

# REDtone

## DIGITAL BERHAD

Registration No. 200201028701 (596364-U)



# 2024

ANNUAL REPORT



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## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Twenty-Second Annual General Meeting of **REDtone Digital Berhad** ("**Company**") will be conducted on a virtual basis hosted on Securities Services e-Portal at <https://sshsb.net.my/> at the broadcast venue at Manhattan V, Level 14, Berjaya Times Square Hotel Kuala Lumpur, No. 1, Jalan Imbi, 55100 Kuala Lumpur, Wilayah Persekutuan on Tuesday, 3 December 2024 at 10:00 a.m. for the following purposes:-

### AGENDA

#### AS ORDINARY BUSINESS

- |    |  |  |
|----|--|--|
| 1. | To receive the Audited Financial Statements for the financial year ended 30 June 2024 together with the Reports of the Directors and the Auditors thereon.   | <b>Please refer to Explanatory Note (i)</b>                  |
| 2. | To approve the payment of Directors' fees for an aggregate amount of up to RM1,300,000/- payable to the Non-Executive Directors of the Company on a monthly basis from 4 December 2024 until the next Annual General Meeting of the Company to be held in year 2025. | <b>Ordinary Resolution 1</b>                                 |
| 3. | To approve the payment of Directors' benefits for an amount of up to RM130,000/- payable to the Directors of the Company from 4 December 2024 until the next Annual General Meeting of the Company to be held in year 2025.  | <b>Ordinary Resolution 2</b>                                 |
| 4. | To re-elect the following Directors who retire in accordance with Clause 116 of the Company's Constitution and being eligible, have offered themselves for re-election:-<br><br>(i) Puan Sabarina Binti Harun; and<br>(ii) Encik Syed Ali Shahul Hameed.             | <b>Ordinary Resolution 3</b><br><b>Ordinary Resolution 4</b> |
| 5. | To re-elect the following Directors who retire by rotation in accordance with Clause 117 of the Company's Constitution and being eligible, have offered themselves for re-election:-<br><br>(i) Mr. Lau Bik Soon; and<br>(ii) Mr. Kua Choo Kai.                      | <b>Ordinary Resolution 5</b><br><b>Ordinary Resolution 6</b> |
| 6. | To re-appoint Ernst & Young PLT as Auditors of the Company for the ensuing year and to authorise the Board of Directors to fix their remuneration.   | <b>Ordinary Resolution 7</b>                                 |

#### AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions with or without modifications:-

- |    |   |                              |
|----|---|------------------------------|
| 7. | <b>Ordinary Resolution</b><br><b>Retention of Dato' Avinderjit Singh A/L Harjit Singh as an Independent Non-Executive Director of the Company</b><br><br>"THAT Dato' Avinderjit Singh A/L Harjit Singh who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, be and is hereby retained as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance 2021." | <b>Ordinary Resolution 8</b> |
|----|---|------------------------------|



## Notice of Annual General Meeting

(Cont'd)

**8. Ordinary Resolution****Authority to Issue Shares pursuant to the Companies Act 2016**

**“THAT** subject always to the Companies Act 2016, the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered pursuant to the Companies Act 2016, to issue and allot shares in the capital of the Company from time to time at such price and to such persons, upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided always that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company (**“New Shares”**) for the time being without first offering the New Shares to the existing shareholders of the Company;

**AND THAT** the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares to be issued on Bursa Malaysia Securities Berhad;

**AND FURTHER THAT** such authority shall commence immediately upon passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company.”

**Ordinary Resolution 9****9. Ordinary Resolution****Proposed Renewal of and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with Persons Connected with Berjaya Corporation Berhad**

**“THAT** subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the Company and its subsidiary companies (**“Group”**), to enter into recurrent related party transactions of a revenue or trading nature with persons connected with Berjaya Corporation Berhad as specified in Section 2.3 of the Circular to Shareholders dated 22 October 2024 (**“Proposed Mandate I”**), which are necessary for the day-to-day operations and/or in the ordinary course of business of the Group on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company and that such approval shall continue to be in force until:-

- (a) the conclusion of the next Annual General Meeting (**“AGM”**) of the Company following the AGM at which such ordinary resolution for the Proposed Mandate I was passed, at which time it will lapse, unless by ordinary resolution passed at that AGM, the authority is renewed;
- (b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 (**“Act”**) (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever is the earlier;

**AND FURTHER THAT** authority be and is hereby given to the Directors of the Company and its subsidiary companies to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or deem fit and in the best interest of the Group to give effect to such transactions as authorised by this resolution.”

**Ordinary Resolution 10**

## Notice of Annual General Meeting

(Cont'd)

### 10. Ordinary Resolution

**Proposed Renewal of and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with Persons Connected with Berjaya Corporation Berhad and companies in which KDYMM Seri Paduka Baginda Yang Di-Pertuan Agong Sultan Ibrahim is a major shareholder**

### Ordinary Resolution 11

**"THAT** subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the Company and its subsidiary companies ("**Group**"), to enter into recurrent related party transactions of a revenue or trading nature with persons connected with Berjaya Corporation Berhad and companies in which KDYMM Seri Paduka Baginda Yang Di-Pertuan Agong Sultan Ibrahim is a major shareholder as specified in Section 2.3 of the Circular to Shareholders dated 22 October 2024 ("**Proposed Mandate II**"), which are necessary for the day-to-day operations and/or in the ordinary course of business of the Group on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company and that such approval shall continue to be in force until:-

- (a) the conclusion of the next Annual General Meeting ("**AGM**") of the Company following the AGM at which such ordinary resolution for the Proposed Mandate II was passed, at which time it will lapse, unless by ordinary resolution passed at that AGM, the authority is renewed;
- (b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("**Act**") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever is the earlier;

**AND FURTHER THAT** authority be and is hereby given to the Directors of the Company and its subsidiary companies to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or deem fit and in the best interest of the Group to give effect to such transactions as authorised by this resolution."

### 11. Ordinary Resolution

**Proposed Authority for the Company to Purchase its Own Shares ("Proposed Share Buy-Back")**

### Ordinary Resolution 12

**"THAT**, subject always to the Companies Act 2016 ("**Act**"), rules, regulations and orders made pursuant to the Act, provisions of the Company's Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the requirements of any other relevant authority, the Directors of the Company be and are hereby authorised to purchase such number of ordinary shares in the Company ("**REDtone Shares**") through Bursa Malaysia Securities Berhad and to take all such steps as are necessary (including the opening and maintaining of a central depositories account under the Securities Industry (Central Depositories) Act, 1991) and enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time and to do all such acts and things in the best interests of the Company, subject further to the following:-

## Notice of Annual General Meeting

(Cont'd)

### 11. Ordinary Resolution

#### Proposed Authority for the Company to Purchase its Own Shares ("Proposed Share Buy-Back") (Cont'd)

- (a) the maximum number of ordinary shares which may be purchased and held by the Company shall be equivalent to ten per centum (10%) of the total number of issued shares of the Company;
- (b) the maximum funds to be allocated by the Company for the purpose of purchasing the ordinary shares shall not exceed the total retained profits of the Company; and
- (c) the authority shall commence immediately upon passing of this ordinary resolution until:-
  - (i) the conclusion of the next Annual General Meeting ("**AGM**") of the Company following the AGM at which such ordinary resolution was passed, at which time it will lapse, unless by ordinary resolution passed at that general meeting, the authority is renewed, either unconditionally or subject to conditions; or
  - (ii) the expiration of the period within which the next AGM after that date it is required by law to be held; or
  - (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever occurs first;

**AND THAT** upon completion of the purchase(s) of the REDtone Shares or any part thereof by the Company, the Directors of the Company be and are hereby authorised to deal with any REDtone Shares so purchased by the Company in the following manner:-

- (a) cancel all the REDtone Shares so purchased; or
- (b) retain all the REDtone Shares as treasury shares (of which may be dealt with in accordance with Section 127(7) of the Act); or
- (c) retain part thereof as treasury shares and subsequently cancelling the balance; or
- (d) in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of Bursa Malaysia Securities Berhad and any other relevant authority for the time being in force."

- 12. To transact any other ordinary business of which due notice shall have been given.

By order of the Board

**CHUA SIEW CHUAN (SSM PC NO. 201908002648) (MAICSA 0777689)**  
**TAN LEY THENG (SSM PC NO. 201908001685) (MAICSA 7030358)**  
 Company Secretaries

Kuala Lumpur  
 Dated: 22 October 2024

### Ordinary Resolution 12 (Cont'd)

## Notice of Annual General Meeting

(Cont'd)

### NOTES:

1. The Meeting will be conducted on a virtual basis by way of live streaming and online remote voting via the Remote Participation and Voting ("**RPV**") facilities to be provided by SS E Solutions Sdn. Bhd. via Securities Services e-Portal's platform at <https://sshsb.net.my>.

Please read carefully and follow the procedures provided in the Administrative Notes in order to register, participate and vote remotely via the RPV facilities.

2. With the RPV facilities, the members, proxies and/or corporate representatives are strongly encouraged to exercise their rights to participate (including to pose questions to the Chairman, Board of Directors or Management) and vote at the Meeting.

The members, proxies and/or corporate representatives may communicate via real time submission of typed texts through a text box within Securities Services e-Portal's platform during the live streaming of the Meeting as the primary mode of communication. In the event of any technical glitch in this primary mode of communication, members, proxies and/or corporate representatives may email their questions to [eservices@sshsb.com.my](mailto:eservices@sshsb.com.my) during the Meeting.

3. In respect of deposited securities, only members whose names appear in the Record of Depositors on 26 November 2024 shall be eligible to attend, speak and vote at the Meeting or appoint proxy(ies) to attend, participate, speak and vote in his stead.
4. A member entitled to attend and vote at the Meeting, may appoint more than one (1) proxy to attend, participate, speak and vote in his stead. Where a member appoints more than one (1) proxy to attend, participate, speak and vote at the same Meeting, such appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy. A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to attend, participate, speak and vote at the meeting.
5. The instrument appointing a proxy shall be in writing under the hand of the member or of his attorney duly authorised in writing or, if the member is a corporation, shall either be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised.
6. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint more than one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. Where such member appoints more than one (1) proxy, the appointment shall be invalid unless the proportion of shareholdings to be represented by each proxy is specified in the instrument appointing the proxies.
7. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
8. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a duly notarised certified copy of that power or authority, must be deposited at the office of SS E Solutions Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan OR alternatively, submit the Form of Proxy electronically via Securities Services e-Portal at <https://sshsb.net.my> not less than forty-eight (48) hours before the time set for holding the Meeting or any adjournment thereof. The lodging of the Form of Proxy does not preclude you from attending and voting at the Meeting should you subsequently decide to do so. Please follow the procedures provided in the Administrative Notes for the Twenty-Second AGM for further details.
9. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice will be put to vote by way of poll. Independent Scrutineers will be appointed to validate the results of the poll.

## Notice of Annual General Meeting

(Cont'd)

### Explanatory Notes to Ordinary and Special Business

(i) Audited Financial Statements for the financial year ended 30 June 2024

This Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

(ii) Payment of Directors' fees and benefits

Section 230(1) of the Companies Act 2016 provides, amongst others, that the fees of the Directors and any benefits payable to the Directors of a listed company shall be approved at a general meeting.

The Board wishes to seek shareholders' approval at the Twenty-Second Annual General Meeting ("AGM") on the separate resolutions as below:

- Ordinary Resolution 1 on payment of Directors' fees payable to the Non-Executive Directors of the Company on a monthly basis from 4 December 2024 until the next AGM of the Company to be held in year 2025.
- Ordinary Resolution 2 on payment of Directors' benefits, which comprise of meeting allowance payable for attendance of Directors at Board and/or Board Committees' meetings from 4 December 2024 until the next AGM of the Company to be held in year 2025.

In the event that the proposed Directors' fees and benefits payable are insufficient due to the enlarged size of the Board of Directors, approval will be sought at the next AGM for additional Directors' fees and benefits to meet the shortfall.

(iii) Re-election of Directors

The following Directors who retire in accordance with Clause 116 and Clause 117 of the Company's Constitution and being eligible, have offered themselves for re-election at the forthcoming Twenty-Second AGM: -

- (i) Puan Sabarina Binti Harun (Clause 116);
- (ii) Encik Syed Ali Shahul Hameed (Clause 116);
- (iii) Mr. Lau Bik Soon (Clause 117); and
- (iv) Mr. Kua Choo Kai (Clause 117).

The retiring Directors had provided the fit and proper declarations and the Board of Directors had through the Nomination Committee ("NC"), carried out the assessment on the retiring Directors and agreed that they met the criteria as prescribed by Paragraph 2.20A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad on character, experience, integrity, competence and time to effectively discharge their role as Directors, and are eligible to stand for re-election.

The retiring Directors had abstained from deliberations and decisions on their own eligibility to stand for re-election at the relevant Board of Directors' meeting.

The profiles of the retiring Directors are set out in the Annual Report in respect of the financial year ended 30 June 2024.

(iv) Re-appointment of Auditors

The Audit Committee had assessed the suitability and independence of the External Auditors and recommended the re-appointment of Ernst & Young PLT as External Auditors of the Company for the financial year ending 30 June 2025 at the Twenty-Second AGM of the Company.

The Board of Directors, at the recommendation of the Audit Committee, endorsed the re-appointment of Ernst & Young PLT as External Auditors of the Company for the financial year ending 30 June 2025, to be presented to the shareholders for approval.

(v) Retention of Independent Non-Executive Director

Ordinary Resolution 8 is to seek approval from the shareholders for Dato' Avinderjit Singh A/L Harjit Singh to continue in office as an Independent Non-Executive Director of the Company. Dato' Avinderjit Singh A/L Harjit Singh was appointed as an Independent Non-Executive Director of the Company on 19 February 2014. Therefore, Dato' Avinderjit Singh A/L Harjit Singh has served the Board in that capacity for a cumulative of more than nine (9) years.

The Board, through the NC, recommends that approval of the shareholders be sought through a two-tier voting process as described in the Malaysian Code on Corporate Governance 2021 to retain Dato' Avinderjit Singh A/L Harjit Singh as an Independent Non-Executive Director, based on the following justifications:-

- (a) He fulfils the criteria under the definition of Independent Director pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;



## Notice of Annual General Meeting

(Cont'd)

### Explanatory Notes to Ordinary and Special Business (Cont'd)

#### (v) Retention of Independent Non-Executive Director (Cont'd)

- (b) He is able to consistently demonstrate his independence and professionalism and effectively contribute and add value to the Company through Board Committees he serves as well as the Board;
- (c) He has vast experience in a diverse range of businesses and is able to provide constructive opinions and exercise independent judgement in the best interests of the Company, and actively expresses his views and participates in Board deliberations and decision making in an objective manner; and
- (d) There are significant advantages to be gained from a long-serving Independent Director who has many years of experience with incumbent knowledge of the Company and the Group's activities and corporate history, and is able to provide invaluable contributions to the Board in his role as an Independent Non-Executive Director.

#### (vi) Authority to Issue Shares

The proposed Ordinary Resolution 9 is intended to renew the authority granted to the Directors of the Company at the Twenty-First AGM of the Company held on 4 December 2023 ("**Previous Mandate**") to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting provided that the aggregate number of the shares issued does not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being ("**New Shares**").

The proposed Ordinary Resolution 9, if passed, will provide flexibility to the Directors of the Company to undertake any possible fund-raising activities, including but not limited to placement of shares for the purpose of funding the Company's current and/or future investment projects, working capital, repayment of bank borrowings, acquisitions and/or such other purposes as the Directors may deem fit, without having to convene a general meeting, provided that the aggregate number of the shares issued pursuant to the general mandate does not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company. This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM of the Company.

In accordance with Clause 13 of the Constitution of the Company, the proposed Ordinary Resolution 9, if passed, shall be taken as the members' agreement for the New Shares to be issued to such persons as the Directors may deem fit without first offer to the existing shareholders.

As at the date of the Notice, the Company has not issued any new ordinary shares pursuant to the Previous Mandate granted by the shareholders and hence no proceeds were raised therefrom.

#### (vii) Proposed Renewal of and New Shareholders' Mandates

The proposed Ordinary Resolutions 10 and 11, if passed, will give mandates to the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature, details of which are set out in Section 2.3 of the Circular to Shareholders dated 22 October 2024.

The aforesaid mandates from shareholders are on an annual basis and are subject to renewal at the next AGM of the Company.

The details of the proposals are set out in the Circular to Shareholders dated 22 October 2024.

#### (viii) Proposed Share Buy-Back

The proposed Ordinary Resolution 12, if passed, will enable the Company to purchase its own shares of up to ten per centum (10%) of the total number of issued shares of the Company at any time within the time period stipulated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. Unless revoked or varied by the Company in a general meeting, this authority will expire at the conclusion of the next AGM of the Company.

The details of the proposal are set out in the Statement to Shareholders dated 22 October 2024.

## STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

### 1. **Details of individuals who are standing for election as Directors (excluding Directors standing for re-election)**

No individual is standing for election as a Director of the Company at the Twenty-Second Annual General Meeting of the Company.

### 2. **A statement relating to general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad**

The details on the authority to issue and allot shares in the Company pursuant to the Companies Act 2016 are set out in Explanatory Note (vi) of the Notice of the Twenty-Second Annual General Meeting of the Company.

## CORPORATE INFORMATION

### Board of Directors

**YAM Tunku Tun Aminah Binti Sultan Ibrahim Ismail**  
Chairman/  
Non-Independent Non-Executive Director

**Syed Ali Shahul Hameed**  
Deputy Chairman /  
Non-Independent Non-Executive Director

**Lau Bik Soon**  
Group Chief Executive Officer

**Kua Choo Kai**  
Independent Non-Executive Director

**Dato' Avinderjit Singh  
A/L Harjit Singh**  
Independent Non-Executive Director

**Loh Paik Yoong**  
Non-Independent Non-Executive Director

**Sabarina Binti Harun**  
Independent Non-Executive Director

### Audit Committee

**Kua Choo Kai** (Chairman)  
**Loh Paik Yoong**  
**Sabarina Binti Harun**

### Nomination Committee

**Kua Choo Kai** (Chairman)  
**Dato' Avinderjit Singh  
A/L Harjit Singh**  
**Sabarina Binti Harun**

### Remuneration Committee

**Dato' Avinderjit Singh  
A/L Harjit Singh** (Chairman)  
**Kua Choo Kai**  
**Loh Paik Yoong**

### Head Office

Suites 22-30, 5<sup>th</sup> Floor  
IOI Business Park  
47100 Puchong  
Selangor Darul Ehsan  
Tel : 03-8084 8888  
Fax : www.redtone.com  
Email : support@redtone.com

### Registered Office

Level 7, Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara  
Damansara Heights  
50490 Kuala Lumpur  
Wilayah Persekutuan  
Tel : 03- 2084 9000  
Fax : 03- 2094 9940  
Email : info@sshsb.com.my

### Share Registrar

**Berjaya Registration  
Services Sdn Bhd**  
09-27 Level 9  
Berjaya Times Square  
No. 1, Jalan Imbi  
55100 Kuala Lumpur  
Wilayah Persekutuan  
Tel : 03- 2145 0533  
Fax : 03- 2145 9702  
Email : shareg@berjayareg.com.my

### Principal Bankers

**Bank Islam Malaysia Berhad**  
**Standard Chartered Bank (M)  
Berhad**  
**Malayan Banking Berhad**

### Auditors

**Ernst & Young PLT**  
202006000003 (LLP0022760-LCA) & AF 0039  
Chartered Accountants

### Company Secretaries

**Chua Siew Chuan**  
(SSM PC NO. 201908002648)  
(MAICSA 0777689)

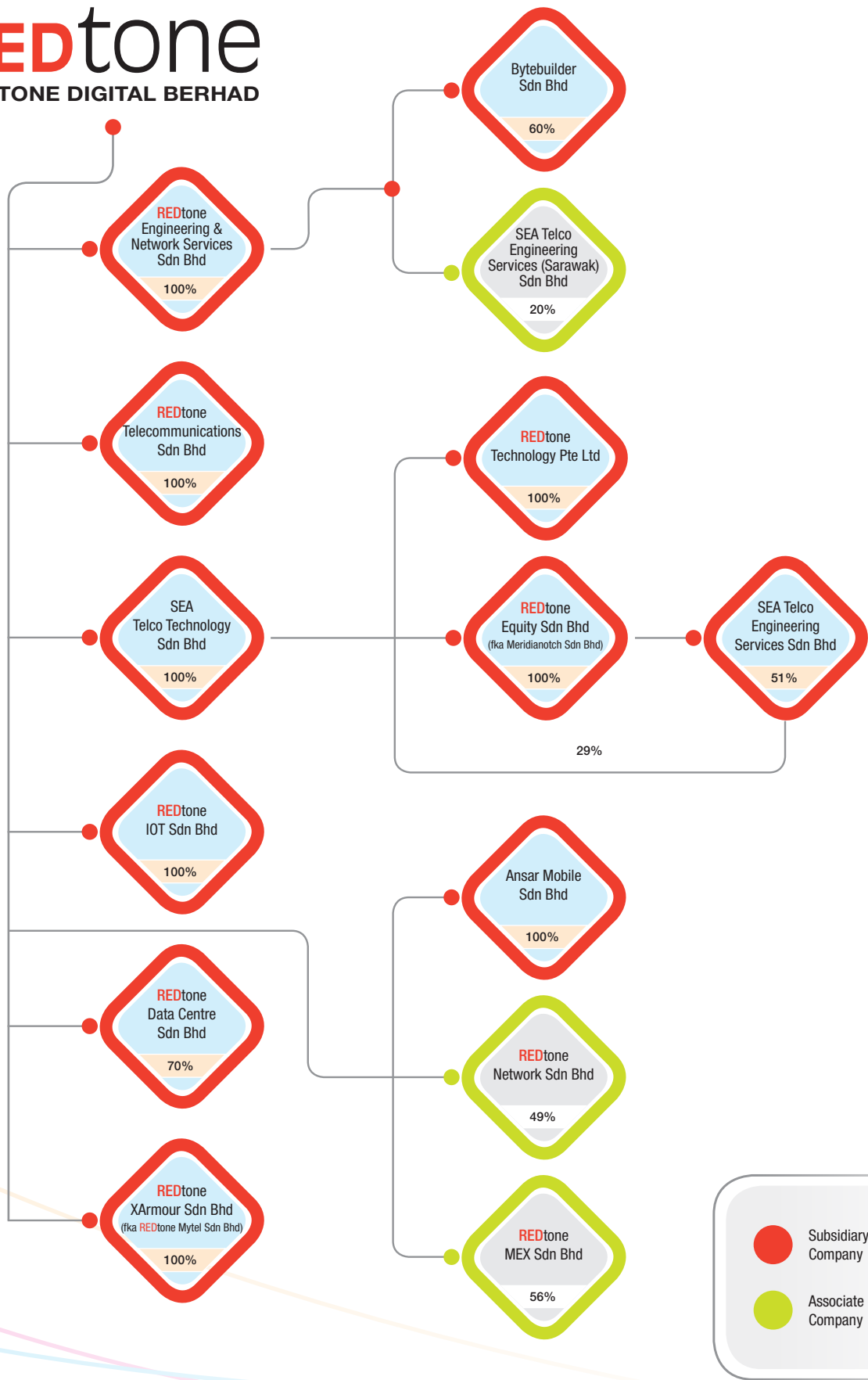
**Tan Ley Theng**  
(SSM PC NO. 201908001685)  
(MAICSA 7030358)

### Stock Exchange Listing

**Main Market of  
Bursa Malaysia Securities Berhad**  
Stock Name : **REDTONE**  
Stock Code : **0032**

# CORPORATE STRUCTURE

as at 22 October 2024

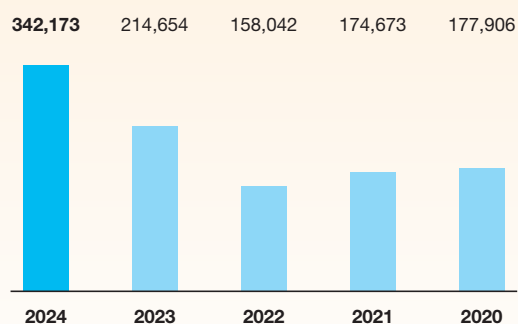


## GROUP FINANCIAL SUMMARY

	12 months FY 2024 30 Jun 24	12 months FY 2023 30 Jun 23	12 months FY 2022 30 Jun 22	12 months FY 2021 30 Jun 21	12 months FY 2020 30 Jun 20
<b>Financial Results (RM'000)</b>					
Revenue	342,173	214,654	158,042	174,673	177,906
Profit Before Tax	83,164	74,993	56,468	42,071	19,691
Profit After Tax	60,082	55,179	40,476	28,671	8,717
Profit Attributable To Shareholders ("PATAMI")	59,814	57,465	39,458	26,286	6,610
<b>Financial Positions (RM'000)</b>					
Total Assets	467,002	426,112	297,967	272,944	253,281
Total Current Liabilities	136,667	138,393	72,289	86,339	84,764
Total Non-Current Liabilities	32,313	30,970	2,289	3,684	6,810
Total Equity	298,022	256,749	223,389	182,921	161,707
<b>Financial Ratios</b>					
Net Assets Per Share (Sen)	38.13	32.83	28.22	23.11	20.74
Net Earnings Per Share (Sen)	7.74	7.43	5.10	3.40	0.86

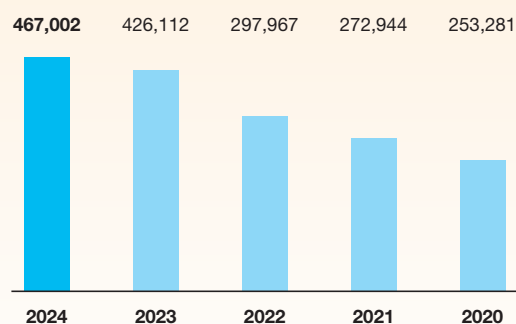
### Revenue

(RM'000)



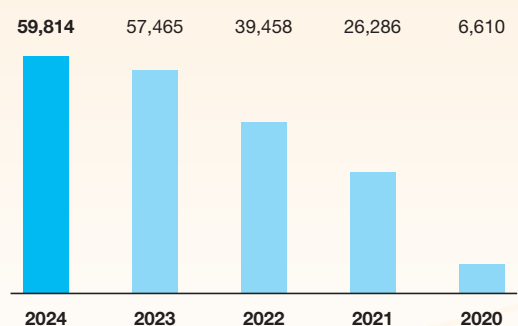
### Total Assets

(RM'000)



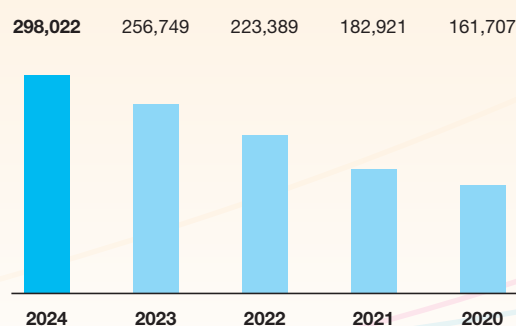
### PATAMI

(RM'000)



### Total Equity

(RM'000)





## BOARD OF DIRECTORS' PROFILE



**YAM Tunku  
Tun Aminah Binti  
Sultan Ibrahim Ismail**

Chairman/  
Non-Independent  
Non-Executive Director

Malaysian  
Female  
38

**YAM Tunku Tun Aminah Binti Sultan Ibrahim Ismail** was appointed to the Board of Directors of the Company on 3 March 2017. Her Royal Highness is the daughter of KDYMM Seri Paduka Baginda Yang Dipertuan Agong Sultan Ibrahim (“**KDYMM Sultan Ibrahim**”) who is a major shareholder of the Company. YAM Tunku Tun Aminah graduated from the prestigious La Salle School of Arts in Singapore.

YAM Tunku Tun Aminah has considerable experience in heading private organisations across a broad range of industries. Currently, Her Royal Highness is also the Chairperson of Berjaya Corporation Berhad, Berjaya Assets Berhad, Berjaya Capital Berhad, Berjaya Waterfront Sdn. Bhd. and Berjaya Rail Sdn. Bhd., and holds the KFC franchise in Stulang Laut, Johor Bahru.

YAM Tunku Tun Aminah attended 3 out of the 5 Board Meetings held during the financial year ended 30 June 2024.



**Syed Ali Shahul  
Hameed**

Deputy Chairman/  
Non-Independent  
Non-Executive Director

Malaysian  
Male  
52

**En. Syed Ali Shahul Hameed** was appointed to the Board of Directors of the Company on 4 June 2024. He holds a Bachelor of Engineering from the Institute of Road & Transport Technology, Bharathiar University at Coimbatore, India.

He has over 27 years of experience with the Berjaya Corporation Berhad (“**BCorp**”) group of companies where he started his career as an Assistant Engineer at Berjaya Tioman Resort under Berjaya Land Berhad’s (“**BLand**”) Group in 1997.

En. Syed Ali has outstanding operational and strategic capabilities to take on senior roles in BLand Group from 2003 until today, including the role of Chief Engineer in 2003, Corporate Director of Engineering & Technical Services of Berjaya Hotels & Resorts Division in 2009, and Director of Property Development and Complexes, Property Division in 2019, where he spearheaded landmark projects and developments including the multi-award winning Four Seasons Hotel & Hotel Residences Kyoto in Japan, and The Ritz-Carlton Residences in Kuala Lumpur.

En. Syed Ali was appointed as BCorp’s Joint Group Chief Executive Officer from 1 April 2022 to 1 March 2023. He sits on the Board of BLand as an Executive Director since 2019 and is currently the Group Chief Executive Officer of BLand. He also sits on the Board of Berjaya Construction Berhad, Berjaya Hartanah Berhad, Berjaya Japan Developments Berhad, Berjaya Yokohama Investment Pte Ltd, Berjaya Vacation Club Berhad, Berjaya Hills Resort Berhad, Bukit Kiara Resort Berhad, Indah Corporation Berhad, KDE Recreation Berhad, Landasan Lumayan Berjaya Sdn Bhd, Staffield Country Resort Berhad, Tioman Island Resort Berhad. and several other private limited companies in the BCorp group of companies.

He did not attend any Board Meetings held during the financial year ended 30 June 2024 as he was appointed to the Board on 4 June 2024.

## Board of Directors' Profile

(Cont'd)

**Lau Bik Soon**Group Chief  
Executive OfficerMalaysian  
Male  
53

**Mr. Lau Bik Soon** was appointed to the Board of Directors of the Company on 13 August 2008 and assumed the role of REDtone's Group Chief Executive Officer ("Group CEO") on 8 July 2011. He holds a First Class Honours Degree in Electrical Engineering from University Technology Malaysia.

Mr. Lau has been a vocal advocate of digital transformation, recognizing its critical role in driving business sustainability and growth. He has consistently championed the adoption of advanced technologies and the integration of ESG principles as essential components of the Company's strategic direction. Under his leadership, the Company has undergone a remarkable evolution from a discounted call provider to an integrated telecommunications service provider. Today, REDtone's offerings encompass Telecommunications, Managed Telco Network Services and Cloud and Internet of Things (IoT).

His tenure as Group CEO has been marked by significant achievements, including consistent recognition at The Edge Malaysia Centurion Club & Corporate Awards. Over the past three consecutive years, REDtone has earned a total of 6 prestigious awards, including the most recent for "Highest Growth in Profit After Tax Over Three Years", "Highest Return on Equity Over Three Years" and "Highest Returns to Shareholders Over Three Years". These accolades highlight the Company's resilience, strong foundation, and exceptional performance in a challenging business environment.

With more than 30 years of experience in the information and communication technology and telecommunications industry, Mr. Lau's illustrious career includes key positions with international organisations such as Cisco Systems, Sun Microsystems, Compaq Computer, TQC Consultant (IT Division) Sdn. Bhd. and Motorola. Prior to joining REDtone, he served as the Country Manager for Hitachi Data Systems Malaysia.

Throughout his corporate journey, Mr. Lau has showcased exceptional capabilities, earning a range of management excellence awards. Among other prestigious regional accolades are the 2023 Vistage Singapore & Malaysia "Lifetime Achievement Award" and the 2014 Asia Pacific Entrepreneurship Award. These recognitions underscore his steadfast commitment to excellence and his significant impact on the industry.

Mr. Lau does not hold any other directorship in any other public companies or public listed companies.

He attended all 5 Board Meetings held during the financial year ended 30 June 2024.

## Board of Directors' Profile

(Cont'd)



**Kua Choo Kai**

Independent  
Non-Executive Director

Malaysian  
Male  
64

**Mr. Simon Kua Choo Kai** was appointed to the Board of Directors of the Company on 14 February 2022. He graduated from Monash University, Australia with a Bachelor of Economics in 1983. He later obtained a Master of Business Administration from the University of Bath (in association with The Malaysian Institute of Management) in 1995. He is a member of the Malaysian Institute of Accountants, a member of the Malaysian Institute of Certified Public Accountants and a Fellow of the Chartered Practising Accountants, Australia. He was also a Certified Information Systems Auditor (CISA) of the Information System Audit and Control Association from 2001 to 2020.

Mr. Simon began his career with Ernst & Young PLT's ("EY") predecessor firm, Ernst & Whinney (EW) after his graduation and was with the firm for 38 years.

Prior to his retirement in June 2020, he was a Partner within the Kuala Lumpur Assurance Practice and was the Professional Practice Director for East Malaysia. He was also the Administration Leader of the Malaysian Firm responsible for facilities management and support services.

Mr. Simon's professional service experiences were in internal and external audits, information systems assurance, enterprise risk management framework, corporate governance framework, financial and management advisory. His industry experience included the automation, technology, telecommunications, property development and construction, gaming, consumer products and healthcare industries. He was also involved in international expatriate assignments in the United Kingdom and the United States of America.

He was previously head of EY Advisory Services from 1997 until 2005 where he was instrumental in the start-up of EY Risk & Assurance Business Services. He was the partner in charge of numerous Corporate Governance and Risk Management framework implementation assignments. He returned to mainstream Assurance in 2005 and was the engagement partner in charge of several large conglomerates in Malaysia and multinational corporations.

He also sits on the Board of Cengild Medical Berhad, Berjaya Land Berhad and UEM Edgenta Berhad as an independent director.

Mr. Simon is the Chairman of the Audit Committee and Nomination Committee of the Company. He is also a member of the Remuneration Committee of the Company.

He attended all 5 Board Meetings held during the financial year ended 30 June 2024.

## Board of Directors' Profile

(Cont'd)



**Dato' Avinderjit Singh  
A/L Harjit Singh**

Independent  
Non-Executive Director

Malaysian  
Male  
53

**Dato' Avinderjit Singh A/L Harjit Singh** was appointed to the Board of Directors of the Company on 19 February 2014. He completed his education in Stamford College Singapore.

He has been in the marketing industry for the past 30 years since the completion of his education. He has experience in several other industries including property development, oil & gas, and auto sports industry.

At present, he sits on the board of another public listed company, Knusford Berhad and many other unlisted companies namely Transwater Capital Ventures Sdn. Bhd., Lido Waterfront Boulevard Sdn. Bhd., Iskandar Waterfront Holdings Sdn. Bhd., QSR Brands (M) Holdings Bhd., MSC Cyberport Sdn. Bhd., Iskandar Seafront Assets Sdn. Bhd., Berjaya Assembly Sdn. Bhd., Berjaya Waterfront Sdn. Bhd., Sinar Bina Infra Sdn. Bhd., Kuntum Pesona Sdn. Bhd., Tunjang Kapital Sdn. Bhd., Puncak Kosmo (M) Sdn. Bhd., Teras Galian Sdn. Bhd. Damai Majmuk Sdn. Bhd., Jada Platform Sdn. Bhd., and Southmax Sdn. Bhd. In addition to this, he was appointed to the Board of Trustees of Sultan Ibrahim Johor Foundation in July 2018. In 2021, he was appointed as the Managing Trustee of Sultan Ibrahim Johor Foundation.

Dato' Avinderjit Singh A/L Harjit Singh is the Chairman of the Remuneration Committee and a member of the Nomination Committee of the Company.

He attended 3 out of the 5 Board Meetings held during the financial year ended 30 June 2024.



**Loh Paik Yoong**

Non-Independent  
Non-Executive Director

Malaysian  
Female  
60

**Ms. Loh Paik Yoong** was appointed to the Board of Directors of the Company on 9 February 2015. She obtained her professional qualification from The Malaysian Association of Certified Public Accountants (now known as The Malaysian Institute of Certified Public Accountants). She is a member of the Malaysian Institute of Accountants.

Having articulated and worked with Messrs. Peat Marwick Mitchell & Co (now known as KPMG PLT) for 6 years to 1990, she subsequently joined the Corporate Advisory Department of Malaysian International Merchant Bankers Berhad where she was actively involved in a wide variety of corporate exercises in an advisory capacity until her departure in 1995 to join Berjaya Group Berhad ("BGroup").

Currently, she is the Head & Director in Group Investment, Berjaya Corporation Berhad, the holding company of BGroup. She also sits on the boards of several private limited companies.

Ms. Loh Paik Yoong is also a member of the Audit Committee and Remuneration Committee of the Company.

She attended all 5 Board Meetings held during the financial year ended 30 June 2024.



## Board of Directors' Profile

(Cont'd)



**Sabarina Binti Harun**

Independent  
Non-Executive Director

Malaysian  
Female  
47

**Puan Sabarina Binti Harun**, FCPA (Aust) was appointed to the Board of Directors of the Company on 19 February 2024. She holds a Bachelor of Commerce majoring in Accounting from La Trobe University, Australia. She is a Fellow Certified Practising Accountant from CPA Australia, a member of the Malaysian Institute of Accountants, and an ASEAN Chartered Professional Accountant. She is also a Project Management Professional certified by Project Management Institute, USA.

Puan Sabarina has more than 25 years of experience in strategy development, financial management, digital transformation and operations. She has solid change management experience in her various positions, proven track record in managing cross-functional teams, implementing successful, robust and efficient operational processes for organisational change.

Prior to joining SIRIM Berhad, Puan Sabarina was the Group Financial Controller to Inai Kiara Group of Companies, which is the fifth largest dredging company in the world. She started her career with Inai Kiara as the Financial Controller for the holding company, orchestrating a prominent impact in three (3) different portfolios namely Finance, Quality Management and Project Management.

She then joined SIRIM Berhad as the Group Chief Finance Officer to spearhead the overall financial operations, growth and strategies, asset management and procurement activities of SIRIM Berhad and its subsidiaries ("**SIRIM Group**").

She is currently the Group Chief Operating Officer at SIRIM Berhad, leading the Project Monitoring Office for SIRIM Group, overseeing the operations of ten (10) State offices nationwide and lead three (3) Strategic Business Units of SIRIM Group under the statutory, developmental and commercial mandates.

Puan Sabarina Binti Harun is also a member of the Audit Committee and Nomination Committee of the Company.

Puan Sabarina does not hold any other directorship in any other public companies or public listed companies.

Puan Sabarina attended all 2 out of 5 Board Meetings held during the financial year ended 30 June 2024 as she was appointed after the third Board Meeting for financial year ended 30 June 2024, on 19 February 2024.

### Other Information

#### 1. Family relationship with Director and/or major shareholder

YAM Tunku Tun Aminah Binti Sultan Ibrahim Ismail, the Non-Independent Non-Executive Chairman of REDtone, BCorp and Berjaya Assets Berhad, is the daughter of KDYMM Sultan Ibrahim, a major shareholder of the Company.

Save as disclosed herein, none of the Directors has any family relationship with any other Director and/or major shareholder of the Company.

#### 2. Conflict of interest with the Company

Save for the related party disclosures as disclosed under Note 33 to the Audited Financial Statements of this Annual Report and the Circular to Shareholders dated 22 October 2024 which is despatched together with this Annual Report, none of the Directors has any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.

#### 3. Conviction for offences

None of the Directors has been convicted for any offences (other than traffic offences) within the past five (5) years or has been imposed with any public sanctions or penalties by the relevant regulatory bodies during the financial year.

#### 4. Directorship in public companies and listed issuers

Save for the disclosures as stated above, none of the Directors hold any directorship in other public companies and listed issuers.

## KEY SENIOR MANAGEMENT'S PROFILE

### Yau Chee Keong, Andy

Chief Executive –  
REDtone Data Centre Sdn. Bhd.

Malaysian  
Male  
66

**Mr. Yau Chee Keong** was appointed on 1 April 2011. He holds an Australian University Degree in Economics and a post-graduate qualification in Computer Science. He is a Certified Data Center Professional, a Certified Digital Transformation Professional, and also holds a certification in Information Technology Service Management Foundation. He has attended the International Association of Outsourcing Professionals Certified Outsourcing Professional Master Class and completed the Harvard Business School Executive Program on Business Analytics & Big Data in March 2018.

Mr. Yau has more than 41 years of working experience in the information and communication technology arena. He spent the last 30 years of his career in general management and program management in information technology outsourcing services, data centre services and business continuity services. His recent working experience involves technology areas in data centre, cloud computing, virtual/augmented/extended reality, 3D Modelling, OTT solutions for the Media & Entertainment Industry, and recently in Analytic/AI solutions for industrial based digital transformation services.

### Lau Hock Chye

Chief Financial Officer

Malaysian  
Male  
58

**Mr. Lau Hock Chye** was appointed on 6 June 2016. He is a member of the Institute of Chartered Secretaries & Administrators as well as a member of the Association of International Accountants, United Kingdom.

He is an experienced professional and has over 20 years of experience in finance and business planning in the telecommunications industry, with extensive hands-on in management, business leadership and working with the board of directors, bankers and financial and legal advisers.

He began his career in Digi Telecommunications Sdn. Bhd. in 1997, where he held various finance and business positions and was the Head of Regional Management when he left in 2009 to join U Mobile Sdn. Bhd. ("**U Mobile**") as its Chief Financial Officer. During his 4 years tenure in U Mobile, he introduced a cost-effective structure which set the path for U Mobile to grow and to compete effectively. Prior to joining REDtone, he was the Head of Planning and Strategy of Maxis Communications Berhad for 2½ years from 2013, where he played a significant role in the feasibility study of many new business initiatives.

Throughout his tenure in REDtone, he has contributed significantly in aligning the Company's cost structure, introducing measures enhancing forward looking organisation, revamping processes and controls which have enabled the Company to be more effective in facing evolving businesses, leading to improvement in profitability and efficiency of the Company. Over the past 3 consecutive years, REDtone has earned a total of 6 prestigious awards at The Edge Malaysia Centurion Club Corporate Awards.

#### Note:

Save as disclosed, none of the key senior managers have: -

1. any directorship in public companies and public listed companies;
2. any family relationship with any directors and/or major shareholders of the Company;
3. any conflict of interest with the Company;
4. any convictions for offences within the past 5 years other than traffic offences; and
5. any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

# MANAGEMENT DISCUSSION AND ANALYSIS

## OVERVIEW

REDtone Digital Berhad (“**REDtone**”) is a leading integrated telecommunications and digital services provider in Malaysia. Established in 1996, this well-respected home-grown brand has evolved from a voice provider to offering a comprehensive range of services across three main categories:

- (a) **Telecommunications Services (“TS”)**: REDtone offers a comprehensive range of data, managed network services, Cloud PBX, SIP Trunk and managed cybersecurity services tailored for government agencies, enterprises, and Small and Medium Enterprises.

Renowned for its expertise in infrastructure and system integration, REDtone is one of the few providers in the industry capable of delivering broadband-on-demand through a unique suite of last-mile technologies. As an authorized Starlink Reseller & Integrator, REDtone also provides enterprise-grade satellite-based services throughout Malaysia.

Additionally, the company delivers robust cybersecurity solutions, including Managed Detection and Response, Identity Access Management, and Risk Management, ensuring comprehensive protection at every level.

- (b) **Managed Telecommunications Network Services (“MTNS”)**: REDtone is committed to nation-building by connecting the unconnected, leveraging its telco engineering and technical expertise to enhance connectivity across Malaysia, particularly in underserved rural areas. This segment focuses on the development, maintenance, and operation of large-scale telecom engineering projects, including WiFi hotspots, base stations, and fiber optic infrastructure. REDtone’s engineering capabilities encompass Fixed Network Solutions, Equipment Installation, Commissioning & Integration, and Radio Frequency (“RF”) Design & Network Optimization.

REDtone has played a pivotal role in the successful roll-out of numerous large-scale Universal Service Provision (“**USP**”) projects. These include initiatives like “Kampung Tanpa Wayar,” Time-3 and its extension and the Jendela Phase 1 (Part 2) (“**JENDELA**”) project. Through these projects, REDtone has significantly contributed to reducing the digital divide, ensuring that even the most remote communities have access to reliable telecommunications services.

- (c) **Cloud and Internet of Things (“Cloud & IoT”)**: REDtone offers cloud services and applications, data center solutions, disaster recovery, and Internet of Things (“**IoT**”) technology for smart farming. The company also provides Software-as-a-Service (“**SaaS**”) solutions like Customer Relationship Management (“**CRM**”) and Artificial Intelligence (“**AI**”) Marketing Cloud, empowering businesses with digital transformation tools needed to drive long-term growth and sustainability.

## KEY HIGHLIGHTS AND ACHIEVEMENTS

In November 2023, the Group has inked an authorised reseller agreement with SpaceX to offer Starlink satellite-based high speed internet services across Malaysia. With the resources across the country and the strength as a network integrator, the Group can quickly deploy Starlink’s broadband services to users in remote locations as well as areas with geographical and environmental constraints. The Group trusts the Starlink Business will contribute positively towards the Group’s profitability.

The Group, through its wholly-owned subsidiary REDtone Engineering & Network Services Sdn Bhd secured a MyGovUC 3.0 contract worth RM398.1 million from Jabatan Digital Negara for the provision of communications infrastructure and services for a period of 5 years. The contract was signed in February 2024 and is expected to contribute positively to the future earnings of the Group.

The Group has bagged a total of six prestigious awards at The Edge Malaysia Centurion Club Corporate Awards in the Telecommunications, Media & Utilities segment over the past three consecutive years, including the most recent for “Highest Growth in Profit After Tax Over Three Years”, “Highest Return on Equity Over Three Years” and “Highest Returns to Shareholders Over Three Years”. These awards are a recognition of our remarkable achievements and an inspiration for our future endeavours.

## Management Discussion and Analysis

(Cont'd)

### REVENUE

The Group recorded a remarkable upswing in revenue of RM342.2 million for the financial year ended 30 June 2024 ("FY 2024"), representing a RM127.5 million or 59.4% increase compared to the previous financial year's revenue of RM214.7 million. This growth was attributed to improved performance across all business segments.

The TS segment contributed positively for the financial year under review and recorded an increase in revenue despite challenging business due to intense competition in the telecommunications industry.

The MTNS segment contributed 62.0% to the overall total revenue of the Group. The increase in MTNS revenue was mainly attributable to the JENDELA project under the USP projects. The revenue from USP projects fluctuate over its contract period and is dependent on the progress of the work performed.

The Cloud & IoT segment contributed a significant growth for the financial year under review, representing 5.0% to the overall total revenue of the Group as compared to 2.3% in the previous financial year. This is a significant milestone for the Group. The increase in Cloud & IoT revenue was attributed to the MyGovUC 3.0 project that the Group secured in February 2024.

### GENERAL AND ADMINISTRATIVE EXPENSES

The General and Administrative ("G&A") expenses mainly comprise of staff costs, general and administrative expenses and depreciation.

The Group's G&A expenses for FY 2024 increased by 3.9% or RM1.7 million to RM45.8 million as compared to RM44.1 million recorded in financial year ended 30 June 2023 ("FY 2023"). The increase was mainly due to the hiring of additional headcount to support the MyGovUC 3.0 project.

### PROFIT BEFORE TAX

The Group posted a record high profit before tax of RM83.2 million for the financial year under review, representing RM8.2 million or 10.9% improvement compared to RM75.0 million in FY 2023. The Group has continuously improved its profit before tax over the past few years, and the profit before tax for FY 2024 is the highest ever recorded for the Group. The significant growth was primarily contributed by the Group's strong performance from MTNS and TS business segments.

### LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2024, the Group's cash and bank balances stood at RM63.5 million (FY 2023: RM117.0 million), which included deposits of RM22.4 million (FY 2023: RM28.5 million) that has been pledged to banks for facilities granted to certain subsidiary companies. Lower cash and bank balances was recorded mainly due to increase in business activities related to the deployment phase of the JENDELA project during the financial year under review compared to the previous year.

Although the Group's cash and bank balances was lower than previous year, the borrowings of the Group remain minimal, and the Group was able to finance its operations by internally generated funds. The Group is equipped with sufficient banking facility to address major projects' deployment as part of its cash flow planning.



## Management Discussion and Analysis

(Cont'd)

### DIVIDEND

The Group has paid out RM13.9 million on 16 October 2023, an interim tax exempt (single-tier) dividend of 2.5 sen per ordinary share for FY 2023.

In view of the strong performance for FY 2024, the Group declared a higher dividend to demonstrate the Group's commitment to deliver better returns to its shareholders. On 22 August 2024, the Board of Directors of REDtone ("**Board**") announced an interim tax exempt (single-tier) dividend of 3.0 sen per ordinary share which was paid on 18 October 2024 to reward its loyal shareholders.

The payment of dividend is dependent on the Group's operating performance, cash requirements for upcoming projects, financial performance and other factors that the Board deems relevant. The Board is also mindful of the shareholders' expectation when making decision on dividend.

### FORWARD-LOOKING AND PROSPECTS

The Group anticipates the business outlook for the forthcoming financial year to remain challenging due to the volatilities and uncertainties of the market. Nevertheless, the Group continues to exercise caution and remains steadfast in its determination to maintain the momentum to boost its profitability by prioritizing its operational efficiency and adopt measures to enhance its core business.

The Group expects the TS segment to remain competitive due to the intense competition in the telecommunications industry. However, voice and data services will remain the Group's main focus in recurring business.

With the deployment of the JENDELA project, the MTNS segment is expected to increase its revenue contribution to the Group.

The Cloud & IoT segment is expected to contribute a sizeable revenue to the Group for the next few years with the contribution from the MyGovUC 3.0 project.

The Group is confident that it will be able to adapt to the dynamic business environment. As part of its business strategy moving forward, the Group will continue to explore new opportunities to expand the Group's business and strategise towards digitalisation to strengthen the Group's market positioning and ensure sustainable revenue streams. The Group has participated in various tenders in government and government-linked agencies to grow the Group's business.

# SUSTAINABILITY STATEMENT

## ABOUT THIS REPORT

Welcome to the REDtone Digital Berhad (“**REDtone**”) Sustainability Statement 2024. This Sustainability Statement reflects an unwavering commitment to sustainability and delivering a delightful REDtone brand experience.

This annual disclosure is a testament to our dedication to stakeholder communication and transparency. Keeping stakeholders informed and engaged is vital for securing a more sustainable future. REDtone strives to impact the world positively, one connection at a time. Thank you for joining us on our path to a greener tomorrow.

<b>Reporting Scope and Boundary</b>	This Sustainability Statement addresses relevant sustainability matters arising from our core business activities in Malaysia, covering our environmental impact, social responsibility, and governance practices. REDtone’s materiality exercise, stakeholder feedback and regulatory requirements determine the scope, ensuring alignment with local and global standards and driving continuous improvement.
<b>Reporting Approach</b>	Any references to “ <b>the Company</b> ” or “ <b>the Group</b> ” pertain to REDtone, including our subsidiaries and all operations potentially affected by its activities. Throughout this report, REDtone has incorporated consolidated data wherever feasible, aligned with the reporting period of the financial year. This report does not include specific targets; however, as a step towards sustainability, we plan to incorporate them in the next financial year where feasible.
<b>Reporting Period</b>	Unless otherwise specified, this Sustainability Statement covers the Group’s performance from 1 July 2023 to 30 June 2024 (“ <b>FY2024</b> ”).
<b>Reporting Cycle</b>	Annually
<b>Reporting Standards</b>	<p>REDtone utilised the following frameworks to guide the development of its reporting content:</p> <ul style="list-style-type: none"> <li>• Global Reporting Initiative (“<b>GRI</b>”) Universal Standards</li> <li>• Bursa Malaysia Sustainability Reporting Guide</li> <li>• ISO 26000 Social Responsibility</li> <li>• United Nations Sustainable Development Goals (“<b>UNSDGs</b>”)</li> </ul>
<b>Reliability of Information Disclosed</b>	The Sustainability Working Committee (“ <b>SWC</b> ”) was directly involved in gathering information and preparing the draft of this Sustainability Statement. Crowe Governance Sdn. Bhd. had performed internal review on selected sustainability matters as disclosed in the Statement of Assurance in this Statement.
<b>Feedback</b>	REDtone invites stakeholders’ support and values any feedback for continuous improvement in its sustainability efforts. For inquiries, questions or additional information regarding this Sustainability Statement or the overall sustainability approach, please contact us through the “Contact Us” section on our website: <a href="https://www.redtone.com/investor-relations/investor-relations-contact/">https://www.redtone.com/investor-relations/investor-relations-contact/</a> .

## Sustainability Statement

(Cont'd)

### NAVIGATING SUSTAINABILITY IN THE DIGITAL AGE

Sustainability is integral to our mission as an integrated telecommunications and digital services provider. REDtone creates value through sustainable practices encompassing environmental stewardship, social responsibility, economic resilience, governance and customer-centric innovation. Minimising our environmental footprint fosters inclusive growth within communities to deliver long-term financial stability that meets regulatory requirements and exceeds stakeholder expectations. This overarching commitment to sustainability drives innovation and enhances operational efficiency, strengthening our reputation as a responsible industry leader.

### SUSTAINABILITY STRATEGY AND FRAMEWORK

REDtone's sustainability framework contains several key focus areas that contribute to national and industry advancements, deliver stakeholder value, positively affect local communities and sustain the environment for a resilient future.

Focus Areas	Our Commitment
<b>Economic Sustainability</b>	<ul style="list-style-type: none"> <li>Ensuring the interests of all stakeholders are taken care of</li> <li>Embracing good corporate governance, accountability and transparency to achieve long-term shareholder value and confidence</li> </ul>
<b>Environmental Sustainability</b>	<ul style="list-style-type: none"> <li>Addressing challenges and opportunities where we conduct businesses</li> <li>Reducing the Group's environmental footprint by improving resource efficiency and supporting conservation efforts</li> </ul>
<b>Social Sustainability</b>	<ul style="list-style-type: none"> <li>Engaging with customers and the public according to good market practices and regulatory requirements, conducive workplace practices and community engagement through various initiatives involving the Group's monetary and non-monetary resources</li> </ul>
<b>Governance Sustainability</b>	<ul style="list-style-type: none"> <li>Ensuring healthy business practices comply with approved policies, standard operating procedures, Malaysian law and other legislation and local and international standards of corporate behaviour</li> <li>Promoting fair engagement, accountability and access to justice, internally and externally</li> </ul>

### SUSTAINABILITY GOVERNANCE

REDtone established a robust governance structure for sustainability, overseen by the Board of Directors. The Audit Committee and two executive committees support the Board: the SWC and the Management-level Risk Management Committee ("RMC").

Chaired by the Group Chief Executive Officer, the SWC oversees the implementation and monitors the sustainability agenda across all facets of operations. Consisting of senior management team members, the SWC benefits from diverse perspectives and expertise critical for effective decision-making and strategic guidance. It collaborates closely with business and group functional units to comprehensively integrate sustainability practices into daily operations and strategic planning processes.

In parallel, the SWC collaborates with the Management-level RMC to identify, assess, and mitigate risks related to sustainability initiatives and practices. The SWC integrates sustainability considerations into risk management frameworks and processes.

REDtone's Sustainability Governance is essential for embedding sustainable practices throughout the organisation, enhancing stakeholder transparency, accountability and long-term value creation.

## Sustainability Statement

(Cont'd)

### NAVIGATING SUSTAINABILITY IN THE DIGITAL AGE (CONT'D)

#### Sustainability Governance (Cont'd)

#### Sustainability Governance Structure



### INTERACTIVE ENGAGEMENT WITH OUR STAKEHOLDER UNIVERSE

Our unwavering commitment to stakeholders is the cornerstone of all endeavours. It defines our promise to deliver services with steadfast professionalism and reliability, enriching the overall REDtone brand experience. Our belief in the transformative power of robust stakeholder engagement is central to this commitment. We value each interaction as an opportunity to listen, understand and build enduring partnerships. Feedback drives innovation and shapes strategies, making stakeholder input essential to our shared success and continued growth.

#### Stakeholder Engagement Communication Model

Stakeholder Groups	Areas of Interest	Methods of Engagement	Our Response
Government and regulators	<ul style="list-style-type: none"> <li>Compliance with rules and regulations</li> <li>Impact from operations</li> <li>Contributions to industry advancement and nation-building</li> </ul>	<ul style="list-style-type: none"> <li>Reports and compliance</li> <li>Meetings and industry dialogue</li> <li>Regular communication with the Government and regulators</li> <li>Events and seminars</li> <li>Materiality assessment</li> </ul>	<ul style="list-style-type: none"> <li>Regular review and monitoring of the risk register</li> <li>Complying with regulatory requirements</li> <li>Adopting practices outlined in the Malaysian Code on Corporate Governance</li> <li>Supporting government initiatives</li> </ul>



## Sustainability Statement

(Cont'd)

## INTERACTIVE ENGAGEMENT WITH OUR STAKEHOLDER UNIVERSE (CONT'D)

## Stakeholder Engagement Communication Model (Cont'd)

Stakeholder Groups	Areas of Interest	Methods of Engagement	Our Response
Customers	<ul style="list-style-type: none"> <li>Data privacy</li> <li>Transparent processes</li> <li>Product and service quality and delivery</li> <li>Customer experience and loyalty</li> </ul>	<ul style="list-style-type: none"> <li>Customer satisfaction survey</li> <li>Customer feedback/ complaints channel by emails, phone-ins and face-to-face meetings</li> <li>Exhibitions, seminars and courses</li> <li>Face-to-face technical and commercial meeting</li> <li>Regular visits</li> <li>Corporate website</li> <li>Social media</li> <li>Materiality assessment</li> </ul>	<ul style="list-style-type: none"> <li>Continuously working on flexibility in customising solutions and speed</li> <li>Elevating focus on quality while providing the best value for money</li> <li>Offering a comprehensive portfolio of managed services that meet the evolving IT and network needs of organisations today</li> <li>Expanding the range of affordable products and service offerings</li> <li>Strictly adhering to the Personal Data Protection Act ("PDPA")</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Equal opportunities</li> <li>Diversity</li> <li>Better working environment and career development</li> <li>Workplace safety</li> <li>Employee welfare</li> <li>Benefits and rewards</li> <li>Performance, future strategies and any critical updates of the Group</li> </ul>	<ul style="list-style-type: none"> <li>REDtone intranet</li> <li>Internal newsletter</li> <li>Townhall meeting</li> <li>Recreational activities, events and functions</li> <li>Employee grievance system</li> <li>Employee survey</li> <li>Performance appraisal review</li> <li>Social media</li> <li>Internal hiring</li> <li>Training programmes</li> <li>Materiality assessment</li> </ul>	<ul style="list-style-type: none"> <li>Promoting transparent communication with employees</li> <li>Providing equal employment opportunities without discrimination</li> <li>Offering industry-competitive benefits and remuneration packages</li> <li>Providing relevant upskilling and development opportunities</li> <li>Ensuring compliance with Occupational Safety and Health ("OSHA") 1994</li> </ul>

## Sustainability Statement

(Cont'd)

## INTERACTIVE ENGAGEMENT WITH OUR STAKEHOLDER UNIVERSE (CONT'D)

## Stakeholder Engagement Communication Model (Cont'd)

Stakeholder Groups	Areas of Interest	Methods of Engagement	Our Response
<b>Contractors, suppliers &amp; consultants</b>	<ul style="list-style-type: none"> <li>Product and service quality</li> <li>Efficient supply chain management</li> <li>Opportunities for business collaboration</li> <li>Business relationship and continuity</li> </ul>	<ul style="list-style-type: none"> <li>Service delivery feedback</li> <li>Collaboration, training and events</li> <li>Meetings and discussions</li> <li>Materiality assessment</li> </ul>	<ul style="list-style-type: none"> <li>Improving efficiency by digitalising procurement processes</li> <li>Delivering training and collaboration programmes for suppliers and contractors</li> <li>Including supply chain partners in the Group's discussion on procurement, supply chain, value chain, safety and other pertinent matters</li> </ul>
<b>Communities and non-governmental organisations</b>	<ul style="list-style-type: none"> <li>Social and economic development</li> <li>Local community support</li> <li>Long-term engagement</li> </ul>	<ul style="list-style-type: none"> <li>Community collaboration and consultation</li> <li>Corporate Social Responsibility activities</li> <li>Philanthropic activities</li> <li>Events and roadshows</li> <li>Charitable contributions</li> <li>Student internships</li> <li>Materiality assessment</li> </ul>	<ul style="list-style-type: none"> <li>Investing in the community to improve societal well-being</li> <li>Engaging periodically with local communities</li> </ul>
<b>Media</b>	<ul style="list-style-type: none"> <li>Sustainability matters</li> <li>Company's performance</li> <li>Compliance</li> <li>News releases and updates</li> </ul>	<ul style="list-style-type: none"> <li>Media releases</li> <li>Regular updates</li> <li>Events and roadshows</li> <li>Interviews</li> <li>Materiality assessment</li> </ul>	<ul style="list-style-type: none"> <li>Ensuring information shared with the media is reliable and truthful</li> <li>Providing timely responses to media inquiries and requests</li> </ul>

## Sustainability Statement

(Cont'd)

### INTERACTIVE ENGAGEMENT WITH OUR STAKEHOLDER UNIVERSE (CONT'D)

#### Stakeholder Engagement Communication Model (Cont'd)

Stakeholder Groups	Areas of Interest	Methods of Engagement	Our Response
Investors, analysts, shareholders, bankers & financiers	<ul style="list-style-type: none"> <li>Business performance</li> <li>Risk management</li> <li>Updates and projection</li> </ul>	<ul style="list-style-type: none"> <li>Analyst meetings</li> <li>Annual General Meetings</li> <li>Regular updates and communication</li> <li>Corporate website</li> <li>Briefings and updates</li> <li>Materiality assessment</li> </ul>	<ul style="list-style-type: none"> <li>Providing timely updates on the Group's strategy and financial performance</li> <li>Upholding good governance practices across the Group and supply chain</li> <li>Monitoring sustainability performance and targets</li> </ul>

### PRIORITISING WHAT MATTERS

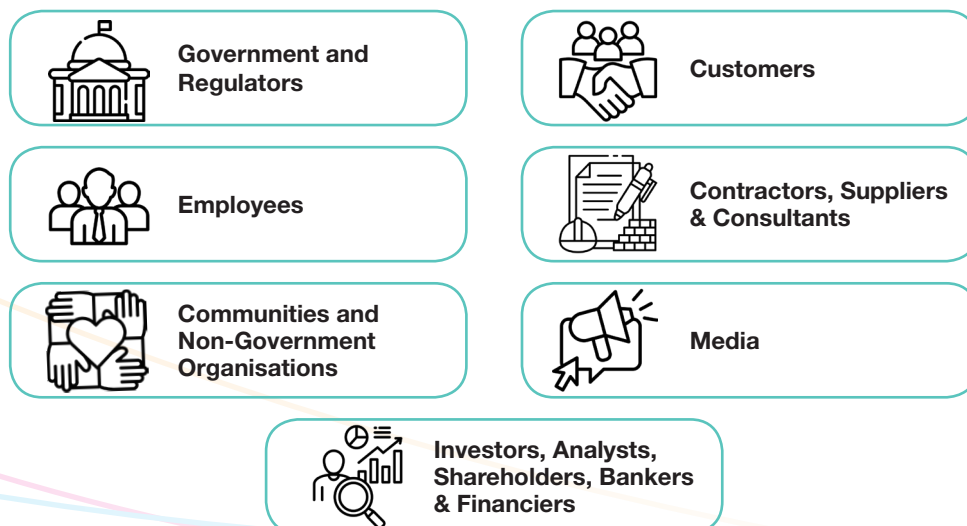
Continuously aligning stakeholders' interests with the corporate strategy is crucial as the telecommunications and digital infrastructure industry constantly evolves. Annual materiality assessments engage internal and external stakeholders to tailor sustainability initiatives to address the most pressing concerns. This systematic approach aligns critical aspects of our business and societal impact.

Adopting this approach increases transparency and enables informed decision-making, contributing to long-term success and sustainability.

### THE METHODOLOGY

During the fourth quarter of the financial year 2024, REDtone engaged an external consultant to conduct a materiality assessment, ensuring the confidentiality of respondents. A survey was administered to stakeholders, soliciting their evaluations on the significance of 16 sustainability areas. The respondents used a 5-point Likert Symmetric Scale, ranging from "very unimportant" (1) to "very important" (5), with a midpoint of (3) denoting neutrality. The Board and Senior Management Team actively participated, contributing valuable insights to REDtone's comprehensive understanding.

#### Stakeholder Groups Involved in the REDtone Materiality Study 2024



## Sustainability Statement

(Cont'd)

## PRIORITISING WHAT MATTERS (CONT'D)

## THE METHODOLOGY (CONT'D)

The Group ensures its sustainability practices contribute meaningfully to local stakeholders and broader global goals. We have mapped our materiality against the UNSDGs to align our strategy and efforts with these international benchmarks.

Topic	Description	Corresponding GRI
<b>Economic</b>		
<b>Risk Management</b>	Managing product, supplier, business, environmental, social and brand risks across the value chain	<ul style="list-style-type: none"> <li>General Disclosures</li> </ul>
<b>Financial Performance</b>	Generating economic value across the value chain, benefiting both stakeholders and society	<ul style="list-style-type: none"> <li>Indirect Economic Impacts</li> </ul>
<b>Sustainable Supply Chain</b>	Responsibly sourcing materials, delivering high-quality products and services, promoting local hiring and integrating sustainability into the supply chain	<ul style="list-style-type: none"> <li>Procurement Practices</li> </ul>
<b>Nation-building &amp; Industry Advancement</b>	Advancing the telecommunications industry through technological innovation, collaborative efforts and continuous advancement	<ul style="list-style-type: none"> <li>Indirect Economic Impacts</li> </ul>
<b>Compliance</b>	Complying with legal (e.g. anti-corruption and anti-competition regulations) and other core operational regulations (e.g. environment, labour law, safety and health, privacy and cybersecurity requirements)	<ul style="list-style-type: none"> <li>Anti-Corruption</li> <li>Anti-Competitive Behaviour</li> <li>Occupational Health and Safety</li> <li>Customer Privacy</li> </ul>
<b>Environment</b>		
<b>Energy &amp; Climate Change</b>	Introducing strategic measures to optimise energy use, reduce carbon emissions and mitigate environmental impact, ensuring sustainable and responsible business practices	<ul style="list-style-type: none"> <li>Energy</li> <li>Emissions</li> </ul>
<b>Waste Management</b>	Systematically handling, collecting, disposing and recycling waste materials to minimise environmental impact, promote sustainability and ensure the responsible and efficient management of resources	<ul style="list-style-type: none"> <li>Waste</li> </ul>
<b>Biodiversity, Conservation &amp; Land Remediation</b>	Implementing measures to conserve and sustainably manage ecosystems, species and genetic diversity, safeguarding biodiversity and promoting environmental resilience, such as by integrating Smart Farming technology	<ul style="list-style-type: none"> <li>Biodiversity</li> </ul>

## Sustainability Statement

(Cont'd)

### PRIORITISING WHAT MATTERS (CONT'D)

#### THE METHODOLOGY (CONT'D)

The Group ensures its sustainability practices contribute meaningfully to local stakeholders and broader global goals. We have mapped our materiality against the UNSDGs to align our strategy and efforts with these international benchmarks. (Cont'd)

Topic	Description	Corresponding GRI
<b>Social</b>		
<b>Career Development</b>	Fostering career advancement and growth opportunities for all employees	<ul style="list-style-type: none"> <li>• Employment</li> <li>• Training and Education</li> </ul>
<b>Safety, Health &amp; Well-being</b>	Ensuring an injury-free workplace for all by systematically preventing injuries, eliminating risks and prioritising employee well-being	<ul style="list-style-type: none"> <li>• Occupational Health and Safety</li> </ul>
<b>Diversity &amp; Inclusion</b>	Respecting our diverse workforce and upholding inclusion, which is fundamental for promoting equality	<ul style="list-style-type: none"> <li>• Diversity and Equal Opportunity</li> <li>• Non-discrimination</li> </ul>
<b>Human Rights</b>	Protecting the rights of all stakeholders, including employees, business partners and supply chain members	<ul style="list-style-type: none"> <li>• Human Rights Assessment</li> <li>• Rights of Indigenous Peoples</li> <li>• Security Practices</li> <li>• Child Labour</li> <li>• Forced Labour</li> </ul>
<b>Customer Care &amp; Experience</b>	Providing an exceptional customer care experience that goes above and beyond expectations	<ul style="list-style-type: none"> <li>• Non-GRI topic</li> </ul>
<b>Delivering Quality &amp; Value</b>	Upholding a commitment to flexibility, value and dependability by delivering reliable and cost-effective telecommunications and digital solutions	<ul style="list-style-type: none"> <li>• Non-GRI topic</li> </ul>
<b>Data Privacy &amp; Security</b>	Protecting customers and other users' data during all transactions	<ul style="list-style-type: none"> <li>• Customer Privacy</li> </ul>
<b>Community &amp; Society</b>	Delivering value to the community, making a positive impact and becoming a valued community partner through various corporate social responsibility initiatives and rural community development facilitated by our services	<ul style="list-style-type: none"> <li>• Indirect Economic Impacts</li> </ul>



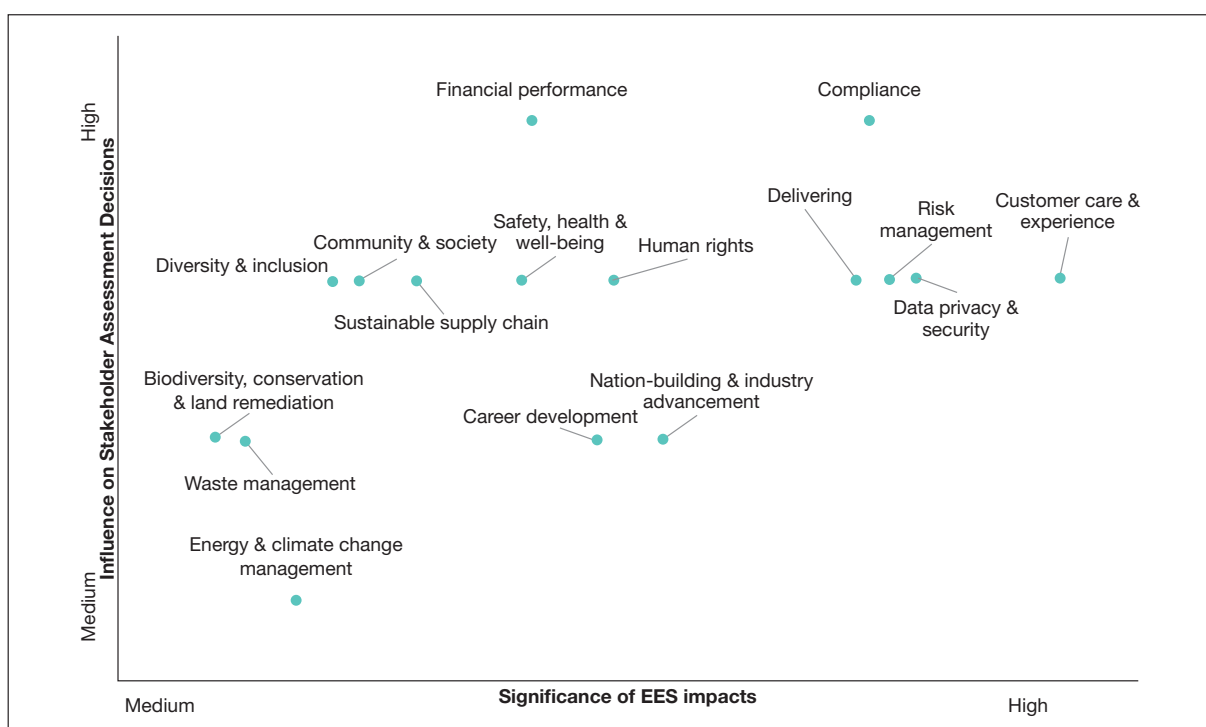
## Sustainability Statement

(Cont'd)




## PRIORITISING WHAT MATTERS (CONT'D)

## THE METHODOLOGY (CONT'D)

## Materiality Matrix



The materiality assessment results guide the corporate sustainability strategy. In formulating action plans to address each material indicator, we align our programmes with the UNSDGs to which we contribute. Selecting 6 of the 17 global goals to focus on, ensures our actions impact these priority areas meaningfully.

Goals	What We Do
	REDtone established a Safety and Health Committee that monitors safety performance, setting targets and plans for continuous improvement. The Group is also committed to promoting overall well-being by raising awareness about mental health.
	REDtone promotes gender equality and ensures non-discrimination based on gender. The Company strives to create an inclusive workplace where hiring, career advancement opportunities, and benefits are accessible to all employees, regardless of gender.
	REDtone champions energy efficiency, sustainable energy practices and renewable energy in the workplace. The Company designed its data centres sustainably, integrating green technologies for energy efficiency, optimised power usage and enhanced cooling. Additionally, REDtone advances renewable energy efforts by replacing diesel generators with solar hybrid solutions.




## Sustainability Statement

(Cont'd)

### PRIORITISING WHAT MATTERS (CONT'D)

#### THE METHODOLOGY (CONT'D)

The materiality assessment results guide the corporate sustainability strategy. In formulating action plans to address each material indicator, we align our programmes with the United Nations Sustainable Development Goals to which we contribute. Selecting 6 of the 17 global goals to focus on, ensures our actions impact these priority areas meaningfully. (Cont'd)

Goals	What We Do
	REDtone's innovative solutions advance the telecommunications industry and foster national development. We provide essential communication infrastructure and promote unified communications solutions. Empowering underserved communities, especially in rural and remote areas, we connect the unconnected, which builds sustainable communities.
	REDtone aims to serve and positively impact communities and organisations by delivering reliable and cost-effective telecommunications infrastructure and digital solutions. Our integrated approach addresses customers' needs while supporting broader societal goals while minimising environmental and social impacts from our operations.
	REDtone actively monitors its impact on climate, integrates climate risks into company strategies, and implements strategic measures to optimise energy use and reduce carbon emissions.

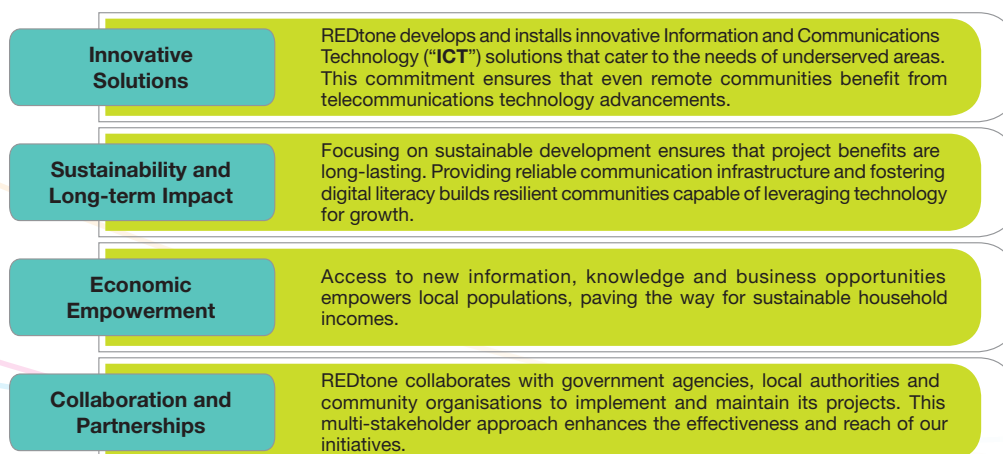
### ECONOMIC SUSTAINABILITY

REDtone's economic sustainability strategy focuses on advancing industry and national objectives by generating positive financial returns, offering innovative solutions, and delivering robust services that accelerate connectivity and drive digital transformation.

Our commitment to generating stakeholder value is rooted in ethical business conduct, prioritising transparency, integrity and accountability across all operations. Efficient supply chain management minimises environmental impact and optimises resource efficiency. Integrating these practices, REDtone aims to sustain economic growth while fostering a resilient and competitive digital ecosystem that benefits stakeholders and the broader community.

#### ADVANCING THE TELECOMMUNICATIONS INDUSTRY

REDtone's efforts to support government initiatives and advance the telecommunications industry boost national development. Providing essential communication infrastructure and empowering underserved communities is pivotal in Malaysia's journey towards a knowledge-based economy.



## Sustainability Statement

(Cont'd)

## ECONOMIC SUSTAINABILITY (CONT'D)

## SUSTAINABLE SUPPLY CHAIN

REDtone procures a wide range of products and services essential for its business, particularly for the Managed Telecommunications Network Services ("MTNS"). Supplier diversity is integral to our business strategy, and we cultivate open, enduring relationships with our strategic partners and suppliers.

We are committed to maintaining a sustainable supply chain and believe in long-term collaboration with partners who share our values. We encourage all suppliers to:

- Adhere to REDtone's Code of Conduct;
- Incorporate social and environmental considerations into supply chain management;
- Prioritising suppliers who adhere to ethical labour practices;
- Support local communities; and
- Minimise environmental impact.

In addition to the standard assessment criteria of price, reputation, logistics, and quality, our supplier sourcing criteria and renewal evaluation also include social and environmental elements.

## REDtone Suppliers' Environmental and Social Principles, Codes and Expectations

Environmental  
Supply Chain

- Our supplier sourcing assessment encompasses various environmental factors, including energy consumption, measurement of climate change impacts such as greenhouse gas emissions, water usage, biodiversity impacts, pollution, waste reduction, resource utilisation and other environmental concerns.
- Suppliers must adhere to relevant environmental laws and regulations while conducting business in a way that respects and protects the local environment. This includes the efficient use of energy and natural resources and the responsible management of waste, emissions and discharges.

Social  
Supply Chain

- Supply chain partners must comply with all social standards by Malaysian Labour Law and the International Labour Organisation (ILO). They must implement policies and standards to prevent child and forced labour, ensure equal opportunities and non-discrimination, uphold freedom of association and the right to collective bargaining, and maintain a safe and healthy workplace.
- Suppliers must eliminate excessive working hours by offering fair overtime pay and limiting working hours, meeting the nation's minimum wage and minimum legal working age.

## SUPPORTING LOCAL

REDtone prioritises local procurement as a strategic approach to bolstering the economy, increasing employment opportunities and improving operational efficiency. This commitment supports local businesses and suppliers and contributes to regional development by creating jobs and stimulating economic activity. Prioritising local procurement helps REDtone build sustainable partnerships that benefit operations and the communities we serve. Examples of local procurement and engagement include mobile base stations, antennas, and solar systems and ICT equipment such as voice telephony systems, printers, personal computers, notebooks, servers, routers, and switches from various local suppliers.

## Sustainability Statement

(Cont'd)

### ECONOMIC SUSTAINABILITY (CONT'D)

#### SUSTAINABLE SUPPLY CHAIN (CONT'D)

#### SUPPORTING LOCAL (CONT'D)

#### REVOLUTIONISING CONNECTIVITY: EMPOWERING RURAL AND REMOTE BUSINESSES WITH HIGH-SPEED, LOW-LATENCY INTERNET

On 27 November 2023, REDtone and SpaceX signed an authorised reseller agreement to offer Starlink satellite-based high-speed internet services across Malaysia. Starlink Business provides accelerated internet speeds, increased throughput and heightened reliability. Starlink global coverage connects any site with high-speed internet connectivity, regardless of its remote location.

Through this partnership, REDtone offers its clients a fully managed service, including monthly subscription plans, a dedicated account manager, professional engineering services, seamless installation, 24/7 local technical and customer support and flexible integration with other technologies. This holistic approach provides the most robust connectivity solution possible. It reflects REDtone's unwavering commitment to delivering superior connectivity solutions and an exceptional business customer experience.

We have forged a strategic partnership with a local TowerCo company to deliver high-speed connectivity using REDtone Starlink's low earth orbit satellites. This collaboration provides alternative backhaul solutions for our Mobile Network Operator ("MNO") customers. Together, we have ready-to-operate sites to provide seamless connectivity for all Malaysians.

#### BRIDGING THE DIGITAL DIVIDE: CONNECTING UNCONNECTED COMMUNITIES

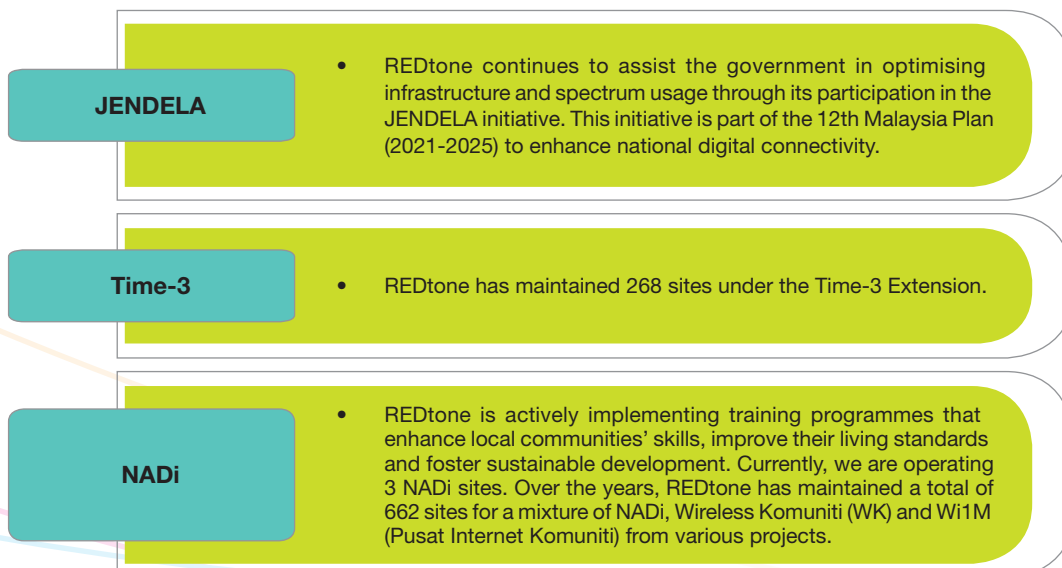
REDtone is committed to supporting the Malaysian Government's initiatives to:

- Provide communication access to underserved areas; and
- Promote ICT adoption to build a knowledge-based economy.

Participation in Universal Service Provision ("USP") projects such as "JENDELA", "Time-3", and "Pusat Sebaran Maklumat Nasional ("NADi")" plays a pivotal role in improving digital connectivity by:

- Connecting rural communities to essential services like e-banking and telco prepaid top-ups;
- Providing students with internet conveniently from their homes; and
- Reducing the need to travel long distances for connectivity.

Local businesses, such as homestays, have gained visibility through digital advertising, increasing their exposure and economic opportunities.



## Sustainability Statement

(Cont'd)

## ECONOMIC SUSTAINABILITY (CONT'D)

## SUSTAINABLE SUPPLY CHAIN (CONT'D)

## SUPPORTING LOCAL (CONT'D)

## BRIDGING THE DIGITAL DIVIDE: CONNECTING UNCONNECTED COMMUNITIES (CONT'D)

In addition to expanding communication access, we have undertaken infrastructure improvements to support our projects. REDtone has repaired roads to improve access and maintain telecommunication towers in rural areas such as Kampung Pulau Layak and Ulu Bertam in Kelantan. This maintenance improves infrastructure for REDtone's operations while enhancing connectivity between local and suburban communities, providing greater access to resources and opportunities.

## ADVANCING THE NATION WITH UNIFIED COMMUNICATIONS SOLUTIONS

REDtone Engineering & Network Services Sdn Bhd's recent securing of the RM398.1 million MyGovUC 3.0 contract from the Jabatan Digital Negara ("JDN") significantly advances the Government's communications infrastructure and services. This 60-month contract, starting on 1 February 2024, will enhance the Government's capabilities in several critical areas of unified communications and digital infrastructure.



The contract covers the Government's unified communications, including management for Google Workspace ("GWS"), which consists of email systems, calendar integration, audio and video conferencing, chat, and cloud storage. The project also encompasses a vast digital infrastructure for its user directory management, mail relay services, portal services and secured file management system. The contract also includes dedicated operation teams and provides round-the-clock helpdesk support and a network and security operations centre to deliver uninterrupted user services.

The MyGovUC 3.0 initiative will significantly boost Malaysia's connectivity by improving inter-agency communication, enhancing operational efficiency and ensuring robust cybersecurity measures across government entities. This initiative aligns with national

digital transformation goals and efficient public service delivery, ultimately contributing to Malaysia's development as a digitally connected nation.

## ETHICAL BUSINESS CONDUCT

REDtone's ethical principles are outlined in its Employee Handbook and Code of Conduct, emphasising its commitment to fostering a work environment based on mutual respect, trust and accountability. We uphold a zero-tolerance policy against corruption and bribery, as clearly articulated in our policies, contractual terms and governing documents. Employees engaging in bribery face disciplinary action, including termination of employment.

Every employee must attend annual Code of Conduct refresher courses. Additionally, four sessions of anti-bribery and corruption training were conducted during the financial year, totalling 208 training hours and attended by 104 employees.

The Board of Directors oversees compliance with anti-corruption policies, with concerns raised through whistleblowing channels. Corruption risks, including bribery, are meticulously documented in the Group's risk register.

Our commitment to anti-corruption extends to all associated suppliers, contractors, business partners, and third parties. REDtone conducts thorough corruption and bribery risk assessments on new and existing business partners as part of its due diligence. We received no reports of disciplinary cases related to corrupt practices during the review period.



## Sustainability Statement

(Cont'd)

### ENVIRONMENTAL SUSTAINABILITY

As a telecommunications and digital solutions provider, our environmental impact is minimal compared to more resource-intensive industries. However, we are committed to minimising negative impacts through efficient resource use and waste reduction.

We implement sustainable practices, seek to reduce our carbon footprint, optimise energy usage and promote eco-friendly initiatives. Adopting green technologies, encouraging recycling and fostering environmental awareness among our employees and stakeholders contributes to a greener, more sustainable future for Malaysia and the global community.

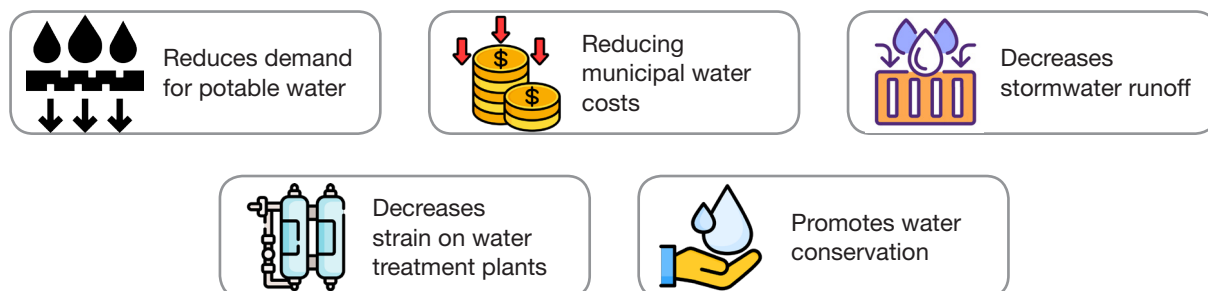
### GREENING OUR OPERATIONS

REDtone enhances energy efficiency and minimises its environmental impact through strategic initiatives. Our data centres replaced all ceiling lighting in the MY01 Data Center building with energy-efficient LED lights, which last longer and consume significantly less electricity than traditional lighting options. This upgrade reduces our carbon footprint while lowering operational costs associated with maintenance and energy consumption.

Painting the data centre buildings white to reflect sunlight effectively reduces the need for extensive cooling measures and further lowers energy consumption.

The data centre has installed a rainwater harvesting system to support our water chiller and sanitary systems, contributing to sustainable water management practices.

#### Benefits of Rainwater Harvesting



### MINIMISING WASTE THROUGH DIGITALISATION AND EFFICIENCY IMPROVEMENT

REDtone continues to advance its waste management efforts through various initiatives in its daily operations.

As an integrated telecommunications and digital solution provider, we address waste issues through our technological expertise. Significant efforts during the year include:

- Developing online portals and applications to enhance communication among customers, vendors and employees, reducing wastage and maximising efficiency;
- Implementing an advanced billing system for streamlined multi-tier billing and reporting;
- Integrating Business Process Automation (“BPA”), converting 63 manual processes online that reduced paper usage and target an entirely paperless work environment;
- Digital transformation in Human Resources (“HR”) processes by introducing an e-letter in December 2023, facilitating quick and easy access to HR correspondences for employees; and
- Digitising Learning & Development (“L&D”) processes via the REDtone Academy online portal, accurately recording employee training hours and providing comprehensive tools, including e-Training request forms, e-Certificates, e-Attendance and e-Evaluation.

These initiatives underscore REDtone’s commitment to efficiency, sustainability and digital innovation in waste management and operational practices.

## Sustainability Statement

(Cont'd)

## ENVIRONMENTAL SUSTAINABILITY (CONT'D)

## MINIMISING WASTE THROUGH DIGITALISATION AND EFFICIENCY IMPROVEMENT (CONT'D)

## OFFERING WASTE MINIMISATION SOLUTIONS

REDtone's flexiCraft digital solution suite assists customers in the property development, retail, and manufacturing sectors. Harnessing Virtual/Augmented Reality and 3D Modelling ("XR") technologies reduces marketing and production costs. Our flexiXR solution empowers property developers and retailers to avoid the high expenses of constructing physical showrooms, reducing their marketing expenditures to just one-tenth of traditional showroom costs. This solution saves money and contributes positively to environmental conservation by reducing the use of wood products.

We expanded our flexiCraft Virtual Reality ("VR") solutions this year with a Train Product Design project. Using VR solutions, we design the interior and exterior of train cabins, replicating physical prototypes before manufacturing. This approach accelerates the product design process, saving time and costs by minimising materials such as wood, fabric and metals for prototype construction and modifications.

## ENERGY MANAGEMENT

REDtone champions energy efficiency, sustainable energy practices and renewable energy in the workplace. REDtone has implemented proactive measures such as LED lighting and auto sensors to reduce electricity usage. These sensors automatically switch off air-conditioning and lighting after office hours in unoccupied areas, demonstrating a commitment to lowering operating costs and carbon emissions.

Our Cloud Infrastructure-as-a-Service ("IaaS") utilises virtualisation technology to share hardware resources, delivering cost savings to REDtone and its customers while reducing the overall environmental footprint.

As most of our MTNS sites reside in rural East Malaysia, we advance renewable energy efforts by replacing diesel gensets with solar hybrid solutions. Transitioning to solar energy reduces fuel consumption sustainably and decreases carbon emissions, offering significant cost savings and environmental benefits.

## AGRICULTURE 101: EMBRACING THE IOT REVOLUTION

Adopting smart farming technology is the future of agriculture, integrating IoT platforms for sensor utilisation, smart gateways and monitoring systems. This technology collects and analyses real-time data for informed decision-making. Empowering farm owners, smallholders and youth to enhance crop growth and yield through automated processes reduces labour costs and delivers sustainability throughout the value chain.

REDtone collaborates with partners such as the Ministry of Agriculture and Food Security ("MAFS"), Department of Agriculture ("DOA"), Malaysia Digital Economy Corporation ("MDEC"), Agrobank, and universities such as Universiti Teknologi Malaysia and Universiti Teknologi MARA to drive digitalisation in farming. Big Data Analytics further enhances efficiency and resource planning.

REDtone's Smart Farming solutions focus on Remote Monitoring, Automation, and Remote Control ("RAR"), delivering benefits such as:

- Weather prediction and soil monitoring for optimal plant growth;
- Improved cost management and waste reduction to safeguard yields; and
- Enhanced product quality and volume through automation.

RAR includes cloud-hosted Smart Control Panels for monitoring water, soil, and environmental conditions, automating irrigation, fertigation, pesticide application, greenhouse management, and employing ultrasonic animal intrusion detection, CCTV and product analytics. Pilot projects with MDEC have shown significant yield increases, lower operational costs and reduced crop damage rates.

Integrating satellite monitoring through REDtone Satellite IoT Solutions ("SIS") supports Malaysian Government initiatives for forest and river monitoring, alongside NFC-based forest logging monitoring with support from the Forest Research Institute Malaysia ("FRIM").

## Sustainability Statement

(Cont'd)

### ENVIRONMENTAL SUSTAINABILITY (CONT'D)

#### AGRICULTURE 101: EMBRACING THE IOT REVOLUTION (CONT'D)

This year, we have announced a collaboration with MDEC to develop an online Digital Agriculture Technology (“**AgTech**”) Training platform. MyLatih offers tailored courses on AgTech applications in agriculture, livestock, and aquaculture. This initiative aims to scale education effectively, enhancing agricultural practices and development.

“AgTech is an important pillar of the digital economy to strengthen Malaysia’s food security with increased productivity and efficiency and build a new generation of innovative agricultural entrepreneurs.”

**Ts. Mahadhir Aziz**

Chief Executive Officer, Malaysia Digital Economy Corporation

“The digital agriculture sector will be an important driver of innovation, competitiveness and growth and will help to welcome Malaysia’s golden digital decade.”

**YBM Fahmi Fadzil**

Minister of Communications

We plan to expand our IoT solutions into Smart Forestry, Smart Manufacturing, Smart Building Management, Smart Healthcare, and other verticals. These initiatives involve ongoing enhancements such as integrating GIS data, developing aquaculture solutions, establishing a Nationwide Agriculture Dashboard and exploring future Machine Learning and AI applications.

#### CLIMATE ACTION: DRIVING SUSTAINABLE CHANGE

We recognise climate change’s devastating effects and associated short and long-term business risks. REDtone’s strong commitment to addressing this issue includes avoiding climate change’s impact by improving operations’ efficiency. Our climate change strategy includes working with employees and supply chain partners on energy-saving processes and a complete climate change risk assessment.

REDtone integrates climate-related risk management into the company-wide risk scorecard. It is part of the foundation for formulating the business strategy and selecting future R&D and technological investments.

We are committed to addressing the issue of climate change and improving efficiency through adaptation by adopting new and green technology in our operations.

## Sustainability Statement

(Cont'd)

## OUR PEOPLE

REDtone prioritises comprehensive people management that embraces diversity, ensures safety, promotes engagement and supports career growth. We value our team of dedicated individuals, appreciating their contributions and fostering a supportive environment where they can thrive and excel.

## DIVERSITY, EQUITY AND INCLUSIVITY MAKE US STRONGER

Diversity is fundamental to our values. Our non-discriminatory environment respects and values everyone, regardless of background, ethnicity, gender or beliefs. We celebrate each team member's unique perspectives and contributions, fostering an inclusive culture that promotes mutual respect and understanding across our organisation.

The Company provides equal access and opportunities for all employees in hiring, promotion, development programmes and remuneration.

We have a strict policy against harassment, including sexual harassment. During this financial year, the Group held seven awareness sessions, which 123 employees attended.

The diversity composition of our workforce is detailed on page 46 of this Annual Report.

## COMPETITIVE BENEFITS

Tailoring our competitive benefits package to job grades and roles ensures comprehensive support for employees and their families. Our benefits and remuneration package includes financial benefits, allowances, comprehensive medical benefits, subsidies, reimbursement for expenses, increment and performance-based bonuses, and various types of leave to support work-life balance and employee well-being.

## FOSTERING UNITY AND EMPOWERING THROUGH ENGAGEMENT

We prioritise engagement activities that unite and empower our team. The Group practises an open-door policy that promotes open communication and inclusivity.

Various channels, including intranet platforms, departmental meetings, group chats, surveys, townhall meetings and casual events, allow employees to provide feedback and engage in constructive dialogue. Outings and events foster a sense of camaraderie and collaboration among employees. These activities strengthen bonds and empower individuals to contribute meaningfully to our collective goals.

Promoting teamwork and mutual support creates a vibrant workplace culture that inspires creativity and innovation across all levels of our organisation. Examples of employee engagement events held throughout the year include retreat cum team-building activities, hiking expeditions, sports tournaments, informative talks, festive celebration events and CSR initiatives.



The HR Department conducts an annual Employee Satisfaction and Engagement Survey to allow employees to share their opinions, concerns and suggestions anonymously. The latest survey results highlight an increased demand for better rewards, recognition, and employee welfare. Additionally, employees look forward to company trips as their preferred engagement activity.

## Sustainability Statement

(Cont'd)

### OUR PEOPLE (CONT'D)

#### A PROMISE TO CAREER GROWTH

REDtone promises new hires a career path with development opportunities, not merely a job. Our in-house training arm, REDtone Academy, delivers customised modules that help employees reach their full potential. Technical and non-technical training and personal development cultivate well-rounded individuals. Onsite, offsite and virtual training sessions accommodate employees from different regions.

#### Examples of Training Programmes Attended by Our Employees in FY2024

Technical Training	Non-Technical Training	Personal Development
<ul style="list-style-type: none"> <li>IoT Smart Farming training</li> <li>Nexvois Gateway and Routing</li> <li>Jendela PDU training</li> <li>Fortinet Network Detection and Response</li> <li>Product knowledge training</li> <li>Smart farming and agriculture entrepreneurship</li> <li>Linux security</li> <li>E-invoicing</li> </ul>	<ul style="list-style-type: none"> <li>Anti-corruption</li> <li>Sexual Harassment in the Workplace</li> <li>Personal Data Protection Act 2010</li> <li>Soft skills development</li> <li>Negotiation and Conflict Resolution</li> <li>Strategic Thinking</li> </ul>	<ul style="list-style-type: none"> <li>The Power of Emotional Intelligence</li> <li>Microsoft Office</li> <li>Collaborative leadership</li> <li>Kaizen leadership</li> <li>Change management</li> <li>Certified Information Systems Security Professional</li> <li>Workplace coaching skills and managing performance</li> </ul>

The company also sponsors employees to attend expert-led seminars and talks, including the Huawei Cloud Summit Malaysia 2023, Malaysia Cloud & Datacenter Convention 2023, PIKOM Leadership Summit KL, PWC PIKOM Talk Series on Tax and Malaysia ICT Summit.

As part of career development, REDtone promotes cross-functional learning and growth opportunities. Providing internal talents with opportunities to transition into high-demand skill areas is vital for talent retention.

#### SAFETY AND HEALTH

Safety and health are paramount, particularly in addressing health and safety risks associated with our industry. We have established an OSHA Committee, led by our Group CEO, which comprises employer and employee representatives from each of the seven regions. This Committee monitors safety performance, sets targets and plans continuous improvement.

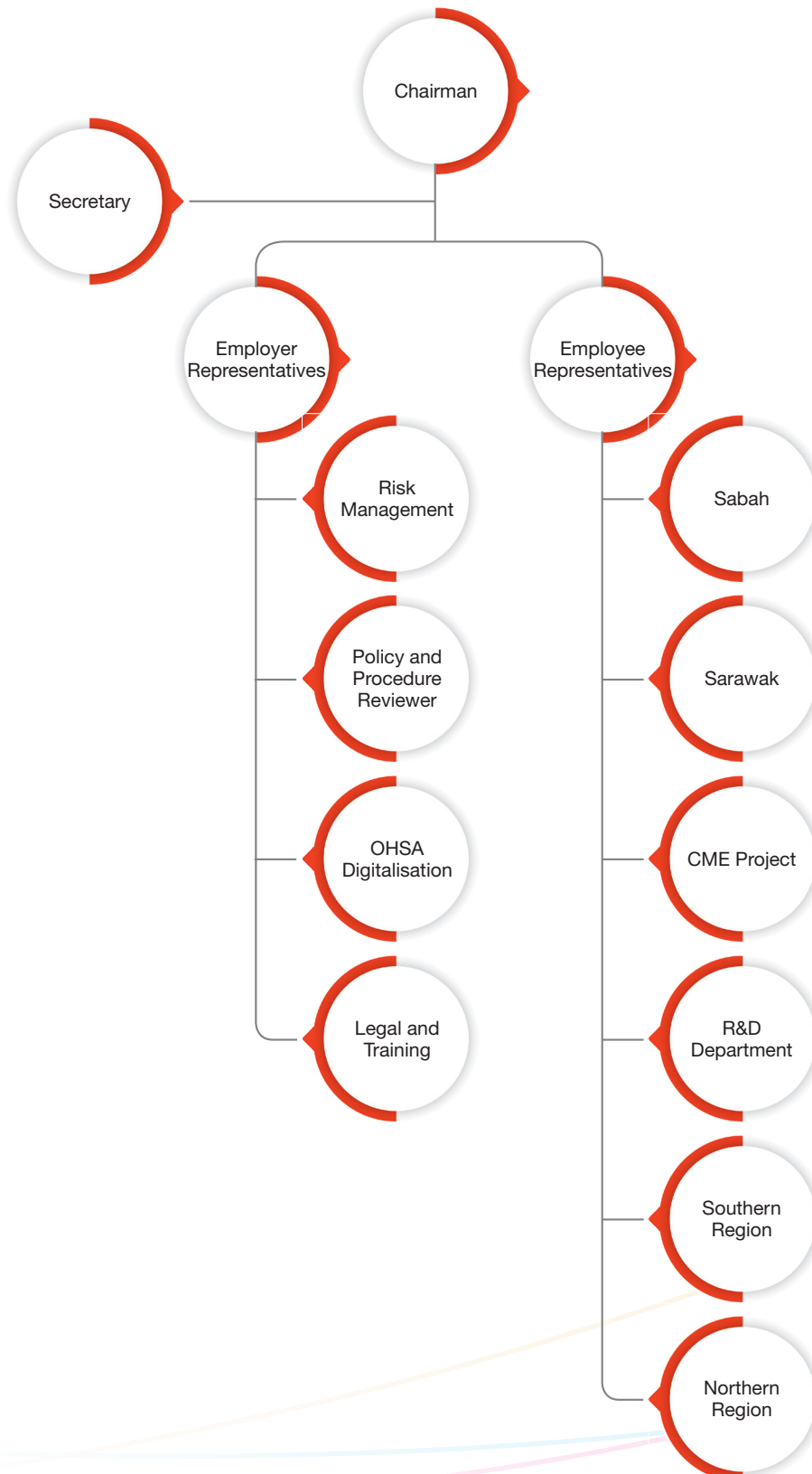
## Sustainability Statement

(Cont'd)

### OUR PEOPLE (CONT'D)

#### SAFETY AND HEALTH (CONT'D)

##### REDtone Steering Safety and Health Committee Structure





# Sustainability Statement

(Cont'd)

## OUR PEOPLE (CONT'D)

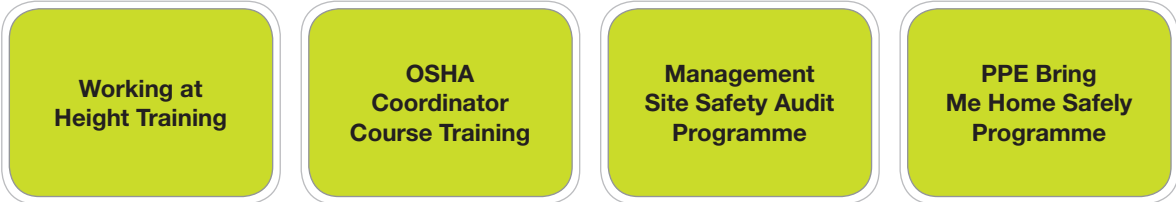
### SAFETY AND HEALTH (CONT'D)

#### Redtone Steering Safety and Health Committee Structure (Cont'd)

We also established an Emergency Response Team (“**ERT**”) to ensure quick and effective emergency response. This team includes first aiders, firefighters, floor wardens and an on-scene commander. We strategically distribute our ERT across our locations, with four members at the corporate headquarters and one member each at our branches in Sabah, Sarawak, Johor and Penang.

The Group established a Safety and Health Policy that applies to all employees, contractors, suppliers, and all present at our sites, ensuring compliance with relevant legal requirements. Delivering necessary training and raising awareness enhances employees’ understanding of workplace safety and updates them on industry regulations.

#### Examples of Safety Initiatives in FY2024



Our safety personnel also undergo training provided by the National Institute of Occupational Safety and Health (“**NIOSH**”) to obtain their safety passports, ensuring they stay current with industry regulations.

REDtone’s safety guidelines outline steps and precautions for every job, addressing specific hazards. Field engineers undergo safety induction training and must obtain a Construction Industry Development Board Malaysia (“**CIDB**”) card to validate their understanding of workplace safety. Personal Protective Equipment (“**PPE**”) is mandatory. Additionally, we train site personnel in Hazard Identification, Risk Assessment, and Risk Control (“**HIRARC**”) and conduct annual risk assessments on safety-related facilities.

In FY2024, we partnered with St John Ambulance to conduct CPR and AED courses. These courses equip our employees with essential life-saving skills, ensuring they can effectively respond during cardiac arrest emergencies.

Our commitment to safety encompasses physical well-being and also mental health. In April 2024, we partnered with Empower Training to host an awareness talk titled “Mind Hygiene and Ways to Improve Mental Health.” 94 employees attended this session.

## Sustainability Statement

(Cont'd)

## RESPECTING HUMAN RIGHTS

REDtone respects human rights and adheres to the highest standards of conduct in all business dealings. Our Human Rights Policy, detailed in our Code of Conduct, aligns with international guidelines, including the United Nations' Universal Declaration of Human Rights, the International Bill of Human Rights, the United Nations Guiding Principles on Business and Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Organisation for Economic Cooperation and Development ("OECD") Guidelines for Multinational Enterprises, and the Ten Principles of the United Nations Global Compact.

Actively communicating our human rights expectations to all stakeholders, including business partners, ensures consistency and compliance throughout operations.

## REDtone Principles, Codes and Actions with Regards to Human Rights and Labour

Freely chosen employment	We strictly adhere to regulatory requirements and maintain zero tolerance for forced and involuntary labour.
Prevention of Child Labour	We have zero tolerance for child labour and comply with local laws regarding the minimum legal employment age.
Working Hours	We comply with local working hours and overtime laws and commit to reducing excessive overtime.
Wages and Benefits	REDtone's worker compensation, including retirement benefits, complies with all applicable wage laws. We adhere to legally mandated minimum living wages, overtime pay requirements and benefits.
Equality and Non-Discrimination	REDtone's recruitment and employment practices ensure non-discrimination based on race, colour, religion, age, gender, sexual orientation, marital status, ethnicity or nationality.
Freedom of Association and Collective Bargaining	We comply with local laws on freedom of association and collective bargaining and continuously improve working conditions and management practices.
Health and Safety	We have established a Health and Safety Management System that complies with local and international occupational safety and health guidelines.

## Sustainability Statement

(Cont'd)

### COMMUNITY PARTNERSHIP

REDtone's commitment to community engagement flows throughout our core values and purpose. We serve the community through philanthropy, partnerships with local organisations and active involvement in initiatives that enrich society. Our community focus areas align with the company's strategy, including support for talent growth, sports and community development.

#### DEVELOPING OUR NATIONAL ATHLETES

REDtone has proudly served as the title sponsor of the REDtone Kuala Lumpur International Junior Championships, Asia's largest junior squash event and the second-largest globally, for ten consecutive years. This sponsorship reflects our commitment to youth empowerment through sports, supporting the tournament as a cornerstone of our nation's squash development. In its 15th edition in 2023, the event drew participants from 20 countries, exceeding 900 entries and maintaining its status as Asia's largest for seven consecutive years.



We are delighted by the substantial growth and increasing international acclaim of the event. Local talents, including Ng Eain Yow and Rachel Arnold, exemplify the excellence within our community. Ng's gold medal at the Asian Games and his recent victory at the German Open showcase our commitment to nurturing talent and promoting our athletes internationally. These successes underscore our commitment to supporting and nurturing aspiring athletes who represent the future of our sport.

#### STRIDE FOR HOPE: SUPPORTING LAKSAMANA RUN IN THE FIGHT AGAINST CANCER

Since 2020, REDtone has proudly served as a main sponsor of the Laksamana Run, an annual fundraising event organised by the Tunku Laksamana Johor Cancer Foundation. This event raises awareness about cancer and provides financial assistance to cancer patients facing challenges in their fight against the disease.



#### GIVE BLOOD, SAVE LIVES

A blood donation campaign was organised in collaboration with Pusat Darah Negara on 9 January 2024 at the REDtone Headquarters. REDtone employees actively participated in the event and extended invitations to the public to contribute towards this noble cause.

## Sustainability Statement

(Cont'd)

## OPERATING RESPONSIBLY

REDtone transforms customer experience into a growth engine by delivering exceptional quality, achieving the highest satisfaction, and consistently delivering value. We connect people through our cutting-edge telecommunication and digital solutions. Empowering and enriching communities drives positive change and fosters sustainable development. Our integrated approach meets customers' needs and also supports broader societal goals, making a lasting impact on the communities we serve.

## VALUING STRONG PARTNERSHIPS

REDtone emphasises our promise to every stakeholder. The Group prioritises building strong customer relationships through active engagement and networking. We regularly host quarterly events at our office, gathering small groups to discuss industry trends, introduce new solutions and share case studies tailored to our audience's interests and needs.

In October 2023, we showcased our advanced Smart Farming solutions at the World Congress on Innovation & Technology ("WCIT") International Digital Economy Conference Sarawak. We extended exclusive invitations to key customers for firsthand technology demonstrations.

At the prestigious World Mobile Congress 2024 in Barcelona, we proudly exhibited alongside industry leaders at the Malaysian Pavilion, reaffirming our commitment to innovation and supporting critical stakeholders like MDEC and MCMC. These initiatives highlight our technological advancements and underscore our dedication to enhancing partnerships and driving mutual growth in the digital ecosystem.

## EXCELLENT TRACK RECORD

REDtone's track record speaks for itself, with successful deployments in metropolitan hubs, townships, shopping malls, hotels and higher education institutions, proving our capability to develop reliable and scalable solutions that enhance connectivity experience across diverse environments. This approach reflects our resilience, strong foundation, and ability to deliver exceptional results despite a challenging business environment.

REDtone has won more than 40 corporate awards over the past 20 years. At The Edge Malaysia Centurion Club Corporate Awards 2023, the company secured the award for Highest Return on Equity over 3 Years in the Telecommunications, Media, and Utilities sector for the second consecutive year. The Centurion Club awards are open to companies listed on Bursa Malaysia with a market capitalization between RM100 million and RM1 billion.



## CYBERSECURITY AND DATA PRIVACY

REDtone Data Centre Sdn Bhd ("RDC") renewed its SIRIM ISO/IEC 27001:2013 certification this year. This certification encompasses information security management for data centre-managed services, business continuity services and operational support. The recertification process involved an onsite audit, evaluation of documents, review of risk management practices, security controls and rectification of any identified corrective actions.

The reaffirmation of certification highlights RDC's ongoing commitment to safeguarding data integrity, confidentiality and availability, ensuring trust and reliability for its stakeholders.

## Sustainability Statement

(Cont'd)

### OPERATING RESPONSIBLY (CONT'D)

#### CYBERSECURITY AND DATA PRIVACY (CONT'D)

In addition to ISO 27001:2013, RDC is PCI-DSS certified, a standard mandated by the Payment Card Industry Council to protect payment card information. This compliance is a requirement by Bank Negara Malaysia for all Malaysian financial institutions, e-Money issuers, and payment operators using REDtone's data centre and cloud infrastructure. Compliance involves establishing policies, deploying security technologies, educating employees, defining roles, monitoring changes and maintaining a governance model.

Worldline International (M) Sdn Bhd assessed RDC for PCI-DSS compliance on 20 October 2023, focusing on application hosting, hardware, network infrastructure, physical security and payment processing activities. The assessment confirmed RDC's adherence to PCI-DSS requirements, underscoring its commitment to robust security and compliance in managing payment card data.

The Group also adheres strictly to the PDPA regulations, holding three PDPA training sessions this financial year. Regular audits and system updates strengthen our compliance efforts, reassuring clients and stakeholders of our dedication to maintaining the highest privacy protection standards.

#### STATEMENT OF ASSURANCE

In strengthening the credibility of the Sustainability Statement for FY2024 for REDtone, selected aspects / parts of this Sustainability Statement has been subjected to an internal review via internal audit by Crowe Governance Sdn Bhd and approved by the Audit Committee. The subject matters covered by the internal review include the following indicators:

Sustainability Matter	Sustainability Indicator
Health & Safety	(i) Number of work-related fatalities (ii) Lost time incident rate (iii) Number of employees trained on health and safety standards
Labor Practices & Standards	(i) Total hours of training by employee category
Data Privacy & Security	(i) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data
Supply Chain Management	(i) Proportion of spending on local suppliers

The boundary of the internal review includes the Company's operation in Malaysia as disclosed in the Sustainability Statement unless stated otherwise.



## Sustainability Statement

(Cont'd)

## REDTONE PERFORMANCE INDICATORS

	Unit	FY2022	FY2023	FY2024
<b>Economic</b>				
<b>Supply Chain Management</b>				
Proportion of spending on local suppliers	%	NA	99.73%	99.16%
<b>Corruption</b>				
<u>Employees who have received training on anti-corruption</u>				
Non-executive	No. (%)	35	22	12 (22.22%)
Junior management	No. (%)	15	7	55 (31.43%)
Middle management	No. (%)	9	3	17 (19.54%)
Senior management	No. (%)	0	0	2 (18.18%)
Total employees	No. (%)	59	32	86 (26.30%)
Proportion of operations assessed for corruption-related risks	%	100%	100%	100%
Total confirmed incidents of corruption	No.	0	0	0
Total amount of political contributions	RM	0	0	0
Total cost of fines, penalties or settlements in relation to corruption	RM	0	0	0
Number of staff disciplined or dismissed due to non-compliance with the anti-corruption policy	No.	0	0	0
<b>Compliance</b>				
Provisions for fines and settlements specified for ESG issues in the audited accounts	RM	0	0	0
Total costs of environmental fines and penalties	RM	0	0	0
<b>Environment</b>				
<b>Energy</b>				
Electricity	kWh	7,093,800	7,433,900	6,176,909
Electricity	GJ	25,538	26,762	22,237
Fuel *	GJ	12,270	9,247	9,900
Total energy	GJ	37,808	36,009	32,137
* Calculated using the IPCC 2006 Guidelines for National Greenhouse Gas Inventories				
<b>Water and effluents</b>				
Municipal water consumption	m <sup>3</sup>	NA	NA	45
Total water consumption	m <sup>3</sup>	NA	NA	45
Total volume of water (effluent) discharge)	m <sup>3</sup>	NA	NA	0
<b>GHG Emissions</b>				
<u>Scope 1 *</u>				
CO <sub>2</sub>	tonnes	909	685	733
CH <sub>4</sub>	kg	123	92	99
N <sub>2</sub> O	kg	7	6	6
CO <sub>2</sub> e	tCO <sub>2</sub> e	914	689	737
<u>Scope 2 **</u>				
Electricity	tCO <sub>2</sub> e	5,377	5,635	4,682
<u>Scope 3 ***</u>				
Business travel	tCO <sub>2</sub> e	NA	NA	337

\*Calculated using the IPCC 2006 Guidelines for National Greenhouse Gas Inventories from the Emission factors from the cross-sector tools

\*\*Calculated using the Grid Emission Factor 2021 for Peninsular Malaysia by the Energy Commission and National Grid Emission Factor

\*\*\*Calculated using the transport emission factors from the WRI GHG Emission Factors Compilation from cross-sector tools



## Sustainability Statement

(Cont'd)

### REDTONE PERFORMANCE INDICATORS (CONT'D)

	Unit	FY2022	FY2023	FY2024
<b>Social</b>				
<b>Diversity</b>				
Total number of employees	No.	NA	NA	327
<u>Employees by contract</u>				
Full-time employees	No. (%)	NA	NA	327 (100.00%)
Contractors/temporary staff	No. (%)	NA	NA	0 (0.00%)
<u>Employees by nationality</u>				
Malaysian Staff	No. (%)	NA	NA	326 (99.69%)
Non-Malaysian Staff	No. (%)	NA	NA	1 (0.31%)
<u>Employees by gender</u>				
Female	No. (%)	NA	NA	98 (29.97%)
Male	No. (%)	NA	NA	229 (70.03%)
<u>Employees by age group</u>				
<30	No. (%)	NA	NA	96 (29.36%)
30-50	No. (%)	NA	NA	200 (61.16%)
>50	No. (%)	NA	NA	31 (9.48%)
<u>Employees by category</u>				
Non-executive employees	No. (%)	NA	NA	54 (16.51%)
Junior management	No. (%)	NA	NA	175 (53.52%)
Middle management	No. (%)	NA	NA	87 (26.61%)
Senior management	No. (%)	NA	NA	11 (3.36%)
<u>Employees: Gender by category</u>				
Non-Executive: Female	No. (%)	NA	NA	11 (20.37%)
Non-Executive: Male	No. (%)	NA	NA	43 (79.63%)
Junior management: Female	No. (%)	NA	NA	55 (31.43%)
Junior management: Male	No. (%)	NA	NA	120 (68.57%)
Middle management: Female	No. (%)	NA	NA	30 (34.48%)
Middle management: Male	No. (%)	NA	NA	57 (65.52%)
Senior management: Female	No. (%)	NA	NA	2 (18.18%)
Senior management: Male	No. (%)	NA	NA	9 (81.82%)
<u>Employees: Age by category</u>				
Non-executive:<30	No. (%)	NA	NA	31 (57.41%)
Non-executive: 30-50	No. (%)	NA	NA	23 (42.59%)
Non-executive: >50	No. (%)	NA	NA	0 (0.00%)
Junior management:<30	No. (%)	NA	NA	64 (36.57%)
Junior management:30-50	No. (%)	NA	NA	105 (60.00%)
Junior management:>50	No. (%)	NA	NA	6 (3.43%)
Middle management:<30	No. (%)	NA	NA	1 (1.15%)
Middle management:30-50	No. (%)	NA	NA	69 (79.31%)
Middle management:>50	No. (%)	NA	NA	17 (19.54%)
Senior management:<30	No. (%)	NA	NA	0 (0.00%)
Senior management:30-50	No. (%)	NA	NA	3 (27.27%)
Senior management:>50	No. (%)	NA	NA	8 (72.73%)
<u>Employees by union membership</u>				
Union members	No. (%)	NA	NA	0 (0.00%)
Non-union members	No. (%)	NA	NA	327 (100.00%)
<u>Employees by disabilities</u>				
Disabled staff	No. (%)	NA	NA	0 (0.00%)
<b>Employee Turnover *</b>				
Total Turnover	No. (rate)	NA	NA	77 (23.55%)

## Sustainability Statement

(Cont'd)

## REDTONE PERFORMANCE INDICATORS (CONT'D)

	Unit	FY2022	FY2023	FY2024
<b>Social</b>				
<b>By gender</b>				
Female	No. (rate)	NA	NA	30 (30.61%)
Male	No. (rate)	NA	NA	47 (20.52%)
<b>By age Group</b>				
<30	No. (rate)	NA	NA	35 (36.46%)
30-50	No. (rate)	NA	NA	35 (17.50%)
>50	No. (rate)	NA	NA	7 (22.58%)
<b>By employment category</b>				
Non-executive employees	No. (rate)	NA	NA	30 (55.56%)
Junior management	No. (rate)	NA	NA	37 (21.14%)
Middle management	No. (rate)	NA	NA	9 (10.34%)
Senior management	No. (rate)	NA	NA	1 (9.09%)
<b>Voluntary/non-voluntary</b>				
Total Turnover of full-time staff voluntary	No. (rate)	NA	NA	70 (90.91%)
Total Turnover of full-time staff involuntary	No. (rate)	NA	NA	7 (9.09%)
<i>* All turnover rates are calculated by dividing the number of employees leaving the company by the total number of employees for each category</i>				
<b>Director Diversity</b>				
Total directors	No.	NA	NA	8
<b>Directors by gender</b>				
Female	No. (%)	NA	NA	3 (37.50%)
Male	No. (%)	NA	NA	5 (62.50%)
<b>By age Group</b>				
<30	No. (%)	NA	NA	0 (0.00%)
30-50	No. (%)	NA	NA	3 (37.50%)
>50	No. (%)	NA	NA	5 (62.50%)
<b>Training &amp; Development</b>				
<u>Time spent on employee development training by employee category</u>				
Non-executive employees	Hrs.	5,280.5	7,061.0	801.0
Junior management	Hrs.	440.5	1,329.0	4,375.0
Middle management	Hrs.	1,633.5	2,243.5	2,941.0
Senior management	Hrs.	350.0	194.0	413.0
Total employees	Hrs.	7,704.5	10,827.5	8,530.0
Total employees attending training	No.	2,118.0	3,249.0	2,778.0
<u>Types of employee development training to enhance knowledge or individual skills</u>				
Finance & Accounting	No.	95	15	11
Management	No.	23	41	83
Product & Services	No.	167	1,128	991
Safety & Health	No.	254	151	205
Soft skills	No.	956	299	231
Technical	No.	204	67	162
Others	No.	395	1,497	1,095
Total	No.	2,094	3,198	2,778
Total company training time	Hours	7,504	8,393	8,530
Average training hours per employee	Hours	23	35	28
Average training days per employee	Days	3	4	4
Safety induction training sessions	No.	23	8	37

## Sustainability Statement

(Cont'd)

### REDTONE PERFORMANCE INDICATORS (CONT'D)

	Unit	FY2022	FY2023	FY2024
<b>Social</b>				
<b>Health and Safety</b>				
Fatalities (employees)	No.	0	0	0
Fatalities (third-party contractors)	No.	0	0	0
Lost Time Incident Rate	Rate *	0.00	56.97	49.61
Lost Workday Cases (LWC)	No.	0	0	0
Restricted Workday Cases (RWC)	No.	0	0	1
First Aid Cases (FAC)	No.	0	0	0
Near Miss Cases	No.	0	0	0
Dangerous Occurrence Cases	No.	1	0	0
Fire Cases	No.	0	0	0
Property Damage Case	No.	1	1	1
Vehicle Accident Cases	No.	1	0	1
No. of Days Lost	Days	0	0	0
Total Safe Man-hours Worked	Hours	288,156	212,160	125,184
Employees trained on health and safety standards	No.	88	136	176
Employees receiving general training, which includes safety	No.	180	255	302
* LTIR = lost time injuries / total hours worked x 200,000				
<b>Human Rights</b>				
Number of substantiated complaints concerning human rights violations	No.	0	0	0
<b>Data privacy and security</b>				
Total substantiated complaints concerning breaches of customer privacy and losses of customer data	No.	0	0	0
<b>Community</b>				
Total amount of corporate or group donations/community investments made to registered not-for-profit organisations	RM.	32,000	3,000	95,000
Total number of beneficiaries of the investment in communities	No.	1	1	4,209

# Sustainability Statement

(Cont'd)

## SUSTAINABILITY PERFORMANCE REPORT

Indicator	Measurement Unit	2024
<b>Bursa (Anti-corruption)</b>		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Senior management	Percentage	18.18
Middle management	Percentage	19.54
Junior management	Percentage	31.43
Non-executive	Percentage	22.22
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
<b>Bursa (Community/Society)</b>		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	95,000.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	4,209
<b>Bursa (Health and safety)</b>		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	49.61
Bursa C5(c) Number of employees trained on health and safety standards	Number	176
<b>Bursa (Diversity)</b>		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Senior management Under 30	Percentage	0.00
Senior management Between 30-50	Percentage	27.27
Senior management Above 50	Percentage	72.73
Middle management Under 30	Percentage	1.15
Middle management Between 30-50	Percentage	79.31
Middle management Above 50	Percentage	19.54
Junior management Under 30	Percentage	36.57
Junior management Between 30-50	Percentage	60.00
Junior management Above 50	Percentage	3.43
Non-executive Under 30	Percentage	57.41
Non-executive Between 30-50	Percentage	42.59
Non-executive Above 50	Percentage	0.00
Gender Group by Employee Category		
Senior management Male	Percentage	81.82
Senior management Female	Percentage	18.18
Middle management Male	Percentage	65.52
Middle management Female	Percentage	34.48
Junior management Male	Percentage	68.57
Junior management Female	Percentage	31.43
Non-executive Male	Percentage	79.63
Non-executive Female	Percentage	20.37
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	62.50
Female	Percentage	37.50
Under 30	Percentage	0.00
Between 30-50	Percentage	37.50
Above 50	Percentage	62.50
<b>Bursa (Energy management)</b>		
Bursa C4(a) Total energy consumption	Megawatt	8,926.81

## Sustainability Statement

(Cont'd)

### SUSTAINABILITY PERFORMANCE REPORT (CONT'D)

Indicator	Measurement Unit	2024
<b>Bursa (Labour practices and standards)</b>		
Bursa C6(a) Total hours of training by employee category		
Senior management	Hours	413
Middle management	Hours	2,941
Junior management	Hours	4,375
Non-executive	Hours	801
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0.00
Bursa C6(c) Total number of employee turnover by employee category		
Senior management	Number	1
Middle management	Number	9
Junior management	Number	37
Non-executive	Number	30
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
<b>Bursa (Supply chain management)</b>		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	99.16
<b>Bursa (Data privacy and security)</b>		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
<b>Bursa (Water)</b>		
Bursa C9(a) Total volume of water used	Megalitres	0.045000

Internal assurance External assurance No assurance

(\*) Restated

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“**Board**”) of REDtone Digital Berhad (“**Company**”) recognises the importance of upholding good corporate governance in the discharge of its duties and responsibilities to uphold shareholders’ confidence and enhance shareholder value.

In its application of corporate governance practices, the Board has taken into consideration the enumerations of the Malaysian Code on Corporate Governance 2021 (“**MCCG**” or “**Code**”) and Paragraph 15.25 of the Main Market Listing Requirements (“**MMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”). This Statement is to be read together with other statements in this Annual Report including the Statement on Risk Management and Internal Control and Audit Committee Report and also the Corporate Governance Report (“**CG Report**”) of the Company which are available on the Company’s website at [www.redtone.com](http://www.redtone.com).

This Statement is to provide shareholders and other stakeholders with an overview of the Group’s application of the following 3 Principles set out in the MCCG.

- (a) Principle A: Board Leadership and Effectiveness;
- (b) Principle B: Effective Audit and Risk Management; and
- (c) Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

Details of application for each practice of the Code during the financial year ended 30 June 2024 are disclosed in the CG Report.

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

### A. Board Responsibilities

#### Board of Directors

The Board is responsible for the leadership, oversight and long-term success of the Company and its subsidiaries (“**Group**”). The Board fully understands their collective responsibilities in guiding the business activities of the Group in reaching an optimum balance of a sound and sustainable business operation in order to safeguard shareholder value.

In discharging its fiduciary duties and leadership functions, it is imperative for the Board to govern and set the strategic direction of the Company while exercising oversight on management. To ensure the effective discharge of its function and duties, the principal responsibilities of the Board include the following specific areas:

- Strategic business plan and direction of the Group
- Promote good corporate governance culture within the Group
- Investment and divestment proposals
- Approval of financial results
- Ensure integrity of financial and non-financial reporting
- Risk management
- Succession planning of Board and Senior Management
- Board appointments, their fees and remuneration
- Board committees’ appointment
- Dividend policy
- Review the adequacy and integrity of the Group’s internal control systems
- Implement effective public communications and investor relations policies
- Oversee the sustainability risks and opportunities



## Corporate Governance Overview Statement

(Cont'd)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### A. Board Responsibilities (Cont'd)

##### Chairman of the Board

YAM Tunku Tun Aminah Binti Sultan Ibrahim Ismail, the Chairman of the Board, is responsible for instilling good corporate governance practices, leadership and effectiveness of the Board as well as maintaining regular dialogue with the Executive Director over all operational matters. The Chairman will act as a facilitator at meetings of the Board to ensure that no Board member, whether executive or non-executive, dominates discussion, and that appropriate discussion takes place and relevant opinion among Board members are forthcoming.

Encik Syed Ali Shahul Hameed was appointed as the Non-Independent Non-Executive Deputy Chairman of the Board on 4 June 2024. The Deputy Chairman will perform the duties of the Chairman during the Chairman's absence.

The Chairman and the Deputy Chairman are not members of the Board Committees.

The profiles of the Chairman and Deputy Chairman are set out in the Board's profile of this Annual Report, whereas the roles and responsibilities of the Chairman are clearly specified in Appendix B of the Board Charter, which is available on the Company's website at [www.redtone.com](http://www.redtone.com).

The Board recognises that an element of strong independence of the Board is essential to ensure a balance of power and authority. The positions of the Chairman and the Group Chief Executive Officer are held by two (2) different individuals and their roles and responsibilities are clearly segregated to further enhance and preserve a balance of authority and accountability. The Chairman provides overall leadership to the Board, without compromising the principle of collective responsibility for Board's decisions while the Group Chief Executive Officer focuses primarily on formulation and implementation of business strategies, oversees the implementation of the Board's decisions and policies, as well as supervises the day-to-day management and running of the Group.

##### Time Commitment

The Board requires its members to devote sufficient time to the workings of the Board, to effectively discharge their duties as Directors of the Company and to use their best endeavours to attend meetings.

The Board meets every quarter, with the meetings scheduled well in advance before the commencement of the calendar year to facilitate the Directors in managing their meeting plans. Additional meetings including special meetings are convened whenever necessary.

During the financial year ended 30 June 2024, there were a total of 5 board meetings held, details of the Directors' attendance at the meetings are summarised below:

NAME OF DIRECTORS	Attendance
YAM Tunku Tun Aminah Binti Sultan Ibrahim Ismail	3/5
Mr. Lau Bik Soon	5/5
Mr. Kua Choo Kai	5/5
Dato' Avinderjit Singh A/L Harjit Singh	3/5
Ms. Loh Paik Yoong	5/5
Puan Sabarina Binti Harun ( <i>Appointed on 19 February 2024</i> )	2/2
Encik Syed Ali Shahul Hameed ( <i>Appointed on 4 June 2024</i> )	N/A
Dato' Badrul Hisham Bin Abdul Aziz ( <i>Resigned on 21 August 2024</i> )	5/5
Dato' Mohd Zaini Bin Hassan ( <i>Retired on 4 December 2023</i> )	3/3

## Corporate Governance Overview Statement

(Cont'd)

**PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)****A. Board Responsibilities (Cont'd)**Company Secretary

All Directors have full access to the advice and services of the Company Secretaries, who are suitably qualified, experienced and competent. The Company Secretaries ensure that the Board procedures are adhered to at all times. The Company Secretaries play an advisory role to the Board on the Board's policies and procedures and advise the Board on any updates relating to new statutory and relevant regulatory requirements including corporate governance developments and the resultant implications of any change therein to the Group and Directors in respect of their duties and responsibilities.

The Company Secretary attends and ensures meetings of Board and Board Committees are properly convened while proper records of the deliberations at the meetings and resolutions passed are maintained accordingly at the registered office of the Company.

Access to Information and Advice

The Directors have full and timely access to information concerning the Company and the Group. The relevant meeting agenda complete with relevant meeting papers and matters for discussion are prepared and circulated to the Directors in advance prior to each Board and Board Committee meetings, which enable the Directors to have sufficient time to peruse and assess the meeting papers and obtain explanations from the Management or Company Secretary, in order to have a constructive and effective discussion at the meetings.

Upon conclusion of the meetings, the minutes will be circulated to the Board and Board Committees to ensure that the deliberations and decisions are accurately recorded, including the abstention of the Director(s) from voting or deliberating on a particular matter, if any.

The Directors, whether as a full Board or in their individual capacity, may seek independent professional advice at the Company's expense on specific issues and gain access to relevant information whenever required to enable the Directors to discharge their duties more effectively.

Board Charter

The Company's Board Charter which clearly sets out the respective roles and responsibilities of the Board as a whole, the individual Directors and the Board Committees as well as the matters reserved for collective decision of the Board, serves as a source of reference to the Directors. The Board Charter is available on the Company's website at [www.redtone.com](http://www.redtone.com).

The Board Charter is reviewed as and when deemed necessary to ensure its relevance and to remain consistent with the Board's objectives and responsibilities. It was last reviewed by the Board in August 2023.

Code of Conduct

The Board is guided by the Directors' Code of Best Practice embedded in the Board Charter which sets out the ethical standards, to ensure the Board upholds high standards of integrity and accountability at all times.

The Group has also in place a Code of Conduct covering business ethics, workplace safety and employees' personal conduct. It provides guidance as to the ethical conduct to be complied, to uphold the principles of honesty and integrity, to ensure all employees maintain and uphold a high standard of ethical and professional conduct in the course of performance of their duties and responsibilities. The Code of Conduct is available on the Company's website at [www.redtone.com](http://www.redtone.com).

## Corporate Governance Overview Statement

(Cont'd)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### A. Board Responsibilities (Cont'd)

##### Whistleblowing

A Whistleblowing Policy is in place to provide the appropriate communication and feedback channels to facilitate whistleblowing, as well as to guide and address any reports of wrongdoing under the Code of Conduct, including communication through the Company's website. The Whistleblowing Policy, which is published on the Company's website, was revised in August 2022, and sets out the processes and procedures for employees or members of the public to report genuine concerns about any illegal, unethical or questionable practices in confidence and without the risk of reprisal.

#### B. Sustainability

The Board holds the ultimate accountability for the Group's operations by ensuring environmental, social and governance ("ESG") considerations are embedded in the strategic planning, risk management and in the implementation of the Group's initiatives.

The sustainability governance at the Group is anchored upon the structure of the Sustainability Working Committee, which is headed by the Group Chief Executive Officer to drive the implementation of the Board's approved sustainability strategies and practices.

The Board has adopted an ESG Framework which provides guiding principles on how the culture of sustainability should be promoted across the Group.

The Group has engaged with the stakeholders through various methods during the financial year ended 30 June 2024. The details of the stakeholders' engagement are set out in the Sustainability Statement in this Annual Report.

The Board members will keep themselves apprised with contemporaneous and relevant sustainability developments including climate-related risks and opportunities by way of formal training.

#### C. Board Composition

##### Board Composition and Balance

The current Board consists of 7 members, of whom 3 are Independent Non-Executive Directors, 1 is an Executive Director and 3 are Non-Independent Non-Executive Directors. This composition fulfills the requirements of Paragraph 15.02 of the Main Market Listing Requirements of Bursa Securities, which stipulates that at least 2 Directors or 1/3 of the Board of the Company, whichever is the higher, are independent directors.

The Board acknowledges that each of the Directors of the Company with their multi-varied experiences, backgrounds and qualifications provide effective contribution and support to the functions of the Board. All newly appointed Directors undergo the Mandatory Accreditation Programmes as required by Bursa Securities.

The profiles of the Directors are set out in the Board's Profile of this Annual Report.

The Nomination Committee is satisfied that the current Board composition is strongly suited to provide effective oversight and delegation of responsibilities, in alignment with the strategic objectives of the Group.

##### Board Committees

For the effective functioning of the Board, the Board has established the following Board Committees to assist in the discharge of its stewardship role:

- (i) Audit Committee;
- (ii) Nomination Committee; and
- (iii) Remuneration Committee.

## Corporate Governance Overview Statement

(Cont'd)

**PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)****C. Board Composition (Cont'd)**Board Committees (Cont'd)

The Board Committees operate within clearly defined terms of reference duly approved by the Board, and which are reviewed as and when necessary. The Chairman of the respective Board Committees reports to the Board on proceedings and outcome of the Board Committee meetings, together with their recommendations, while the ultimate responsibility for decision making lies with the Board.

Nomination Committee

The Nomination Committee, chaired by the Independent Non-Executive Director, is established to assist the Board to consider, identify, assess and nominate new candidates for directorship and Board Committees' membership. In the selection process, the Nomination Committee guided by the Company's Diversity, Equity and Inclusion Policy endeavours to include any member who will improve the Board's overall compositional balance. The Nomination Committee assesses a candidate's profile, skills, knowledge, expertise, experience, time commitment, character, professionalism, integrity and fit and proper criteria before recommending the candidate for appointment as a new director to the Board for consideration.

In discharging its responsibilities, the Nomination Committee performed the following activities during the financial year ended 30 June 2024:

- Conducted an annual assessment of the Board's effectiveness as a whole and the contribution of each Director and Board Committees;
- Assessed the independence status of the Independent Non-Executive Directors of the Company;
- Evaluated the performance of the Board Committees and each of its members;
- Reviewed and recommended to the Board, the re-election of the Directors who were due for re-election at the Twenty-First Annual General Meeting of the Company;
- Recommended to the Board on the retention of Dato' Avinderjit Singh A/L Harjit Singh, the Independent Non-Executive Director of the Company, who has served the Board for a cumulative term of more than nine (9) years, to be retained as an Independent Non-Executive Director of the Company pursuant to MCCG at the Twenty-First Annual General Meeting of the Company;
- In accordance with Paragraph 15.20 of the Main Market Listing Requirements of Bursa Securities, the Nomination Committee also reviewed the terms of office and performance of the Audit Committee and each of its members. The Nomination Committee was satisfied that the Audit Committee members had effectively carried out their functions and duly performed their duties in accordance with the Terms of Reference of the Audit Committee;
- Notation of the retirement of Dato' Mohd Zaini Bin Hassan as an Independent Non-Executive Director of the Company and discussion of the vacancy in the composition in the Board and Board Committees upon the retirement of Dato' Mohd Zaini Bin Hassan; and
- Reviewed and recommended the appointment of Encik Syed Ali Shahul Hameed as the Non-Independent Non-Executive Director cum Deputy Chairman of the Company to the Board for consideration and approval.

Tenure of Independent Directors

The Board believes there are significant advantages to be gained from the long-serving Directors who possess tremendous insight and in-depth knowledge of the Company's business and affairs coupled with their calibre, qualifications, experience and personal qualities.

Practice 5.3 of the Code recommends that the tenure of an independent director should not exceed a cumulative term of 9 years. Upon completion of the 9 years' term, an independent director may continue to serve on the Board subject to the director's redesignation as a non-independent director. In the event such director is to be retained as an independent director, the Board must justify and seek annual shareholders' approval through a two-tier voting process as described in the Guidance to Practice 5.3 of the Code provided that the tenure does not exceed a cumulative term of 12 years.

## Corporate Governance Overview Statement

(Cont'd)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### C. Board Composition (Cont'd)

##### Tenure of Independent Directors (Cont'd)

Dato' Avinderjit Singh A/L Harjit Singh was appointed to the Board as an Independent Non-Executive Director on 19 February 2014.

The Nomination Committee had undertaken a review and assessment of the level of independence of the Independent Directors of the Board and based on the assessment, the Board is generally satisfied with the level of independence demonstrated by the Independent Directors, i.e. they are independent of management and free from any business dealing or other relationship with the Group that could reasonably be perceived to materially interfere with their exercise of unfettered and independent judgement.

Based on the assessment carried out, it has been determined that Dato' Avinderjit Singh A/L Harjit Singh, who has served the Board for a cumulative term of more than 9 years, remains objective and independent in expressing his views and in participating in deliberation and decision making of the Board and Board Committees.

The Board recommends to seek the shareholders' approval at the forthcoming Annual General Meeting ("AGM") to retain Dato' Avinderjit Singh A/L Harjit Singh as an independent director of the Company.

##### Boardroom Diversity

The Board acknowledges the importance of diversity in terms of age, gender and race, and recognises the benefits of this diversity. The Board is of the view that while promoting boardroom diversity is essential, the normal selection criteria based on an effective blend of competencies, skills, extensive experience and knowledge to strengthen the Board should remain as priority.

The Board currently has 3 female Directors, namely YAM Tunku Tun Aminah Binti Sultan Ibrahim Ismail, Ms. Loh Paik Yoong and Puan Sabarina Binti Harun. The Board is comfortable with the current size and composition which is balanced and appropriate, where the required mix of skills, experience and industry-specific knowledge of the respective Directors are sufficient and effective in discharging the Board's responsibilities and in meeting the Group's current needs and requirements. The current female directors representation of 42% also meets the Practice 5.9 of the MCCG which encourages the board to comprise at least 30% women directors.

The Board had on 22 August 2024 adopted a Group-wide Diversity, Equity and Inclusion Policy which applies to all levels including the Board and all employees of the Group.

##### Appointment and Re-election to the Board

The Board delegates to the Nomination Committee the responsibility of recommending and considering the prospective candidates for new appointments to the Board. The Board takes cognisance of the guidelines of the Code to utilise a variety of approaches and sources to identify suitable candidates, which may include sourcing from a directors' registry, open advertisements or the use of independent search firms. The Nomination Committee is responsible for ensuring that the procedures for appointing new directors are transparent and formal and the appointments are made on merits.

Puan Sabarina Binti Harun was appointment as an Independent Non-Executive Director of the Company on 19 February 2024. The Nomination Committee of the Company became dysfunction following the retirement of Dato' Mohd Zaini Bin Hassan, a Nomination Committee member on 4 December 2023. During this time the Board itself had reviewed and considered the criteria of character, experience, integrity, competence and time commitment of Puan Sabarina Binti Harun to effectively discharge her role as a Director of the Company as prescribed in Paragraph 2.20A of the MMLR of Bursa Securities and her independence based on the definition of "Independent Director" provided in the MMLR of Bursa Securities. Puan Sabarina Binti Harun was appointed as a member of the Nomination Committee on 27 May 2024 and accordingly, the Nomination Committee is then re-constituted in compliance with the MMLR of Bursa Securities.

During the financial year ended 30 June 2024, Encik Syed Ali Shahul Hameed has provided his fit and proper declaration and the Nomination Committee has evaluated and is satisfied that he has met the prescribed criteria as set out in Paragraph 2.20A of the MMLR of Bursa Securities and the Directors' Fit and Proper Policy, and recommended to appoint him as Director to the Board. The Board had thereafter, approved his appointment to take effect on 4 June 2024.

## Corporate Governance Overview Statement

(Cont'd)

**PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)****C. Board Composition (Cont'd)**Appointment and Re-election to the Board (Cont'd)

The retiring Directors standing for re-election at the AGM are recommended by the Nomination Committee. Thereafter, the Board approves and recommends for tabling to the shareholders for approval at the AGM. Pursuant to Clause 117 of the Company's Constitution, 1/3 of the Directors for the time being shall retire from office at every AGM of the Company and be eligible for re-election provided always that all Directors shall retire from office at least once every 3 years but shall be eligible for re-election. New directors appointed by the Board shall hold office only until the conclusion of the next AGM and shall be eligible for re-election at such AGM pursuant to Clause 116 of the Company's Constitution.

To assist shareholders in their decision, sufficient information on the Directors standing for re-election is furnished in the Annual Report accompanying the Notice of AGM.

At the forthcoming AGM of the Company, the following Directors are due for retirement and are eligible for re-election pursuant to the Company's Constitution as follows:-

Directors	Clause of the Company's Constitution
Puan Sabarina Binti Harun	Clause 116
Encik Syed Ali Shahul Hameed	Clause 116
Mr. Lau Bik Soon	Clause 117
Mr. Kua Choo Kai	Clause 117

The retiring Directors had provided the fit and proper declarations on their respective fitness and propriety to continue acting as Directors of the Company in accordance with the Directors' Fit and Proper Policy of the Company. The Board had through the Nomination Committee, carried out the assessment on the retiring Directors and agreed that they met the criteria as prescribed by Paragraph 2.20A of the MMLR of Bursa Securities on character, experience, integrity, competence and time to effectively discharge their role as Directors.

The Board then endorsed the recommendation of the Nomination Committee for the retiring Directors to be considered for re-election pursuant to the Company's Constitution at the forthcoming AGM.

Board and Board Committees' Annual Assessment

The Board, through the Nomination Committee, conducts annual assessment of the Board, Board Committees and individual Directors to assess their performance and to identify areas for improvement. The annual assessment comprises Board and Board Committee assessment, Board Skills Matrix evaluation, Individual Directors' assessment and Audit Committee assessment, all of which are guided by the Corporate Governance Guide 4th Edition issued by Bursa Malaysia Berhad. They are completed by the respective Board Committees and Directors, to provide feedback, views, and suggestions for improvement. The results of the assessments and comments by Directors are summarised and deliberated at the Nomination Committee meeting and thereafter, the Nomination Committee Chairman will report the results of the assessment to the Board.

The assessment of the Board and Board Committees is based on specific criteria, covering areas such as the Board structure, mix of skills, Board operations, roles and responsibilities of the Board and Board Committees as well as the Chairman's roles and responsibilities.

The annual assessment enables the Board to ensure that each of the Board member has the competency, experience, character, integrity and time availability, including the right mix of skills to effectively discharge their respective roles. On an overall basis, the Board is satisfied with the results of the assessment, whereby the size of the Board is optimum, well-balanced with the appropriate mix of skills and experience in the composition of the Board.



## Corporate Governance Overview Statement

(Cont'd)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### C. Board Composition (Cont'd)

##### Directors' Training

The Board acknowledges that continuous education is essential for the Directors to further enhance their skills and knowledge. The Board shall ensure compliance with the Mandatory Accreditation Programmes as required by Bursa Securities for the newly appointed Directors. The Board will also comply with the new requirement to attend the Mandatory Accreditation Programme Part II ("**MAP II**") as required by Bursa Securities. As at this annual report date, 5 of the 7 Directors have since attended the MAP II.

All Directors have attended relevant trainings, conferences and seminars on an ongoing basis to ensure that they are kept abreast of the latest developments and changes to the regulatory requirements that may affect their roles as Directors of the Company. The Nomination Committee will also assess the training needs of the Directors from time to time to ensure the Directors are equipped with relevant knowledge and skills to discharge their duties more effectively.

During the financial year under review, the continuous education programmes attended by the Directors are as follows:

Director	Title of Programmes/Seminars/Courses/Forums
YAM Tunku Tun Aminah Binti Sultan Ibrahim Ismail	<ul style="list-style-type: none"> <li>Bursa Malaysia Mandatory Accreditation Programme Part II: Leading for Impact (LIP)</li> </ul>
Mr. Lau Bik Soon	<ul style="list-style-type: none"> <li>Bursa Malaysia Mandatory Accreditation Programme Part II: Leading for Impact (LIP)</li> <li>Winning the Sales Game with AI: The Future of Sales and Customer Relationships</li> <li>"Value for All" – Mantra or philosophy of QL Group of Companies</li> <li>Managing Elevated Stress, Accelerated Aging, and Chronic Health Disorders</li> <li>Managing Corporate Lifecycles: Normal &amp; Abnormal Challenges of Adolescents of Prime organizations and suggested treatments</li> </ul>
Mr. Kua Choo Kai	<ul style="list-style-type: none"> <li>Bursa Malaysia Mandatory Accreditation Programme Part II: Leading for Impact (LIP)</li> <li>Advocacy Session for Directors and CEOs of Main Market Listed Issuers</li> <li>Audit Committee Conference 2023: Catalyst of Change</li> <li>Special Pathway &amp; Talk on How to Add Value to Your Organization and Business</li> <li>Awareness Programme on Unclaimed Money Act 1965</li> </ul>
Dato' Avinderjit Singh A/L Harjit Singh	<ul style="list-style-type: none"> <li>Corporate Liability Refresher Training</li> <li>Market Trends for an Unscripted World</li> </ul>
Ms. Loh Paik Yoong	<ul style="list-style-type: none"> <li>Preparing for Corporate Guarantee Provision</li> <li>Bursa Malaysia Mandatory Accreditation Programme Part II: Leading for Impact (LIP)</li> <li>Advocacy Session for Directors and Senior Management of Main Market Listed Issuers</li> <li>Tax and Business Summit 2023</li> <li>Corporate Governance Conversation</li> <li>Board Lot Size Reduction Project</li> <li>Introduction of Sustainability KPI</li> <li>Tax digitalization in action: Landscape of e-Invoicing in Malaysia</li> <li>MIA International Accountants Conference 2024 – Navigating New Frontiers, Embracing Sustainability</li> <li>Empowerment through awareness: Shining light on Human Rights in Malaysia's Business Landscape</li> </ul>

## Corporate Governance Overview Statement

(Cont'd)

**PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)****C. Board Composition (Cont'd)**Directors' Training (Cont'd)

Director	Title of Programmes/Seminars/Courses/Forums
Puan Sabarina Binti Harun	<ul style="list-style-type: none"> <li>ESG Reporting: A Key to Value Creation Today</li> <li>Data Intelligence and Analytics Conference for Public Sector 2023</li> <li>MUFTI MENK - Embodying Prophetic Leadership Seminar: Lessons for Women</li> <li>ERM Workshop (including Bribery Risks)</li> <li>Board of Directors: Navigating Resilience via ESG Strategy</li> <li>Bursa Malaysia Mandatory Accreditation Programme Part I</li> <li>MIA Conference 2024</li> </ul>
Encik Syed Ali Shahul Hameed	<ul style="list-style-type: none"> <li>Bursa Malaysia Mandatory Accreditation Programme Part II: Leading for Impact (LIP)</li> </ul>

The Directors continue to gain updates through the briefings by Company Secretaries, Internal Auditors and External Auditors during the quarterly meetings as well as communications with other Directors and their daily work exposures. In addition, the Directors are also updated from time to time by the Company Secretaries on any change to legal and governance practices, new accounting and auditing standards that may have impact on the Group's businesses via electronic means.

**D. Remuneration**

The Group strives to ensure that there are formal and transparent Directors' remuneration policies and procedures in place to attract, motivate, retain and reward Directors and Senior Management of the calibre needed to run the Group successfully.

The Board has established a Remuneration Committee with an objective to assist the Board in recommending a formal and transparent procedure and structure in determining the remuneration package for the Board and Senior Management. In formulating the framework and levels of remuneration, the Remuneration Committee ensures the remuneration policy remains supportive of the Company's corporate objectives, is aligned with the interests of the shareholders, is able to attract, retain and motivate the Executive Directors and Senior Management, and is reflective of their experience and level of responsibilities.

The Board, as a whole, determines the fees of the Non-Executive Directors, with each Director concerned abstaining from any decision with regards to his/her own remuneration. Taking into account the performance of the Group and the responsibilities of the Directors, the Directors' fees are set in accordance with a remuneration framework comprising responsibility fees and attendance fees.

The Remuneration Policy and Procedures as well as the Terms of Reference of the Remuneration Committee of the Company are accessible on the Company's website at [www.redtone.com](http://www.redtone.com).

## Corporate Governance Overview Statement

(Cont'd)

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

## D. Remuneration (Cont'd)

Details of the Directors' remuneration categorised into appropriate components for the financial year ended 30 June 2024 are as follows:-

	Company				Group			
	Salaries/ Bonus (RM)	Fees (RM)	Allowance (RM)	Other Emoluments <sup>^</sup> (RM)	Salaries/ Bonus (RM)	Fees (RM)	Allowance (RM)	Other Emoluments <sup>^</sup> (RM)
<b>Executive Director</b>								
Mr. Lau Bik Soon	-	-	-	-	1,110,000	-	95,600	153,300
<b>Non-Executive Directors</b>								
YAM Tunku Tun Aminah Binti Sultan Ibrahim Ismail	-	396,000	-	5,700	-	396,000	-	5,700
Mr. Kua Choo Kai	-	84,000	-	14,500	-	84,000	-	14,500
Dato' Avinderjit Singh A/L Harjit Singh	-	60,000	-	4,300	-	300,000	25,000	4,300
Ms. Loh Paik Yoong	-	60,000	-	15,800	-	60,000	-	15,800
Puan Sabarina Binti Harun*	-	21,900	-	5,700	-	21,900	-	5,700
Encik Syed Ali Shahul Hameed <sup>#</sup>	-	6,300	-	-	-	6,300	-	-
Dato' Badrul Hisham Bin Abdul Aziz <sup>@</sup>	-	60,000	-	8,600	-	60,000	-	8,600
Dato' Mohd Zaini Bin Hassan <sup>@@</sup>	-	25,600	-	8,600	-	25,600	-	8,600

Notes:-

<sup>^</sup> Other emoluments are inclusive of meeting allowance and employer's provident fund contributions

<sup>\*</sup> Appointed on 19 February 2024

<sup>#</sup> Appointed on 4 June 2024

<sup>@</sup> Resigned on 21 August 2024

<sup>@@</sup> Retired on 4 December 2023

The Board has considered and is of the opinion that the disclosure of the top five (5) Senior Management's remuneration on a named basis would not be in the best interest of the Group due to confidentiality and security concerns as well as the competitive conditions for talent in the telecommunications industry.

## Corporate Governance Overview Statement

(Cont'd)

**PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT****A. Audit Committee**

The principal objective of the Audit Committee as guided by its Terms of Reference, is to assist the Board in discharging its statutory duties and responsibilities relating to financial reporting process and internal controls of the Group.

The Audit Committee comprises 2 Independent Non-Executive Directors and 1 Non-Independent Non-Executive Director, who collectively possess a wide range of necessary skills and is financially literate to effectively discharge their duties. The Audit Committee is chaired by an Independent Non-Executive Director, Mr. Kua Choo Kai, who is not the Chairman of the Board.

The Audit Committee members received ongoing training and development as disclosed in this Statement.

In order to strengthen the independence of the Audit Committee, Practice 9.2 of the Code recommends to observe a cooling-off period of at least 3 years before any partner of external audit firm and/or its affiliate firm is appointed as a member of the Audit Committee. Such a clause is included in the Terms of Reference of the Audit Committee.

The Terms of Reference of the Audit Committee of the Company is accessible on the Company's website at [www.redtone.com](http://www.redtone.com).

The Audit Committee has explicit authority to communicate directly with the External Auditors. The External Auditors are invited to attend the Audit Committee meeting at least twice a year to discuss their audit plan and their audit findings on the Company's yearly financial statements. In addition, the Audit Committee will also have private sessions with the External Auditors without the presence of the Executive Director and Management to discuss any concerns including the Management's cooperation in the audit process, quality and competency in the financial reporting function, sharing of information and audit issues encountered during the course of their audit work.

The Audit Committee annually reviews and assesses the performance, suitability, objectivity and independence of the External Auditors and the level of non-assurance services rendered by the External Auditors which may impair their objectivity and independence as External Auditors of the Company. After assessing the suitability and independence of the External Auditors, Ernst & Young PLT ("EY"), the Audit Committee has recommended to the Board for approval, the re-appointment of EY as External Auditors of the Company for the ensuing financial year ending 30 June 2025.

An overview of the summary of works undertaken by the Audit Committee is set out in the Audit Committee Report of this Annual Report.

**B. Risk Management and Internal Control Framework**

The Board acknowledges its overall responsibility for continuous maintenance of a sound risk management framework and effective system of internal control. The Board has the overall responsibility to review and monitor the Group's risk management and internal control system which provides reasonable assurance of an effective and efficient operation, compliance with laws and regulations and to safeguard shareholders' investment and the Group's assets.

The details of the internal audit function of the Group are set out in the Audit Committee Report on page 70 of this Annual Report, and the overview of the risk management and internal control framework of the Group is set out on pages 71 to 77 in the Statement on Risk Management and Internal Control of this Annual Report.

## Corporate Governance Overview Statement

(Cont'd)

### PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

#### A. Communication with Stakeholders

The Board acknowledges the importance of establishing the corporate disclosure procedures to enable timely, comprehensive and accurate disclosures relating to the Group to the regulators, shareholders and stakeholders. The timely release of financial results, announcements of the Group's performance on a quarterly basis and announcements on the Group's material transactions provide the shareholders with an overview of the Group's performance and operations.

The Company is committed to ensuring that information communicated to the public regarding the business, operations and financial performance of the Company are accurate, timely, factual, informative, consistent, broadly disseminated and where necessary, information filed with regulators is in accordance with applicable legal and regulatory requirements.

The Board has adopted a formal Shareholders' Communication Policy to provide guidance as well as to ensure a consistent approach towards the Company's communication with the shareholders.

In ensuring effective, transparent and regular communication with its stakeholders, the following communication channels are mainly used by the Company in disseminating information:-

- The Company maintains a website at [www.redtone.com](http://www.redtone.com) to facilitate access to pertinent information concerning the Group and its operations by the shareholders, consumers and general public. The Company's website includes weblinks to all announcements, annual reports and financial results made by the Company to Bursa Securities as well as the latest information of the Group;
- General Meetings which serve as the principal forum for dialogue with shareholders where they may raise questions or seek clarifications on the Company's business and reports from the Company's Directors; and
- Social media pages, namely "redtonemalaysia" on Facebook, LinkedIn, Instagram, and YouTube, where corporate events, staff activities, and other relevant updates are posted as a way to engage with employees and the general public.

#### B. Conduct of General Meetings

The AGM serves as the annual principal forum for dialogue between the Board and the shareholders, in gathering meaningful feedback and to leverage on the insights of shareholders. Shareholders will be provided with ample time to ask questions or seek clarifications from the Company's Directors in relation to the Company's business and results.

During the AGM, shareholders who attend the AGM are encouraged and given sufficient opportunity as well as time by the Board to raise questions pertaining to the Annual Report, resolutions being proposed and the business of the Company or the Group in general, prior to poll voting. All Directors and the Chair of every Board Committee, as well as Senior Management, where appropriate, will provide feedback, answers and clarifications to the questions raised from the shareholders during the AGM. The questions posed by the shareholders during the Twenty-First AGM were made visible to the shareholders.

Notice of the AGM and the Annual Report together with the financial statements are sent out to shareholders at least 28 days before the date of the meeting to facilitate the shareholders to review the Annual Report, to appoint proxies and collate questions to be raised at the AGM.

Each item of special business included in the Notice of AGM will be accompanied by a full explanation of the effects of the proposed resolution.

## Corporate Governance Overview Statement

(Cont'd)

**PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)****B. Conduct of General Meetings (Cont'd)**

The Twenty-First AGM of the Company held on 4 December 2023, was conducted electronically in its entirety via Remote Participation and Electronic Voting Facilities. In line with Paragraph 8.29A of the MMLR of Bursa Securities, the poll voting was conducted through a remote electronic voting system. Similarly, the poll voting at the forthcoming AGM will also be conducted through a remote electronic voting system. An independent scrutineer will be appointed to validate the poll results and the decision of each resolution, including the votes for and against of each resolution, will be made known at the meeting and the outcome is announced via Bursa Link on AGM day.

During the Twenty-First AGM, shareholders were encouraged to pose their questions to the Board via a real time submission of typed texts through a text box within the portal during the live streaming of the Twenty-First AGM. The shareholders were given the opportunity to email their questions to the Company prior to the AGM as well. The Company had engaged SSE Solutions Sdn. Bhd. who has the required infrastructure and equipment to support a smooth broadcast of the general meeting and interactive participation by shareholders, as the service provider for the Remote Participation and Electronic Voting Facilities.

The Minutes of the Twenty-First AGM was made available to the shareholders within 30 business days after the Twenty-First AGM at the Company's corporate website at [www.redtone.com](http://www.redtone.com).

**KEY FOCUS AREAS AND FUTURE PRIORITIES**

The Board is satisfied that the Group has maintained high standards of corporate governance and strived to achieve the highest level of integrity and ethical standard, in all its business dealings.

The Board is committed to providing oversight and working together with Management in considering the Group's strategies and value creation for its stakeholders, sustainability strategy and strategic opportunities.

This Corporate Governance Overview Statement and the CG Report were approved by the Board on 9 October 2024.



## ADDITIONAL COMPLIANCE INFORMATION

### UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

There were no corporate proposals involving fund raising carried out during the financial year under review.

### AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid and payable by the Company and the Group to the External Auditors and/or its affiliates for the financial year ended 30 June 2024 are as below:-

	Group RM	Company RM
Audit fees	429,000	115,000
Non-audit fees	25,000	8,000

### MATERIAL CONTRACTS INVOLVING DIRECTORS, CHIEF EXECUTIVE AND MAJOR SHAREHOLDERS

There were no material contracts entered into by the Group involving the interest of Directors, Chief Executive (who is not a Director) and Major Shareholders of the Group, either still subsisting as at the end of the financial year or entered into since the end of the previous financial year.

### RECURRENT RELATED PARTY TRANSACTIONS ("RRPTS")

At the Twenty-First Annual General Meeting of the Company held on 4 December 2023, the Company obtained a mandate from its shareholders for RRPTs of a revenue or trading in nature with related parties.

Pursuant to Paragraph 10.09(2)(b) of the Main Market Listing Requirements and Paragraph 3.1.5 of the related Practice Note 12 of Bursa Malaysia Securities Berhad, the details of RRPTs conducted during the financial year ended 30 June 2024 pursuant to the shareholders' mandate are set out below:-

	REDtone and/or its subsidiaries	Transacting Parties	Nature of Transactions	Aggregate value of transactions during the financial year from 1 July 2023 to 30 June 2024 (RM'000)
Berjaya Corporation Berhad ("BCorporation") and/or its unlisted subsidiary companies ("BCorporation Group"):-				
1.	REDtone	BCorporation	Management fees payable by REDtone for services rendered that include, inter-alia, the provision of finance and general administrative services.	60
2.	REDtone Data Centre Sdn. Bhd. ("RDC")	BCorporation Group	Provision of data centre and cloud related services by RDC.	1,381
3.	REDtone	Berjaya Registration Services Sdn. Bhd.	Receipt of share registration services, printing and mailing services by REDtone.	70
4.	REDtone and its subsidiary companies ("REDtone Group")	E.V.A Management Sdn. Bhd.	Receipt of human resource management services by the REDtone Group.	46

## Additional Compliance Information

(Cont'd)

**RECURRENT RELATED PARTY TRANSACTIONS ("RRPTS") (CONT'D)**

Pursuant to Paragraph 10.09(2)(b) of the Main Market Listing Requirements and Paragraph 3.1.5 of the related Practice Note 12 of Bursa Malaysia Securities Berhad, the details of RRPTs conducted during the financial year ended 30 June 2024 pursuant to the shareholders' mandate are set out below:- (Cont'd)

	REDtone and/or its subsidiaries	Transacting Parties	Nature of Transactions	Aggregate value of transactions during the financial year from 1 July 2023 to 30 June 2024 (RM'000)
Berjaya Corporation Berhad (" <b>BCorporation</b> ") and/or its unlisted subsidiary companies (" <b>BCorporation Group</b> "):- (Cont'd)				
5.	REDtone Group	BLoyalty Sdn. Bhd.	Loyalty reward charges payable by the REDtone Group.	0.2
Berjaya Land Berhad (" <b>BLand</b> ") and/or its unlisted subsidiary companies (" <b>BLand Group</b> "):-				
6.	REDtone Group	BLand Group	Contract revenue payable by the REDtone Group for the construction of mobile base stations and related operations and maintenance.	29,075
Berjaya Assets Berhad (" <b>BAssets</b> ") and/or its unlisted subsidiary company				
7.	REDtone Telecommunications Sdn. Bhd. (" <b>RTC</b> ")	Berjaya Times Square Sdn. Bhd.	Rental payable by RTC at RM2,750 per month for renting of rooftop space at Lot No. TB-Roof-02B at Berjaya Times Square, Jalan Imbi, Kuala Lumpur. Tenure of the rental agreement is for a period of 3 years.	33
8.	RTC	Berjaya Times Square Sdn. Bhd.	Rental payable by RTC at RM3,300 per month for renting of rooftop space at Lot No. TB-Roof-02D at Berjaya Times Square, Jalan Imbi, Kuala Lumpur. Tenure of the rental agreement is for a period of 3 years.	40
Other Related Parties				
9.	REDtone Group	U Mobile Sdn. Bhd.	Contract revenue receivable by the REDtone Group for the construction of mobile base stations and related operations and maintenance.	31,508
10.	REDtone Group	U Mobile Sdn. Bhd.	Provision of interconnect and related services to the REDtone Group.	120
11.	REDtone Group	U Mobile Sdn. Bhd.	Provision of interconnect and related services by the REDtone Group.	34

## Additional Compliance Information

(Cont'd)

### RECURRENT RELATED PARTY TRANSACTIONS ("RRPTS") (CONT'D)

#### Notes:

- (1) BCorporation is a major shareholder of BLand and BAssets. Its direct and indirect interests in these companies as at the financial year ended 30 June 2024 are as follows:-

	% of Interest	
	Direct	Indirect
BLand	8.54	64.88 <sup>(a)</sup>
BAssets	–	16.62 <sup>(a)</sup>

Note:

(a) Deemed interested by virtue of its 100% interest in Berjaya Group Berhad.

- (2) KDYMM Seri Paduka Baginda Yang Di-Pertuan Agong Sultan Ibrahim ("KDYMM Sultan Ibrahim") is a major shareholder of REDtone and BAssets by virtue of His Majesty's direct interest of 17.34% and 12.35% in REDtone and BAssets respectively as at the financial year ended 30 June 2024. YAM Tunku Tun Aminah Binti Sultan Ibrahim Ismail ("**Tunku Tun Aminah**"), the Non-Independent Non-Executive Chairman of REDtone, BCorporation and BAssets, is the daughter of KDYMM Sultan Ibrahim. Tunku Tun Aminah is also a shareholder of BAssets by virtue of Her Royal Highness' direct interest of 0.01% in BAssets as at the financial year ended 30 June 2024. Hence, Tunku Tun Aminah and KDYMM Sultan Ibrahim are Persons Connected with each other.
- (3) KDYMM Sultan Ibrahim is a major shareholder of U Mobile Sdn. Bhd. by virtue of His Majesty's direct interest of 22.70% in U Mobile Sdn. Bhd.

## AUDIT COMMITTEE REPORT

The Board of Directors (“**Board**”) of REDtone Digital Berhad (“**Company**”) is pleased to present the Audit Committee Report to provide insights on the discharge of the Audit Committee’s functions for the financial year ended 30 June 2024.

### OBJECTIVE

The Audit Committee (“**Committee**”) is established to effectively discharge its duties to assist and support the Board in fulfilling its fiduciary responsibilities by assisting the Board to review the adequacy and integrity of the Company and its subsidiaries (“**Group**”)’s financial administration, reporting and internal control systems, in accordance with the Terms of Reference of the Committee of the Company.

### MEMBERSHIP AND MEETING ATTENDANCE

The present members of the Committee are as follows:

#### Chairman

Mr. Kua Choo Kai (Independent Non-Executive Director)

#### Members

Ms. Loh Paik Yoong (Non-Independent Non-Executive Director)

Puan Sabarina Binti Harun (Independent Non-Executive Director)

*(appointed on 19 February 2024)*

Dato’ Mohd Zaini Bin Hassan (Independent Non-Executive Director)

*(retired on 4 December 2023)*

The composition of the Committee is in compliance with Paragraphs 15.09(1)(a) and (b) of the Main Market Listing Requirements (“**MMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”), where all three (3) Committee members are Non-Executive Directors, with a majority being Independent Directors.

Mr. Kua Choo Kai, Ms. Loh Paik Yoong and Puan Sabarina Binti Harun are members of the Malaysian Institute of Accountants (“**MIA**”). Accordingly, the Company complies with Paragraph 15.09(1)(c)(i) of the MMLR of Bursa Securities, which stipulates that at least one (1) member of the Committee is a member of the MIA.

The Committee held seven (7) meetings during the financial year ended 30 June 2024. The details of attendance of the Committee members are as follows:

Director	Designation	Attendance
Mr. Kua Choo Kai	Chairman	7/7
Ms. Loh Paik Yoong	Member	7/7
Puan Sabarina Binti Harun <i>(appointed on 19 February 2024)</i>	Member	2/2
Dato’ Mohd Zaini Bin Hassan <i>(retired on 4 December 2023)</i>	Member	5/5

### TERMS OF REFERENCE

The Terms of Reference of the Committee (included in the Board Charter) is available for reference on the Company’s website, at [www.redtone.com](http://www.redtone.com).

## Audit Committee Report

(Cont'd)

### SUMMARY OF WORK OF THE COMMITTEE FOR THE FINANCIAL YEAR UNDER REVIEW

In line with its responsibilities outlined in its Term of Reference, the Committee discharged its functions and duties for the financial year ended 30 June 2024 through the completion of the following work: -

#### Financial Reporting

Reviewed the following unaudited quarterly reports and Annual Audited Financial Statements of the Group and Company and thereafter, recommended to the Board for their consideration and approval:

Date of Meeting	Review of Unaudited Quarterly Reports / Audited Financial Statements
3 October 2023 and 10 October 2023	Audited Financial Statements of the Group and Company for the financial year ended 30 June 2023
14 November 2023	First Quarter Results for the financial period ended 30 September 2023
20 February 2024	Second Quarter Results for the financial period ended 31 December 2023
16 May 2024	Third Quarter Results for the financial period ended 31 March 2024
20 August 2024	Fourth Quarter Results for the financial period ended 30 June 2024

In reviewing the Annual Audited Financial Statements, the Committee engaged in comprehensive discussion with both Management and the External Auditors. These discussions focused on key issues arising from the audit, their resolutions, and the contents of the Independent Auditors' Report prepared by the External Auditors. The Committee ensured that any issues identified during the audit were addressed effectively and resolved satisfactorily. The Committee also ensured that the financial statements accurately reflect the Company's financial position and performance, adhering to the highest standards of financial reporting and compliance.

#### External Audit

On 21 August 2023, the Committee had a private session with the External Auditors without the presence of the Management of the Company to facilitate open and candid communication to discuss issues of concern that the External Auditors may have. There were no areas of concern that were brought to the attention of the Committee; and

Reviewed the Audit Status Report prepared by the External Auditors in respect of the audit for the financial year ended 30 June 2023 covering updates on the status and findings on the areas of audit emphasis by the External Auditors.

On 3 October 2023, reviewed the Audit Results Report prepared by the External Auditors for the financial year ended 30 June 2023 covering the executive summary, summary of procedures and audit findings on the areas of audit emphasis including the key audit matters, fraud considerations and the risk of management override and the draft Auditors Report.

On 10 October 2023, conducted annual assessment of the External Auditors, focusing on their performance, suitability, objectivity, and independence. The evaluation highlighted key criteria such as their competence, experience, resources adequacy, audit quality and independence. The Committee received the independence confirmation from the External Auditors and was satisfied with the audit quality, competency, sufficiency of resources, and independence demonstrated throughout the engagement with the External Auditors. Consequently, the Committee had made recommendation to the Board on their re-appointment; and

Reviewed the proposed audit fees of the entities within the Group for the financial year ended 30 June 2023 and recommended to the Board for approval.

On 16 May 2024, the Committee had another private session with the External Auditors without the presence of the Management of the Company to discuss possible issues of concern that the External Auditors may have, for the statutory audit for the financial year ended 30 June 2024. There were no private issues brought to the attention of the Committee; and

## Audit Committee Report

(Cont'd)

### SUMMARY OF WORK OF THE COMMITTEE FOR THE FINANCIAL YEAR UNDER REVIEW (CONT'D)

#### External Audit (Cont'd)

Reviewed the Audit Planning Memorandum for the Group and Company for the financial year ended 30 June 2024 prepared by the External Auditors, setting out the responsibilities of the External Auditors, their audit scoping, audit approach, audit timelines, the areas of audit emphasis and the independence of the External Auditors in connection with their audit of the Group and Company.

#### Internal Audit

On 10 October 2023, reviewed the adequacy of the scope, functions, competency, and resources of the Internal Audit function.

On 16 May 2024, the Committee had a private session with the Internal Auditors to discuss on any issues of concern encountered by the Internal Auditors when carrying out their audit work. No urgent private issues were brought to the attention of the Committee.

During the financial year ended 30 June 2024, the Committee reviewed and took note of the follow-up and status update to the proposed auditable areas to be covered.

In addition, during the financial year under review, three (3) internal audit reports on the results of work undertaken together with the recommended action plans and their implementation status were presented to the Committee and the Committee appraised the adequacy and effectiveness of Management's response in resolving the gaps noted. The Committee also reviewed one (1) follow-up audit report.

#### Whistleblowing

The Company did not receive any whistleblowing report during the financial year ended 30 June 2024, and hence there were no actions required from the Committee.

#### Related Party Transactions and Conflict of Interest Situations

On 3 October 2023, the Management tabled the draft Circular to Shareholders in relation to the Proposed Renewal of and New Shareholders' Mandates for Recurrent Related Party Transactions of a Revenue or Trading Nature dated 23 October 2023 for the Committee's review and recommendation to the Board for approval.

In addition, during the financial year ended 30 June 2024, the Committee reviewed the related party transactions entered into by the Group on a quarterly basis and against the annual mandate approved by the shareholders at the Twenty-First Annual General Meeting held on 4 December 2023.

The quarterly review also covered the possibility of conflict of interest situations which may arise within the Group and the adequacy of conflict of interest declaration procedures to ensure business integrity, transparency and compliance with the Group's Code of Conduct.

#### Oversight of Risk Management and Internal Control

On 3 October 2023 and 10 October 2023, the Committee reviewed the draft Audit Committee Report and Statement on Risk Management and Internal Control prior to submission of the same to the Board for consideration and inclusion in the Annual Report 2023 of the Company.

On 24 August 2023 and 20 February 2024, the Group Chief Executive Officer who is the Management-level Risk Management Committee Chairman of the Group presented the Enterprise Risk Management reports to the Committee, to update on the Key Risks Profile and Risk Rating of the Group.



## Audit Committee Report

(Cont'd)

### SUMMARY OF WORK OF THE INTERNAL AUDIT FUNCTION

The Committee is supported by an independent professional consulting firm, Crowe Governance Sdn. Bhd. in the discharge of its duties and responsibilities with regards to the internal audit function of the Group. Based on the audits, the outsourced Internal Auditors had provided the Committee with independent and objective reports on the state of internal control of the various operating units within the Group and the extent of compliance of the units with the Group's established policies and procedures.

The internal audits carried out by the Internal Auditors are guided by the International Professional Practices Framework issued by the Institute of Internal Auditors Inc., a globally recognised professional body for internal auditors.

For the financial year under review, the Internal Auditors in teams of three (3) had conducted three (3) cycles of internal audit as stipulated in the approved internal audit plan. The three (3) cycles of internal audit were in respect of: -

- Procurement to Payment;
- Operations, Sales, Billing, Collection and Credit Control of REDtone IOT Sdn. Bhd; and
- Sales, Billing, Collection and Credit Control of Managed Telecommunications Network Services.

In addition, one (1) follow up audit was performed to assess the implementation of corrective action plans committed by the Management for the past internal audits.

The total cost incurred for the Internal Audit function of the Group for the financial year ended 30 June 2024 was RM72,440.

The Audit Committee Report was approved by the Board on 9 October 2024.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## INTRODUCTION

The Malaysian Code on Corporate Governance requires the Board of Directors ("**Board**") to maintain a sound system of risk management and internal control to safeguard shareholders' investments and the assets of REDtone Digital Berhad ("**REDtone**" or "**Company**") and its subsidiaries ("**Group**"). The Board of REDtone is committed to maintaining a sound system of internal control and effective risk management as part of its ongoing efforts to practise good corporate governance.

This Statement on Risk Management and Internal Control is prepared in accordance with Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, Malaysian Code on Corporate Governance 2021 and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers. This Statement outlines the nature and scope of risk management and internal control system within the Group for the financial year ended 30 June 2024.

## BOARD RESPONSIBILITY

The Board affirms its overall responsibility to establish and maintain a robust risk management and internal control system through reviewing its adequacy in identifying, assessing, evaluating, and responding to risks that could have detrimental impact to the Group from achieving its objective. This system is designed to identify and manage various risks the business may face and covers not only financial controls but also operational, commercial, regulatory and compliance controls to safeguard shareholders' investment and the Group's assets. However, it is important to recognise that inherent limitations exist within any internal control system. As such, this system is intended to manage, rather than completely eliminate the risk of failure in achieving the Group's business and corporate objectives. Consequently, it provides reasonable, though not absolute, assurance against material misstatements, losses, or fraud.

The Board believes that risk management and internal control are ongoing processes, requiring the concerted effort of all employees across the Group. As part of its review for continuous improvement, the Board regularly reviews and takes necessary measures to strengthen these systems to address identified weaknesses. These processes are in place throughout the financial year under review and remain effective up to the date of approval of this Statement.

To ensure the adequacy of risk management and internal control across the Group, the Board is supported by the Audit Committee, who reviews the internal control processes and monitors the consistent implementation of the Enterprise Risk Management ("**ERM**") Framework. The Audit Committee, in turn, is assisted by a Management-level Risk Management Committee ("**RMC**"), headed by the Group Chief Executive Officer and comprising key management personnel from various divisions, to oversee the Group's risk management system.

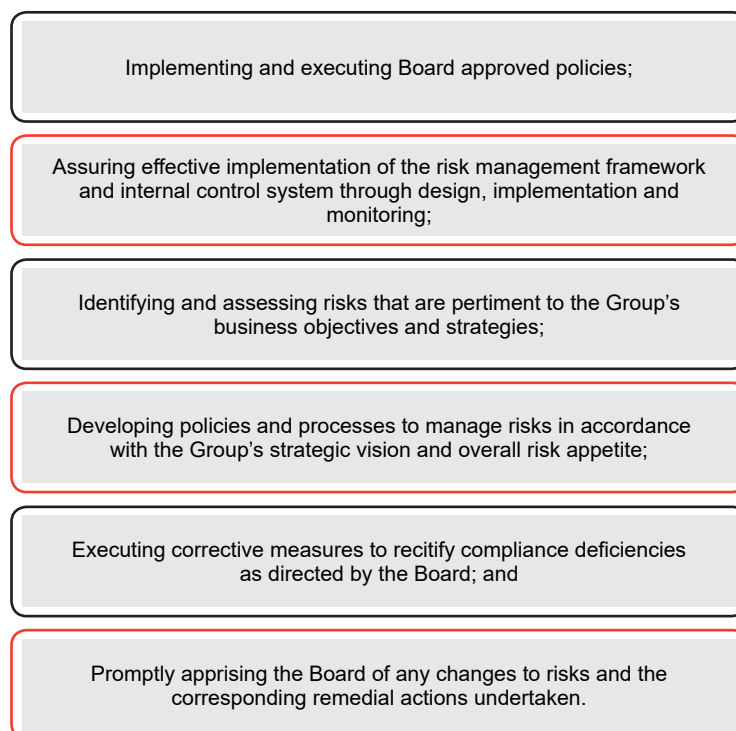
The Board does not review the internal control system of its associated companies, as the Board does not have any direct control over their operations. The Group's interests are served through representations on the boards of the respective associated companies and the review of their management accounts, and enquiries thereon. These representatives also provide the Board with information and timely decision-making on the continuity of the Group's investments based on the performance of the associated companies.

## Statement on Risk Management and Internal Control

(Cont'd)

### MANAGEMENT RESPONSIBILITY

Management is accountable to the Board and is responsible for effective implementation of risk management and control mechanisms across the organisation. The following outlines the Management's commitment and approach to fulfilling this responsibility:



Management is committed to operating a sound system of internal control which will be continuously reviewed, updated and improved in response to changes in the operating environment.

### RISK MANAGEMENT FRAMEWORK

The Board considers the management of key risks to be an integral and critical aspect of the Group's daily operations. This focus is deeply embedded in the Group's culture, processes and structures. Leveraging the experience, knowledge and expertise to identify and manage such risks throughout the financial year under review, enables the Group to make cautious, mindful and well-informed decisions. These decisions are supported by the formulation and implementation of requisite action plans and a monitoring regime which are imperative in ensuring the accomplishment of the Group's objectives.

Day-to-day operations in respect of financial, commercial, legal compliance and operational aspects of the Group are closely monitored by the respective Heads of Department and Project Managers. Risk deliberation, mitigation strategies and initiated action plans are discussed at periodic management meetings.

The Group's ERM Framework provides a standardised and systematic approach for the identification, evaluation, monitoring and reporting of key risks and controls. It ensures that adequate measures are in place to implement, track and review action plans. The ERM Framework is generally aligned with the Principles and Guidelines of ISO 31000:2018 and is adopted across all operating companies within the Group.

The Management is tasked to report to the Audit Committee on key risks identified and the implementation of action plans to mitigate the risks. The Board is constantly apprised by the Audit Committee and the Management on the Group's risk profile, including action plans to address significant risks.

## Statement on Risk Management and Internal Control

(Cont'd)

**RISK MANAGEMENT FRAMEWORK (CONT'D)**

The key features of the ERM Framework are as follows:



Company-wide key risks are identified and maintained in a formal database of risks and controls information i.e., risk registers, which captures the possible root causes, existing key controls and impact. Within the ERM Framework, sources of risks are firstly identified. The risks identified are then analysed based on its likelihood of occurrence and its severity impact on the Company.

Gross Risk is defined as the risk level exposure before consideration of the effectiveness of internal controls to mitigate the risk; i.e., the maximum level of risk exposure in the event of inadequacy or failure of internal controls. The Nett Risk is the risk rating after considering the internal controls in place. Based on the Nett Risk identified, Management is able to assess and focus on the key risk areas requiring further attention and action plans, where required, to strengthen the current controls. Key risk registers developed for both front line operations and supporting functions provide Management with a holistic view of the key risk considerations in its formulation of strategies and decision-making process.

During the financial year ended 30 June 2024, the Management had reviewed the Key Risk Register, the risk ratings and its controls and had updated the Audit Committee and the Board on the risk management activities.

Meanwhile, the management of risks is an ongoing process of identifying, evaluating and managing the risks faced by the Group. Further assurance is provided by the Internal Audit function which operates across the Group with emphasis on key operating divisions within the Group. The Board shall, with the assistance from the Audit Committee and the Management, review the existing risk management practices, and where appropriate and necessary, improve such practices accordingly.

**KEY INTERNAL CONTROL ELEMENTS**

Key elements of the internal control systems established by the Board that provides direction, effective governance and oversight of internal controls include:-

- **Board Committees**

The Board has formed various Board Committees such as the Audit Committee, Nomination Committee and Remuneration Committee and delegated these Committees with specific responsibilities which are all governed by clearly defined Terms of Reference and authority for areas within their scope. The Board Charter sets out the responsibilities and functions of the Board and the supporting Board Committee.

- **Organisation Structure**

The Group maintains well defined organisational structure with clear lines of responsibility, delegation of authority, segregation of duties and flow of information in the organisation structure, to ensure proper identification of accountability and segregation of duties within the Management team.

## Statement on Risk Management and Internal Control

(Cont'd)

### KEY INTERNAL CONTROL ELEMENTS (CONT'D)

- **Management and Board Monitoring and Reporting**

The Group Chief Executive Officer and Senior Management are actively involved in the day-to-day business and operations of the Group. They report to the Board on significant changes in the business and external environment which may affect the Group's overall operations.

Comprehensive reports are generated for each business and operating units enabling a thorough review of the operational and financial aspects of the Company. Management accounts are prepared timely and on a monthly basis and are reviewed by the Executive Committee and Senior Management.

All proposals for material capital expenditure and investment opportunities are reviewed by the Executive Committee and require approval from the Board prior to the commitment of expenditure.

- **Policies and Procedures**

Operational policies and procedures form an integral part of the internal control system to safeguard the Group's assets against material losses. These include manuals and handbooks which are updated, reviewed and revised periodically to meet changing business and operational requirements, and statutory reporting needs.

- **Limits of Authority**

The Group has clear limits of authority, defining the approval thresholds assigned and delegated to each approving authority within the Group. The limits of authority are reviewed periodically and updated to align with relevant changes in the organisation.

- **Planning, Monitoring and Reporting**

The Company's performance is monitored regularly, and the business objectives and plans are reviewed during the management meetings attended by respective division and business unit heads. The key operational and management issues are also resolved at these meetings. The Executive Committee meets regularly with Senior Management to consider the Group's financial performance, business initiatives and other management and corporate issues.

- **Human Resources Procedures and Guidelines**

The procedures and guidelines on human resources govern all aspects of human resource management from talent acquisition, development and retention, performance and consequence management to cessation of employment.

The professionalism and competency of staff are enhanced through training and development programs. A performance management system is in place with established key performance indicators to measure and review staff performance on an annual basis.

## Statement on Risk Management and Internal Control

(Cont'd)

**KEY INTERNAL CONTROL ELEMENTS (CONT'D)**

- **Integrity and Ethical Values**

**(a) Code of Conduct**

The Board believes ethical corporate culture begins from the top which the control environment sets the tone for the Group by providing fundamental discipline and structure. The Board has set the tone at the top for corporate behavior and corporate governance.

All employees shall adhere to the Code of Conduct of the Group, which sets out the principles and standards to guide employees in carrying out their duties and responsibilities to the highest standards of personal and corporate integrity when dealing within the Group and with external parties.

**(b) Whistleblowing Policy and Procedures**

The Board has formalised a set of Whistleblowing Policy and Procedures to provide an avenue for stakeholders of the Company to raise concerns related to possible breach of business conduct, non-compliance with laws and regulatory requirements as well as other malpractices. The Whistleblowing Policy and Procedures set out the protection accorded to whistleblowers who disclose such irregularities in good faith.

**(c) Anti-Bribery and Anti-Corruption Policy**

The Group adopts an Anti-Bribery and Anti-Corruption Policy and Guidelines ("**ABAC Policy & Guidelines**") to reinforce the Group's utmost commitment and practice in conducting its affairs in the highest standard of integrity and ethics. The ABAC Policy & Guidelines is available on the Company's website at [www.redtone.com](http://www.redtone.com).

**INTERNAL AUDIT FUNCTION**

The Group outsources its internal audit function to an independent professional service provider to assist the Audit Committee as well as the Board in discharging their responsibilities by providing independent, objective assurance and advisory services that seek to add value and improve the Group's internal control system.

The Internal Audit function is performed by Crowe Governance Sdn. Bhd. and is headed by its Executive Director, Amos Law, who is a Certified Internal Auditor, a Chartered Member of the Malaysian Institute of Internal Auditors, and a holder of the Certification in Risk Management Assurance. Amos Law together with his team, all of whom are qualified and possess the required expertise and experience, is able to discharge their internal audit function duties effectively. The internal audits carried out by the Internal Auditors are guided by the International Professional Practices Framework issued by the Institute of Internal Auditors Inc., a globally recognised professional body for internal auditors.

The functions of the outsourced Internal Auditors are to:

1. Perform audits in accordance with the pre-approved internal audit plan, which covers reviews of the internal control system and follow-up audits to address observations reported in preceding internal audit reviews;
2. Review and comment on the effectiveness and adequacy of the existing internal control policies and procedures; and
3. Provide recommendations, if any, for the improvement of the internal control policies, procedures and systems.



## Statement on Risk Management and Internal Control

(Cont'd)

### INTERNAL AUDIT FUNCTION (CONT'D)

The Internal Auditors report independently and directly to the Audit Committee in respect of the Internal Audit function. The Internal Audit function had adopted a risk-based approach and prepared its audit strategy and plan based on the risk profiles of the major business functions of the Group, in accordance with the internal audit plan approved by the Audit Committee. All audit findings arising therefrom were reported to the Audit Committee.

The Internal Auditors have unrestricted access to all documents and records of the Group deemed necessary in the performance of its function. They independently review the risk identification procedures and control processes implemented by the Management. Internal Auditors also review the internal controls in the key activities of the Group's business based on the risk profiles of the business units in the Group. In addition, the Internal Auditors carry out periodic reviews to ensure the policies and procedures established by the Board are complied with by the Management. All reports and findings arising from these reviews are discussed primarily with the respective process custodians prior to a formal report being presented to the Audit Committee.

For the financial year under review, the Internal Auditors in teams of three (3) had conducted three (3) cycles of internal audit as stipulated in the approved internal audit plan. The internal audits conducted were on Procurement to Payment; Operations, Sales Billing, Collection and Credit Control of REDtone IOT Sdn. Bhd.; and Sales, Billing, Collection and Credit Control of Managed Telecommunications Network Services. In addition, one (1) follow up audit was also performed to assess the implementation of corrective action plans committed by the Management for the past internal audits.

The Internal Auditors also provide recommendations to improve the operational and financial activities of the Group for the consideration of the Management and the Board to assist in the continuous development of a more efficient and comprehensive internal control environment.

Based on the reports of the Internal Auditors, identified issues in internal control have been adequately addressed, and none of the weaknesses noted have resulted in any material losses, contingencies and uncertainties that would require separate disclosure in this Annual Report.

The Audit Committee had evaluated and reviewed the internal audit function in terms of scope, functions, competency, and resources. The Audit Committee was also satisfied that the Internal Auditors performed their work in accordance with the principles of the international internal auditing standards covering the conduct of the audit planning, execution, documentations, communication of findings and consultation with key stakeholders on the audit concerns.

The Audit Committee and Board were satisfied with the performance of the outsourced Internal Auditors and in the interest of greater independence and continuity in the Internal Audit function, taken the decision to continue outsourcing the Internal Audit function.

### REVIEW BY EXTERNAL AUDITORS

Pursuant to Paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the External Auditors have reviewed this Statement for inclusion in the Annual Report for the financial year ended 30 June 2024. Their review was performed in accordance with the *Audit and Assurance Practice Guide ("AAPG") 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report*, issued by the Malaysian Institute of Accountants. The External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the *Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers*, nor is factually inaccurate.

AAPG 3 does not require the External Auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Directors and Management thereon. The report from the External Auditors was made solely for and directed solely to the Board in connection with their compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and for no other purposes or parties. The External Auditors do not assume responsibility to any person other than the Board in respect of any aspect of this Statement.

## Statement on Risk Management and Internal Control

(Cont'd)

### CONCLUSION

For the financial year under review, the Board has reviewed the risk management and internal control system and is of the view that the system is adequate and effective. There were no material weaknesses and/or reported deficiencies in the risk management practices and internal controls that resulted in and/or give rise to any material loss, contingency and/or uncertainty during the financial year under review. The Board has also received assurance from both the Group Chief Executive Officer and Chief Financial Officer that the Group's current risk management and internal control system is operating adequately and effectively in all material aspects.

Nevertheless, the Board acknowledges the fact that the Group's risk management and internal control system practices must continuously evolve to support the growth and adapt to an ever-changing and challenging business environment. Therefore, in its commitment for continuous improvement, the Board will put in place appropriate action plans to further enhance the internal controls and risk management system.

This Statement was approved by the Board on 9 October 2024.

## DIRECTORS' RESPONSIBILITY STATEMENT

in respect of the Audited Financial Statements for the Financial Year Ended 30 June 2024

The Companies Act 2016 ("**Act**") requires the Directors to present the financial statements of the Company and the Group in accordance with the Act and approved accounting standards, ensuring they provide a true and fair view of the financial performance and position of both the Group and the Company at the end of the financial year.

In fulfilling this obligation, the Directors have relied on the internal control system of the Company and the Group, which serve as a foundation for ensuring that the accounting systems and records maintained reflect a true and fair view of the financial standing of the Company and the Group.

Additionally, the Directors are responsible for maintaining accurate accounting records, enabling the Company to present a true and fair view of its financial results. The annual audited financial statements have been prepared using relevant and appropriate accounting policies, with the application of reasonable and prudent judgement and estimates.

The Directors also have a general responsibility to take all reasonable steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

In line with these responsibilities, the Directors hereby present the financial statements of the Company and the Group for the financial year ended 30 June 2024, as set out on pages 88 to 154 of this Annual Report.



## Financial Statements

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## DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2024.

### Principal activities

The principal activities of the Company are investment holding and the provision of management services. The principal activities of the subsidiaries are described in Note 16 to the financial statements. There have been no significant changes in the nature of the principal activities during the financial year.

### Results

	Group RM'000	Company RM'000
Profit for the financial year, net of tax	60,082	66,193
Profit attributable to:		
Owners of the parent	59,814	66,193
Non-controlling interests	268	-
	60,082	66,193

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

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature, except as disclosed in Note 4 of the financial statements.

### Dividend

The dividend paid by the Company since 30 June 2023 was as follows:

	RM'000
<u>In respect of the financial year ended 30 June 2023</u>	
Interim tax exempt (single-tier) dividend of 2.5 sen per ordinary share, declared on 24 August 2023 and paid on 16 October 2023	19,324

On 22 August 2024, the Directors declared an interim dividend of 3.0 sen per ordinary share amounting to RM23,188,557 in respect of the financial year ended 30 June 2024 payable on 18 October 2024. The financial statements for the current financial year does not reflect this dividend. This dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 30 June 2025.

## Directors' Report

(Cont'd)

**Treasury shares**

The Company did not buy back any of its own shares during the current financial year.

Of the total 782,453,885 (2023: 782,453,885) issued and fully paid-up ordinary shares, the number of treasury shares held as at 30 June 2024 was as follows:

	Average price per share RM	Number of shares '000	Amount RM'000
At 1 July 2023/30 June 2024	0.59	9,502	5,653

The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016.

As at 30 June 2024, the issued ordinary share capital of the Company with voting rights was 772,951,885 (2023: 772,951,885 ordinary shares).

**Directors**

The names of the directors of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

YAM Tunku Tun Aminah Binti Sultan Ibrahim Ismail	
Lau Bik Soon	
Kua Choo Kai	
Dato' Avinderjit Singh A/L Harjit Singh	
Loh Paik Yoong	
Sabarina Binti Harun	(Appointed on 19 February 2024)
Syed Ali Shahul Hameed	(Appointed on 4 June 2024)
Dato' Mohd Zaini Bin Hassan	(Retired on 4 December 2023)
Dato' Badrul Hisham Bin Abdul Aziz	(Resigned on 21 August 2024)

**Directors of the Company's subsidiaries**

The names of the directors of the Company's subsidiaries in office during the financial year and during the period from the end of the financial year to the date of this report excluding those who are also the directors of the Company are:

Yau Chee Keong	
Kenny Foo Jin Teck	
Redza Imran Bin Abdul Rahim	
Lu Chong Mui	
Gan Chern Ning David	
Datuk Mohd Taib Bin Hassan	
Ahmed Ariff Meah Bin Azlan Meah	
Ahmad Radzi Bin Zaini	(Appointed on 5 July 2024, resigned on 22 August 2024)
Lai Kim Choy	(Resigned on 25 July 2024)



## Directors' Report

(Cont'd)

### Directors' benefits

Neither at the end of the financial year, nor at anytime during the financial year, did there subsist any arrangement to which the Company was a party whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by directors or the fixed salary of a full-time employee of the Company as shown below) 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.

The Company maintained a Directors' and Officers' Liability Insurance in respect of any legal action taken against the directors and officers in the discharge of their duties while holding office for the Company and the Group. The total amount of insurance premium effected for any director and officer of the Company and of the Group as at the financial year end was RM26,589.50. The directors and officers shall not be indemnified by such insurance for any deliberate negligence, fraud, intentional breach of law or breach of trust proven against them. There was no indemnity given or paid in respect of such liability during the financial year.

The directors' benefits are as follows:

	<b>Group RM'000</b>	<b>Company RM'000</b>
Executive directors' remuneration:		
- Salaries and bonuses	1,767	-
- Other emoluments	355	-
	<u>2,122</u>	<u>-</u>
Non-executive directors' remuneration:		
- Fees	954	714
- Other emoluments	88	63
	<u>1,042</u>	<u>777</u>
Total directors' remuneration	<u>3,164</u>	<u>777</u>

## Directors' Report

(Cont'd)

### Directors' interests

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in share and options over shares of the Company and its related corporations during the financial year are as follows:

	Number of ordinary shares		
	At 1 July 2023	Acquired	Disposed
The Company			
<i>Direct interests</i>			
Lau Bik Soon	2,810,360	-	(502,200)
			2,308,160

	Number of ordinary shares		
	At 1 July 2023	Acquired	Disposed
Ultimate holding company, Berjaya Corporation Berhad ("BCorp")			
<i>Direct interests</i>			
Loh Paik Yoong	57	3*	-
			60

	Number of 2% Irredeemable Convertible Unsecured Loan Stock ("ICULS") 2016/2026		
	At 1 July 2023	Acquired	Disposed
Ultimate holding company, BCorp			
<i>Direct interests</i>			
Loh Paik Yoong	1,000	-	-
			1,000

## Directors' Report

(Cont'd)

### Directors' interests (contd.)

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in share and options over shares of the Company and its related corporations during the financial year are as follows: (contd.)

	Number of 10-year warrants 2016/2026			At 30 June 2024
	At 1 July 2023	Acquired	Disposed	
Ultimate holding company, BCorp <i>Direct interests</i>				
Loh Paik Yoong	1,000	-	-	1,000

	Number of ordinary shares			At 30 June 2024
	At 1 July 2023	Acquired	Disposed	
Related company, Berjaya Land Berhad <i>Direct interests</i>				
Loh Paik Yoong	16,400	-	-	16,400

\* Share dividend distribution by BCorp on the basis of six (6) BCorp treasury shares for every one hundred (100) existing BCorp ordinary shares on 26 January 2024.

The other directors in office at the end of the financial year had no interest in shares and options over shares of the Company or its related corporations during the financial year.

## Directors' Report

(Cont'd)

**Other statutory information**

- (a) Before the statements of financial position and statements of profit or loss and other comprehensive income of the Group and of the Company were made out, the directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for impairment on receivables and satisfied themselves that there were no known bad debts had been written off and that adequate allowance for impairment had been made for receivables; and
  - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business have been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
- (i) it necessary to write off bad debts or the amount of the allowance for impairment on receivables in the financial statements of the Group and of the Company inadequate to any substantial extent; and
  - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) 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.
- (e) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
  - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the directors:
- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
  - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

# Directors' Report

(Cont'd)

## Holding company

The ultimate holding company is Berjaya Corporation Berhad, a public listed company incorporated in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

## Auditors

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

Auditors' remuneration is as follows:

	Group RM'000	Company RM'000
Ernst & Young PLT	402	115
Other auditors	27	-
	<u>429</u>	<u>115</u>

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young PLT since the beginning of the financial year up to the date of this report.

Signed on behalf of the Board in accordance with a resolution of the directors dated 9 October 2024.

Lau Bik Soon

Loh Paik Yoong

## STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

We, Lau Bik Soon and Loh Paik Yoong, being two of the directors of REDtone Digital Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 88 to 154 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 at 30 June 2024 and their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 9 October 2024.

Lau Bik Soon

Loh Paik Yoong

## STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Lau Hock Chye, being the officer primarily responsible for the financial management of REDtone Digital Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 88 to 154 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared  
by the abovenamed Lau Hock Chye  
at Seri Kembangan, Selangor Darul Ehsan  
on 9 October 2024

Lau Hock Chye

Before me,

Khor Yun Ling (B524)  
Commissioner for Oaths



# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 30 June 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Revenue</b>	3	342,173	214,654	-	-
Cost of sales		(229,173)	(119,229)	-	-
Other income	4	18,952	27,326	73,276	48,964
General and administrative expenses		(45,801)	(44,124)	(2,172)	(2,303)
Finance costs	5	(2,987)	(3,634)	(864)	(752)
<b>Profit before tax</b>	6	83,164	74,993	70,240	45,909
Taxation	9	(23,082)	(19,814)	(4,047)	(5,931)
<b>Profit for the financial year</b>		60,082	55,179	66,193	39,978
<b>Other comprehensive income/(loss):</b>					
<u>Items that will not be reclassified subsequently to profit or loss</u>					
Net changes in fair value of other investments measured at fair value through other comprehensive income ("FVTOCI")	18	514	(7,907)	514	(7,907)
Foreign currency translation		1	1	-	-
<b>Total comprehensive income for the financial year</b>		60,597	47,273	66,707	32,071
<b>Profit/(loss) attributable to:</b>					
- Owners of the parent		59,814	57,465	66,193	39,978
- Non-controlling interests		268	(2,286)	-	-
		60,082	55,179	66,193	39,978
<b>Total comprehensive income/(loss) attributable to:</b>					
- Owners of the parent		60,329	49,559	66,707	32,071
- Non-controlling interests		268	(2,286)	-	-
		60,597	47,273	66,707	32,071
<b>Earnings per share attributable to owners of the parent:</b>					
- Basic (sen)	10	7.74	7.43		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# STATEMENTS OF FINANCIAL POSITION

As at 30 June 2024

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Assets</b>					
<b>Non-current assets</b>					
Goodwill	11	423	423	-	-
Property, plant and equipment	12	18,654	18,678	-	-
Right-of-use assets	29	12,003	2,176	-	-
Investment properties	13	1,180	1,200	-	-
Intangible assets	14	20,436	32,145	-	-
Development costs	15	-	-	-	-
Investments in subsidiaries	16	-	-	43,967	18,967
Investments in associates	17	-	-	-	-
Other investments	18	60,707	33,988	60,707	33,988
Deferred tax assets	19	5,714	3,155	-	-
		<u>119,117</u>	<u>91,765</u>	<u>104,674</u>	<u>52,955</u>
<b>Current assets</b>					
Inventories	20	632	518	-	-
Trade and other receivables	21	80,461	97,684	156,177	37,924
Contract assets	22	182,320	46,301	-	-
Tax recoverable		2,616	2,855	-	-
Short term investments	23	18,381	70,000	18,381	70,000
Cash and bank balances	24	63,475	116,989	33,620	4,961
		<u>347,885</u>	<u>334,347</u>	<u>208,178</u>	<u>112,885</u>
<b>Total assets</b>		<u>467,002</u>	<u>426,112</u>	<u>312,852</u>	<u>165,840</u>

## Statements of Financial Position

As at 30 June 2024

(Cont'd)

		Group		Company	
		2024	2023	2024	2023
	Note	RM'000	RM'000	RM'000	RM'000
<b>Equity and liabilities</b>					
<b>Equity attributable to owners of the parent</b>					
Share capital	25	149,813	149,813	149,813	149,813
Treasury shares	26	(5,653)	(5,653)	(5,653)	(5,653)
Reserves	27	150,600	109,595	39,102	(8,281)
		<u>294,760</u>	<u>253,755</u>	<u>183,262</u>	<u>135,879</u>
Non-controlling interests		3,262	2,994	-	-
<b>Total equity</b>		<u>298,022</u>	<u>256,749</u>	<u>183,262</u>	<u>135,879</u>
<b>Non-current liabilities</b>					
Loans and borrowings	28	1,007	1,112	-	-
Lease liabilities	29	10,507	1,547	-	-
Other payable	30	20,174	23,056	-	-
Deferred tax liabilities	19	625	5,255	625	5,255
		<u>32,313</u>	<u>30,970</u>	<u>625</u>	<u>5,255</u>
<b>Current liabilities</b>					
Trade and other payables	30	120,546	83,537	126,071	24,673
Contract liabilities	22	3,460	49,758	-	-
Loans and borrowings	28	3,918	102	-	-
Lease liabilities	29	2,041	1,228	-	-
Tax payable		6,702	3,768	2,894	33
		<u>136,667</u>	<u>138,393</u>	<u>128,965</u>	<u>24,706</u>
<b>Total liabilities</b>		<u>168,980</u>	<u>169,363</u>	<u>129,590</u>	<u>29,961</u>
<b>Total equity and liabilities</b>		<u>467,002</u>	<u>426,112</u>	<u>312,852</u>	<u>165,840</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 30 June 2024

Group	Share capital RM'000 (Note 25)	Treasury shares RM'000 (Note 26)	Foreign exchange reserve RM'000 (Note 27(b))	Revaluation reserve RM'000 (Note 27(c))	FVTOCI reserve RM'000 (Note 27(d))	Distributable retained profits RM'000 (Note 27(a))	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
<b>At 1 July 2022</b>	149,813	(5,653)	(663)	641	19,751	54,220	218,109	5,280	223,389
Profit for the financial year	-	-	-	-	-	57,465	57,465	(2,286)	55,179
Other comprehensive income	-	-	1	-	(7,907)	-	(7,906)	-	(7,906)
Total comprehensive income	-	-	1	-	(7,907)	57,465	49,559	(2,286)	47,273
Effect arising from the disposal of equity investments measured at FVTOCI (Note 18)	-	-	-	-	(3,314)	3,314	-	-	-
<b>Transaction with owners</b>									
- Dividend (Note 38)	-	-	-	-	-	(13,913)	(13,913)	-	(13,913)
<b>At 30 June 2023</b>	149,813	(5,653)	(662)	641	8,530	101,086	253,755	2,994	256,749
<b>At 1 July 2023</b>	149,813	(5,653)	(662)	641	8,530	101,086	253,755	2,994	256,749
Profit for the financial year	-	-	-	-	-	59,814	59,814	268	60,082
Other comprehensive income	-	-	1	-	514	-	515	-	515
Total comprehensive income	-	-	1	-	514	59,814	60,329	268	60,597
Effect arising from the disposal of equity investments measured at FVTOCI (Note 18)	-	-	-	-	(619)	619	-	-	-
<b>Transaction with owners</b>									
- Dividend (Note 38)	-	-	-	-	-	(19,324)	(19,324)	-	(19,324)
<b>At 30 June 2024</b>	149,813	(5,653)	(661)	641	8,425	142,195	294,760	3,262	298,022

## Statements of Changes In Equity

For the financial year ended 30 June 2024

(Cont'd)

	Share capital RM'000 (Note 25)	Treasury shares RM'000 (Note 26)	FVTOCI reserve RM'000 (Note 27(d))	(Accumulated losses)/ retained profits RM'000 (Note 27(a))	Total equity RM'000
<b>Company</b>					
<b>At 1 July 2022</b>	149,813	(5,653)	19,751	(46,190)	117,721
Total comprehensive income	-	-	(7,907)	39,978	32,071
Effect arising from the disposal of equity investments measured at FVTOCI (Note 18)	-	-	(3,314)	3,314	-
<b>Transaction with owners</b>					
- Dividend (Note 38)	-	-	-	(13,913)	(13,913)
<b>At 30 June 2023</b>	149,813	(5,653)	8,530	(16,811)	135,879
<b>At 1 July 2023</b>	149,813	(5,653)	8,530	(16,811)	135,879
Total comprehensive income	-	-	514	66,193	66,707
Effect arising from the disposal of equity investments measured at FVTOCI (Note 18)	-	-	(619)	619	-
<b>Transaction with owners</b>					
- Dividend (Note 38)	-	-	-	(19,324)	(19,324)
<b>At 30 June 2024</b>	149,813	(5,653)	8,425	30,677	183,262

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# STATEMENTS OF CASH FLOWS

For the financial year ended 30 June 2024

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
<b>Cash flows from operating activities</b>				
Receipts from customers	214,711	264,068	-	-
Payments of operating expenses	(236,593)	(154,346)	-	-
Payments of taxes	(27,098)	(19,337)	(5,816)	(676)
Payment of short term leases and leases of low-value assets	(1,096)	(1,075)	-	-
Other receipts/(payments)	301	(98)	8,945	9,413
Net cash (used in)/generated from operating activities	(49,775)	89,212	3,129	8,737
<b>Cash flows from investing activities</b>				
Proceeds from disposal of property, plant and equipment	3	-	-	-
Additional investment in a subsidiary (Note 16)	-	-	(25,000)	(9,500)
Decrease/(increase) in deposits	6,097	(528)	-	-
Proceeds from disposal of equity instrument	137,570	2,849	137,570	2,849
Acquisition of equity instrument	(93,276)	(10,555)	(93,276)	(10,555)
Acquisition of property, plant and equipment (Note 12)	(4,067)	(16,147)	-	-
Payment of intangible asset	(21,542)	(10,942)	-	-
Interest received	1,516	1,194	-	-
Investment income received	-	1,896	-	1,896
Dividend received	560	1,610	25,560	24,110
Net cash generated from/(used in) investing activities	26,861	(30,623)	44,854	8,800
<b>Cash flows from financing activities</b>				
Payment of principal portion of lease liabilities	(2,092)	(2,803)	-	-
Repayment of bank borrowings and other loans	(100)	(96)	-	-
Dividend paid	(19,324)	(13,913)	(19,324)	(13,913)
Lease interest paid	(488)	(168)	-	-
Other interest paid	(2,499)	(3,466)	-	-
Net cash used in financing activities	(24,503)	(20,446)	(19,324)	(13,913)
<b>Net change in cash and cash equivalents</b>	(47,417)	38,143	28,659	3,624
<b>Cash and cash equivalents at beginning of financial year</b>	88,506	50,363	4,961	1,337
<b>Cash and cash equivalents at end of financial year (Note 24)</b>	41,089	88,506	33,620	4,961

## Statements of Cash Flows

For the financial year ended 30 June 2024

(Cont'd)

(a) Reconciliation of liabilities arising from financing activities:

	Lease liabilities RM'000	Loan and borrowings RM'000	Total RM'000
<b>Group</b>			
<b>2024</b>			
At beginning of financial year	2,775	1,214	3,989
Addition	11,865	-	11,865
Invoice financing	-	3,811	3,811
Repayment	(2,092)	(100)	(2,192)
Interest paid	(488)	(118)	(606)
Accretion of interest	488	118	606
At end of financial year	12,548	4,925	17,473
<b>2023</b>			
At beginning of financial year	3,644	1,310	4,954
Addition	1,934	-	1,934
Repayment	(2,803)	(96)	(2,899)
Interest paid	(168)	(65)	(233)
Accretion of interest	168	65	233
At end of financial year	2,775	1,214	3,989

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



# NOTES TO THE FINANCIAL STATEMENTS

30 June 2024

## 1. Corporate information

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Malaysia. The principal place of business is located at Suites 22-30, 5th Floor, IOI Business Park, 47100 Puchong, Selangor Darul Ehsan.

The penultimate holding company is Berjaya Group Berhad, a company incorporated in Malaysia. The ultimate holding company is Berjaya Corporation Berhad ("BCorp"), a public listed company incorporated in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

The principal activities of the Company are investment holding and the provision of management services to its subsidiaries. The principal activities of the subsidiaries are described in Note 16. There have been no significant changes in the nature of the principal activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 9 October 2024.

## 2. Accounting policies

### 2.1 Basis of preparation

The financial statements of the Group and the Company have been prepared under the historical cost convention unless otherwise indicated in the accounting policies below and comply with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act 2016 in Malaysia.

The financial statements are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand ("RM'000") except when otherwise indicated.

### 2.2 Changes in accounting policies

During the financial year, the Group and the Company adopted the following pronouncements that have been issued by the Malaysian Accounting Standards Board ("MASB"), which are effective for financial periods beginning on or after 1 January 2023:

- MFRS 17: Insurance Contracts
- Amendments to MFRS 17: Insurance Contracts – Initial Application of MFRS 17 and MFRS 9 – Comparative Information
- Amendments to MFRS 101: Presentation of Financial Statements and MFRS Practice Statement 2: Making Materiality Judgements – Disclosure of Accounting Policies
- Amendments to MFRS 108: Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates
- Amendments to MFRS 112: Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to MFRS 112: Income Taxes: International Tax Reform – Pillar Two Model Rules

## Notes to the Financial Statements

### 30 June 2024

(Cont'd)

## 2. Accounting policies (contd.)

### 2.2 Changes in accounting policies (contd.)

The adoption of the above pronouncements did not have any material impact on the financial statements of the Group and of the Company, except as described below.

#### Amendments to MFRS 101: Presentation of Financial Statements and MFRS Practice Statement 2: Making Materiality Judgements – Disclosure of Accounting Policies

The Amendments to MFRS 101 and MFRS Practice Statement 2 provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The Amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The Amendments have had an impact on the Group's and the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's and the Company's financial statements.

#### Amendments to MFRS 112: Income Taxes: International Tax Reform – Pillar Two Model Rules

On 2 June 2023, the MASB has issued the Amendments to MFRS 112 Income Taxes International Tax Reform - Pillar Two Model Rules. This pronouncement is effective from annual period beginning on or after 1 January 2023. On 29 December 2023, Pillar Two legislation has been enacted in Malaysia, which will come into effect on 1 January 2025.

The Amendments to MFRS 112 introduced a mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two Model Rules as well as disclosure requirements on the exposure to Pillar Two income taxes upon adoption.

The assessment of the potential exposure to Pillar Two income taxes is based on the most recent tax filings, country-by-country reporting and financial statements available for the constituent entities in the Group. Based on the initial assessment carried out as at 30 June 2024, the Pillar Two effective tax rate in all jurisdiction in which the Group operates is above 15%. Therefore, the Group does not expect a potential exposure to Pillar Two top-up taxes.

### 2.3 Standards issued but not yet effective

At the date of authorisation of these financial statements, the following pronouncements have been issued by the MASB, will become effective in future financial periods and have not been adopted by the Group and the Company:

#### **Effective for financial periods beginning on or after 1 January 2024:**

- Amendments to MFRS 101: Presentation of Financial Statements – Classification of Liabilities as Current or Non-current
- Amendments to MFRS 101: Presentation of Financial Statements – Non-current Liabilities with Covenants
- Amendments to MFRS 16: Leases – Lease Liability in a Sale and Leaseback
- Amendments to MFRS 107: Statement of Cash Flows and MFRS 7: Disclosure of Financial Instruments – Supplier Finance Arrangements

## Notes to the Financial Statements

### 30 June 2024

(Cont'd)

## 2. Accounting policies (contd.)

### 2.3 Standards issued but not yet effective (contd.)

#### Effective for financial periods beginning on or after 1 January 2025:

- Amendments to MFRS 121: The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability

#### Effective for financial periods beginning on or after 1 January 2027:

- MFRS 18: Presentation and Disclosure in Financial Statements
- MFRS 19: Subsidiaries without Public Accountability: Disclosures

#### Effective date yet to be determined:

- Amendments to MFRS 10: Consolidated Financial Statements and MFRS 128: Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Deferred)

The Group and the Company are expected to apply the abovementioned pronouncements beginning from the respective dates the pronouncements become effective. The initial application of the abovementioned pronouncements is not expected to have any material impact on the financial statements of the Group and of the Company.

### 2.4 Summary of accounting policies

#### 2.4.1 Subsidiaries

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

#### 2.4.2 Associated companies

In the Company's separate financial statements, investments in associated companies are stated at cost less impairment losses.

## Notes to the Financial Statements

### 30 June 2024

(Cont'd)

## 2. Accounting policies (contd.)

### 2.4 Summary of accounting policies (contd.)

#### 2.4.3 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment except for freehold land are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land has unlimited useful life and therefore is not depreciated.

Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Office lots	2%
Computers	20%
Furniture, fittings and office equipment	20%
Equipment, plant and machinery	20%
Renovation	20%
Motor vehicles	20%

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gains or losses on the derecognition of the asset are included in profit or loss in the year the asset is derecognised.

#### 2.4.4 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value.

Gains or losses arising from changes in the fair values of investment properties are recognised in profit or loss in the year in which they arise.

#### 2.4.5 Inventories

Inventories are stated at the lower of cost (determined on a weighted average basis) and net realisable value. Other inventories not to be resold and for consumption purposes are classified as spares and consumables.

# Notes to the Financial Statements

## 30 June 2024

(Cont'd)

## 2. Accounting policies (contd.)

### 2.4 Summary of accounting policies (contd.)

#### 2.4.6 Intangible assets

##### (1) Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets acquired and liabilities assumed. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

##### (2) Research and development expenditure

Research expenditure is recognised as an expense when it is incurred.

The useful lives of development expenditure are assessed to be either finite or indefinite. Development expenditure with finite lives are amortised on a straight-line basis over the estimated economic useful lives and assessed for impairment whenever there is an indication that the development expenditure may be impaired. The amortisation period and the amortisation method for the development expenditure with a finite useful life are reviewed at least at the end of each reporting period.

Capitalised development expenditure is measured at cost less accumulated amortisation and impairment losses, if any. Development expenditure initially recognised as an expense is not recognised as assets in the subsequent period.

##### (3) Telecommunications licenses with allocated spectrum

The Group's telecommunication licences with allocated spectrum were acquired as part of a business combination. The fair value of telecommunication licences with allocated spectrum as at the date of business combination is deemed as its cost. Subsequent to recognition, telecommunication licences with allocated spectrum are carried at cost less accumulated amortisation and any accumulated impairment losses.

##### (4) Spectrum rights

For spectrum rights acquired with a finite useful life, costs are amortised over the estimated useful lives and assessed for impairment when there is an indication that the spectrum rights may be impaired. The amortisation period and the amortisation method are reviewed at least during each financial year end. Further details are disclosed in Note 14.

#### 2.4.7 Impairment of non-financial assets

For goodwill, intangible assets that have indefinite useful lives and intangible assets that are not yet available for use, the recoverable amount is estimated at each reporting date or more frequently when there is any indication of impairment.

## Notes to the Financial Statements

### 30 June 2024

(Cont'd)

## 2. Accounting policies (contd.)

### 2.4 Summary of accounting policies (contd.)

#### 2.4.8 Financial instruments

##### (1) Financial assets

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

Subsequent measurement of a financial asset depends on its classification, as described below:

##### (a) Amortised cost

Subsequent to initial recognition, the amortised cost of a financial asset is the amount at initial recognition minus principal repayments plus cumulative amortisation using the effective interest method and reduced by any impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Gain or loss is recognised in profit or loss when the asset is derecognised, modified or impaired.

##### (b) Fair value through other comprehensive income ("FVTOCI")

###### Equity instrument

This category comprises investments in equity instrument that are not held for trading, and where the Group irrevocably elects to account for subsequent changes in the investments' fair value in other comprehensive income'. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividends clearly represent part recovery of the cost of investment. Other net gains and losses are recognised in other comprehensive income.

On derecognition of these financial assets, fair value changes and other net gains and losses accumulated in other comprehensive income are not recycled to profit or loss.

##### (c) Fair value through profit or loss ("FVTPL")

All financial assets not classified as amortised cost or FVTOCI as described above are classified as FVTPL. This includes derivative financial assets (except for derivatives that are designated as effective hedging instruments) and listed equity instruments.

Financial assets at FVTPL are carried in the statements of financial position at fair value with net changes in fair value recognised in profit or loss. Other net gains or losses, including any interest or dividend income, are also recognised in profit or loss.

Notes to the Financial Statements  
30 June 2024  
(Cont'd)

## 2. Accounting policies (contd.)

### 2.4 Summary of accounting policies (contd.)

#### 2.4.8 Financial instruments (contd.)

##### (1) Financial assets (contd.)

All financial assets, except for those measured at FVTPL and FVTOCI, are subject to impairment assessment.

##### (2) Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at amortised cost or financial liabilities at FVTPL.

The Group initially measures a financial liability at its fair value minus, in the case of a financial liability not at FVTPL, transaction costs that are directly attributable to the issue of the financial liability.

Subsequent measurement of a financial liability depends on its classification, as described below:

##### (a) Amortised cost

Financial liability is measured at amortised cost using the effective interest method, which allocates interest expenses at a constant rate over the term of the financial liability.

Subsequent to initial recognition, the amortised cost of a financial liability is the amount at initial recognition minus repayments, plus the cumulative amortisation using the effective interest method. Gain or loss is recognised in profit or loss when the liability is derecognised as well as through the effective interest rate amortisation process.

#### 2.4.9 Impairment of financial assets

The Group recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost and contract assets.

For trade receivables and contract assets, the Group applies the simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

The Group recognises impairment loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

In certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.



## Notes to the Financial Statements

### 30 June 2024

(Cont'd)

## 2. Accounting policies (contd.)

### 2.4 Summary of accounting policies (contd.)

#### 2.4.10 Leases

##### (1) Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets.

##### (a) Right-of-use ("ROU") assets

ROU assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The depreciation periods are as follows:

Leasehold office lots	50 years
Warehouse, office and sites	3 - 9 years
Equipment and machinery	3 years
Computer server	5 years

##### (b) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

##### (c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of asset (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low-value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

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Notes to the Financial Statements  
30 June 2024  
(Cont'd)

**2. Accounting policies (contd.)**

**2.4 Summary of accounting policies (contd.)**

**2.4.11 Revenue recognition**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer except for sales of software licenses.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. non-cash consideration and consideration payable to the customer, if any). Depending on the terms of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

Revenue from contracts with customers is measured at its transaction price which is the amount of consideration that the Group expects to be entitled in exchange for transferring the promised goods or services to a customer, net of applicable taxes, returns, rebates and discounts. Transaction price is allocated to each distinct performance obligation on the basis of its relative stand-alone selling price.

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

## Notes to the Financial Statements

### 30 June 2024

(Cont'd)

## 2. Accounting policies (contd.)

### 2.4 Summary of accounting policies (contd.)

#### 2.4.11 Revenue recognition (contd.)

The Group's revenue from contracts with customers are further described below:

##### (i) Telecommunications services

##### (a) Revenue from voice and data services

Revenue from sale of voice, interconnection revenue and other network based services are recognised based on actual traffic volume net of rebates/discounts, when services are rendered.

Revenue from sale of data services, which are unlimited in usage, is recognised proportionately over the subscription period.

Revenue from sale of prepaid starter packs and prepaid phone cards where services have not been rendered are deferred (i.e. as disclosed as contract liabilities in trade and other payables) and recognised as revenue based on the actual use of the cards, net of taxes and discounts.

##### (b) Revenue from international airtime transfer ("IAT")

The Group purchases airtime value from suppliers and repackages the IAT cards and sells to end customers through third party dealers. Revenue from IAT is recognised net of service tax and discounts upon the transfer of control of the IAT cards to the dealers.

##### (c) Revenue from sale of hardware

Revenue relating to sale of hardware is recognised when the Group transfers the control over the hardware to customers, i.e. when the products are delivered to customers.

##### (ii) Managed Telecommunications Network Services ("MTNS")

Revenue from MTNS mainly comprises of revenue from contracts with customers to construct, maintain and provide support services of telecommunication infrastructure and Universal Service Provision ("USP") sites.

Revenue is recognised over time where the Group uses the input method by reference to the proportion of costs incurred for work performed to date to the estimated total costs to measure the progress towards the satisfaction of performance obligation.

##### (iii) Non-operating spectrum related income

Non-operating spectrum related income relates to the fees for utilising the spectrums. Revenue is recognised over time when services are rendered.

Notes to the Financial Statements  
30 June 2024  
(Cont'd)

**2. Accounting policies (contd.)**

**2.4 Summary of accounting policies (contd.)**

**2.4.11 Revenue recognition (contd.)**

The Group's revenue from contracts with customers are further described below: (contd.)

(iv) Cloud and Internet of Things ("Cloud & IoT")

Revenue from Cloud & IoT mainly comprise revenue from data centre services, cloud services and applications, smart farming solutions, provision of software licenses and managed IT services. Revenue is recognised when goods are transferred or when services are rendered.

The recognition of other classes of revenue that are not within the scope of MFRS 15 are set out below:

(1) Dividend income

Dividend income is recognised when the shareholders' rights to receive the dividend payment are established.

(2) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

(3) Rental income

Rental income is recognised on an accrual basis.

## Notes to the Financial Statements

### 30 June 2024

(Cont'd)

## 2. Accounting policies (contd.)

### 2.5 Significant accounting estimates and judgements

#### 2.5.1 Key sources of estimation uncertainty

The key assumptions 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 year are discussed below:

##### (1) Depreciation of property, plant and equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of the Group's property, plant and equipment at the reporting date is disclosed in Note 12.

##### (2) Income taxes

Significant estimation is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

##### (3) Revenue recognition from Managed Telecommunications Network Services ("MTNS") - Construction and maintenance and support services of telecommunications infrastructures and USP sites

The Group recognises revenue from construction and maintenance and support services of telecommunications infrastructures and USP sites based on input method in accordance with the accounting policies set out in Note 2.4.11(ii).

Significant judgement is required in determining the extent of progress towards completion, the extent of the contract costs incurred, the estimated total revenue and total estimated costs and the recoverability of the contract. In making these judgements, management relies on past experience and project leaders and engineers.

# Notes to the Financial Statements

## 30 June 2024

(Cont'd)

## 2. Accounting policies (contd.)

### 2.5 Significant accounting estimates and judgements (contd.)

#### 2.5.1 Key sources of estimation uncertainty (contd.)

The key assumptions 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 year are discussed below: (contd.)

##### (4) Allowance for ECL of trade receivables

The Group has applied the simplified approach to calculate expected credit losses which uses a lifetime expected loss allowance on all trade receivables. The Group's provision matrix is based on its historical credit loss experience with trade receivables of similar credit risk characteristics. The information about ECLs on the Group's trade receivables is disclosed in Note 21.

##### (5) Impairment of intangible assets

The Group assess impairment of intangible assets whenever the events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable i.e. the carrying amount of the asset is more than the recoverable amount. Recoverable amount is measured at the lower of the value-in-use and the carrying value of intangible assets. The value-in-use is the net present value of the projected cash flow derived from that asset discounted at an appropriate discount rate.

The impairment test on the Group's spectrum rights was performed by comparing the value-in-use to the recoverable amount. Further details on assumptions and estimates applied in arriving to the impairment losses recognise at the Group are disclosed in Note 14 to the audited financial statements.

#### 2.5.2 Critical judgements made in applying accounting policies

No judgements that may have significant effects on the amount recognised in the financial statement were made by management in the process of applying the Group's accounting policies.

Notes to the Financial Statements  
30 June 2024  
(Cont'd)

3. Revenue

	Group	
	2024	2023
	RM'000	RM'000
Revenue from contract with customers	342,173	214,654

Set out below is the disaggregation of the Group's revenue from contract with customers.

	Group	
	2024	2023
	RM'000	RM'000
<b><u>Type of goods or services</u></b>		
Telecommunications services	53,480	48,234
Managed Telecommunications Network Services	212,209	103,431
Non-operating spectrum related income	59,212	58,085
Cloud and Internet of Things ("Cloud & IoT")*	17,272	4,904
	<u>342,173</u>	<u>214,654</u>

**Timing of revenue recognition**

At a point in time	20,724	14,879
Over time	321,449	199,775
	<u>342,173</u>	<u>214,654</u>

\* Included in Cloud & IoT are revenue from data centre services, cloud services and applications, smart farming solutions, provision of software licenses and managed IT services.



Notes to the Financial Statements  
30 June 2024  
(Cont'd)

4. Other income

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Interest income				
- Subsidiaries	-	-	1,274	629
- Others	1,927	1,276	164	12
Dividend income	713	1,506	55,713	24,006
Office rental income	97	91	-	-
Fair value gain on short term investments	16,125	22,421	16,125	22,421
Investment income	-	1,896	-	1,896
Gain on disposal of property, plant and equipment	3	-	-	-
Miscellaneous income	87	136	-	-
	<u>18,952</u>	<u>27,326</u>	<u>73,276</u>	<u>48,964</u>

5. Finance costs

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Accretion of interest for				
- leases (Note 29)	488	168	-	-
- sundry payables	2,301	3,098	-	-
Interest expense on:				
- Bank overdrafts	1	8	-	-
- Term loans	64	65	-	-
- Invoicing financing	54	-	-	-
- Amounts due to subsidiary companies	-	-	864	752
Others	79	295	-	-
	<u>2,987</u>	<u>3,634</u>	<u>864</u>	<u>752</u>

## Notes to the Financial Statements

### 30 June 2024

(Cont'd)

#### 6. Profit before tax

The following items have been included in arriving at profit before tax:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Audit fee:				
- statutory audits				
- auditors of the Company (Ernst & Young PLT)	402	372	115	114
- other auditors	27	36	-	-
- other services				
- auditors of the Company (Ernst & Young PLT)	19	19	8	8
- other auditors	6	6	-	-
Amortisation of intangible assets (Note 14)	31,110	30,075	-	-
Depreciation of:				
- property, plant and equipment (Note 12)	3,924	2,156	-	-
- right-of-use assets (Note 29)	1,420	2,390	-	-
Impairment of:				
- property, plant and equipment (Note 12)	24	67	-	-
- intangible assets (Note 14)	-	5,086	-	-
- right-of-use assets (Note 29)	618	704	-	-
Directors' remuneration (Note 8)	3,164	2,868	777	752
Employee benefits expense (Note 7)	32,043	27,740	777	752
Fair value loss/(gain) on an investment properties (Note 13)	20	(20)	-	-
(Gain)/loss on foreign exchange	(323)	126	-	-
Allowance for/(write back of) ECL for:				
- trade receivables (Note 21)	786	(2,011)	-	-
- other receivables (Note 21)	(44)	21	(444)	(12)
Provision for Universal Service Fund Contribution (Note 30(c))	926	1,271	-	-
Inventories written back	(37)	(69)	-	-
Property, plant and equipment written off	143	3	-	-
Expenses relating to leases:				
- short-term lease expenses	954	920	-	-
- expenses for leases of low-value assets	142	155	-	-

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**7. Employee benefits expense**

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Salaries, wages, bonuses and allowances	26,782	23,918	770	744
Defined contribution plan	3,069	2,746	6	7
Social security contribution	262	237	1	1
Other benefits	1,930	839	-	-
	<u>32,043</u>	<u>27,740</u>	<u>777</u>	<u>752</u>

**8. Directors' remuneration**

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Executive directors' remuneration:				
- Salaries and bonuses	1,767	1,713	-	-
- Other emoluments	355	350	-	-
	<u>2,122</u>	<u>2,063</u>	<u>-</u>	<u>-</u>
Non-executive directors' remuneration:				
- Fees	954	733	714	680
- Other emoluments	88	72	63	72
	<u>1,042</u>	<u>805</u>	<u>777</u>	<u>752</u>
Total directors' remuneration	<u>3,164</u>	<u>2,868</u>	<u>777</u>	<u>752</u>

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## 9. Taxation

The major components of income tax expense are as follows:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Current income tax:				
- Malaysian income tax	29,687	16,932	8,941	681
- Under/(over) provision in prior years	584	188	(264)	(5)
	<u>30,271</u>	<u>17,120</u>	<u>8,677</u>	<u>676</u>
Deferred tax (Note 19):				
- Origination and reversal of temporary differences	(7,200)	2,598	(4,630)	5,255
- Under provision in prior year	11	96	-	-
	<u>(7,189)</u>	<u>2,694</u>	<u>(4,630)</u>	<u>5,255</u>
Total income tax expense	<u>23,082</u>	<u>19,814</u>	<u>4,047</u>	<u>5,931</u>

### Reconciliation between tax expense and accounting profit

A reconciliation of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective tax rate of the Group and of the Company are as follows:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Profit before tax	<u>83,164</u>	<u>74,993</u>	<u>70,240</u>	<u>45,909</u>
Taxation at Malaysian statutory tax rate of 24%	19,959	17,998	16,858	11,018
Different tax rates in other countries	-	12	-	-
Income not subject to tax	(278)	(419)	(13,478)	(5,764)
Expenses not deductible	2,497	1,113	931	516
Effect on income taxed under real property gain tax	-	(2)	-	-
Utilisation of previously unrecognised deferred tax assets	(939)	(897)	-	-
Deferred tax assets not recognised during the financial year	1,248	1,725	-	166
Under/(over) provision of income tax in prior years	584	188	(264)	(5)
Under provision of deferred tax in prior years	11	96	-	-
Income tax expense for the financial year	<u>23,082</u>	<u>19,814</u>	<u>4,047</u>	<u>5,931</u>

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## 9. Taxation (contd.)

Current income tax is calculated at the statutory tax rate of 24% (2023: 24%) of the estimated assessable profit for the financial year.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

## 10. Earnings per share

### (a) Basic

Basic earnings per share amounts are calculated by dividing profit for the financial year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue with voting rights during the financial year.

	<b>Group 2024</b>	<b>2023</b>
Profit attributable to owners of the parent (RM'000)	59,814	57,465
Weighted average number of ordinary shares in issue with voting rights ('000)	<u>772,952</u>	<u>772,952</u>
Basic earnings per share (sen):	<u>7.74</u>	<u>7.43</u>

### (b) Diluted

There are no potential ordinary shares outstanding as at the end of the both financial years. As such, the fully diluted earnings per share of the Group is not presented.

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**11. Goodwill**

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Net carrying amount	423	423

(a) The carrying amount of goodwill allocated to cash-generating unit is as follows:

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
REDtone Engineering & Network Services Sdn. Bhd.	423	423

- (b) The recoverable amount of the cash-generating unit is determined using the value-in-use approach, and this is derived from the present value of the future cash flows computed based on the projections of financial budgets approved by directors covering a period of 3 years. The key assumptions were based on the Earning Before Interest, Tax, Depreciation, and Amortisation ("EBITDA") margin and discount rate of 10.50% (2023: 11.50%). The EBITDA margin was determined by management based on past performance and management's assessment of future trends in the telecommunications industry. The discount rates used are computed based on the weighted average cost of capital of the industry that the Group operates in.

Sensitivity to changes in assumptions

The management believes that no reasonable possible changes in any of the above key assumptions would cause the carrying value of the goodwill to be materially higher than its recoverable amount.

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12. Property, plant and equipment

Group	Office lots RM'000	Computers RM'000	Furniture, fittings and office equipment RM'000	Equipment, plant and machinery RM'000	Renovation RM'000	Motor vehicles RM'000	Total RM'000
<b>2024</b>							
<b>Cost</b>							
At 1 July 2023	5,498	2,842	1,054	33,428	2,623	184	45,629
Additions	-	1,001	100	1,357	643	966	4,067
Disposal	-	(106)	-	-	-	-	(106)
Written off	-	(176)	(18)	(6,703)	(152)	-	(7,049)
At 30 June 2024	5,498	3,561	1,136	28,082	3,114	1,150	42,541
<b>Accumulated depreciation</b>							
At 1 July 2023	1,732	2,030	968	17,593	2,602	184	25,109
Charge for the year (Note 6)	117	126	40	3,460	105	76	3,924
Disposal	-	(106)	-	-	-	-	(106)
Written off	-	(33)	(18)	(6,703)	(152)	-	(6,906)
At 30 June 2024	1,849	2,017	990	14,350	2,555	260	22,021
<b>Accumulated impairment</b>							
At 1 July 2023	-	553	-	1,287	2	-	1,842
Impairment during the year (Note 6)	-	-	-	14	10	-	24
At 30 June 2024	-	553	-	1,301	12	-	1,866
<b>Net carrying amount</b>	3,649	991	146	12,431	547	890	18,654



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(Cont'd)

#### 12. Property, plant and equipment (contd.)

		Office lots RM'000	Computers RM'000	Furniture, fittings and office equipment RM'000	Equipment, plant and machinery RM'000	Renovation RM'000	Motor vehicles RM'000	Total RM'000
<b>Group</b>	<b>2023</b>							
<b>Cost</b>								
At 1 July 2022		5,498	6,791	1,025	40,635	2,618	184	56,751
Additions		-	253	63	15,826	5	-	16,147
Written off		-	(4,202)	(34)	(23,033)	-	-	(27,269)
At 30 June 2023		5,498	2,842	1,054	33,428	2,623	184	45,629
<b>Accumulated depreciation</b>								
At 1 July 2022		1,614	6,143	972	38,729	2,577	184	50,219
Charge for the year (Note 6)		118	89	30	1,894	25	-	2,156
Written off		-	(4,202)	(34)	(23,030)	-	-	(27,266)
At 30 June 2023		1,732	2,030	968	17,593	2,602	184	25,109
<b>Accumulated impairment</b>								
At 1 July 2022		-	553	-	1,222	-	-	1,775
Impairment during the year (Note 6)		-	-	-	65	2	-	67
At 30 June 2023		-	553	-	1,287	2	-	1,842
<b>Net carrying amount</b>		3,766	259	86	14,548	19	-	18,678

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## 12. Property, plant and equipment (contd.)

The office lots of the Group have been pledged to licensed banks as security of banking facilities granted to the Group as disclosed in Note 28.

Included in the cost of property, plant and equipment of the Group are costs of fully depreciated which are still in use amounting to RM16,126,000 (2023: fully depreciated of RM23,091,000).

## 13. Investment properties

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Office lots, at fair value		
At beginning of financial year	1,200	1,180
Fair value (loss)/gain recognised in profit or loss (Note 6)	(20)	20
At end of financial year	<u>1,180</u>	<u>1,200</u>

The fair value of the investment properties was determined based on independent valuations using the comparative market value approach. Valuations are performed by accredited independent valuers based on recent market data of the location and category of properties being valued.

Details of the fair value of investment properties are as follows:

	<b>Valuation method</b>	<b>Fair value measurement using significant unobservable inputs (Level 3) RM'000</b>
Office lots, at fair value	Comparison method	<u>1,180</u>

The property is valued by reference to transactions of similar properties in the surrounding area taking into consideration adjustments for differences in location, size of the floor area, tenure and other relevant characteristics.

The significant unobservable input is the price per square meter. Significant increase/(decrease) in estimated price per square meter would result in higher/(lower) value.

The Group's investment properties are secured against the loans and borrowings as disclosed in Note 28.

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#### 14. Intangible assets

	Cloud service platform RM'000	Telecommu- nications licences RM'000	Spectrum rights RM'000	Total RM'000
<b>Group</b>				
<b>2024</b>				
<b>Cost</b>				
At 1 July 2023	250	-	67,306	67,556
Addition	-	-	19,401	19,401
At 30 June 2024	250	-	86,707	86,957
<b>Accumulated amortisation and impairment</b>				
At 1 July 2023	250	-	35,161	35,411
Amortisation (Note 6)	-	-	31,110	31,110
At 30 June 2024	250	-	66,271	66,521
Analysed as:				
Accumulated amortisation	250	-	61,185	61,435
Accumulated impairment	-	-	5,086	5,086
	250	-	66,271	66,521
<b>Net carrying amount</b>	-	-	20,436	20,436
<b>2023</b>				
<b>Cost</b>				
At 1 July 2022	250	24,670	11,760	36,680
Addition	-	-	55,546	55,546
Written off	-	(24,670)	-	(24,670)
At 30 June 2023	250	-	67,306	67,556
<b>Accumulated amortisation and impairment</b>				
At 1 July 2022	250	24,670	-	24,920
Amortisation (Note 6)	-	-	30,075	30,075
Impairment (Note 6)	-	-	5,086	5,086
Written off	-	(24,670)	-	(24,670)
At 30 June 2023	250	-	35,161	35,411
Analysed as:				
Accumulated amortisation	250	-	30,075	30,325
Accumulated impairment	-	-	5,086	5,086
	250	-	35,161	35,411
<b>Net carrying amount</b>	-	-	32,145	32,145

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#### 14. Intangible assets (contd.)

Spectrum rights consists of both upfront and annual fees for the spectrum assignment for the frequency band of 2,500MHz paired with 2,600MHz ("2600 SA") from 1 July 2022 to 30 June 2027 and 2,300 MHz to 2,390 MHz ("2300 SA") from 1 January 2023 to 31 December 2027.

In the previous financial year, management has assessed the useful life for both the spectrum rights to be 2 years which is aligned to management's business plans and regulatory conditions. During the year, management has assessed that the useful life for the 2600 SA be extended for 1 more year in alignment with the approval obtained from Malaysian Communications and Multimedia Commission ("MCMC"). There were no changes to the useful life of the 2300 SA in the current year.

In the previous financial year, management had also recognised an impairment of RM5,086,000 for the 2300 SA as the value in use was lower than the carrying amount of the 2300 SA.

#### 15. Development costs

	Group 2024 RM'000	2023 RM'000
<b>Cost</b>		
At beginning of financial year	5,280	8,344
Written off	-	(3,064)
At end of financial year	<u>5,280</u>	<u>5,280</u>
<b>Accumulated amortisation and impairment</b>		
At beginning of financial year	5,280	8,344
Written off	-	(3,064)
At end of financial year	<u>5,280</u>	<u>5,280</u>
Analysed as:		
Accumulated amortisation	3,627	3,627
Accumulated impairment	1,653	1,653
	<u>5,280</u>	<u>5,280</u>
<b>Net carrying amount</b>	<u>-</u>	<u>-</u>

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#### 16. Investments in subsidiaries

	Company	
	2024	2023
	RM'000	RM'000
Unquoted shares, at cost	37,494	12,494
ESOS granted to employees of subsidiary companies	10,367	10,367
	47,861	22,861
Accumulated impairment losses	(3,894)	(3,894)
	43,967	18,967

On 3 August 2023 and 18 March 2024 (2023: 30 May 2023), the Company had increased its investment in REDtone Engineering & Network Services Sdn. Bhd. ("RENS") with a cash consideration of RM5.0 million for 5 million new ordinary shares and RM20.0 million for 20.0 million new ordinary shares respectively (2023: RM9.5 million for 9.5 million ordinary shares).

The details of the subsidiaries are as follows:

Name of subsidiary companies	Country of incorporation	Proportion of effective interest held		Principal activities
		2024	2023	
		%	%	
REDtone Telecommunications Sdn. Bhd. ("RTC")	Malaysia	100	100	Research, development and marketing of computer-telephony integration, provision of telecommunication related products and services.
SEA Telco Technology Sdn. Bhd. ("STT")	Malaysia	100	100	Provision of total solutions in telecommunication related products and services and investment holding.
REDtone Engineering & Network Services Sdn. Bhd. ("RENS")	Malaysia	100	100	Provision of telecommunication related products and services and investment holding.
REDtone Data Centre Sdn. Bhd. ("RDC")	Malaysia	70	70	Provision of system integration, software solutions and trading in computer hardware.
Ansar Mobile Sdn. Bhd. ("ANM") ^	Malaysia	100	100	Provision of telecommunications services including fixed and mobile services and telecommunication related services.
REDtone IOT Sdn. Bhd. ("RIOT")	Malaysia	100	100	Provision of business solutions in information technology and to build interconnection of uniquely identifiable embedded computing device within existing internet infrastructure.

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16. Investments in subsidiaries (contd.)

Name of subsidiary companies	Country of incorporation	Proportion of effective interest held		Principal activities
		2024	2023	
		%	%	
<b>Held through STT</b>				
REDtone XArmour Sdn. Bhd. (formerly known as REDtone Mytel Sdn. Bhd.) ^	Malaysia	60	60	Provision of cyber security and related services, consultancy, software resale, distribution and security operations center services.
REDtone Technology Pte. Ltd. ^	Singapore	100	100	Provision of telecommunication related products and services.
SEA Telco Engineering Services Sdn. Bhd. ("STE")	Malaysia	80	80	Provision of information technology and telecommunication related products and services.
REDtone Equity Sdn. Bhd. (formerly known as Meridianotch Sdn. Bhd.) ^	Malaysia	100	100	Investment holding.
<b>Held through RENS</b>				
Bytebuilder Sdn. Bhd. ("BBSB") ^	Malaysia	60	60	Provision of fibre optic transmission network services and project management services relating to telecommunications.

^ Subsidiaries audited by other firms of chartered accountants.

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#### 16. Investments in subsidiaries (contd.)

##### (a) Subsidiary companies with material non-controlling interests

The Group regards the non-controlling interests of the following subsidiary companies as material to the Group and is set out below. The equity interests held by non-controlling interests are as follows:

Name	Equity interest held by non-controlling interests	
	2024	2023
	%	%
STE	20	20
RDC	30	30

Summarised financial information of subsidiary companies which have non-controlling interests that are material to the Group is set out below. The summarised financial information presented below exclude inter-company elimination.

	STE	RDC
At 30 June 2024	RM'000	RM'000
Non-current assets	1,359	-
Current assets	93,414	3,573
Non-current liabilities	(861)	(216)
Current liabilities	(62,676)	(18,372)
Net assets/(liabilities)	31,236	(15,015)

##### Year ended 30 June 2024

Revenue	12,472	3,064
Profit/(loss) for the financial year	3,665	(1,544)
Profit/(loss) attributable to:		
- Owners of the parent	2,932	(1,081)
- Non-controlling interests	733	(463)
	3,665	(1,544)

##### Year ended 30 June 2024

Net cash generated from/(used in):		
Operating activities	4,667	896
Investing activities	(2,152)	(9)
Financing activities	(37,560)	(777)
Net change in cash and cash equivalents	(35,045)	110



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16. Investments in subsidiaries (contd.)

(a) Subsidiary companies with material non-controlling interests (contd.)

	STE RM'000	RDC RM'000
<b>At 30 June 2023</b>		
Non-current assets	3,307	-
Current assets	79,737	2,985
Non-current liabilities	(3,002)	(144)
Current liabilities	(39,899)	(16,308)
Net assets/(liabilities)	<u>40,143</u>	<u>(13,467)</u>
<b>Year ended 30 June 2023</b>		
Revenue	<u>11,530</u>	<u>4,013</u>
Loss for the financial year	<u>(7,785)</u>	<u>(1,875)</u>
Loss attributable to:		
- Owners of the parent	(6,228)	(1,312)
- Non-controlling interests	<u>(1,557)</u>	<u>(563)</u>
	<u>(7,785)</u>	<u>(1,875)</u>
<b>Year ended 30 June 2023</b>		
Net cash generated from/(used in):		
Operating activities	2,346	751
Investing activities	(3,485)	-
Financing activities	21,355	(789)
Net change in cash and cash equivalents	<u>20,216</u>	<u>(38)</u>

17. Investments in associates

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Unquoted shares in Malaysia, at cost	3,305	3,305	3,305	3,305
Share of post-acquisition reserves	(2,464)	(2,464)	-	-
Accumulated impairment losses	<u>(841)</u>	<u>(841)</u>	<u>(3,305)</u>	<u>(3,305)</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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**17. Investments in associates (contd.)**

Details of the associates are as follows:

Name of associated companies	Country of incorporation	Proportion of effective interest held		Principal activities
		2024 %	2023 %	
REDtone Network Sdn. Bhd. ("RTN")	Malaysia	49	49	Research and development and marketing of communication applications.
Sea Telco Engineering Services (Sarawak) Sdn. Bhd. ("STES")*	Malaysia	20	20	Provision of telecommunications and related services.
REDtone MEX Sdn. Bhd. ("REX")	Malaysia	56	56	Building of teleconsultation/ teleradiology exchange and distributing, customising, designing and development of information system, mobile solutions and healthcare solution.

\*An application for striking off of STES has been submitted to Suruhanjaya Syarikat Malaysia on 24 June 2024.

The Group classifies its investment in REX as an associate notwithstanding its 56% shareholdings as the Group only has significant influence over the investee by virtue of Board representation to participate in the financial and operating policy decisions and not control or joint control over those policies.

The Group has not recognised losses relating to the following associates as its share of losses has exceeded the Group's interest in these associates. The Group's cumulative share of unrecognised losses at the reporting date are as follows:

	2024 RM'000	2023 RM'000
RTN	1,039	1,035
STES	21	20
REX	7,500	7,973

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17. Investments in associates (contd.)

The summarised financial information of the material associated company are as follows:

**Summarised statement of financial position of REX**

	2024 RM'000	2023 RM'000
<b>Assets and liabilities</b>		
Current assets	670	263
Non-current assets	2	5
Current liabilities	(9,826)	(10,266)
<b>Net liabilities</b>	<u>(9,154)</u>	<u>(9,998)</u>

**Summarised statement of comprehensive income of REX**

	2024 RM'000	2023 RM'000
Revenue	1,261	121
Profit/(loss) for the financial year, representing total comprehensive loss for the financial year	<u>844</u>	<u>(1,100)</u>

**Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in REX:**

	2024 RM'000	2023 RM'000
Net liabilities at beginning of year	(9,998)	(8,898)
Profit/(loss) for the year	844	(1,100)
Net liabilities at the end of year	<u>(9,154)</u>	<u>(9,998)</u>
Group's equity interest	56%	56%
Interest in associate company	<u>(5,126)</u>	<u>(5,599)</u>
Group's share of net liabilities	5,126	5,599
Carrying amount	<u>-</u>	<u>-</u>

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#### 18. Other investments

	Group/Company	
	2024	2023
	RM'000	RM'000
At fair value through other comprehensive income ("FVTOCI")		
- Shares quoted in Malaysia	59,403	27,204
- Shares quoted outside Malaysia	1,304	6,784
	<u>60,707</u>	<u>33,988</u>

During the financial year, the Group and the Company recognised fair value changes of investments classified as FVTOCI, amounting to a gain of RM514,000 (2023: loss of RM7,907,000) to the FVTOCI reserve.

During the financial year, the Group and the Company disposed of certain equity investments as part of their financial management plan. The fair value of the investments at the date of the disposal was RM8,952,000 (2023: RM7,020,000), and the accumulated gain of RM619,000 (2023: RM3,314,000) was then reclassified from FVTOCI reserve to retained earnings.

Further details on fair value hierarchy and classification of equity investments are disclosed in Note 35.

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19. Deferred tax

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
At beginning of financial year	2,100	(594)
Recognised in profit or loss (Note 9)	(7,189)	2,694
At end of financial year	<u>(5,089)</u>	<u>2,100</u>
Presented in the statements of financial position as follows:		
Deferred tax assets	(5,714)	(3,155)
Deferred tax liabilities	625	5,255
	<u>(5,089)</u>	<u>2,100</u>

Deferred tax assets of the Group:

	<b>Intangible assets RM'000</b>	<b>Provisions and lease liabilities RM'000</b>	<b>Total RM'000</b>
At 1 July 2023	(2,348)	(1,229)	(3,577)
Recognised in profit or loss	(2,469)	(2,392)	(4,861)
At 30 June 2024	<u>(4,817)</u>	<u>(3,621)</u>	<u>(8,438)</u>
Less: Offset against deferred tax liabilities			2,724
			<u>(5,714)</u>
At 1 July 2022	-	(3,241)	(3,241)
Recognised in profit or loss	(2,348)	2,012	(336)
At 30 June 2023	<u>(2,348)</u>	<u>(1,229)</u>	<u>(3,577)</u>
Less: Offset against deferred tax liabilities			422
			<u>(3,155)</u>

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19. Deferred tax (contd.)

Deferred tax liabilities of the Group:

	Short term investments RM'000	Property, plant and equipment and right-of-use assets RM'000	Total RM'000
At 1 July 2023	5,255	422	5,677
Recognised in profit or loss	(4,630)	2,302	(2,328)
At 30 June 2024	625	2,724	3,349
Less: Offset against deferred tax assets			(2,724)
			625
At 1 July 2022	-	2,647	2,647
Recognised in profit or loss	5,255	(2,225)	3,030
At 30 June 2023	5,255	422	5,677
Less: Offset against deferred tax assets			(422)
			5,255

Deferred tax liabilities of the Company:

	Other investments RM'000
At 1 July 2023	5,255
Recognised in profit or loss (Note 9)	(4,630)
At 30 June 2024	625
At 1 July 2022	-
Recognised in profit or loss (Note 9)	5,255
At 30 June 2023	5,255

Deferred tax assets of the Group has not been recognised in respect of the following items:

	Group 2024 RM'000	2023 RM'000
Unutilised tax losses	23,981	23,119
Unabsorbed capital allowances	5,709	2,277
Other deductible temporary differences	10,578	16,159
	40,268	41,555

At the reporting date, the Group has unutilised tax losses and unabsorbed capital allowances that are available for offset against future taxable profits, for which no deferred tax asset is recognised due to uncertainty of its recoverability.

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## 19. Deferred tax (contd.)

The availability of the unutilised tax losses and unabsorbed capital allowances for offsetting against future taxable profits of the Group are subject to no substantial changes in shareholdings under the Income Tax Act, 1967 and guidelines issued by the tax authority. Other deductible temporary differences are available indefinitely for offset against future taxable profits of the Group and of the Company.

The Malaysia Finance Act gazetted on 27 December 2018 has imposed a time limitation to restrict the carry forward of the unutilised tax losses to seven (7) consecutive years of assessment. However, this time limitation was extended to ten (10) consecutive years of assessment by the subsequent Malaysia Finance Act gazetted on 31 December 2021. As such, the unutilised tax losses accumulated up to the year of assessment 2018 are allowed to be carried forward for ten (10) consecutive years of assessment (ie. from years of assessment 2019 to 2028) and any balance of the unutilised tax losses thereafter shall be disregarded.

In addition, any unutilised tax losses that originated from the year of assessment 2019 onwards are allowed to be carried forward for a maximum period of ten (10) consecutive years of assessment immediately following that originating year of assessment and any balance of the unutilised tax losses thereafter shall be disregarded.

The unutilised tax losses at the end of the reporting period will expire as follows:

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Within 10 years	1,820	3,630
Within 9 years	3,630	5,096
Within 8 years	5,082	2,273
Within 7 years	2,198	810
Within 6 years	810	2,490
Within 5 years	2,490	8,820
Within 4 years	7,951	-
	23,981	23,119

## 20. Inventories

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Net realisable value		
Finished goods	632	518

During the financial year, the amount of inventories recognised as an expense in cost of sales of the Group was RM10,624,000 (2023: RM9,982,000).

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21. Trade and other receivables

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
<b>Trade receivables</b>				
Third parties	20,935	53,937	-	-
Less: Allowance for ECL	(3,393)	(2,607)	-	-
Trade receivables, net	17,542	51,330	-	-
<b>Other receivables</b>				
Third parties	3,360	3,920	30	-
Amount due from associated companies	5,576	5,561	5,202	5,202
Amounts due from subsidiary companies	-	-	165,900	41,050
Deposits	1,760	2,061	-	-
Prepayments (Note 21(a))	57,666	33,183	12	63
Sundry receivables	108	7,224	-	7,020
	68,470	51,949	171,144	53,335
Less: Allowance for ECL	(5,551)	(5,595)	(14,967)	(15,411)
Other receivables, net	62,919	46,354	156,177	37,924
	80,461	97,684	156,177	37,924
Total trade and other receivables	80,461	97,684	156,177	37,924
Add: Cash and bank balances (Note 24)	63,475	116,989	33,620	4,961
Less: Prepayments	(57,666)	(33,183)	(12)	(63)
Total financial assets carried at amortised cost	86,270	181,490	189,785	42,822

(a) Prepayments

Prepayments relate to advances made to suppliers for services and purchase of equipment for the contracts.



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**21. Trade and other receivables (contd.)**

Ageing analysis of trade receivables

The ageing analysis of the Group's total trade receivables are as follows:

	<b>Gross carrying amount at default RM'000</b>	<b>Allowance for expected credit loss RM'000</b>	<b>Net carrying amount RM'000</b>
<b>Group</b>			
<b>2024</b>			
Current	7,597	-	7,597
1 to 30 days	3,386	-	3,386
31 to 60 days	107	-	107
61 to 90 days	445	-	445
91 to 120 days	1,504	-	1,504
More than 121 days	7,896	(3,393)	4,503
<b>Total</b>	<b>20,935</b>	<b>(3,393)</b>	<b>17,542</b>
<b>2023</b>			
Current	32,251	-	32,251
1 to 30 days	2,689	-	2,689
31 to 60 days	10,702	-	10,702
61 to 90 days	1,705	-	1,705
91 to 120 days	579	-	579
More than 121 days	6,011	(2,607)	3,404
<b>Total</b>	<b>53,937</b>	<b>(2,607)</b>	<b>51,330</b>

The Group's trade receivables are non-interest bearing and are subject to normal trade credit terms ranging from 30 to 60 days (2023: 30 to 60 days). They are recognised at their original invoice amounts which represents their fair value on initial amount. More than 77% (2023: 93%) of the Group's trade receivables arise from customers with more than 5 years of business relationship with the Group and there is no concern on the credit-worthiness of the counterparties and the recoverability of these debts.

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#### 21. Trade and other receivables (contd.)

##### Movement in expected credit losses for trade and other receivables

The Group's trade and other receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

Movement in allowance for expected credit loss:

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Trade receivables</b>				
At beginning of financial year	2,607	4,630	-	-
Net allowance for/(write back of)				
ECL (Note 6)	786	(2,011)	-	-
Written off	-	(12)	-	-
At end of financial year	<u>3,393</u>	<u>2,607</u>	<u>-</u>	<u>-</u>
<b>Other receivables</b>				
At beginning of financial	5,595	5,574	15,411	15,423
Net (write back of)/allowance for				
ECL (Note 6)	(44)	21	(444)	(12)
At end of financial year	<u>5,551</u>	<u>5,595</u>	<u>14,967</u>	<u>15,411</u>

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

The total allowance for expected credit loss for the Company of RM14,967,000 (2023: RM15,411,000) comprises of allowance for expected credit loss of RM9,765,000 (2023: RM10,209,000) relates to amount due from subsidiary companies and RM5,202,000 (2023: RM5,202,000) relates to amount due from associate companies.

##### **(a) Credit risk**

The Group's primary exposure to credit risk arises through its trade receivables. The Group's trading terms with its customers are mainly on credit. The credit period is generally for a period of one month and each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. As at reporting date, the concentration of credit risk in the form of outstanding balances is mainly due to two (2023: two) customers representing approximately 54% (2023: 83%) of the total trade receivables.

##### **(b) Amounts due from subsidiary companies**

Amounts due from subsidiary companies are non-trade in nature, interest-bearing at 4.20% p.a. (2023: 2.75% p.a.), unsecured and are repayable on demand.

##### **(c) Amount due from associated companies**

Amount due from associated companies are non-trade in nature, interest-bearing at 4.20% p.a. (2023: 2.75% p.a.), unsecured and are repayable on demand.

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## 22. Contract assets/liabilities

	Group	
	2024	2023
	RM'000	RM'000
<b>Current</b>		
Contract assets	182,320	46,301
Contract liabilities	(3,460)	(49,758)

Contract assets primarily relate to the Group's right to consideration for service transferred for which the receipt of the consideration is conditional on the completion and final acceptance of the customers. Contract assets are transferred to receivables when the right becomes unconditional.

Contract liabilities primarily relate to the Group's obligations to transfer goods or services to customers for which the Group has received the consideration in advance or has billed the customer. Contract liabilities are recognised as revenue as the Group performs its obligations under the contract.

	Group	
	2024	2023
	RM'000	RM'000
<b>Movements in net contract assets/(liabilities):</b>		
At beginning of financial year	(3,457)	57,324
Revenue recognised during the financial year	337,235	184,154
Billings during the financial year	(154,918)	(244,935)
At end of financial year	178,860	(3,457)

The transaction price allocated to the remaining performance obligations as at the reporting date is as follows:

	Group	
	2024	2023
	RM'000	RM'000
Within one year	250,259	297,041
More than one year	675,470	410,174
	925,729	707,215

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**23. Short term investments**

	<b>Group and Company</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Fair value through profit or loss</b>		
Equity instruments quoted in Malaysia *	7,181	70,000
Shares quoted in Malaysia	11,200	-
	<u>18,381</u>	<u>70,000</u>

\* The above investments are in respect of a discretionary investment management agreement entered into with a fund manager as part of the Group's short term cash management fund purposes.

Further details on fair value hierarchy and classification of equity instruments are disclosed in Note 35.

**24. Cash and bank balances**

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Cash in hand and at banks	40,985	86,331	33,516	2,786
Deposits with financial institutions	22,490	30,658	104	2,175
	<u>63,475</u>	<u>116,989</u>	<u>33,620</u>	<u>4,961</u>
Less: Deposits pledged to licensed banks	(22,386)	(28,483)	-	-
<b>Total cash and cash equivalents</b>	<u>41,089</u>	<u>88,506</u>	<u>33,620</u>	<u>4,961</u>

The interest rates per annum of deposits with financial institutions at the reporting date were as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Deposits with financial institutions	<u>2.58%</u>	<u>2.31%</u>	<u>2.40%</u>	<u>2.40%</u>

The average maturity of deposits with licensed banks at the reporting date were as follows:

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>Days</b>	<b>Days</b>
Deposits with licensed banks	<u>88</u>	<u>98</u>

The deposits with licensed banks are pledged or deposited to banks for bank guarantee facilities granted to the Group.

Other information on financial risks of cash and bank balances are disclosed in Note 34.

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## 25. Share capital

### Issued and fully paid-up:

	Group/Company		Amount	
	Number of shares 2024	2023	2024 RM'000	2023 RM'000
<b>Ordinary shares</b>				
At beginning and end of financial year	782,453,885	782,453,885	149,813	149,813

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

## 26. Treasury shares

Details of the shares repurchased and retained as treasury shares were as follows:

	Group/Company		Amount	
	Number of shares 2024	2023	2024 RM'000	2023 RM'000
At beginning and end of financial year	9,502,000	9,502,000	5,653	5,653

## 27. Reserves

		Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Retained profits/(accumulated losses)	(a)	142,195	101,086	30,677	(16,811)
Foreign exchange reserve	(b)	(661)	(662)	-	-
Revaluation reserve	(c)	641	641	-	-
FVTOCI reserve	(d)	8,425	8,530	8,425	8,530
		<u>150,600</u>	<u>109,595</u>	<u>39,102</u>	<u>(8,281)</u>

### (a) Retained profits/(accumulated losses)

The Company may distribute dividends out of its entire retained profits as at 30 June 2024 under the single tier system.

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**27. Reserves (contd.)**

**(b) Foreign exchange reserve**

Foreign exchange reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

**(c) Revaluation reserve**

The revaluation reserve arose from the revaluation of office lots when the office lots were transferred from property, plant and equipment to investment properties.

**(d) FVTOCI reserve**

FVTOCI reserve relates to the fair value changes of investments classified as FVTOCI as disclosed in Note 18.

**28. Loans and borrowings**

		<b>Group</b>	
	<b>Maturity</b>	<b>2024</b>	<b>2023</b>
		<b>RM'000</b>	<b>RM'000</b>
<b>Current</b>			
Secured:			
Invoice financing	On demand	3,811	-
Term loans:-			
Fixed loan 1 at BLR -1.65% p.a.	2025	16	15
Fixed loan 2 at BLR -1.65% p.a.	2025	37	35
Refinancing loan 1 at BLR -1.65% p.a.	2025	12	12
Refinancing loan 2 at BLR -1.65% p.a.	2025	29	28
Refinancing loan 3 at BLR -1.65% p.a.	2025	13	12
		<u>3,918</u>	<u>102</u>
<b>Non-current</b>			
Secured:			
Term loans:-			
Fixed loan 1 at BLR -1.65% p.a.	2026 - 2029	139	155
Fixed loan 2 at BLR -1.65% p.a.	2026 - 2029	329	365
Refinancing loan 1 at BLR -1.65% p.a.	2026 - 2029	126	138
Refinancing loan 2 at BLR -1.65% p.a.	2026 - 2029	285	315
Refinancing loan 3 at BLR -1.65% p.a.	2026 - 2029	128	139
		<u>1,007</u>	<u>1,112</u>
<b>Total loans and borrowings</b>			
Secured:			
Invoice financing		3,811	-
Term loans:-			
Fixed loan 1 at BLR -1.65% p.a.		155	170
Fixed loan 2 at BLR -1.65% p.a.		366	400
Refinancing loan 1 at BLR -1.65% p.a.		138	150
Refinancing loan 2 at BLR -1.65% p.a.		314	343
Refinancing loan 3 at BLR -1.65% p.a.		141	151
		<u>4,925</u>	<u>1,214</u>

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## 28. Loans and borrowings (contd.)

The remaining maturities of the loans and borrowings as at the reporting date are as follows:

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
On demand or within one year	3,918	102
More than 1 year and less than 2 years	112	107
More than 2 years and less than 5 years	895	297
5 years or more	-	708
	<u>4,925</u>	<u>1,214</u>

### Term loans

The term loans are secured by:

- (i) a first party legal charge over the Group's office lots as disclosed in Note 12 and Note 13; and
- (ii) a corporate guarantee provided by the Company.

The repayment terms of the term loans are as follows:

Fixed loan 1 at effective interest rate of 5.07% per annum	Repayable in 240 monthly instalments of RM1,881, effective June 2009.
Fixed loan 2 at effective interest rate of 5.07% per annum	Repayable in 240 monthly instalments of RM4,428, effective June 2009.
Refinancing loan 1 at effective interest rate of 5.07% per annum	Repayable in 240 monthly instalments of RM1,538, effective September 2009.
Refinancing loan 2 at effective interest rate of 5.07% per annum	Repayable in 240 monthly instalments of RM3,635, effective September 2009.
Refinancing loan 3 at effective interest rate of 5.07% per annum	Repayable in 240 monthly instalments of RM1,604, effective September 2009.

### Invoice financing

The invoice financing is secured by:

- (i) deed of assignment for contract proceeds;
- (ii) a corporate guarantee provided by the Company;
- (iii) letter of undertaking to remit payments received from contract proceeds; and
- (iv) letter of undertaking to remit payments by the Company to provide financial support in the event of cost overrun.

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**29. Right-of-use assets and lease liabilities**

Carrying amounts of right-of-use assets recognised and the movements during the financial year:

	At beginning of financial year RM'000	Additions RM'000	Depreciation RM'000	Impairment RM'000	At end of financial year RM'000
<b>Group</b>					
<b>At 30 June 2024</b>					
Leasehold office lots	352	-	(14)	-	338
Warehouse, office and sites	1,764	11,680	(1,345)	(618)	11,481
Equipment and machinery	60	185	(61)	-	184
Total	2,176	11,865	(1,420)	(618)	12,003

**At 30 June 2023**

Leasehold office lots	366	-	(14)	-	352
Warehouse, office and sites	1,567	1,836	(1,432)	(207)	1,764
Equipment and machinery	534	98	(572)	-	60
Computer servers	869	-	(372)	(497)	-
Total	3,336	1,934	(2,390)	(704)	2,176

Set out below are the carrying amounts of lease liabilities recognised and the movements during the financial year.

	<b>Group</b>	
	<b>2024 RM'000</b>	<b>2023 RM'000</b>
At beginning of financial year	2,775	3,644
Additions	11,865	1,934
Accretion of interest	488	168
Lease payments	(2,580)	(2,971)
At end of financial year	12,548	2,775

Analysed as:

- Current	2,041	1,228
- Non-current	10,507	1,547
	12,548	2,775

The following are the amount recognised in profit and loss:

- Depreciation expenses of right-of-use assets	1,420	2,390
- Interest expense on lease liabilities	488	168
- Impairment of right-of-use assets	618	704
- Short term leases	954	920
- Leases of low value assets	142	155
	3,622	4,337

The Group has total cash outflow for leases including short-term and low-value lease amounting to RM3,676,000 (2023: RM4,046,000).



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**30. Trade and other payables**

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Non-current</b>				
<u>Other payable</u>				
Sundry payables (Note 30(d))	20,174	23,056	-	-
<b>Current</b>				
<u>Trade payables</u>				
Third parties	34,564	12,838	-	-
Accruals	45,396	32,724	-	-
	<u>79,960</u>	<u>45,562</u>	<u>-</u>	<u>-</u>
<u>Other payables</u>				
Amounts due to subsidiary companies (Note 30(b))	-	-	125,917	24,483
Provision for Universal Service Fund Contribution ("USOF") (Note 30(c))	7,214	7,010	-	-
Accruals	6,516	4,823	128	127
Deposits payable	1,799	1,740	-	-
Sundry payables (Note 30(d))	25,057	24,402	26	63
	<u>40,586</u>	<u>37,975</u>	<u>126,071</u>	<u>24,673</u>
Total current	<u>120,546</u>	<u>83,537</u>	<u>126,071</u>	<u>24,673</u>
Total trade and other payables	140,720	106,593	126,071	24,673
Add: loans and borrowings (Note 28)	4,925	1,214	-	-
Add: lease liabilities (Note 29)	12,548	2,775	-	-
Less: provision for USOF	<u>(7,214)</u>	<u>(7,010)</u>	<u>-</u>	<u>-</u>
Total financial liabilities carried at amortised cost	<u>150,979</u>	<u>103,572</u>	<u>126,071</u>	<u>24,673</u>

**(a) Trade payables**

Trade payables are interest-bearing and the normal trade credit terms granted to the Group range from 30 to 60 (2023: 30 to 60) days.

**(b) Amounts due to subsidiary companies**

Amounts due to subsidiary companies are non-trade in nature, interest-bearing at 4.20% p.a. (2023: 2.75% p.a.), unsecured and are repayable on demand.

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**30. Trade and other payables (contd.)**

**(c) Provision for USOF**

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
At beginning of financial year	7,010	6,122
Recognised in profit or loss (Note 6)	926	1,271
Payment	(722)	(383)
At end of financial year	<u>7,214</u>	<u>7,010</u>

In accordance with the Communications and Multimedia (Universal Service Provision) Regulations 2002, a licensee whose revenue exceeds RM2,000,000 (derived from the designated services as specified in the Return of Net Revenue), shall contribute 6% of its total weighted net revenue to the USOF.

**(d) Sundry payables**

Sundry payables of the Group relate to annual fees payable to the Malaysian Communications and Multimedia Commission ("MCMC") in relation to the 2600 SA and 2300 SA. Further details of the 2600 SA and 2300 SA is disclosed in Note 14.

**31. Commitment**

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Capital commitment</b>		
Approved and contracted for:		
- Property, plant and equipment	<u>289</u>	<u>459</u>

**32. Guarantees**

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Performance bonds in favour of various government and statutory bodies and private companies	<u>147,308</u>	<u>153,632</u>

The Company provided corporate guarantees amounting to RM152,233,000 (2023: RM154,846,000) to certain financial institutions for credit facilities (including the performance bonds above) granted to its subsidiary companies. The Company has assessed and regarded that the credit enhancements provided by these guarantees are minimal. As such, the Company did not ascribe any values to these corporate guarantees.

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### 33. Related party disclosures

In addition to the related party information disclosed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Note	Group 2024 RM'000	2023 RM'000
<b>Revenue:</b>			
<u>Wireless broadband:</u>			
- BCorp	a	21	23
- Berjaya Land Berhad	b	23	23
- Berjaya Sompo Insurance Berhad	c	820	967
- Sports Toto Berhad	b	23	23
- Berjaya Starbucks Coffee Company Sdn. Bhd.	b	2	8
- Berjaya Waterfront Sdn. Bhd.	d	62	62
- Inter-Pacific Securities Sdn. Bhd.	b	29	49
- The Taaras Beach & Spa Resort (Redang) Sdn. Bhd.	b	248	248
- Berjaya Hills Resort Berhad	b	554	474
- BTS Hotel Sdn. Bhd.	b	21	16
<u>Corporate voice:</u>			
- BCorp	a	20	26
- Berjaya Sompo Insurance Berhad	c	-	1
- Cempaka Properties Sdn. Bhd.	b	-	1
- STM Lottery Sdn. Bhd.	b	4	5
- U Mobile Sdn. Bhd.	e	34	32
<u>Data centre services:</u>			
- BLoyalty Sdn. Bhd.	b	1,381	1,359
<u>Managed Telecommunications Network Services</u>			
- U Mobile Sdn. Bhd.	e	31,508	22,497
<b>Expenses:</b>			
<u>BCorp</u>	a		
- Management fees		60	60
<u>Berjaya Registration Services Sdn. Bhd.</u>	b		
- Share registration		70	88
<u>Berjaya Sompo Insurance Berhad</u>	c		
- General insurance		335	229
<u>Berjaya Times Square Sdn. Bhd.</u>	d		
- Rental co-location		73	73

## Notes to the Financial Statements

### 30 June 2024

(Cont'd)

#### 33. Related party disclosures (contd.)

In addition to the related party information disclosed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year: (contd.)

		Group	
	Note	2024 RM'000	2023 RM'000
<b>Expenses (contd.):</b>			
<u>E.V.A. Management Sdn. Bhd.</u>	b		
- Management fee		46	32
<u>U Mobile Sdn. Bhd.</u>	e		
- Staff handphone charges		110	91
- Interconnect charges		120	74
<u>BLoyalty Sdn. Bhd.</u>	b		
- Equipment rental		28	30
- E-Voucher		-	29
<u>Berjaya Construction Berhad</u>	b		
- Provision of civil engineering contracting works		29,075	24,899
<u>Inter-Pacific Securities Sdn. Bhd.</u>	b		
- Brokerage fees		496	9
<u>Berjaya Hartanah Berhad</u>	b		
- Room rental		-	14
		</	

**Notes to the Financial Statements**  
**30 June 2024**  
(Cont'd)

**33. Related party disclosures (contd.)**

The relationships of the related party transactions are as follows:

- (a) Ultimate holding company of the Company;
- (b) Related companies other than subsidiary companies of the Company;
- (c) Associate company of BCorp Group;
- (d) A subsidiary company of Berjaya Assets Berhad ("BASSET"). BCorp and KDYMM Seri Paduka Baginda Yang Di-Pertuan Agong Sultan Ibrahim ("KDYMM Sultan Ibrahim") are substantial shareholders of BASSET; and
- (e) KDYMM Sultan Ibrahim is a major shareholder of the Company and U Mobile Sdn. Bhd..

**Compensation of key management personnel**

The remuneration of key management personnel during the financial year was as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Short-term employee benefits	7,642	6,480	777	752

Included in compensation for key management personnel of the Group and of the Company are directors' remuneration amounting to RM3,164,000 and RM777,000 (2023: RM2,868,000 and RM752,000) as disclosed in Note 8.

**34. Financial instruments****(a) Financial risk management objectives and policies**

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include interest rate risk, foreign currency risk, liquidity risk, and credit risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the management. The Audit Committee provides independent oversight to the effectiveness of the risk management process.

It is, and has been throughout the current and previous financial year, the Group's policy that no investment in derivatives shall be undertaken.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

**(b) Interest rate risk**

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risks is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Group's exposure to interest rate risk arises mainly from interest-bearing financial assets and liabilities. The Group's policy is to obtain the most favourable interest rates available. Any surplus funds of the Group will be placed with licensed financial institutions to generate interest income.



Notes to the Financial Statements  
30 June 2024  
(Cont'd)

34. Financial instruments (contd.)

(b) Interest rate risk (contd.)

Company	Note	WAEIR %	Within 1 year RM'000
At 30 June 2024			
Deposits with financial institutions	24	2.40%	104
At 30 June 2023			
Deposits with financial institutions	24	2.40%	2,175

## Notes to the Financial Statements

### 30 June 2024

(Cont'd)

#### 34. Financial instruments (contd.)

##### (c) Foreign currency risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than Ringgit Malaysia. The currency giving rise to this risk is primarily United States Dollar ("USD"). The Group's exposure of sensitivity of other foreign currencies risk is insignificant. Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

The Group's exposure to foreign currency is as follows:

	USD RM'000
<b>Group</b>	
<b>At 30 June 2024</b>	
<b>Financial assets</b>	
Trade receivables	5
Cash and bank balances	2,692
	<u>2,697</u>
<b>Financial liabilities</b>	
Trade payables	(18,153)
Other payables and accruals	(49)
	<u>(18,202)</u>
Net financial liabilities	<u>(15,505)</u>
<b>At 30 June 2023</b>	
<b>Financial assets</b>	
Trade receivables	8
Cash and bank balances	2,827
	<u>2,835</u>
<b>Financial liabilities</b>	
Trade payables	(7,498)
Other payables and accruals	(24)
	<u>(7,522)</u>
Net financial liabilities	<u>(4,687)</u>



Notes to the Financial Statements  
30 June 2024  
(Cont'd)

**34. Financial instruments (contd.)**

**(c) Foreign currency risk (contd.)**

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in the foreign currency exchange rates against the functional currencies of the Group entities, with all other variables held constant.

		<b>Group</b>	
		<b>2024</b>	<b>2023</b>
		<b>RM'000</b>	<b>RM'000</b>
		<b>(Decrease)/</b>	<b>(Decrease)/</b>
		<b>increase</b>	<b>increase</b>
		<b>in profit</b>	<b>in profit</b>
		<b>before tax</b>	<b>before tax</b>
USD/RM	- strengthened 5%	(775)	(234)
	- weakened 5%	775	234

**(d) Liquidity risk**

The Group manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from both capital markets and financial institutions and balances its portfolio with some short-term funding so as to achieve overall cost effectiveness.

Notes to the Financial Statements  
30 June 2024  
(Cont'd)

**34. Financial instruments (contd.)**

**(d) Liquidity risk (contd.)**

Analysis of undiscounted financial liabilities by remaining contractual maturities:

	On demand within 1 year RM'000	1 – 5 years RM'000	Over 5 years RM'000	Total RM'000
<b>Group</b>				
<b>30 June 2024</b>				
Loans and borrowings	3,968	1,161	-	5,129
Lease liabilities	2,811	7,872	5,112	15,795
Trade and other payables	113,332	21,532	-	134,864
Total undiscounted financial liabilities	120,111	30,565	5,112	155,788

**30 June 2023**

Loans and borrowings	157	610	708	1,475
Lease liabilities	1,364	1,166	727	3,257
Trade and other payables	76,527	23,850	-	100,377
Total undiscounted financial liabilities	78,048	25,626	1,435	105,109

**Company**

**30 June 2024**

Other payables and accruals, representing total undiscounted financial liabilities	126,071	-	-	126,071
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**30 June 2023**

Other payables and accruals, representing total undiscounted financial liabilities	24,673	-	-	24,673
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**(e) Credit risk**

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade receivables and contract assets. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including quoted investments and cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties. The Group has assessed that the credit risk from these financial instruments are low.

## Notes to the Financial Statements

### 30 June 2024

(Cont'd)

#### 34. Financial instruments (contd.)

##### (e) Credit risk (contd.)

The Group establishes an allowance for ECL that represents the estimate of impairment in respect of the trade and other receivables, and contract assets. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. Expected credit losses are estimated by management based on prior experience and the current economic environment.

Further details on credit risk exposure from trade and other receivable, and contract asset is disclosed in Note 21 and Note 22, respectively.

##### Exposure to credit risk

As the Group does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets (net of allowance for ECL) as at the end of the reporting date.

##### Credit risk concentration profile

The Group's major concentration of credit risk relates to the amounts owing by two (2023: two) customers which constituted approximately 54% (2023: 83%) of its trade receivables at the end of the reporting date.

##### (f) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group is exposed to equity price risk arising from its investment in quoted instruments. The quoted instruments in Malaysia are listed on Bursa Malaysia and other foreign stock exchanges. These instruments are classified as fair value through profit or loss or fair value through other comprehensive income financial assets. To manage its market price risk arising from investments in quoted instruments, the Group diversifies its portfolio and diversification of the portfolio is done in accordance with the limits set by the Group.

Notes to the Financial Statements  
30 June 2024  
(Cont'd)

### 35. Fair values

The following table shows an analysis of the assets measured at fair value at the reporting date according to the level in the fair value hierarchy:

Group	Level 1 RM'000	Level 3 RM'000
<b>2024</b>		
<b>Asset at FVTOCI</b>		
Other investments (Note 18)	60,707	-
<b>Assets at FVTPL</b>		
Short term investments (Note 23)	18,381	-
Investment properties (Note 13)	-	1,180
<b>2023</b>		
<b>Asset at FVTOCI</b>		
Other investments (Note 18)	33,988	-
<b>Assets at FVTPL</b>		
Short term investments (Note 23)	70,000	-
Investment properties (Note 13)	-	1,200

Notes to the Financial Statements  
30 June 2024  
(Cont'd)

### 35. Fair values (contd.)

The following table shows an analysis of the assets measured at fair value at the reporting date according to the level in the fair value hierarchy: (contd.)

	Level 1 RM'000
<b>Company</b>	
<b><u>2024</u></b>	
<b>Asset at FVTOCI</b>	
Other investments (Note 18)	60,707
<b>Asset at FVTPL</b>	
Short term investments (Note 23)	<u>18,381</u>
<b><u>2023</u></b>	
<b>Asset at FVTOCI</b>	
Other investments (Note 18)	33,988
<b>Asset at FVTPL</b>	
Short term investments (Note 23)	<u>70,000</u>

#### Determination of fair value

Other investments and short term investment relate to quoted equity instruments in Malaysia and outside Malaysia, where the fair values of the investment are determined using market observable inputs.

There are no liabilities measured at fair value.

There have been no transfers between Level 1, Level 2 and Level 3 during the financial year.

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade and other receivables	21
Cash and bank balances	24
Loans and borrowings	28
Trade and other payables (current)	30

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

## Notes to the Financial Statements

### 30 June 2024

(Cont'd)

#### 36. Capital management

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders' value. To achieve this objective, the Group 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 manages its capital based on debt-to-equity ratio that complies with debt covenants, if any. The debt-to-equity ratio is calculated as total net borrowings from financial institutions divided by total equity.

The debt-to-equity ratio of the Group at the end of the reporting period is not presented as its cash and bank balances exceeded the total borrowings from financial institutions.

#### 37. Segment information

Operating segments are prepared in a manner consistent with the internal reporting provided to the Group Executive Committee as its chief operating decision maker in order to allocate resources to segments and to assess their performance. For management purposes, the Group is organised into business units based on their products and services provided.

While the operating results are monitored based on the respective segments (ie. telecommunications services, MTNS and Cloud & IoT), the statement of financial position is monitored as a whole by the Group Executive Committee. The Group operates mainly in Malaysia and therefore no geographical segmental information is presented.

	External RM'000	Inter- segment RM'000	Total RM'000
<b>Revenue</b>			
<b>2024</b>			
Telecommunications services	112,692	3,061	115,753
Managed telecommunications network services	212,209	163,093	375,302
Cloud and Internet of Things	17,272	1,006	18,278
Inter-segment elimination	-	(167,160)	(167,160)
	<u>342,173</u>	<u>-</u>	<u>342,173</u>
<b>2023</b>			
Telecommunications services	106,319	2,951	109,270
Managed telecommunications network services	103,431	78,056	181,487
Cloud and Internet of Things	4,904	1,460	6,364
Inter-segment elimination	-	(82,467)	(82,467)
	<u>214,654</u>	<u>-</u>	<u>214,654</u>

Notes to the Financial Statements  
30 June 2024  
(Cont'd)

37. Segment information (contd.)

	2024 RM'000	2023 RM'000
<b>Results</b>		
Telecommunications services	30,889	28,471
Managed telecommunications network services	40,954	30,642
Cloud and Internet of Things	(2,013)	(5,462)
	<u>69,830</u>	<u>53,651</u>
Unallocated corporate expenses	(2,524)	(2,212)
Profit from operations	<u>67,306</u>	<u>51,439</u>
Investment related income	18,865	27,210
Investment related expenses	(20)	(22)
Finance costs	(2,987)	(3,634)
Profit before tax	<u>83,164</u>	<u>74,993</u>
Taxation	(23,082)	(19,814)
Profit after tax	<u>60,082</u>	<u>55,179</u>
	<b>Assets</b>	<b>Liabilities</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Assets and liabilities</b>		
<b>2024</b>		
Telecommunications services	117,916	106,075
Managed telecommunications network services	573,363	347,466
Cloud and Internet of Things	50,940	30,209
Inter-segment elimination	(315,700)	(334,066)
	<u>426,519</u>	<u>149,684</u>
Unallocated items	40,483	19,296
<b>Total assets and liabilities</b>	<u>467,002</u>	<u>168,980</u>
<b>2023</b>		
Telecommunications services	67,312	116,898
Managed telecommunications network services	282,178	174,604
Cloud and Internet of Things	16,115	29,991
Inter-segment elimination	(134,480)	(166,245)
	<u>231,125</u>	<u>155,248</u>
Unallocated items	194,987	14,115
<b>Total assets and liabilities</b>	<u>426,112</u>	<u>169,363</u>

## Notes to the Financial Statements

### 30 June 2024

(Cont'd)

#### 37. Segment information (contd.)

Other information	Capital expenditure RM'000	Depreciation and amortisation RM'000	Impairment loss RM'000	Other non-cash expenses RM'000
<b>2024</b>				
Telecommunications services	1,361	3,404	-	112
Managed telecommunications network services	966	1,338	-	-
Cloud and Internet of Things	156	219	642	685
	2,483	4,961	642	797
Unallocated items	1,584	383	-	139
<b>Total</b>	<b>4,067</b>	<b>5,344</b>	<b>642</b>	<b>936</b>
<b>2023</b>				
Telecommunications services	15,763	1,765	5,086	15
Managed telecommunications network services	70	1,629	-	-
Cloud and Internet of Things	-	942	771	-
	15,833	4,336	5,857	15
Unallocated items	314	210	-	21
<b>Total</b>	<b>16,147</b>	<b>4,546</b>	<b>5,857</b>	<b>36</b>

#### Major customers

Revenue from two (2023: two) major customers amounted to RM148,981,000 and RM56,962,000 (2023: RM69,509,000 and RM56,499,000) respectively, arising from managed telecommunications network services.

#### 38. Dividend

2024	2023
RM'000	RM'000

##### Recognised during the financial year:

In respect of prior year,

Interim tax exempt (single-tier) dividend of 2.5 sen per share declared on 24 August 2023 and paid on 16 October 2023, in respect of financial year ended 30 June 2023 (2022: 1.8 sen per share)

19,324	13,913
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On 22 August 2024, the Directors declared an interim dividend of 3.0 sen per ordinary share amounting to RM23,188,557 in respect of the financial year ended 30 June 2024 payable on 18 October 2024. The financial statements for the current financial year do not reflect this dividend. This dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 30 June 2025.



# INDEPENDENT AUDITORS' REPORT

To the members of REDtone Digital Berhad

## Report on the audit of the financial statements

### *Opinion*

We have audited the financial statements of REDtone Digital Berhad, which comprise the statements of financial position as at 30 June 2024 of the Group and of the Company, and 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 year then ended, and notes to the financial statements, including of material accounting policy information, as set out on pages 88 to 154.

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 their cash flows for the year 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 audit 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 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.

Independent Auditors' Report  
To the members of REDtone Digital Berhad  
(Cont'd)

Report on the audit of the financial statements (contd.)

*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 year. We have determined that there are no key audit matters to communicate in our report on the financial statements of the Company. The key matters for the audit of the financial statements of the Group are described below. These matters were addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

Revenue recognition

*(a) Revenue recognition on telecommunications services*

Refer to Note 2.4.11(i) – Revenue Recognition (Telecommunications Services) and Note 3 – Revenue.

Revenue from telecommunications services recognised by the Group during the year amounted to RM53,480,000 representing 16% of the total revenue of the Group. The Group relies on complex information technology systems in accounting for its telecommunications revenue. Such information systems process large volumes of data, which consist of individually low value transactions.

The above factors give rise to a higher risk of material misstatement in the timing and amount of the recognition of revenue from telecommunications services. Accordingly, we identified this as an area of focus.

Independent Auditors' Report  
To the members of REDtone Digital Berhad  
(Cont'd)

Report on the audit of the financial statements (contd.)

*Key audit matters (contd.)*

Revenue recognition (contd.)

(a) *Revenue recognition for telecommunications services (contd.)*

Our audit sought to place a high level of reliance on the Group's information technology systems and key controls that management relies on in recording telecommunications revenue, where we:

- Involved our information technology specialists to test the operating effectiveness of the automated controls over the billing system. We also tested the accuracy of the data interface between the billing system and the general ledger;
- Tested the effectiveness of the non-automated controls to ensure the accuracy of revenue recognised, including timely updating of approved rate changes to the billing system;
- Evaluated management's estimate of unbilled revenue by comparing such amount to the billings raised subsequent to the reporting period;
- Performed a three-way correlation between receivables, revenue and cash and bank balances using data analytics and performed direct testing on certain reports generated by the billing system; and
- Performed cut-off procedures to determine if revenue is recorded in the correct accounting period.

Independent Auditors' Report  
To the members of REDtone Digital Berhad  
(Cont'd)

Report on the audit of the financial statements (contd.)

*Key audit matters (contd.)*

Revenue recognition (contd.)

- (b) *Revenue recognition from Managed Telecommunications Network Services ("MTNS") - Construction and maintenance and support services of telecommunications infrastructure and Universal Service Provision ("USP") sites*

Refer to Note 2.4.11(ii) – Revenue Recognition (Managed Telecommunications Network Services - Construction and maintenance and support services of telecommunications infrastructure and Universal Service Provision ("USP") sites) and Note 3 - Revenue.

The Group is involved in a number of significant long-term construction and maintenance and support services of telecommunications infrastructure and USP sites which span more than one accounting period. Revenues from these long-term contracts amount to RM212,209,000, representing 62% of the Group's total revenue.

The Group recognises revenue for construction and maintenance and support services of telecommunications infrastructure and USP sites over time and uses the input method in measuring progress towards complete satisfaction of the performance obligation.

We focused on this area because of the significance of the total revenue recognised during the year and it involves management judgement and estimates, particularly in the determination of total estimated contract costs (which forms part of the computation of percentage of completion) and total estimated revenue, where applicable.

Independent Auditors' Report  
To the members of REDtone Digital Berhad  
(Cont'd)

Report on the audit of the financial statements (contd.)

*Key audit matters (contd.)*

Revenue recognition (contd.)

(b) *Revenue recognition from Managed Telecommunications Network Services ("MTNS") - Construction and maintenance and support services of telecommunications infrastructure and Universal Service Provision ("USP") sites (contd.)*

In addressing this area of focus:

- We read the contracts to obtain an understanding of the specific terms and conditions;
- We obtained an understanding of the Group's internal controls over the accuracy and timing of revenue recognition including controls performed by management in estimating the total estimated contract cost and where applicable, total estimated revenue;
- We evaluated the assumptions applied in estimating the total estimated cost by examining documentary evidence such as letter of awards issued to contractors, on a sampling basis. For certain contracts, we also evaluated the assumptions applied in estimating the total contract value;
- We reviewed and recomputed the progress towards complete satisfaction of the performance obligation using the input method, including tracing of the actual costs incurred to date to sub-contractors' claims and invoices;
- We also discussed the progress of projects with project leaders and corroborated the information gathered from these discussions with letters of award and/or user acceptance forms acknowledged by customers.

Independent Auditors' Report  
To the members of REDtone Digital Berhad  
(Cont'd)

Report on the audit of the financial statements (contd.)

*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 information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon, which is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we will 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 other information identified above when it becomes available and, in doing so, consider whether the other information 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 on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Company and take appropriate action.

*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.

Independent Auditors' Report  
To the members of REDtone Digital Berhad  
(Cont'd)

Report on the audit of the financial statements (contd.)

*Responsibilities of the directors for the financial statements (contd.)*

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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 skepticism 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.

Independent Auditors' Report  
To the members of REDtone Digital Berhad  
(Cont'd)

Report on the audit of the financial statements (contd.)

*Auditors' responsibilities for the audit of the financial statements (contd.)*

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 skepticism throughout the audit. We also: (contd.)

- 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 or 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.

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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.



Independent Auditors' Report  
To the members of REDtone Digital Berhad  
(Cont'd)

Report on the audit of the financial statements (contd.)

*Auditors' responsibilities for the audit of the financial statements (contd.)*

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, is disclosed in Note 16 to the financial statements.

Other matters

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.

Ernst & Young PLT  
202006000003 (LLP0022760-LCA) & AF 0039  
Chartered Accountants

Kuala Lumpur, Malaysia  
9 October 2024

Chong Tse Heng  
No. 03179/05/2025 J  
Chartered Accountant

## LIST OF PROPERTIES

As at 30 June 2024

Beneficial Owner/ Location	Description/ Existing Use	Land/ Built- Up Area (square meters)	Tenure Leasehold/ Freehold	Approx. Age of Building (Years)	Carrying Amount as at 30 June 2024 (RM'000)	Date of Valuation/ Effective Year of Purchase
REDtone Telecommunications Sdn Bhd ("RTC")/ Unit No: 6-12, Storey: 6 <sup>th</sup> , Pusat Perdagangan KLH Menara KLH, Bandar Puchong Jaya, 47170 Puchong, Selangor Darul Ehsan	Office/ Vacant	N/A/ 86.0	Leasehold 99 years expiring on 22 Nov 2094	26	73	30 June 2024/ 10 Feb 1999
RTC/ Unit No: 6-13, Storey: 6 <sup>th</sup> , Pusat Perdagangan KLH Menara KLH, Bandar Puchong Jaya, 47170 Puchong, Selangor Darul Ehsan	Office/ Vacant	N/A/ 117.0	Leasehold 99 years expiring on 22 Nov 2094	26	77	N/A/ 10 Feb 1999
RTC/ Unit No: 6-13A, Storey: 6 <sup>th</sup> , Pusat Perdagangan KLH Menara KLH, Bandar Puchong Jaya, 47170 Puchong, Selangor Darul Ehsan	Office/ Vacant	N/A/ 94.0	Leasehold 99 years expiring on 22 Nov 2094	26	93	N/A/ 10 Feb 1999
RTC/ Unit No: 6-16, Storey: 6 <sup>th</sup> , Pusat Perdagangan KLH Menara KLH, Bandar Puchong Jaya, 47170 Puchong, Selangor Darul Ehsan	Office/ Vacant	N/A/ 129.0	Leasehold 99 years expiring on 22 Nov 2094	26	95	N/A/ 10 Feb 1999
RTC/ Unit No: 26 Storey: 2 <sup>nd</sup> , Pusat Perdagangan IOI Bandar Puchong Jaya, 47100 Puchong, Selangor Darul Ehsan	Office/ Tenanted	N/A/ 137.0	Freehold	27	590	30 Jun 2024/ 1 Mar 2005
RTC/ Unit No: 27 Storey: 2 <sup>nd</sup> , Pusat Perdagangan IOI Bandar Puchong Jaya, 47100 Puchong, Selangor Darul Ehsan	Office/ Occupied	N/A/ 314.0	Freehold	27	810	30 Apr 2009/ 1 Mar 2005

List of Properties  
As at 30 June 2024  
(Cont'd)

Beneficial Owner/ Location	Description/ Existing Use	Land/ Built- Up Area (square meters)	Tenure Leasehold/ Freehold	Approx. Age of Building (Years)	Carrying Amount as at 30 June 2024 (RM'000)	Date of Valuation/ Effective Year of Purchase
RTC/ Unit No: 26 Storey: 3 <sup>rd</sup> , Pusat Perdagangan IOI Bandar Puchong Jaya, 47100 Puchong, Selangor Darul Ehsan	Office/ Tenanted	N/A/ 137.0	Freehold	27	590	30 Jun 2022/ 16 Feb 2009
RTC/ Unit No: 27 Storey: 3 <sup>rd</sup> , Pusat Perdagangan IOI Bandar Puchong Jaya, 47100 Puchong, Selangor Darul Ehsan	Office/ Occupied	N/A/ 300.0	Freehold	27	604	30 Jun 2024/ 16 Feb 2009
RTC/ Unit No: 23 Storey: 4 <sup>th</sup> , Pusat Perdagangan IOI Bandar Puchong Jaya, 47100 Puchong, Selangor Darul Ehsan	Office/ Occupied	N/A/ 120.0	Freehold	27	156	30 Jun 2024/ 28 Mar 2005
RTC/ Unit No: 24 Storey: 4 <sup>th</sup> , Pusat Perdagangan IOI Bandar Puchong Jaya, 47100 Puchong, Selangor Darul Ehsan	Office/ Occupied	N/A/ 145.0	Freehold	27	197	N/A/ 21 Jun 2005
RTC/ Unit No: 24, 25, 26, 27, 28, 29 & 30 Storey: 5 <sup>th</sup> , Pusat Perdagangan IOI Bandar Puchong Jaya, 47100 Puchong, Selangor Darul Ehsan	Office/ Occupied	N/A/ 1,144	Freehold	27	1,383	N/A/ 29 Mar 2004
RTC/ Unit No: 28 Storey: 6 <sup>th</sup> , Pusat Perdagangan IOI Bandar Puchong Jaya, 47100 Puchong, Selangor Darul Ehsan	Office/ Occupied	N/A/ 142.0	Freehold	27	499	31 Mar 2018/ 7 July 2005

## ANALYSIS OF SHAREHOLDINGS

As at 27 September 2024

Total Number of Issued Shares : 772,951,885 (excluding 9,502,000 Treasury Shares)  
 Class of Shares : Ordinary Shares  
 Voting rights : One (1) vote per ordinary share

Size of shareholdings	No. of Shareholders	% of Total Shareholders	No. of Shares Held	% of Issued Capital
Less than 100 shares	502	8.197	8,688	0.001
100 - 1,000 shares	998	16.297	490,836	0.064
1,001 - 10,000 shares	2,622	42.815	14,110,103	1.825
10,001 - 100,000 shares	1,635	26.698	56,504,202	7.310
100,001 - less than 5% of issued shares	365	5.960	474,805,364	61.428
5% and above of issued shares	2	0.033	227,032,692	29.372
<b>TOTAL</b>	<b>6,124</b>	<b>100.000</b>	<b>772,951,885<sup>#</sup></b>	<b>100.000</b>

<sup>#</sup> excluded 9,502,000 shares bought back and retained as Treasury Shares

### DIRECTORS' SHAREHOLDINGS

No	Name	Direct	No. of Shares Held %	Indirect	%
1	YAM Tunku Tun Aminah Binti Sultan Ibrahim Ismail	—	—	—	—
2	Syed Ali Shahul Hameed	—	—	—	—
3	Lau Bik Soon	2,308,160	0.30	—	—
4	Kua Choo Kai	—	—	—	—
5	Dato' Avinderjit Singh A/L Harjit Singh	—	—	—	—
6	Loh Paik Yoong	—	—	—	—
7	Sabarina Binti Harun	—	—	—	—

### SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

No	Name	Direct	No. of Shares Held %	Indirect	%
1	Juara Sejati Sdn Bhd	298,232,692	38.58	7,445,000 <sup>(1)</sup>	0.96
2	Berjaya Group Berhad	—	—	315,277,692 <sup>(2)</sup>	40.79
3	Berjaya Corporation Berhad	—	—	315,277,692 <sup>(3)</sup>	40.79
4	DYMM Sultan Ibrahim Johor	134,000,000	17.34	—	—

#### Notes:

- Deemed interested by virtue of its interest in Berjaya Land Berhad, the intermediate holding company of Berjaya Philippines Inc. and its interest in Berjaya Capital Berhad, the holding company of Prime Credit Leasing Berhad and the intermediate holding company of Inter-Pacific Securities Sdn Bhd.
- Deemed interested by virtue of its interests in Juara Sejati Sdn Bhd and Teras Mewah Sdn Bhd.
- Deemed interested by virtue of its interests in Berjaya Group Berhad.

# Analysis Of Shareholdings As at 27 September 2024 (Cont'd)

## THIRTY (30) LARGEST SHAREHOLDERS

(without aggregating securities from different securities accounts belonging to the same person)

No.	Name of Shareholders	No. of Shares Held	% of Issued Capital
1	<b>DYMM SULTAN IBRAHIM JOHOR</b>	134,000,000	17.34
2	<b>JUARA SEJATI SDN BHD</b>	93,032,692	12.04
3	<b>MIDF AMANAH INVESTMENT NOMINEES (TEMPATAN) SDN BHD</b> PLEDGED SECURITIES ACCOUNT FOR JUARA SEJATI SDN BHD	38,000,000	4.92
4	<b>CIMB GROUP NOMINEES (TEMPATAN) SDN BHD</b> PLEDGED SECURITIES ACCOUNT FOR JUARA SEJATI SDN BHD	35,000,000	4.53
5	<b>RHB NOMINEES (TEMPATAN) SDN BHD</b> OSK CAPITAL SDN BHD FOR JUARA SEJATI SDN BHD	30,000,000	3.88
6	<b>MAYBANK NOMINEES (TEMPATAN) SDN BHD</b> PLEDGED SECURITIES ACCOUNT FOR JUARA SEJATI SDN BHD	29,000,000	3.75
7	<b>AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD.</b> PLEDGED SECURITIES ACCOUNT FOR JUARA SEJATI SDN BHD	28,000,000	3.62
8	<b>MAYBANK NOMINEES (TEMPATAN) SDN BHD</b> NATIONAL TRUST FUND	18,304,700	2.37
9	<b>RHB NOMINEES (TEMPATAN) SDN BHD</b> PLEDGED SECURITIES ACCOUNT FOR JUARA SEJATI SDN BHD	18,000,000	2.33
10	<b>UNIVERSAL TRUSTEE (MALAYSIA) BERHAD</b> KAF CORE INCOME FUND	17,637,200	2.28
11	<b>CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD.</b> PLEDGED SECURITIES ACCOUNT FOR JUARA SEJATI SDN. BHD.	14,800,000	1.91
12	<b>BBL NOMINEES (TEMPATAN) SDN BHD</b> PLEDGED SECURITIES ACCOUNT FOR JUARA SEJATI SDN BHD	12,400,000	1.60
13	<b>CARTABAN NOMINEES (TEMPATAN) SDN BHD</b> PAMB FOR PRULINK EQUITY INCOME FUND	10,000,000	1.29
14	<b>CIMB GROUP NOMINEES (TEMPATAN) SDN BHD</b> EXEMPT AN FOR PETROLIAM NASIONAL BERHAD	9,922,100	1.28
15	<b>INTER-PACIFIC EQUITY NOMINEES (TEMPATAN) SDN.BHD.</b> BERJAYA MUTUAL BERHAD FOR AMANAH RAYA BERHAD FOR COMMON FUND	9,360,000	1.21
16	<b>HSBC NOMINEES (TEMPATAN) SDN BHD</b> HSBC (M) TRUSTEE BHD FOR PERTUBUHAN KESELAMATAN SOSIAL	7,373,900	0.95
17	<b>CIMB ISLAMIC NOMINEES (TEMPATAN) SDN BHD</b> CIMB ISLAMIC TRUSTEE BERHAD - KENANGA SYARIAH GROWTH FUND	7,279,600	0.94
18	<b>MAYBANK NOMINEES (TEMPATAN) SDN BHD</b> PLEDGED SECURITIES ACCOUNT FOR TERAS MEWAH SDN BHD	7,000,000	0.91

## Analysis Of Shareholdings

### As at 27 September 2024

(Cont'd)

#### THIRTY (30) LARGEST SHAREHOLDERS (CONT'D)

(without aggregating securities from different securities accounts belonging to the same person)

No.	Name of Shareholders	No. of Shares Held	% of Issued Capital
19	<b>UNIVERSAL TRUSTEE (MALAYSIA) BERHAD</b> KAF TACTICAL FUND	5,531,200	0.72
20	<b>PRIME CREDIT LEASING BERHAD</b>	5,400,000	0.70
21	<b>CIMB GROUP NOMINEES (TEMPATAN) SDN BHD</b> EXEMPT AN FOR PETROLIAM NASIONAL BERHAD	5,290,500	0.68
22	<b>MAYBANK NOMINEES (TEMPATAN) SDN BHD</b> MEDICAL FUND	4,000,000	0.52
23	<b>DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD</b> DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR EASTSPRING INVESTMENTSSMALL-CAP FUND	3,794,200	0.49
24	<b>CARTABAN NOMINEES (TEMPATAN) SDN BHD</b> RHB TRUSTEES BERHAD FOR KAF VISION FUND	3,600,000	0.46
25	<b>SHUM THIN SOON</b>	3,000,000	0.39
26	<b>PHILLIP NOMINEES (TEMPATAN) SDN BHD</b> EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN BHD	2,929,200	0.38
27	<b>HLB NOMINEES (TEMPATAN) SDN BHD</b> PLEDGED SECURITIES ACCOUNT FOR TERAS MEWAH SDN BHD	2,600,000	0.34
28	<b>CIMB GROUP NOMINEES (TEMPATAN) SDN BHD</b> CIMB COMMERCE TRUSTEE BERHAD - KENANGA MALAYSIAN INC FUND	2,580,400	0.33
29	<b>DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD</b> DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR EASTSPRING INVESTMENTSEQUITY INCOME FUND	2,511,000	0.32
30	<b>CARTABAN NOMINEES (TEMPATAN) SDN BHD</b> PAMB FOR PARTICIPATING FUND	2,454,400	0.32

\* I/We:

Full name (in block capitals):	CDS account no.:	No. of shares held:
Address:	NRIC/Passport/Registration no.:	
Contact no.:	Email address:	

being a \*member/members of REDTONE DIGITAL BERHAD ("Company"), do hereby appoint:

First Proxy "A"

Full name (in block capitals):	NRIC/Passport no.:	Proportion of shareholdings	
		No. of shares	%
Address:	Email:		
	Contact no.:		

\* AND/ OR

\* Second Proxy "B"

Full name (in block capitals):	NRIC/Passport no.:	Proportion of shareholdings	
		No. of shares	%
Address:	Email:		
	Contact no.:		

or failing \*him/her, the Chairman of the Meeting as \*my/our proxy to vote for \*me/us and on \*my/our behalf at the Twenty-Second Annual General Meeting of the Company to be conducted on a virtual basis hosted on Securities Services e-Portal at <https://sshsb.net.my/> at the broadcast venue at Manhattan V, Level 14, Berjaya Times Square Hotel Kuala Lumpur, No. 1, Jalan Imbi, 55100 Kuala Lumpur, Wilayah Persekutuan on Tuesday, 3 December 2024 at 10:00 a.m. and at any adjournment thereof.

ORDINARY RESOLUTIONS		FOR	AGAINST
1.	Approval of the payment of Directors' fees for an aggregate amount of up to RM1,300,000/- payable to the Non-Executive Directors of the Company on a monthly basis from 4 December 2024 until the next Annual General Meeting of the Company to be held in year 2025.		
2.	Approval of the payment of Directors' benefits for an amount of up to RM130,000/- payable to the Directors of the Company from 4 December 2024 until the next Annual General Meeting of the Company to be held in year 2025.		
3.	Re-election of Puan Sabarina Binti Harun as a Director of the Company.		
4.	Re-election of Encik Syed Ali Shahul Hameed as a Director of the Company.		
5.	Re-election of Mr. Lau Bik Soon as a Director of the Company.		
6.	Re-election of Mr. Kua Choo Kai as a Director of the Company.		
7.	Re-appointment of Ernst & Young PLT as Auditors of the Company for the ensuing year and to authorise the Board of Directors to fix their remuneration.		
8.	Retention of Dato' Avinderjit Singh A/L Harjit Singh as an Independent Non-Executive Director of the Company.		
9.	Authority to issue shares pursuant to the Companies Act 2016.		
10.	Proposed renewal of and new shareholders' mandate for recurrent related party transactions of a revenue or trading nature with persons connected with Berjaya Corporation Berhad.		
11.	Proposed renewal of and new shareholders' mandate for recurrent related party transactions of a revenue or trading nature with persons connected with Berjaya Corporation Berhad and companies in which KDYMM Seri Paduka Baginda Yang Di-Pertuan Agong Sultan Ibrahim is a major shareholder.		
12.	Proposed authority for the Company to purchase its own shares.		

Please indicate with an "X" in the spaces above on how you wish your proxy to vote. If you do not indicate how you wish your proxy to vote on any resolution, the proxy shall vote as he/she thinks fit or, at his/her discretion, abstain from voting.

\* strike out whichever not applicable

\* Signature / Common Seal of Member

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2024

Notes:

- The Meeting will be conducted on a virtual basis by way of live streaming and online remote voting via the Remote Participation and Voting ("RPV") facilities to be provided by SS E Solutions Sdn. Bhd. via Securities Services e-Portal's platform at <https://sshsb.net.my>.  
Please read carefully and follow the procedures provided in the Administrative Notes in order to register, participate and vote remotely via the RPV facilities.
- With the RPV facilities, the members, proxies and/or corporate representatives are strongly encouraged to exercise their rights to participate (including to pose questions to the Chairman, Board of Directors or Management) and vote at the Meeting.  
The members, proxies and/or corporate representatives may communicate via real time submission of typed texts through a text box within Securities Services e-Portal's platform during the live streaming of the Meeting as the primary mode of communication. In the event of any technical glitch in this primary mode of communication, members, proxies and/or corporate representatives may email their questions to [eservices@sshsb.com.my](mailto:eservices@sshsb.com.my) during the Meeting.
- In respect of deposited securities, only members whose names appear in the Record of Depositors on 26 November 2024 shall be eligible to attend, speak and vote at the Meeting or appoint proxy(ies) to attend, participate, speak and vote in his stead.



**Notes:**

4. A member entitled to attend and vote at the Meeting, may appoint more than one (1) proxy to attend, participate, speak and vote in his stead. Where a member appoints more than one (1) proxy to attend, participate, speak and vote at the same Meeting, such appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy. A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to attend, participate, speak and vote at the meeting.
5. The instrument appointing a proxy shall be in writing under the hand of the member or of his attorney duly authorised in writing or, if the member is a corporation, shall either be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised.
6. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint more than one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. Where such member appoints more than one (1) proxy, the appointment shall be invalid unless the proportion of shareholdings to be represented by each proxy is specified in the instrument appointing the proxies.
7. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
8. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a duly notarised certified copy of that power or authority, must be deposited at the office of SS E Solutions Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan OR alternatively, submit the Form of Proxy electronically via Securities Services e-Portal at <https://sshsb.net.my/> not less than forty-eight (48) hours before the time set for holding the Meeting or any adjournment thereof. The lodging of the Form of Proxy does not preclude you from attending and voting at the Meeting should you subsequently decide to do so. Please follow the procedures provided in the Administrative Notes for the Twenty-Second AGM for further details.
9. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice will be put to vote by way of poll. Independent Scrutineers will be appointed to validate the results of the poll.

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AFFIX  
STAMP

**The Poll Administrator of**  
**REDTONE DIGITAL BERHAD**  
[Registration No. 200201028701 (596364-U)]

SS E Solutions Sdn. Bhd.  
Level 7, Menara Milenium,  
Jalan Damanlela,  
Pusat Bandar Damansara,  
Damansara Heights,  
50490 Kuala Lumpur,  
Wilayah Persekutuan

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Fold This Flap For Sealing





**REDtone Digital Berhad** 200201028701 (596364-U)

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