

# **REDTONE DIGITAL BERHAD**

Registration Number: 200201028701 (596364-U)

Date: 22 May 2025

Subject: **UNAUDITED QUARTERLY (Q3) FINANCIAL REPORT FOR  
THE PERIOD ENDED 31 MARCH 2025**

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**REDTONE DIGITAL BERHAD**

Registration Number: 200201028701 (596364-U)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2025  
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	Note	3 months ended		9 months ended	
		31 Mar 2025 RM'000	31 Mar 2024 RM'000	31 Mar 2025 RM'000	31 Mar 2024 RM'000
REVENUE		66,580	100,062	241,720	244,948
PROFIT FROM OPERATIONS		19,809	19,861	44,854	46,308
Investment related income		314	741	3,662	3,717
Investment related expenses		-	-	-	(6,074)
Finance costs	A11	(824)	(548)	(2,972)	(2,306)
PROFIT BEFORE TAX	B7	19,299	20,054	45,544	41,645
INCOME TAX EXPENSE	B6	(4,041)	(5,767)	(11,563)	(12,402)
PROFIT AFTER TAX		15,258	14,287	33,981	29,243
Other comprehensive items					
<u>Items that will not be reclassified subsequently to profit or loss</u>					
Foreign currency translation		-	1	(2)	1
Net changes in fair value of investments at fair value through other comprehensive income		146	5,700	(13,363)	19,374
<b>Total comprehensive income for the period</b>		<b>15,404</b>	<b>19,988</b>	<b>20,616</b>	<b>48,618</b>
<u>Profit/(loss) attributable to:-</u>					
Owners of the Company		15,102	14,316	33,905	28,750
Non-controlling interests		156	(29)	76	493
		<b>15,258</b>	<b>14,287</b>	<b>33,981</b>	<b>29,243</b>
<u>Total comprehensive income/(loss) attributable to:-</u>					
Owners of the Company		15,248	20,017	20,540	48,125
Non-controlling interests		156	(29)	76	493
		<b>15,404</b>	<b>19,988</b>	<b>20,616</b>	<b>48,618</b>
<u>Earnings per share attributable to owners of the parent (sen per share):</u>					
- Basic, for the period	B11	1.95	1.85	4.39	3.72

The annexed notes form an integral part of this interim financial report.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2025**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Note	As at 31 Mar 2025 RM'000	As at 30 Jun 2024 RM'000 (Audited)
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Goodwill		423	423
Property, plant and equipment		20,077	18,654
Right-of-use assets		15,931	12,003
Investment properties		1,180	1,180
Intangible assets		7,016	20,436
Other investments		91,650	60,707
Deferred tax assets		5,649	5,714
		141,926	119,117
<b>Current Assets</b>			
Inventories		945	632
Trade and other receivables	A12	140,619	80,461
Contract assets		89,840	182,320
Tax recoverable		9,950	2,616
Short term investments		19,794	18,381
Cash and bank balances		50,897	63,475
		312,045	347,885
<b>TOTAL ASSETS</b>		<b>453,971</b>	<b>467,002</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital	A7(a)	149,813	149,813
Treasury shares	A7(b)	(5,653)	(5,653)
Reserves		147,969	150,600
		292,129	294,760
Non-controlling interests		3,320	3,262
<b>Total Equity</b>		295,449	298,022
<b>Non-current Liabilities</b>			
Loans and borrowings	B8	922	1,007
Lease liabilities		13,819	10,507
Other payable	A13	-	20,174
Deferred tax liabilities		-	625
		14,741	32,313
<b>Current Liabilities</b>			
Trade and other payables	A13	121,608	120,546
Contract liabilities		11,157	3,460
Loans and borrowings	B8	8,561	3,918
Lease liabilities		2,455	2,041
Tax payable		-	6,702
		143,781	136,667
<b>Total Liabilities</b>		158,522	168,980
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>453,971</b>	<b>467,002</b>
Net assets per share (sen)		37.79	38.13

The net assets per share is calculated based on the following:

Total equity less non-controlling interests divided by the number of ordinary shares in issue with voting rights.

**REDTONE DIGITAL BERHAD**

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2025  
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Share capital	Treasury shares	Foreign exchange reserve	Revaluation reserve	FVTOCI reserve	Distributable retained profits	Total	Non- controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 July 2024</b>	149,813	(5,653)	(661)	641	8,425	142,195	294,760	3,262	298,022
Profit for the period	-	-	-	-	-	33,905	33,905	76	33,981
Other comprehensive income	-	-	(2)	-	(13,363)	-	(13,365)	-	(13,365)
Total comprehensive income	-	-	(2)	-	(13,363)	33,905	20,540	76	20,616
Effect arising from the disposal of equity investments measured at FVTOCI	-	-	-	-	(1,841)	1,841	-	-	-
Transactions with owners:									
- Arising from increase in equity interest in subsidiary company	-	-	-	-	-	18	18	(18)	-
- Dividend paid	-	-	-	-	-	(23,189)	(23,189)	-	(23,189)
<b>At 31 March 2025</b>	<b>149,813</b>	<b>(5,653)</b>	<b>(663)</b>	<b>641</b>	<b>(6,779)</b>	<b>154,770</b>	<b>292,129</b>	<b>3,320</b>	<b>295,449</b>
<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 period	-	-	-	-	-	28,750	28,750	493	29,243
Other comprehensive income	-	-	1	-	19,374	-	19,375	-	19,375
Total comprehensive income	-	-	1	-	19,374	28,750	48,125	493	48,618
Transaction with owners:									
- Dividend paid	-	-	-	-	-	(19,324)	(19,324)	-	(19,324)
<b>At 31 March 2024</b>	<b>149,813</b>	<b>(5,653)</b>	<b>(661)</b>	<b>641</b>	<b>27,904</b>	<b>110,512</b>	<b>282,556</b>	<b>3,487</b>	<b>286,043</b>

The annexed notes form an integral part of this interim financial report.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2025**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>9 months ended</b>	
	<b>31 Mar 2025</b>	<b>31 Mar 2024</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	334,901	166,808
Payments of operating expenses	(232,946)	(162,987)
Net payment of taxes	(26,159)	(14,691)
Other (payments)/receipts	(254)	6
Net cash generated from/(used in) operating activities	<u>75,542</u>	<u>(10,864)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
(Increase)/decrease in deposits and short term investments	(19,690)	51,117
Proceeds from disposal of equity instrument	31,730	7,007
Acquisition of equity instrument	(54,755)	(75,318)
Acquisition of property, plant and equipment	(2,183)	(3,203)
Payment of intangible assets	(20,228)	(21,542)
Interest received	480	1,485
Dividend received	198	266
Net cash used in investing activities	<u>(64,448)</u>	<u>(40,188)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of bank borrowings and other loans	69,599	-
Payment of principal portion of lease liabilities	(2,069)	(1,451)
Repayment of bank borrowings and other loans	(65,041)	(79)
Net withdrawal from/(placement with) banks as security pledged for borrowings and other facilities	5,080	(431)
Dividend paid	(23,189)	(19,324)
Interest paid	(2,972)	(2,306)
Net cash used in financing activities	<u>(18,592)</u>	<u>(23,591)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<u>(7,498)</u>	<u>(74,643)</u>
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<u>41,089</u>	<u>88,506</u>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<u>33,591</u>	<u>13,863</u>
<b>The closing cash and cash equivalents comprise the following:</b>		
Deposits with financial institutions	17,306	31,120
Cash in hand and at banks	33,591	13,648
	<u>50,897</u>	<u>44,768</u>
Less:		
Deposits pledged to licensed bank	(17,306)	(30,905)
	<u>33,591</u>	<u>13,863</u>

The annexed notes form an integral part of this interim financial report.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2025**  
**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT**

**A1. Basis of preparation**

The condensed consolidated interim financial report is not audited and has been prepared in compliance with MFRS 134, Interim Financial Reporting Standards in Malaysia, International Accounting Standards 34 - Interim Financial Reporting, the Companies Act 2016 in Malaysia and applicable disclosure provision of the Listing Requirements of Bursa Malaysia Securities Berhad.

The condensed consolidated interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2024. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions which are significant for understanding the changes in the financial position and performance of the Group since the end of the last annual reporting period.

**A2. Changes in accounting policies**

The accounting policies and method of computation adopted in the preparation of the unaudited interim financial report are consistent with those adopted in the audited financial statements for the previous financial year.

The Group has not early adopted new or revised standards and amendments to standards that have been issued but not yet effective for the Group's accounting period beginning 1 July 2024.

The initial application of the MFRSs, Amendments to MFRSs and IC Interpretations, which will be applied prospectively or which requires extended disclosures, is not expected to have any significant financial impact to the financial statements of the Group upon their first adoption.

**A3. Nature and amount of unusual items**

There were no unusual items during the current quarter under review.

**A4. Changes in estimates**

There were no material changes in estimate of amount reported in the prior financial year which have a material effect in the current financial period ended 31 March 2025.

**A5. Changes in the composition of the group**

There were no changes in the composition of the Group for the current financial period ended 31 March 2025 except as described below:

REdtone XArmour Sdn Bhd (formerly known as REDtone Mytel Sdn Bhd) has ceased to be a 60%-owned subsidiary of SEA Telco Technology Sdn Bhd and became a 100%-owned subsidiary of REDtone Digital Berhad on 12 August 2024.

The aforesaid change does not have any material impact on the financial results for the period under review.

**A6. Seasonality or cyclical of interim operations**

The Group's operations are not significantly affected by any seasonal or cyclical factors.

**A7. Debt and equity securities**

There were no issuances and repayment of debt and equity securities, share buy-back and share cancellation for the financial period ended 31 March 2025:

(a) Share capital

	Number of Ordinary Shares	RM
Share capital as at 1 July 2024/31 March 2025	<u>782,453,885</u>	<u>149,812,475</u>

(b) Share buy-back

There was no share buy back transacted during the financial period ended 31 March 2025 and the number of treasury shares held in hand as at 31 March 2025 are as follows:

	Average price per share RM	Number of shares	Amount RM'000
Treasury shares	0.595	9,502,000	5,653

As at 31 March 2025, the number of outstanding shares in issue with voting rights was 772,951,885 (30 June 2024: 772,951,885) ordinary shares.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2025**  
**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT**

**A8. Contingent liability and performance bond**

(a) There is no contingent liability as at 31 March 2025 (30 June 2024: Nil).

(b) Bank guarantees of the Group are as follows:

	As at 31 Mar 2025 RM'000	As at 30 Jun 2024 RM'000 (Audited)
Performance bonds in favour of various government and statutory bodies and private companies	147,486	147,308

**A9. Dividends paid**

An interim dividend of 3.0 sen per share amounting to RM23.189 million in respect of the financial year ended 30 June 2024 was paid on 18 October 2024 (Period ended 31 March 2024: 2.5 sen per share).

**A10. Segment information**

The segment information for the reportable segments by line of business for the period ended 31 March 2025 are as follows:-

	Year to date 31 Mar 2025 RM'000
<u>Revenue</u>	
Telecommunication services	78,695
Managed telecommunication network services ("MTNS")	142,343
Cloud and Internet of Things ("Cloud & IOT")	20,682
Total revenue	241,720
<u>Results</u>	
Telecommunication services	23,346
MTNS	22,045
Cloud & IOT	1,330
	46,721
Unallocated corporate expenses	(1,867)
Profit from operations	44,854
Investment related income	3,662
Finance costs	(2,972)
Profit before tax	45,544
Income tax expense	(11,563)
Profit after tax	33,981

**A11. Finance costs**

	3 months ended		9 months ended	
	31 Mar 2025 RM'000	31 Mar 2024 RM'000	31 Mar 2025 RM'000	31 Mar 2024 RM'000
Interest expense on:				
- bank overdrafts	-	-	4	1
- term loans	12	14	38	44
- invoice financing	16	-	716	-
- lease liabilities	274	125	820	264
- margin facility	124	-	166	-
- others	398	409	1,228	1,997
	824	548	2,972	2,306

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2025**  
**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT**

**A12. Trade and other receivables**

Trade receivables mainly consist of progress billings for government projects for MTNS, which includes development, maintenance, and operation of large-scale telecom engineering projects, WiFi hotspots, base stations, and fiber optic infrastructure.

Receivables of the Group are as follows:

	As at 31 Mar 2025 RM'000	As at 30 Jun 2024 RM'000 (Audited)
Trade receivables	90,772	17,542
Other receivables		
- Third parties, associated companies and sundry receivables	3,579	3,493
- Deposits	2,014	1,760
- Prepayments	44,254	57,666
	49,847	62,919
Total	140,619	80,461

**A13. Trade and other payables**

Payables of the Group are as follows:

	As at 31 Mar 2025 RM'000	As at 30 Jun 2024 RM'000 (Audited)
<b>Non-current</b>		
Other payable		
- Sundry payables	-	20,174
<b>Current</b>		
Trade payables	80,884	79,960
Other payables		
- Provision for Universal Service Fund Contribution	6,769	7,214
- Accruals	4,270	6,516
- Deposits payable	2,023	1,799
- Sundry payables	27,662	25,057
	40,724	40,586
Total	121,608	120,546



**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2025**  
**ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES LR**

**B1. Review of group performance for the quarter ended 31 March 2025**

	3 months ended			9 months ended		
	31 Mar 2025 RM'000	31 Mar 2024 RM'000	% + / (-)	31 Mar 2025 RM'000	31 Mar 2024 RM'000	% + / (-)
Revenue	66,580	100,062	-33.46	241,720	244,948	-1.32
Profit from operations	19,809	19,861	-0.26	44,854	46,308	-3.14
Profit before tax	19,299	20,054	-3.76	45,544	41,645	9.36

**Review of results for the quarter**

For the quarter under review, the Group reported a revenue of RM66.58 million which was 33.46% lower than RM100.06 million reported in the previous year corresponding quarter mainly due to lower revenue registered by the MTNS segment.

Despite a lower revenue, the Group posted a profit from operations of RM19.81 million which was only 0.3% lower than RM19.86 million reported in the previous year corresponding quarter mainly due to higher gross profit contributed from MTNS segment.

The Group posted a profit before tax for the current quarter of RM19.30 million which was 3.76% lower than RM20.05 million reported in the previous year corresponding quarter mainly due to higher finance cost and lower recognition of investment related income.

**Review of results for the 9-month period**

The Group reported a revenue of RM241.72 million which was 1.32% lower than RM244.95 million reported in the previous year corresponding period mainly due to lower revenue contributed by telecommunication segment.

The Group posted a profit from operations for the current 9-month period of RM44.85 million which was 3.14% lower than the RM46.31 million reported in the previous year corresponding period mainly due to the lower revenue from telecommunication segment and higher operating expenses.

Despite a lower profit from operations, the Group posted a profit before tax for the current period of RM45.54 million which was 9.36% higher than the previous year corresponding period. This was mainly due to fair value gain of RM2.85 million from investment under FVTPL category, whereas the Group incurred a fair value loss of RM4.40 million in the previous year corresponding period.

**B2. Review of results of current quarter vs preceding quarter**

	3 months ended		% + / (-)
	31 Mar 2025 RM'000	31 Dec 2024 RM'000	
Revenue	66,580	74,818	-11.01
Profit from operations	19,809	8,402	135.77
Profit before tax	19,299	9,754	97.86

**Commentary on revenue**

The Group reported a revenue of RM66.58 million in this current quarter which was 11.01% lower than RM74.82 million reported in the preceding quarter mainly due to lower revenue contributed by MTNS segment.

**Commentary on results**

Despite a lower revenue, the Group reported a profit from operations of RM19.81 million which was 135.77% higher than the RM8.40 million registered in the preceding quarter mainly due to higher gross profit contributed by MTNS and Cloud & IOT segments.

The Group posted a profit before tax for the current quarter of RM19.30 million, which was 97.86% higher than RM9.75 million reported in the preceding quarter mainly due to the abovementioned reason.

**B3. Prospects and business outlook**

The Board of Directors anticipates the business outlook for the remaining quarter to be 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 Management is confident that it will be able to adapt to the dynamic business environment. As part of its business strategy, the Group will continue to explore new opportunities to expand the Group's business and strategise towards digitalisation to strengthen the Group's market position and ensure sustainable revenue streams. The Group has participated in various tenders in government projects and government-linked agencies to enhance its future revenue stream.

**B4. Profit forecast**

No profit forecast was announced.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2025**  
**ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES LR**

**B5. Corporate proposal**

There are no corporate proposal for the current quarter under review.

**B6. Income tax expense**

	3 months ended		9 months ended	
	31 Mar 2025	31 Mar 2024	31 Mar 2025	31 Mar 2024
	RM'000	RM'000	RM'000	RM'000
Current income tax:				
Provision in current period				
- Malaysian income tax	(5,427)	(5,305)	(13,509)	(16,991)
Over/(under) provision in prior years	1,386	(584)	1,386	(584)
	(4,041)	(5,889)	(12,123)	(17,575)
Deferred tax				
- Origination and reversal of temporary differences	-	122	560	5,173
Total	(4,041)	(5,767)	(11,563)	(12,402)

The disproportionate tax charge of the Group for the current period to date was mainly due to some expenses being disallowed for tax purposes, and non-availability of Group tax relief in respect of losses incurred by certain subsidiary companies.

**B7. Profit before tax**

	3 months ended		9 months ended	
	31 Mar 2025	31 Mar 2024	31 Mar 2025	31 Mar 2024
	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after charging/(crediting):-				
Amortisation of intangible assets	5,573	7,778	16,309	23,333
Bad debts written off	28	-	51	-
Depreciation of:				
- property, plant and equipment	1,120	1,025	3,316	2,932
- right-of-use assets	631	384	1,867	810
Impairment of property, plant and equipment	-	-	-	14
Property, plant and equipment written off	-	-	117	4
(Gain)/loss on foreign exchange	(465)	208	454	285
(Write back of)/allowance for doubtful debts on trade receivables	(1,336)	482	(674)	572
Expenses relating to leases				
- short term leases	362	255	801	701
- leases of low value assets	24	36	68	106
Interest income	(231)	(375)	(542)	(1,548)
Dividend income	(60)	(50)	(198)	(419)
Rental income	(23)	(24)	(71)	(71)
Fair value (gain)/loss on short term investment	-	(292)	(2,851)	4,395

There were no disposal of properties and gain or loss on derivatives included in the results of the current period.

**B8. Loans and borrowings**

Loans and borrowings of the Group which are denominated in Ringgit Malaysia are as follows:

	As at 31 Mar 2025 RM'000	As at 30 Jun 2024 RM'000 (Audited)
<b>Current</b>		
<u>Secured</u>		
Term loans	107	107
Invoice financing	-	3,811
Margin facility	8,454	-
	8,561	3,918
<b>Non current</b>		
<u>Secured</u>		
Term loans	922	1,007
Total	9,483	4,925

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2025**  
**ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES LR**

**B9. Material litigation**

There is no material litigation since the last annual reporting date up to the date of this announcement.

**B10. Dividend**

No dividend declared in respect of the current quarter under review (Quarter ended 31 March 2024: Nil).

**B11. Earnings per share**

Basic earnings per share is calculated as follows:

	3 months ended		9 months ended	
	31 Mar 2025 RM'000	31 Mar 2024 RM'000	31 Mar 2025 RM'000	31 Mar 2024 RM'000
Profit attributable to owners of the Company	15,102	14,316	33,905	28,750
Weighted average number of ordinary shares in issue with voting rights ('000)	772,952	772,952	772,952	772,952
Basic earnings per share (sen)	1.95	1.85	4.39	3.72

There are no potential ordinary shares outstanding as at 31 March 2025. As such, the fully diluted earnings per share of the Group is not presented.