIES		
Trade payables	878,762	1,146,039
Contract liabilities	3,153,638	3,127,942
Other payables and accruals	851,400	1,457,834
Lease liabilities	147,635	193,625
Current tax liabilities	-	19,382
TOTAL LIABILITIES	<u>5,529,291</u>	<u>6,130,141</u>
TOTAL EQUITY AND LIABILITIES	<u>22,138,705</u>	<u>19,875,289</u>
Net assets per ordinary share (sen)	10.42	8.62
Total number of ordinary shares	159,396,700	159,396,700

The unaudited condensed consolidated statements of financial position should be read in conjunction with the accompanying explanatory notes attached to these financial statements.

REDPLANET BERHAD
COMPANY NO.: 201901014292 (1323620-A)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR SECOND HALF OF FINANCIAL YEAR ENDED 30 JUNE 2022

	Second Half of Financial Year Ended		Cumulative Half of Financial Year Ended	
	30.06.22	30.06.21	30.06.22	30.06.21
	RM	RM	RM	RM
REVENUE	16,141,679	9,745,826	26,637,343	19,376,410
Cost of sales	(9,477,946)	(5,131,008)	(15,345,366)	(11,213,243)
GROSS PROFIT	6,663,733	4,614,818	11,291,977	8,163,167
Other income	220,089	44,531	350,404	246,991
	6,883,822	4,659,349	11,642,381	8,410,158
Administrative expenses	(1,345,421)	(1,018,586)	(2,566,755)	(2,039,052)
Other expenses	(437,313)	(315,634)	(764,550)	(566,712)
Listing expenses	(53,000)	40,601	(216,420)	(269,705)
Finance costs	(10,478)	-	(22,553)	-
Net impairment losses on a contract asset	(1,213,117)	-	(1,213,117)	-
PROFIT BEFORE TAXATION	3,824,493	3,365,730	6,858,986	5,534,689
Income tax expense	(985,437)	408,462	(1,806,367)	341,771
PROFIT AFTER TAXATION	2,839,056	3,774,192	5,052,619	5,876,460
Other comprehensive income				
<u>Item that will be reclassified subsequently to profit or loss</u>				
Foreign currency translation differences	(5,334)	(3,882)	(4,619)	(2,946)
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD/YEAR	2,833,722	3,770,310	5,048,000	5,873,514
PROFIT AFTER TAXATION ATTRIBUTABLE TO:-				
Owners of the Company	2,839,056	3,774,192	5,052,619	5,876,460
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-				
Owners of the Company	2,833,722	3,770,310	5,048,000	5,873,514
EARNINGS PER SHARE ATTRIBUTABLE TO:-				
Owners of the Company				
- Basic (sen)	1.78	2.37	3.17	3.72

The unaudited condensed consolidated statements of comprehensive income should be read in conjunction with the accompanying explanatory notes attached to these financial statements.

REDPLANET BERHAD
COMPANY NO.: 201901014292 (1323620-A)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE SECOND HALF OF FINANCIAL YEAR ENDED 30 JUNE 2022

Group	Share Capital	Reorganisation Deficit	Retained Profits	Foreign Exchange Translation Reserve	Total Equity
RM	RM	RM	RM	RM	RM
As at 1 July 2021	5,544,129	(1,318,043)	9,521,728	(2,666)	13,745,148
Contribution by and distribution to owners of the Company:					
- Dividends	-	-	(2,183,735)	-	(2,183,735)
Total transactions with owners	-	-	(2,183,735)	-	(2,183,735)
Profit after taxation for the financial year	-	-	5,052,619	-	5,052,619
Other comprehensive income for the financial year:					
- Foreign currency translation differences	-	-	-	(4,618)	(4,618)
Total comprehensive income for the financial year	-	-	5,052,619	(4,618)	5,048,001
Balance as at 30 June 2022	5,544,129	(1,318,043)	12,390,612	(7,284)	16,609,414

The unaudited condensed consolidated statements of changes in equity should be read in conjunction with the accompanying explanatory notes attached to these financial statements.

REDPLANET BERHAD
COMPANY NO.: 201901014292 (1323620-A)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE SECOND HALF OF FINANCIAL YEAR ENDED 30 JUNE 2022 (CONT'D)

Group	Share Capital RM	Reorganisation Deficit RM	Retained Profits RM	Foreign Exchange Translation Reserve RM	Total Equity RM
As at 1 July 2020	2,064,910	(1,318,043)	5,749,304	280	6,496,451
Contribution by and distribution to owners of the Company:					
- Issuance of shares	3,587,400	-			3,587,400
- Listing expenses	(108,181)	-	-	-	(108,181)
- Dividends	-	-	(2,104,036)	-	(2,104,036)
Total transactions with owners	3,479,219	-	(2,104,036)	-	1,375,183
Profit after taxation for the financial year	-	-	5,876,460	-	5,876,460
Other comprehensive income for the financial year:					
- Foreign currency translation differences	-	-	-	(2,946)	(2,946)
Total comprehensive income for the financial year	-	-	5,876,460	(2,946)	5,873,514
Balance as at 30 June 2021	5,544,129	(1,318,043)	9,521,728	(2,666)	13,745,148

The unaudited condensed consolidated statements of changes in equity should be read in conjunction with the accompanying explanatory notes attached to these financial statements.

REDPLANET BERHAD
COMPANY NO.: 201901014292 (1323620-A)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SECOND HALF OF FINANCIAL YEAR ENDED 30 JUNE 2022

	Second Half Of Financial Year	
	Ended	
	30.06.22	30.06.21
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	6,858,986	5,534,689
Adjustments for:-		
Depreciation of equipment	333,303	309,450
Depreciation of right-of-use assets	215,266	195,750
Impairment losses on equipment	-	31,013
Impairment losses on contract asset	1,213,117	-
Loss on disposal of equipment	-	563
Interest expense on lease liabilities	14,046	8,555
Income from short-term investments	(142,546)	(115,770)
Interest income	(8,411)	(1,768)
Listing expenses	216,420	269,705
Gain on lease modification	(5,265)	-
Unrealised gain on foreign exchange	(185,847)	(4,671)
Operating profit before working capital changes	8,509,069	6,227,516
Changes in working capital		
Trade and other receivables	494,024	(1,393,419)
Trade and other payables	(873,711)	359,384
Contract liabilities	25,696	(1,138,749)
Contract costs	(152,651)	(825,619)
Contract assets	(1,897,969)	(1,903,805)
Cash from operations	6,104,458	1,325,308
Income tax paid	(2,441,331)	(189,354)
Income tax refunded	23,493	-
Net cash from operating activities	3,686,620	1,135,954
CASH FLOWS FOR INVESTING ACTIVITIES		
Purchase of equipment	(436,232)	(196,453)
Income received from short-term investments	142,546	115,770
Interest income received	8,411	1,768
Proceed from disposal of equipment	-	1,970
Increase of fixed deposit pledged with a licensed bank	(359,284)	(260,198)
Net cash for investing activities	(644,559)	(337,143)
CASH FLOWS FOR FINANCING ACTIVITIES		
Proceeds from issuance of ordinary shares	-	3,587,400
Dividends paid	(2,183,735)	(2,104,036)
Listing expenses paid	(216,420)	(377,886)
Repayment of lease liabilities	(224,399)	(202,799)
Net cash for financing activities	(2,624,554)	902,679
Net increase in cash and cash equivalents	417,507	1,701,490

The unaudited condensed consolidated statements of cash flows should be read in conjunction with the accompanying explanatory notes attached to these financial statements.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SECOND HALF OF FINANCIAL YEAR ENDED 30 JUNE 2022 (CONT'D)

	Second Half Of Financial Year Ended	
	30.06.22	30.06.21
	RM	RM
Net increase in cash and cash equivalents (Cont'd)	417,507	1,701,490
Cash and cash equivalents at beginning of the financial year	8,881,055	7,177,840
Effects of foreign exchange translation	181,229	1,725
Cash and cash equivalents at end of the financial year	<u>9,479,791</u>	<u>8,881,055</u>
The cash and cash equivalents comprise the following:		
Short-term investments	2,265,996	1,794,026
Fixed deposits with licensed banks	619,482	260,198
Cash and bank balances	7,213,795	7,087,029
	<u>10,099,273</u>	<u>9,141,253</u>
Less: Fixed deposit pledged with a licensed bank	(619,482)	(260,198)
	<u>9,479,791</u>	<u>8,881,055</u>

The unaudited condensed consolidated statements of cash flows should be read in conjunction with the accompanying explanatory notes attached to these financial statements.

EXPLANATORY NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SECOND HALF OF FINANCIAL YEAR ENDED 30 JUNE 2022

A. NOTES TO THE FINANCIAL STATEMENTS

A1. Basis of Preparation

The interim financial statements of RedPlanet and its subsidiary ("**the Group**") have been prepared in accordance with Malaysian Financial Reporting Standard ("**MFRS**") 134 "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board ("**MASB**") and Rule 6.12 and Appendix 6A of the Listing Requirements.

The interim financial statements of the Group should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2021 and the accompanying explanatory notes attached to this interim financial statements.

A2. Significant Accounting Policies

The accounting policies adopted by the Group in this interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2021, except for the adoption of the following amendments to MFRSs that are effective for annual periods beginning on or after 1 January 2021:

Title	Effective Date
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform - Phase 2	1 January 2021
Amendments to MFRS 16: COVID-19-Related Rent Concessions beyond 30 June 2021	1 April 2021

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

A3. Seasonal or Cyclical Factors

The Group did not experience significant fluctuations in operations due to seasonal factors or cyclical factors during the current financial period under review.

A4. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

The Board of Directors of RedPlanet ("**Board**") is not aware of any items or incidence of an unusual nature not otherwise dealt with in this interim financial statements which may or has substantially affected the value of assets, liabilities, equity, net income or cash flows of the Group for the current financial period under review.

A5. Material Changes in Estimates

There were no changes in estimates that had a material effect in the current financial period under review.

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A6. Debt and Equity Securities

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

A7. Segmental Information

(i) Analysis of revenue by segment

	Second Half of Financial Year Ended		Cumulative Half of Financial Year Ended	
	30.06.22	30.06.21	30.06.22	30.06.21
	RM	RM	RM	RM
GIS solutions	7,389,518	7,210,065	14,027,423	12,395,590
Maintenance and support services	3,194,559	2,535,761	6,254,679	4,916,299
ICT solutions	5,557,602	-	6,355,241	2,064,521
	<u>16,141,679</u>	<u>9,745,826</u>	<u>26,637,343</u>	<u>19,376,410</u>

(ii) Analysis of revenue by geographical location

	Second Half of Financial Year Ended		Cumulative Half of Financial Year Ended	
	30.06.22	30.06.21	30.06.22	30.06.21
	RM	RM	RM	RM
Malaysia	12,351,086	7,647,763	20,657,006	15,876,259
Brunei	1,745,711	-	1,745,711	-
New Zealand	349,372	587,482	1,382,132	609,749
Philippines	257,422	892,886	821,145	1,622,705
Netherlands	501,887	-	761,953	-
Others ⁽¹⁾	936,201	617,695	1,269,396	1,267,697
	<u>16,141,679</u>	<u>9,745,826</u>	<u>26,637,343</u>	<u>19,376,410</u>

Note:

⁽¹⁾ Comprising Australia, Dubai, Qatar, Singapore, South Africa and United Kingdom.

A8. Material Events Subsequent to the End of the Current Financial Period

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

A9. Contingent Assets and Contingent Liabilities

There were no contingent assets and contingent liabilities as at the date of this interim financial statements.

A10. Changes in the Composition of the Group

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

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B. ADDITIONAL INFORMATION REQUIRED UNDER THE LEAP MARKET LISTING REQUIREMENTS OF BURSA SECURITIES

B1. Review of Performance

The Group recorded RM16.14 million revenue for the second half of financial year ended 30 June 2022 ("2H2022"), higher by RM6.40 million or 65.6% against the second half of financial year ended 30 June 2021 ("2H2021") mainly due to higher sales contribution from the ICT solutions segment.

The Group's gross profit improved by RM2.05 million or 44.4% for 2H2022 compared to 2H2021 primarily due to securing new ICT contract. However, the Group's gross profit margin declined from 47.4% in 2H2021 to 41.3% in 2H2022 mainly due to revised project budgeted costs as certain GIS projects are expected to incur higher manpower and related costs for completion.

During 2H2022, the Group recognised an impairment loss on a contract asset amounted to RM1.21 million. Notwithstanding the recognition of impairment loss, profit before taxation rose RM0.45 million or 13.6% to RM3.82 million for 2H2022 compared to RM3.37 million for 2H2021. On a full year basis, the profit before taxation for the financial year ended 30 June 2022 improved by RM1.32 million or 23.9% to RM6.86 million compared to RM5.53 million for the previous financial year.

The Group recorded income tax expense of RM0.99 million for 2H2022 compared to tax income of RM0.41 million for 2H2021 mainly due to discontinuation of Pioneer Status of the Group's key operating subsidiary, RedPlanet Solutions (M) Sdn Bhd (referred to as "RPS") effective 1 July 2021 resulting from revised conditions by Multimedia Super Corridor ("MSC"). RPS was previously granted the Pioneer Status (100% income tax exemption on the profit generated from pioneer activities for 5 years, from 29 May 2017 to 28 May 2022) and hence, has not recognised any DTA.

After accounting for the impairment loss and higher income tax expenses, the Group recorded profit after taxation of RM2.84 million for 2H2022 compared to RM3.77 million for 2H2021, representing a decline of 24.8% or RM0.94 million.

B2. Prospects

The overall economic outlook for the remaining of year 2022 remain challenging with high inflation and weakening of Ringgit Malaysia against United States Dollar.

On 26 July 2022, the International Monetary Fund (IMF) has cut its year-on-year economic growth forecast for Malaysia to 5.1% in 2022, from 5.6% previously as the risks to the outlook are overwhelmingly tilted to the downside. A plausible alternative scenario in which risks materialise, inflation rises further, and global growth declines to about 2.6 per cent and 2.0 per cent in 2022 and 2023, respectively, would put growth in the bottom 10 per cent of outcomes since 1970.

In view of the global economic uncertainties, the Group is of the opinion that the prospect of the Group for FYE 30 June 2023 will continue to be challenging. As such, the Group will continue to implement its business strategies cautiously and will take the necessary measures to ensure its long-term sustainability.

B3. Variance of Actual Profit from Profit Forecast and Profit Guarantee

The Group has not issued any profit forecast or profit guarantee in any form of public documentation and announcement.

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C. OTHER INFORMATION

C1. Status of Corporate Proposals

There were no corporate proposals announced as at the date of this interim financial statements.

C2. Utilisation of Proceeds

The gross proceeds arising from the placement of shares of approximately RM3.59 million shall accrue entirely to our Group and will be utilised in the following manner:

Purpose	Proposed	Actual	Deviation	Balance	Estimated
	Utilisation	Utilisation ⁽¹⁾			timeframe for
	RM	RM	RM	RM	upon listing 4
					Aug 2020
					("Listing")
					RM
General working capital	2,017,000	(2,585,952)	568,952	-	Within 24 months
R&D expenses	500,000	-	(500,000)	-	Within 24 months
Office renovation expenses	220,000	(220,000)	-	-	Within 24 months
Estimated listing expenses ⁽²⁾	850,000	(781,048)	(68,952)	-	Immediately after Listing
Total	3,587,000	(3,587,000)	-	-	

Note:

⁽¹⁾ Utilisation as at 29 August 2022.

⁽²⁾ The proceeds amounting to RM0.78 million had been utilised to defray the professional fee, fees payable to the relevant authorities as well as other miscellaneous expenses relating to the listing exercise. Variation to the listing expenses has adjusted to the working capital requirement.

* On 18 August 2022, the Board resolved to re-allocate proceeds amounting to approximately RM0.5 million initially earmarked for R&D expenses, towards working capital, which is intended to cover the Group's payment of salaries, general overheads and administrative expenses.

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C3. Earnings Per Share ("EPS")

	Second Half of Financial Year Ended		Cumulative Half of Financial Year Ended	
	30.06.22	30.06.21	30.06.22	30.06.21
	RM	RM	RM	RM
Profit attributable to owners of the Company	2,839,056	3,774,192	5,052,619	5,876,460
Weighted average number of ordinary shares	159,396,700	159,396,700	159,396,700	157,867,823
Basic EPS (sen)	1.78	2.37	3.17	3.72

The number of shares in issue is computed as follows:

	Second Half of Financial Year Ended		Cumulative Half of Financial Year Ended	
	30.06.22	30.06.21	30.06.22	30.06.21
Weighted average number of ordinary shares in issue:				
Ordinary shares at beginning of period/year	159,396,700	159,396,700	159,396,700	139,466,700
- acquisition of a subsidiary ⁽¹⁾	-	-	-	-
- listing on the LEAP Market of Bursa Malaysia ⁽²⁾	-	-	-	18,401,123
	159,396,700	159,396,700	159,396,700	157,867,823

Notes:

(1) Shares arising from the acquisition of a subsidiary was accounted under a reorganisation scheme.

(2) In conjunction with the Listing, the Company issued new ordinary shares to sophisticated investors.

Diluted EPS is equivalent to basic EPS as there was no potential dilutive instrument.

C4. Material Litigation

There were no material litigations pending as at the date of this interim financial statements.

C5. Dividends

On 30 August 2022, the Board has resolved to declare an interim single tier dividend of 0.80 sen per share on 159,396,700 shares amounting to RM1,275,173.60 in respect of the financial year ended 30 June 2022, to be paid on 30 September 2022. The entitlement date for the dividend payment is 15 September 2022.

BY ORDER OF THE BOARD
 REDPLANET BERHAD
 Kuala Lumpur
 30 August 2022