

REDtone

DIGITAL BERHAD

Registration No. 200201028701 (596364-U)



2025

ANNUAL REPORT



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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Third Annual General Meeting of **REDtone Digital Berhad** ("**Company**") ("**Meeting**") will be held physically at Perdana Ballroom, Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur, Wilayah Persekutuan on Tuesday, 2 December 2025 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 2025 together with the Reports of the Directors and the Auditors thereon. | Please refer to Explanatory Note (i) |
| 2. | To approve the payment of Directors' fees for an aggregate amount of up to RM1,350,000/- payable to the Non-Executive Directors of the Company on a monthly basis from 3 December 2025 until the next Annual General Meeting of the Company to be held in year 2026. | Ordinary Resolution 1 |
| 3. | To approve the payment of Directors' benefits for an amount of up to RM130,000/- payable to the Directors of the Company from 3 December 2025 until the next Annual General Meeting of the Company to be held in year 2026. | Ordinary Resolution 2 |
| 4. | 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:-

(i) Dato' Avinderjit Singh A/L Harjit Singh; and

(ii) Ms. Loh Paik Yoong. | Ordinary Resolution 3

Ordinary Resolution 4 |
| 5. | 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. | Ordinary Resolution 5 |

AS SPECIAL BUSINESS

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

- | | | |
|----|---|------------------------------|
| 6. | Ordinary Resolution
Retention of Dato' Avinderjit Singh A/L Harjit Singh as an Independent Non-Executive Director of the Company | Ordinary Resolution 6 |
|----|---|------------------------------|

"**THAT** subject to the passing of Ordinary Resolution 3, 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."

7. **Ordinary Resolution**

Ordinary Resolution 7

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.”

8. **Ordinary Resolution**

Ordinary Resolution 8

Proposed Renewal of and New Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with Persons Connected with Tan Sri Dato’ Seri Vincent Tan Chee Yioun

“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 Tan Sri Dato’ Seri Vincent Tan Chee Yioun as specified in Section 2.3 of the Circular to Shareholders dated 22 October 2025 (**“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.”

9. **Ordinary Resolution**

Ordinary Resolution 9

Proposed Renewal of and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with Companies in which Tan Sri Dato' Seri Vincent Tan Chee YOUN and KDYMM Seri Paduka Baginda Yang Di-Pertuan Agong Sultan Ibrahim are major shareholders

"**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 companies in which Tan Sri Dato' Seri Vincent Tan Chee YOUN and KDYMM Seri Paduka Baginda Yang Di-Pertuan Agong Sultan Ibrahim are major shareholders as specified in Section 2.3 of the Circular to Shareholders dated 22 October 2025 ("**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."

10. **Ordinary Resolution**

Ordinary Resolution 10

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

"**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 ("**Exchange**") 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 the Exchange 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:-

- (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;

10. **Ordinary Resolution**

Ordinary Resolution 10

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

- (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 the Exchange and any other relevant authority for the time being in force."

11. 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 2025

Notice of Annual General Meeting

(Cont'd)

NOTES:

1. Only members whose names appear in the Record of Depositors of the Company as at 25 November 2025 shall be eligible to attend, participate, speak and vote at the Meeting or appoint proxy(ies) to attend, participate, speak and vote in his/her stead.
2. 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/her 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/she specifies the proportion of his/her 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.
3. The instrument appointing a proxy shall be in writing under the hand of the member or of his/her 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 its officer or attorney duly authorised.
4. 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.
5. 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.
6. 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 the Share Registrar of the Company, Berjaya Registration Services Sdn. Bhd. at 09-27 Level 9, Berjaya Times Square, No. 1 Jalan Imbi, 55100 Kuala Lumpur, Wilayah Persekutuan OR alternatively, the Form of Proxy may be submitted electronically via Berjaya Registration Portal at <https://www.berjayaregistration.com.my>, not less than forty-eight (48) hours before the time set for holding the Meeting or at any adjournment thereof. The lodging of the Form of Proxy does not preclude you from attending, participating, speaking and voting in person at the Meeting should you subsequently wish to do so. Please follow the procedures provided in the Administrative Guide for the Meeting for further details.
7. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in this Notice will be put to vote by way of poll. Independent Scrutineers will be appointed to validate the results of the poll.

Explanatory Notes to Ordinary and Special Business

(i) Audited Financial Statements for the financial year ended 30 June 2025

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-Third 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 3 December 2025 until the next AGM of the Company to be held in year 2026.
- 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 3 December 2025 until the next AGM of the Company to be held in year 2026.

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 117 of the Company's Constitution and being eligible, have offered themselves for re-election at the forthcoming Twenty-Third AGM:-

- (i) Dato' Avinderjit Singh A/L Harjit Singh; and
- (ii) Ms. Loh Paik Yoong.

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 2025.

(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 2026 at the Twenty-Third 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 2026, to be presented to the shareholders for approval.

Notice of Annual General Meeting (Cont'd)

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

(v) Retention of Independent Non-Executive Director

Ordinary Resolution 6 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 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;
- (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 7 is intended to renew the authority granted to the Directors of the Company at the Twenty-Second AGM of the Company held on 3 December 2024 ("**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 7, 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 7, 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 being offered to the existing shareholders.

As at the date of this 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.

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

(vii) Proposed Renewal of and New Shareholders' Mandates

The proposed Ordinary Resolutions 8 and 9, 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 2025.

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 2025.

(viii) Proposed Share Buy-Back

The proposed Ordinary Resolution 10, 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 2025.

Personal Data Privacy

By (i) submitting an instrument appointing proxy(ies) and/or representative(s) to participate and vote at the Twenty-Third Annual General Meeting of the Company ("**23rd AGM**") and/or any adjournment thereof, and/or (ii) submitting questions relating to resolutions to be tabled at the 23rd AGM, a shareholder of the Company (i) consents to the collection, use and disclosure of the shareholder's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxy(ies) and representative(s) appointed for the 23rd AGM (including any adjournment thereof), the preparation and compilation of the attendance lists and other documents relating to the 23rd AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing requirements, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the shareholder discloses the personal data of the shareholder's proxy(ies) and/or representative(s) to the Company (or its agents), the shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

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-Third 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-Third 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

HEAD OFFICE

Suites 22-30, 5th Floor
IOI Business Park
47100 Puchong
Selangor Darul Ehsan

Tel : 03-8084 8888

Website : www.redtone.com

Email : support@redtone.com

AUDIT COMMITTEE

Chairman

Kua Choo Kai

Members

Loh Paik Yoong

Sabarina Binti Harun

NOMINATION COMMITTEE

Chairman

Kua Choo Kai

Members

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

Sabarina Binti Harun

REMUNERATION COMMITTEE

Chairman

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

Members

Kua Choo Kai

Loh Paik Yoong

COMPANY SECRETARIES

Chua Siew Chuan

(SSM PC NO. 201908002648)
(MAICSA 0777689)

Tan Ley Theng

(SSM PC NO. 201908001685)
(MAICSA 7030358)

AUDITORS

Ernst & Young PLT

202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

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

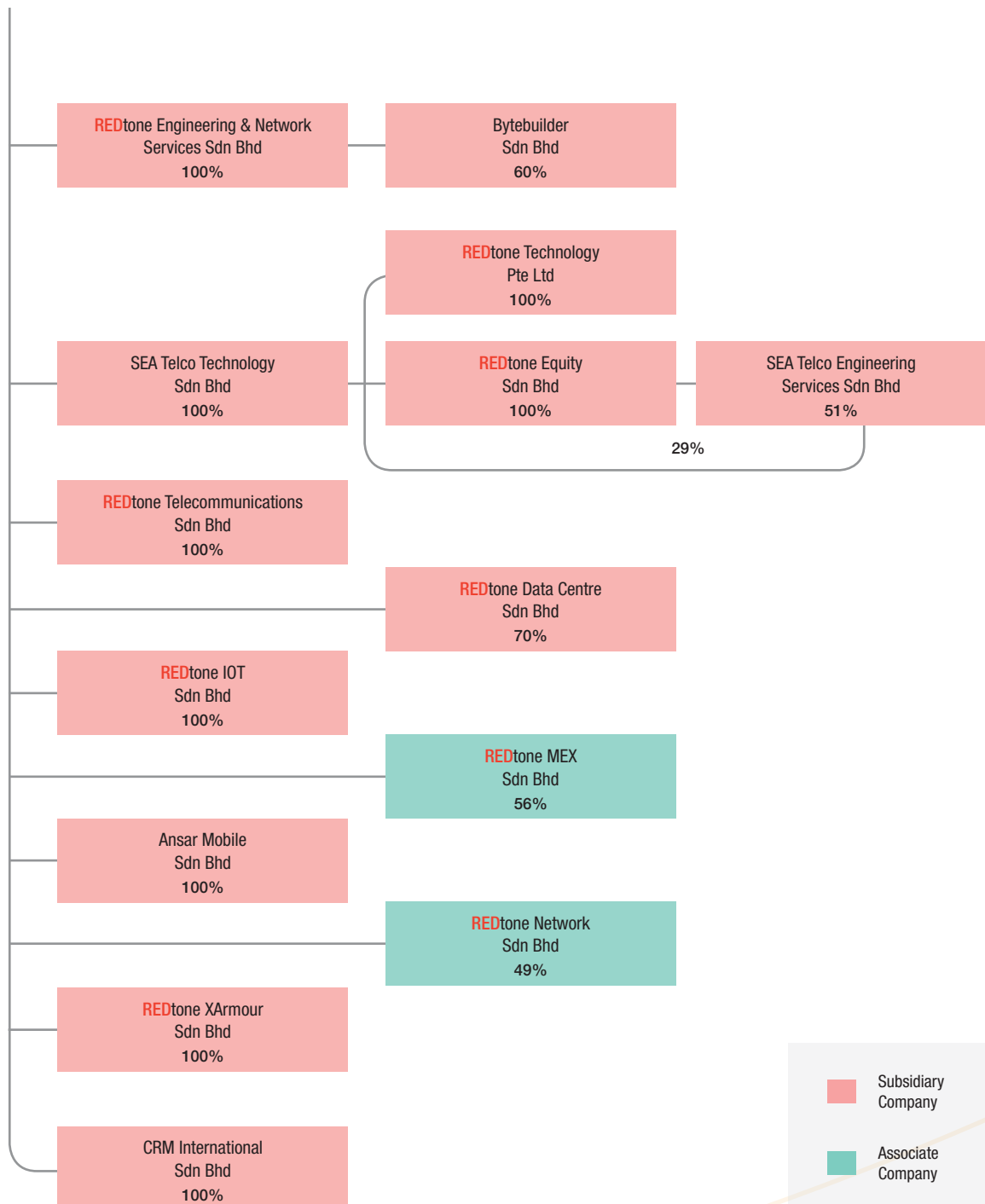
Bank Islam Malaysia Berhad
Standard Chartered Bank (M) Berhad
AmBank Islamic Berhad

STOCK EXCHANGE LISTING

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

CORPORATE STRUCTURE

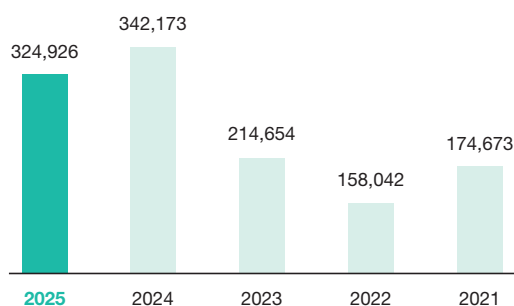
as at 22 October 2025



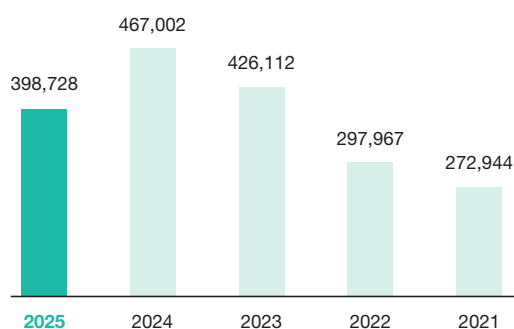
GROUP FINANCIAL SUMMARY

	FY 2025	FY 2024	FY 2023	FY 2022	FY 2021
Financial Results (RM'000)					
Revenue	324,926	342,173	214,654	158,042	174,673
Profit Before Tax	35,581	83,164	74,993	56,468	42,071
Profit After Tax	26,725	60,082	55,179	40,476	28,671
Profit Attributable To Shareholders ("PATAMI")	26,617	59,814	57,465	39,458	26,286
Financial Positions (RM'000)					
Total Assets	398,728	467,002	426,112	297,967	272,944
Total Current Liabilities	116,370	136,667	138,393	72,289	86,339
Total Non-Current Liabilities	14,828	32,313	30,970	2,289	3,684
Total Equity	267,530	298,022	256,749	223,389	182,921
Financial Ratios					
Net Assets Per Share (Sen)	34.18	38.13	32.83	28.22	23.11
Net Earnings Per Share (Sen)	3.44	7.74	7.43	5.10	3.40

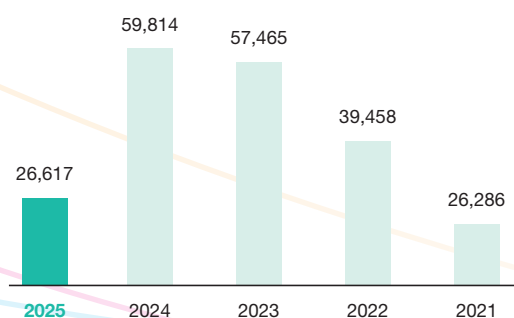
Revenue (RM'000)



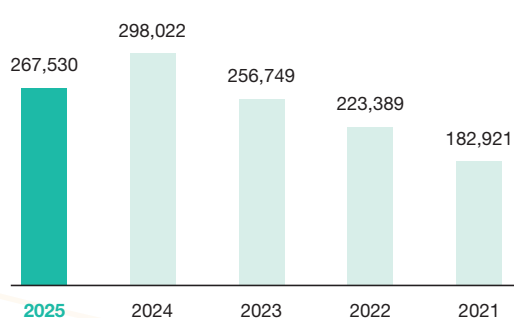
Total Assets (RM'000)



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



39



Date of Appointment:
3 March 2017

Syed Ali Shahul Hameed

Deputy Chairman/Non-Independent Non-Executive Director



54



Date of Appointment:
4 June 2024

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 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 4 out of the 5 Board Meetings held during the financial year ended 30 June 2025.

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 28 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 attended all 5 Board Meetings held during the financial year ended 30 June 2025.

Board of Directors' Profile

(Cont'd)

Lau Bik Soon

Group Chief Executive Officer



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Date of Appointment:
13 August 2008

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. He is also a strong proponent of leveraging Artificial Intelligence (AI) to deliver real-world results, driving operational efficiency and transforming businesses for the Company and its clients. 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 Telecommunications 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 received a total of 7 accolades, with multiple wins in categories such as "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 recognitions 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 2025.

Kua Choo Kai

Independent Non-Executive
Director



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Date of Appointment:
14 February 2022

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 Berjaya Land Berhad, UEM Edgenta Berhad and Paradigm REIT Management Sdn. Bhd. 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 2025.

Board of Directors' Profile (Cont'd)

Dato' Avinderjit Singh A/L Harjit Singh

Independent Non-Executive
Director



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Date of Appointment:
19 February 2014

Loh Paik Yoong

Non-Independent Non-Executive
Director



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Date of Appointment:
9 February 2015

Dato' Avinderjit Singh A/L Harjit Singh was appointed to the Board of Directors of the Company on 19 February 2014. He holds a Bachelor of Business Administration from Stamford College Malaysia.

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 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., Southmax Sdn. Bhd., Detik Ria Sdn. Bhd., Berjaya Autotech Sdn. Bhd., Contemporary Logistics Sdn. Bhd., Temamewah Sdn. Bhd., Eastern Summit Holdings Sdn. Bhd., Puncak Power Sdn. Bhd., and Puncak Kosmo Utilities 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 2025.

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 2025.

Sabarina Binti Harun

Independent Non-Executive
Director



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Date of Appointment:
19 February 2024

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, project management, information technology 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 and Digital Services for SIRIM Group, overseeing the operations of ten (10) state offices nationwide and leading two (2) Strategic Business Units of SIRIM Group under the developmental and commercial mandates.

She also sits on the Board of DSR Taiko Berhad and Scientex Berhad as an independent director.

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

She attended all 5 Board Meetings held during the financial year ended 30 June 2025.

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 a daughter of KDYMM Seri Paduka Baginda Yang Dipertuan Agong 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 32 to the Audited Financial Statements of this Annual Report and the Circular to Shareholders dated 22 October 2025 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

Lau Hock Chye

Chief Financial Officer

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Date of Appointment:
6 June 2016

Mr. Lau Hock Chye was appointed as the Chief Financial Officer of the Group 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 25 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 was leading the Business Planning function of the company 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 made significant contributions to aligning the Company's cost structure, implementing forward looking initiatives, and revamping internal processes and controls. These initiatives have strengthened the Group's ability to adapt to a changing business environment, resulting in improved efficiency and profitability. Over the past 4 consecutive years, REDtone's achievements have been recognized with 7 prestigious awards at The Edge Malaysia Centurion Club Corporate Awards, reflecting the Company's commitment to continuous improvement.

Note:

Save as disclosed, the key senior manager does not 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

This Annual Report covers REDtone Digital Berhad's ("REDtone") financial year from 1 July 2024 to 30 June 2025, providing an overview of its business operations, including those of its subsidiaries ("Group").

REDtone is a leading integrated telecommunication and digital services provider in Malaysia. Since its inception in 1996, this respected home-grown brand has continuously evolved, transforming from a traditional voice provider into a future-focused enabler of connectivity and digital innovation.

(a) Telecommunication Services ("TS")

REDtone delivers an end-to-end portfolio of solutions including data, managed network services, Cloud PBX, SIP Trunking, and managed cybersecurity offerings, catering to enterprises, SMEs, and government bodies alike.

Well-regarded for its deep infrastructure expertise and system integration capabilities, REDtone stands out as one of the few providers in the market able to deliver broadband-on-demand via a proprietary suite of last-mile technologies. As an authorized Starlink Reseller & Integrator, REDtone extends satellite-based, enterprise-grade connectivity across Malaysia, reaching even the most remote terrains.

Its expanding cybersecurity portfolio includes CISO-as-a-Service (CISOaaS), which offers hybrid cybersecurity leadership to strengthen governance and regulatory compliance; DPO-as-a-Service (DPOaaS), providing outsourced Data Protection Officer support aligned with Malaysia's Personal Data Protection Act (PDPA); and a 24/7 Security Operations Centre (SOC) that delivers real-time monitoring, advanced threat detection, and rapid incident response capabilities.

(b) Managed Telecommunications Network Services ("MTNS")

Driven by its mission to connect the unconnected, REDtone plays a vital role in strengthening Malaysia's digital infrastructure, particularly in underserved and rural regions. As the leading 3rd Party Neutral MOCN Operator in the country, REDtone has been instrumental in delivering nationwide initiatives such as Kampung Tanpa Wayar, Time-3, and JENDELA Phase 1 (Part 2) ("JENDELA") projects, narrowing the digital divide and extending reliable internet access to remote communities. These efforts are supported by REDtone's proven expertise in large-scale telecom engineering projects, including WiFi hotspots, mobile base stations, and fibre optic deployments, as well as its capabilities in fixed network solutions, equipment installation and integration, and RF design and optimisation.

(c) Cloud, Artificial Intelligence ("AI") & Internet of Things ("IoT")

At the forefront of digital transformation, REDtone empowers businesses with cloud-first, AI-powered, and IoT-enabled solutions that drive operational efficiency and long-term growth. Its integrated offerings span AI Agents that automate workflows, improve customer service and enhance decision-making, IoT-driven smart farming solutions to boost agricultural productivity, and Software-as-a-Service (SaaS) platforms such as Customer Relationship Management (CRM). Through these capabilities, REDtone enables organisations to address real-world challenges, reinforcing its position as a key enabler of digital innovation and enterprise transformation.

Management Discussion and Analysis (Cont'd)

KEY HIGHLIGHTS AND ACHIEVEMENTS

Over the past four consecutive years, REDtone has garnered a total of seven prestigious accolades at The Edge Malaysia Centurion Club Corporate Awards under the Telecommunications, Media & Utilities segment. Among the wins are awards 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 recognitions reflect REDtone’s consistent financial discipline, strong governance, and ability to deliver long-term shareholder value, reinforcing confidence in its strategic direction and business fundamentals.

The MyGovUC initiative, currently in a stable and mature operational phase, has been recognised at the national level for its impact and scale. It was awarded the Digital Government Award by GovInsider at the Malaysia Digital Transformation Awards 2024 on 20 November 2024. This honour affirms REDtone’s capabilities in deploying and managing large-scale and complex government digital projects.

In March 2025, REDtone entered into a strategic partnership with ST Engineering to jointly develop and deploy AI-driven and 5G-enabled digital transformation solutions in Malaysia. This partnership aims to accelerate the rollout of next-generation digital services for smart cities, agriculture and other key sectors.

REVENUE

The Group recorded revenue of RM324.9 million for the financial year ended 30 June 2025 (“FY2025”), representing a decrease of RM17.3 million or 5.1% compared to the previous financial year’s revenue of RM342.2 million. This decline was mainly attributed to lower revenue from the MTNS segment.

The TS segment contributed positively during the financial year under review, recording revenue growth despite the challenging business environment arising from intense competition in the telecommunications industry.

The MTNS segment contributed 59.2% to the Group’s total revenue. The decrease in MTNS revenue was mainly attributable to the JENDELA project under the Universal Service Provision (“USP”) projects, which is nearing the end of its deployment. Revenue from USP projects tends to fluctuate over the contract period, as it depends on the progress of work performed. This is inherent to the nature of the MTNS segment.

The Cloud & IoT segment recorded significant growth during the financial year under review, contributing 8.4% to the Group’s total revenue compared to 5.0% in the previous financial year. This marks an important milestone for the Group. The increase in Cloud & IoT revenue was mainly driven by MyGovUC 3.0 project, which the Group secured in February 2024. While only three months of revenue were recognised in the previous financial year, the full year’s revenue was recognised in FY2025.

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 FY2025 increased by 12.2% or RM5.5 million to RM50.6 million as compared to RM45.1 million recorded in the previous financial year. The increase was mainly due to the hiring of additional headcounts to support the MyGovUC 3.0 project.

IMPAIRMENT (LOSS)/REVERSAL

The Group’s impairment loss/reversal for FY2025 increased to RM37.5 million as compared to RM0.7 million recorded in the previous financial year. The increase was mainly due to the impairment of contract assets. In December 2024, the Malaysian Communications and Multimedia Commission (“MCMC”) notified REDtone that the proposal relating to certain works performed for Time 3 Extension under the USP Programme (administered by the MCMC) had been rejected. The rejected proposal which was previously accounted for as contract assets relates to Time 3 Extension Phase 1 and Phase 3 in respect of the maintenance work carried out mainly in the year of 2023 and 2024 for 2G and 3G rural coverage services across 268 underserved sites in Peninsular Malaysia, Sabah, and Sarawak. Following this, MCMC advised REDtone to enter into commercial arrangements with telecommunications operators (“Telcos”) for the said work performed. In view of the above, and considering the response from MCMC, the Management, on prudence ground, has decided to make an impairment provision in the fourth quarter of FY2025, in order to reflect the cost recoverability issue faced by the Group pending further advice and support from MCMC and ongoing negotiations with the Telcos.

PROFIT BEFORE TAX

The Group posted a lower profit before tax of RM35.6 million for the financial year under review, representing RM47.6 million or 57.2% decline compared to RM83.2 million in the previous financial year. The Group has continuously improved its profit before tax over the past few years. However, the profit before tax for the financial year under review has declined due to the impairment loss of contract assets. Excluding the impact of the impairment loss, the profit before tax of the Group would be comparable to FY2024.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2025, the Group's cash and bank balances stood at RM66.6 million (FY2024: RM63.5 million), which included deposits of RM17.4 million (FY2024: RM22.4 million) pledged to banks for facilities granted to certain subsidiary companies. The increase in cash and bank balances was mainly attributable to higher customer collections from major projects during the financial year under review compared to the previous year.

The Group was able to finance its operations through internally generated funds and is equipped with sufficient banking facilities to support major project deployments as part of its cash flow planning.

DIVIDEND

On 18 October 2024, the Group paid RM23.2 million for an interim single-tier dividend of 3.0 sen per ordinary share for FY2024.

Reflecting the moderated performance in FY2025, the Group declared a lower dividend while demonstrating its commitment to reward shareholders. On 21 August 2025, the Board of Directors of REDtone ("**Board**") announced an interim single-tier dividend of 2.0 sen per ordinary share, which was paid on 16 October 2025.

The payment of dividend is based 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' expectations when making decisions on dividend matters.

FORWARD-LOOKING AND PROSPECTS

REDtone anticipates the business environment will remain competitive, shaped by economic headwinds and rapid technological change. Despite these challenges, the Group remains confident in its long-term vision and is committed to driving enterprise-wide optimisation, embracing technologies, and scaling efficiencies to fuel sustainable growth and stakeholder value.

The TS segment will continue to anchor recurring revenues, particularly through voice, data and managed connectivity. REDtone will sharpen its focus on delivering service reliability and elevating the overall customer experience through continuous innovation and operational excellence.

The Cloud, AI & IoT segment is set to contribute a sizeable revenue to the Group, underpinned by the ongoing rollout of the MyGovUC 3.0 project and increasing demand for AI-powered automation.

Aligned with its strategic growth ambitions, the Group is actively participating in high-impact tenders with government and government-linked agencies, reinforcing REDtone's commitment to advancing national digitalisation and accelerating enterprise transformation across Malaysia.

SUSTAINABILITY STATEMENT

ABOUT THIS REPORT

Welcome to REDtone Digital Berhad's ("REDtone") Sustainability Statement 2025. This report embodies REDtone's long-standing dedication to sustainability and the Group's mission to deliver exceptional value through the REDtone brand.

From humble beginnings, REDtone has evolved into a prominent player in the integrated telecommunication and digital infrastructure sector. The growth record reflects the Group's commitment to innovation and excellence in meeting the diverse needs of stakeholders across Malaysia. With sustainability at the core of the Group's strategy, this statement provides a transparent account of REDtone's ongoing efforts to enhance the environmental, social and governance aspects of the business.

This annual disclosure is more than a reflection of achievements; it is a means of fostering a deeper connection with stakeholders. Keeping the stakeholders informed and engaged with the Group's progress is vital to building a more sustainable future. REDtone continues to leverage digital innovation and integrated telecommunication solutions to create a more sustainable, connected and inclusive future.

SCOPE AND BOUNDARIES OF REPORTING

This Sustainability Statement addresses key sustainability issues arising from REDtone's core operations in Malaysia, with a focus on the environmental impact, social responsibility and governance framework. REDtone's materiality assessment, stakeholder feedback and relevant regulatory requirements shape the scope, aligning with both national and international sustainability standards. This approach drives the ongoing improvements while enhancing transparency and accountability.

Approach to Reporting

In this Sustainability Statement, the terms "**Company**" and "**Group**" refer to REDtone, including its subsidiaries. Data have been consolidated wherever applicable, ensuring the disclosure reflects the most relevant information for the financial year under review. While this edition has not set specific targets, the Group is actively planning to introduce measurable goals in future reports to strengthen its sustainability focus.

Data Management

To ensure the integrity and accuracy of the information shared, REDtone has meticulously gathered data using its robust management control systems and advanced information tracking tools. These systems enable the effective monitoring and reporting of sustainability performance across all business activities.

For ease of reference, a consolidated performance table showcasing sustainability progress over the past three years is included on pages 65 to 68 of this Annual Report, providing stakeholders with a comprehensive and transparent overview of REDtone's sustainability journey.

Period of Reporting

This Statement reflects the performance of REDtone for the period from 1 July 2024 to 30 June 2025, unless otherwise stated.

Annual Reporting Cycle

Sustainability Statement is released annually, providing stakeholders with updated insights into the Group's efforts and progress.

ABOUT THIS REPORT (CONT'D)

SCOPE AND BOUNDARIES OF REPORTING (CONT'D)

Guiding Standards for Reporting

REDtone developed this Sustainability Statement following globally recognised reporting standards, ensuring accuracy and reliability, including:

- Global Reporting Initiative (GRI) Universal Standards
- Bursa Malaysia Sustainability Reporting Guide
- ISO 26000: Social Responsibility
- United Nations Sustainable Development Goals (UNSDGs)
- FTSE4Good Bursa Malaysia (F4GBM) Index
- National Sustainability Reporting Framework (NSRF) and the relevant IFRS S1 and S2 guidelines

Reliability of Information

Information for this report was compiled and prepared by the Sustainability Working Committee (“**SWC**”). The Board has also reviewed and approved this Sustainability Statement, including its content, materiality matrix, and strategic priorities, before publication.

In strengthening the credibility and reliability of our sustainability disclosures, this report has been subjected to independent limited assurance on selected indicators, by BDO PLT.

Further details on the subject matter, scope, and assurance conclusion are provided in the Independent Limited Assurance Statement on pages 69 to 75 of this Annual Report.

Feedback

Stakeholders’ feedback and insights are essential for refining and strengthening the Group’s sustainability efforts. Stakeholders may submit inquiries, suggestions or requests for additional information through the ‘Contact Us’ section available on the Company’s website at www.redtone.com.

SMART AND SUSTAINABLE

At REDtone, sustainability is not just a practice; it is a core principle that shapes its vision for the future. As a leading provider of telecommunication services, managed network telecommunications services, cloud and IoT, REDtone plays a pivotal role in building a sustainable, connected world.

The Group’s commitment goes beyond traditional business goals as it strives to create meaningful, long-term value by weaving environmental stewardship, social responsibility and economic resilience into everything it does.

Driving innovation for impact

Delivering smarter, greener cities and more efficient industries through digital and IoT solutions.

Building resilient communities

Harnessing technology to strengthen connectivity and inclusivity across society.

Minimising carbon footprint

Reducing environmental impact and optimising resource use at every opportunity.

The Group embeds sustainability into every layer of its business to ensure it meets today’s needs while empowering future generations to thrive. This approach goes beyond mere compliance; it drives positive change, fosters resilience and creates lasting stakeholder value.

SMART AND SUSTAINABLE (CONT'D)

REDTONE'S GUIDING OBJECTIVES

REDtone's sustainability framework encompasses key focus areas that drive national and industry progress, create stakeholder value, uplift local communities and safeguard the environment, laying the foundation for a resilient and sustainable future.

Focus Areas	Commitment
Economic Sustainability	- Ensuring the interests of all stakeholders are taken care of. - Embracing good corporate governance, accountability and transparency to achieve long-term shareholder value and confidence.
Environmental Sustainability	- Addressing challenges and opportunities where it conducts business. - Reducing the Group's environmental footprint by improving resource efficiency and supporting conservation efforts.
Social Sustainability	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.
Governance Sustainability	- Ensuring healthy business practices comply with approved policies, standard operating procedures, Malaysian law and other legislation and local and international standards of corporate behaviour. - Promoting fair engagement, accountability and access to justice, internally and externally.

REDTONE ACHIEVES FIRST-TIME INCLUSION IN FTSE4GOOD INDICES

We are proud to announce that REDtone has been included in both the FTSE4Good Bursa Malaysia ("**F4GBM**") Index and the FTSE4Good Bursa Malaysia Shariah ("**F4GBMS**") Index as of June 2025.

The F4GBM Index recognises publicly listed companies with strong Environmental, Social and Governance ("**ESG**") practices and sound liquidity. The F4GBMS Index comprises F4GBM constituents that are also Shariah-compliant, as determined by the Shariah Advisory Council's (SAC) screening methodology.

This achievement reflects our ongoing commitment to ESG principles and marks a significant milestone in our journey towards sustainable and responsible growth. Our inclusion reaffirms REDtone's dedication to transparency, ethical business conduct and long-term value creation.

It also speaks to our brand promise of excellence—being **Flexible** in adapting to evolving ESG landscapes, delivering **Value** through sustainable performance, and remaining a **Dependable** partner to our stakeholders and the wider community.

Achieving a Three-Star ESG rating provides a solid foundation and sets the benchmark for our future progress. While this recognition is a proud moment, it is only the beginning. REDtone remains committed to continuous improvement and the pursuit of long-term excellence in sustainability.

SMART AND SUSTAINABLE (CONT'D)

SUSTAINABILITY GOVERNANCE

GOVERNANCE STRUCTURE AND OVERSIGHT

REDtone has established a comprehensive governance structure to oversee sustainability-related risks and opportunities across its operations. The Board of Directors leads oversight, with the Audit Committee providing support. The SWC and the Risk Management Working Committee (“**RMC**”) execute sustainability initiatives and manage risks across the organisation.

This structure embeds sustainability into decision-making at all levels, ensuring REDtone consistently advances its mission to build a connected, resilient and low-carbon future.

Sustainability Governance Structure



ROLES, RESPONSIBILITIES AND COMPETENCIES

The SWC, chaired by the Group Chief Executive Officer, drives REDtone’s sustainability strategy and integration across operations. It comprises senior leaders from core and support functions, bringing the skills necessary to address a wide range of sustainability-related issues. REDtone clearly defines sustainability-related responsibilities within the Terms of Reference for the Board, the Audit Committee and the Executive Committees. The Group regularly reviews the adequacy of these competencies and provides targeted training to ensure readiness in responding to emerging environmental, social and regulatory challenges.

The Group is working towards incorporating sustainability-linked KPIs into its executive performance evaluations and remuneration frameworks to strengthen accountability and long-term impact.

OVERSIGHT AND STRATEGIC INTEGRATION

The Board and its committees actively oversee sustainability-related risks and opportunities, reviewing updates and integrating these considerations into strategic decisions and significant transactions.

The SWC collaborates closely with business units and Group functions to embed sustainability into daily operations, investment planning and risk management frameworks.

REDtone has introduced robust controls and procedures to support this integration, which it regularly reviews, and strengthens with other internal functions to ensure continuous improvement.

SMART AND SUSTAINABLE (CONT'D)

SUSTAINABILITY GOVERNANCE (CONT'D)

RISK AND OPPORTUNITY MANAGEMENT

The Management works closely with the RMC to identify, assess, prioritise and monitor sustainability-related risks and opportunities. These include risks related to climate change, supply chain resilience, data security and regulatory compliance. The Group maps each identified risk or opportunity against short-term (1-2 years), medium-term (3-5 years) and long-term (beyond 5 years) horizons. These definitions align with the Group's strategic and capital planning timelines.

BUSINESS MODEL AND VALUE CHAIN IMPACT

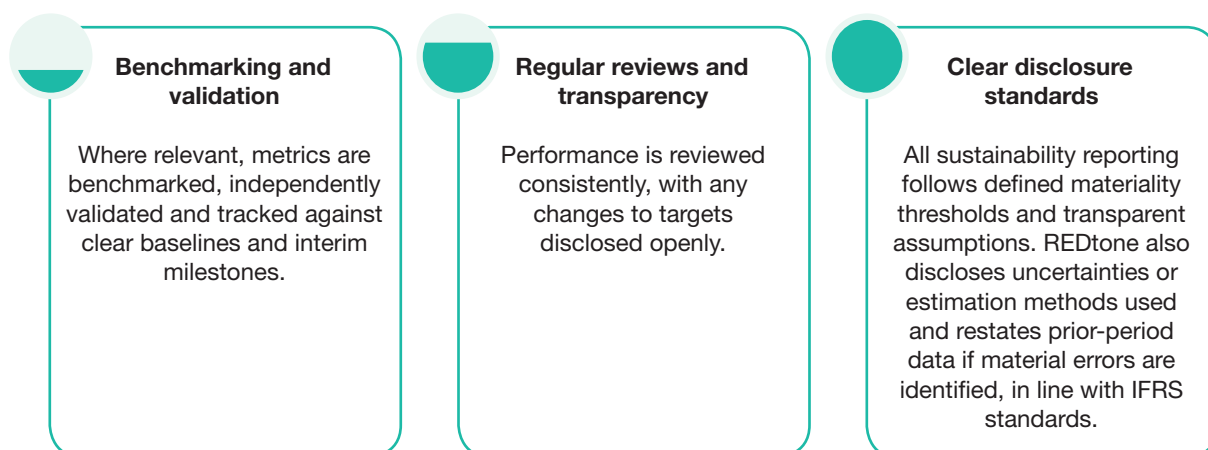
As a provider of telecommunication services, managed network telecommunications services, cloud and IoT, REDtone recognises the material impact sustainability-related risks and opportunities can have on its value chain. Its digital infrastructure plays a critical role in enabling low-carbon transitions, resilient business connectivity and smart city solutions. The Group assesses the resilience of its strategy against these evolving risks through scenario analysis.

FINANCIAL IMPLICATIONS AND PLANNING

REDtone actively factors sustainability-related risks and opportunities into its medium-term and long-term planning, with a focus on capital allocation, renewable energy investments and digital efficiency solutions. The Group conducts qualitative and, where possible, quantitative assessments to evaluate how these factors may shape its financial position, performance, and cash flow.

PERFORMANCE MONITORING AND METRICS

REDtone monitors its sustainability performance through a combination of internal and external metrics, with comprehensive performance data available on pages 65 to 68 of this Annual Report.



SMART, CONNECTED ENGAGEMENT ACROSS STAKEHOLDER UNIVERSE

REDtone's stakeholder engagement extends beyond dialogue; it is a dynamic network of connections that drives innovation, fosters trust and promotes shared progress. As a leading provider of integrated telecommunications and digital infrastructure services, REDtone understands that true connectivity is not just about technology; it is about building meaningful, inclusive and future-ready relationships.

Active engagement

Connecting with stakeholders through diverse touchpoints to stay attuned to evolving needs, expectations and market shifts.

Co-creating value

Every interaction is an opportunity to spark ideas, refine strategies and deliver greater impact.

Enabling progress

By staying connected to what matters most, REDtone strengthens its role as a trusted partner to businesses, communities and the digital economy.

Stakeholder Groups	Areas of Interest	Methods of Engagement	REDtone's Response
Government and Regulators	- Compliance with rules and regulations - Impact from operations - Contributions to industry advancement and nation-building	- Reports and compliance - Meetings and industry dialogue - Regular engagement with regulatory bodies and government agencies - Events and seminars - Materiality assessment	- Regular review and monitoring of the risk register - Complying with regulatory requirements - Adopting practices outlined in the Malaysian Code on Corporate Governance - Supporting government initiatives
Customers	- Data privacy - Transparent processes - Product and service quality and delivery - Customer experience and loyalty	- Customer satisfaction survey - Customer service helpline and email support - Customer feedback/ complaints channel by emails, phone-ins and face-to-face meetings - Exhibitions, seminars and courses - Face-to-face technical and commercial meetings - Regular visits - Corporate website - Social media - Materiality assessment	- Continuously working on flexibility in customising solutions and speed - Elevating focus on quality while providing the best value for money - Offering a comprehensive portfolio of managed services that meet the evolving IT and network needs of organisations today - Expanding the range of affordable products and service offerings - Strictly adhering to the Personal Data Protection Act ("PDPA")

SMART, CONNECTED ENGAGEMENT ACROSS STAKEHOLDER UNIVERSE (CONT'D)

Stakeholder Groups	Areas of Interest	Methods of Engagement	REDtone's Response
Employees	• Employment equality • Diversity • Better working environment and career development • Workplace safety • Employee welfare • Benefits and rewards • Performance, future strategies and any critical updates of the Group	• REDtone intranet • Internal newsletter • Townhall sessions • Employee activities, staff welfare events and functions • Employee grievance system • Employee survey • Performance management system • Social media • Internal hiring • Training and development programmes • Materiality assessment	• Promoting transparent communication with employees • Providing equal employment opportunities without discrimination • Offering industry-competitive benefits and remuneration packages • Providing relevant upskilling and development opportunities • Ensuring compliance with the Occupational Safety and Health (OSHA) Act, 1994
Contractors, Suppliers & Contractors	• Product and service quality • Efficient supply chain management • Opportunities for business collaboration • Business relationship and continuity	• Supplier performance evaluations • Transparent supplier selection process • Service delivery feedback • Collaboration, training and events • Meetings and discussions	• Improving efficiency by digitalising procurement processes • Delivering training and collaboration programmes for suppliers and contractors • Including supply chain partners in the Group's discussion on procurement, supply chain, value chain, safety and other pertinent matters
Communities and Non-Governmental Organisations	• Social and economic development • Local community supports • Long-term engagement	• Community collaboration and consultation • Corporate Social Responsibility activities • Philanthropic activities • Events and roadshows • Charitable contributions • Student internships • Materiality assessment	• Investing in the community to improve societal well-being • Engaging periodically with local communities
Media	• Sustainability matters • Company performance • Compliance • News releases and updates	• Media releases • Regular updates • Events and roadshows • Interviews • Materiality assessment	• Ensuring information shared with the media is reliable and truthful • Providing timely responses to media inquiries and requests
Investors, Analysts, Shareholders, Bankers & Financiers	• Business performance • Risk management • Updates and projection	• Analyst meetings • Annual General Meetings • Regular updates and communication • Corporate website • Briefings and updates • Materiality assessment	• Providing timely updates on the Group's strategy and financial performance • Upholding good governance practices across the Group and supply chain • Monitoring sustainability performance and targets

PRIORITISING WHAT MATTERS

In an industry where connectivity drives progress and innovation moves at the speed of data, knowing what matters most to stakeholders and the business is essential.

The materiality exercise ensures that REDtone's sustainability strategy remains relevant, stakeholder-driven and responsive to the rapidly evolving telecommunication and digital infrastructure landscape.

FY2024 materiality assessment

- REDtone, together with an independent consultant, conducted a structured assessment to identify and prioritise the most pressing sustainability topics.

Broad stakeholder participation

- Employees, regulators, customers, suppliers and partners rated 16 topics.
- The Board and Senior Management provided strategic input to ensure alignment across the organisation.

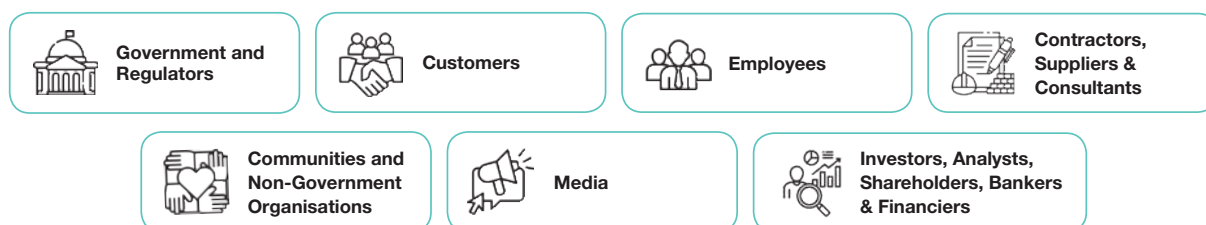
Clear outcomes

- The results informed the materiality matrix and refined the Group's ESG priorities, strengthening the link between stakeholder expectations and business strategy.

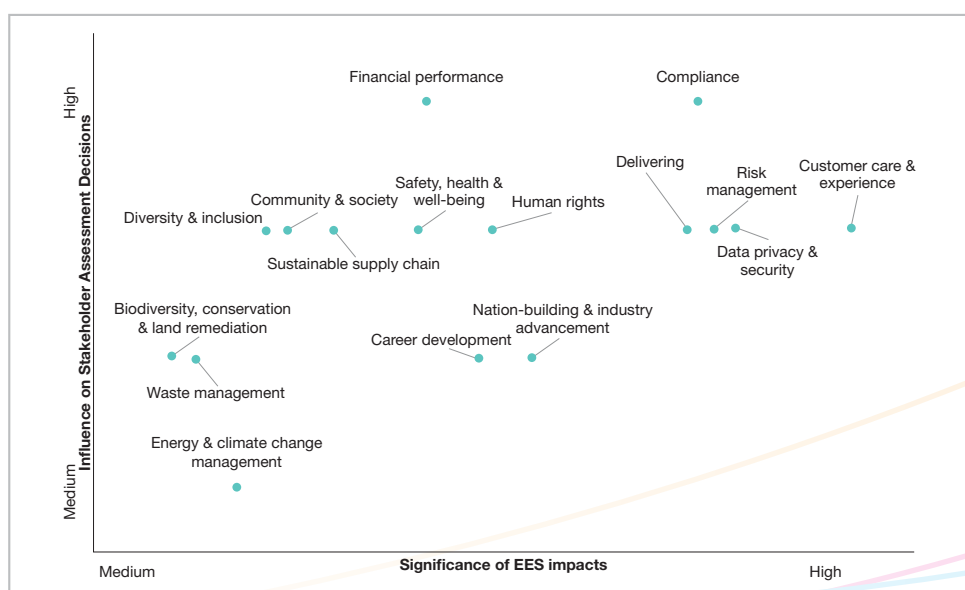
As stakeholder expectations and the external environment remained stable over the past year, REDtone has maintained its materiality outcomes. The Group commits to conducting a comprehensive materiality assessment every two years, or more frequently if significant changes emerge in its business landscape or stakeholder concerns arise.

This structured and proactive approach keeps its strategy focused, future-ready and closely connected to what matters most.

Stakeholder Groups involved in the REDtone Materiality Study 2024



Materiality Matrix



PRIORITISING WHAT MATTERS (CONT'D)

Materiality Matrix (Cont'd)

Each topic identified in the matrix reflects what matters most to the stakeholders and business sustainability. These insights guide the Group's ESG roadmap, influence strategic planning and shape the initiatives it implements across the organisation.

REDtone is committed to making tangible progress in each of these material areas. This Statement provides transparent disclosure of actions, achievements and plans, demonstrating the Company's response to these priorities with purpose and accountability.

DRIVING IMPACT BEYOND BUSINESS

REDtone takes a holistic approach to sustainability that aligns with business priorities, responds to stakeholder expectations and advances broader global goals. Its commitment to shared progress drives the Group to strengthen digital infrastructure, empower communities and reduce environmental impact.

The Group concentrated on six strategic focus areas where REDtone can deliver the most significant impact. These priorities reflect both its role as a telecommunication solutions provider and its ability to contribute to global development, including the United Nations Sustainable Development Goals (SDGs).

Each focus area drives targeted initiatives, delivers measurable outcomes and advances forward-looking actions, reinforcing its belief that meaningful change comes from clarity, consistency and commitment.

Goals	Progress and Milestones (FY2025)
	- Organised the Workplace Health Promotion Workshop in collaboration with MSOSH, promoting physical exercise and nutrition for 28 employees. - Launched the Employee Assistance Programme (EAP) offering confidential mental health counselling. - Held wellness webinars on stress, ergonomics, and nutrition and on-site health screenings. - Provided PPE worth RM16,202 across all regions to enhance worker safety. - Conducted more than 20 safety and health training sessions for employees and contractors. - Promoted a zero-harm culture through safety inductions, Vision Zero sessions and safety audits.
	- Embedded Diversity, Equity and Inclusion (DEI) strategy into hiring, training and career advancement processes. - Ensured equal opportunity in pay, recruitment, and promotions, regardless of gender, race or religion. - Enforced zero-tolerance policies on harassment, supported by three awareness sessions for 127 employees.
	- Installed 3,300 solar panels across 110 JENDELA sites, reducing dependence on grid electricity. - Continued energy efficiency upgrades at data centres and offices. - Adopted energy-saving technologies to cut operational consumption.

DRIVING IMPACT BEYOND BUSINESS (CONT'D)

Goals	Progress and Milestones (FY2025)
	- Deployed connectivity at 268 rural mobile coverage sites under Time 3 Extension and JENDELA. - Operated three NADi centres and maintained 662 community sites, improving digital access and skills. - Provided satellite internet via Starlink in underserved areas. - Supported connectivity for public agencies and emergency services. - Digitised agriculture and aquaculture to modernise rural livelihoods (e.g., FishSpeak, MyLatih).
	- Recycled 122.5 kg of installation packaging under the REDtone Recycling Initiative. - Reduced paper use by digitising 63 manual processes with Business Process Automation ("BPA"). - Streamlined HR, Learning & Development, and Billing functions through digital portals (e.g., REDtone Academy, e-letter system).
	- Integrated climate risk into REDtone's enterprise risk scorecard and business strategy. - Conducted emissions monitoring and adopted a decarbonisation pathway targeting net-zero by 2050. - Tracked Scope 1, 2, and 3 emissions using a dedicated system. - Installed solar systems at rural sites to cut GHG emissions.

POWERING ECONOMIC PROGRESS

REDtone has embedded economic sustainability in its mission to power Malaysia's telecommunication and digital future. As a leading provider of integrated telecommunications and digital infrastructure services, the Company contributes directly to building a resilient, innovation-driven economy.

Investments in AI, data centres, cloud services and rural connectivity enhance industry competitiveness, expand digital inclusivity and create jobs. These initiatives support Malaysia's digital transformation agenda while catalysing growth in sectors such as healthcare, education, manufacturing and media.

Collaboration with ecosystem partners, regulators and enterprises promotes the adoption of next-generation technologies, ensuring economic growth remains inclusive, future-ready and aligned with national priorities.

Through strategic partnerships and capacity-building initiatives, the Company strengthens Malaysia's role in the regional digital economy, delivering long-term stakeholder value and fostering sustainable, technology-enabled progress.

POWERING ECONOMIC PROGRESS (CONT'D)

ADVANCING THE TELECOMMUNICATION INDUSTRY

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

Innovative Solutions

REDtone develops and installs innovative ICT solutions that cater to the needs of underserved areas. This commitment ensures that even remote communities benefit from telecommunication technology advancements.

Sustainability and Long-term Impact

Focusing on sustainable development ensures that project benefits are long-lasting. Providing reliable communication infrastructure and fostering digital literacy builds resilient communities capable of leveraging technology for growth.

Economic Empowerment

Access to new information, knowledge and business opportunities empowers local populations, paving the way for sustainable household incomes.

Collaboration and Partnerships

REDtone collaborates with government agencies, local authorities and community organisations to implement and maintain its projects. This multi-stakeholder approach enhances the effectiveness and reach of its initiatives.

SHAPING MALAYSIA'S DIGITAL FUTURE THROUGH INDUSTRY ENGAGEMENT

REDtone plays an active role in advancing Malaysia's digital and telecommunication sector by leading key national industry bodies. By contributing technical expertise, influencing standards and fostering collaboration, the Company helps shape a resilient, efficient and future-ready digital ecosystem.

Malaysia Internet Exchange (MylX)

- Strengthens Malaysia's internet infrastructure
- Optimises traffic flow, reducing reliance on international bandwidth
- Supports long-term digital sovereignty and global participation

Malaysian Technical Standards Forum Bhd (MTSFB)

- Shapes national technical standards with MCMC
- Ensures interoperability, safety and consistency
- Contributes expertise through technical committees

Federation of Malaysian Manufacturing (FMM)

- Advances Malaysia's manufacturing and digital ecosystem
- Shares best practices in connectivity and digital transformation
- Fosters cross-sector collaboration and capacity-building

Through industry engagement, REDtone provides on-the-ground insights and specialised knowledge that translate into practical, forward-looking codes of practice. This involvement elevates industry standards and ensures the safe and effective deployment of emerging technologies.

POWERING ECONOMIC PROGRESS (CONT'D)

ADVANCING AI INNOVATION FOR SUSTAINABLE DIGITAL TRANSFORMATION

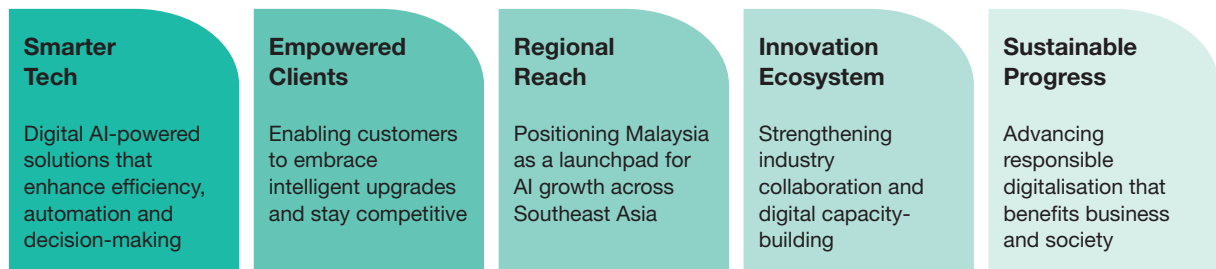
In January 2025, REDtone entered into a strategic partnership with GPTBots, the globally recognised AI agent platform by Aurora Mobile Limited, a leading provider of customer engagement and marketing technology services in China. This collaboration marks a pivotal milestone in REDtone's journey to embed next-generation technologies that drive digital progress and deliver long-term stakeholder value.

"This alliance with GPTBots marks an important milestone in our Company's next phase of growth. We are confident that our close collaboration will pave the way for new opportunities in enterprise AI applications, extending beyond Malaysia to the broader Southeast Asia."

— Lau Bik Soon, Group CEO of REDtone

The partnership combines REDtone's digital infrastructure capabilities with GPTBots' AI expertise to deliver scalable, intelligent solutions. By leveraging complementary strengths in AI development, market expansion and technology deployment, the collaboration empowers enterprises to innovate, automate and grow.

Impact at a Glance



This strategic alliance underscores REDtone's commitment to pioneering technologies that create a meaningful impact for its customers, the industry and the broader digital economy.

ADVANCING AI LITERACY IN THE MEDIA INDUSTRY

As part of its commitment to accelerating digital transformation and promoting responsible innovation, REDtone played a pivotal role in the launch of the "AI in the Newsroom" course, a landmark initiative by BERNAMA in collaboration with Huawei and REDtone.

Hosted at the Huawei Customer Solution Innovation Centre (CSIC) in Kuala Lumpur, the two-day programme brought together 40 journalists and editors from across Malaysia. Drawing on its digital infrastructure expertise, REDtone delivered hands-on AI training that equipped participants with practical skills in AI-driven news production, fact-checking and content optimisation.

This initiative represents a milestone in Malaysia's media and digital economy. As AI reshapes industries worldwide, the programme ensures that local media professionals remain future-ready, harnessing cutting-edge tools while upholding journalism's core values of accuracy, authenticity and ethical reporting.

POWERING ECONOMIC PROGRESS (CONT'D)

ADVANCING AI LITERACY IN THE MEDIA INDUSTRY (CONT'D)

From a broader sustainability and economic standpoint, this programme supports:

Industry Advancement

Accelerating digital competency in the media sector, enabling it to adapt, innovate and stay competitive in an AI-driven environment.

Workforce Transformation

Nurturing a new generation of AI-literate professionals equipped to thrive in the Fourth Industrial Revolution.

Economic Resilience

Enhancing Malaysia's capacity to generate reliable, high-value content, attract digital investment and boost productivity across knowledge-based sectors.

Funded through the RM1 million government allocation to BERNAMA, announced by Prime Minister Datuk Seri Anwar Ibrahim at HAWANA 2024, this initiative underscores REDtone's role as a sustainability enabler. It supports the integration of responsible digital technology, promotes inclusive stakeholder development and advances national progress in line with SDGs 4 (Quality Education), 8 (Decent Work & Economic Growth), 9 (Industry, Innovation & Infrastructure) and 16 (Peace, Justice & Strong Institutions).

Through these strategic partnerships, REDtone contributes to Malaysia's economic transformation, fostering a resilient, informed and digitally empowered society.

SHAPING INDUSTRY STANDARDS IN CUSTOMER DATA MANAGEMENT

As Malaysia's official Neocrm master distributor, REDtone plays an active role in shaping the nation's digital transformation journey. This partnership reflects its commitment to supporting customers and raising industry standards in customer data management.

Customer data is one of the most valuable assets for any business; a CRM platform is the central hub for managing it effectively. By delivering Neocrm's advanced CRM solutions, REDtone enables organisations to:

- Digitise customer management processes for greater efficiency
- Enhance data accuracy to strengthen decision-making
- Provide more personalised experiences that deepen customer relationships

The impact extends beyond individual organisations. These solutions contribute to the overall maturity of digital adoption across industries, setting new benchmarks for customer relationship management. Through this collaboration, REDtone demonstrates the tangible benefits of digitalisation and helps build a more sustainable, technology-driven ecosystem.

POWERING ECONOMIC PROGRESS (CONT'D)

DRIVING SUSTAINABLE INNOVATION IN AQUACULTURE THROUGH INDUSTRY COLLABORATION



REDtone played a key role in the MYCentre4IR ESG Innovation Challenge 2024, led by MyDIGITAL Corporation and Bursa Malaysia, which promotes ESG adoption through digital solutions.

As a strategic evaluator, REDtone assessed and validated FishSpeak, an AI-powered aquaculture solution developed by Pacton Technologies, which utilises real-time data and predictive analytics to enhance efficiency and sustainability.

Drawing on its expertise in agriculture and digital innovation, REDtone guided the selection and implementation of smart aquaculture technologies and supported the trial of scalable, AI-integrated IoT solutions specifically tailored to the needs of aquaculture.

To further drive innovation in the AgTech sector, REDtone signed an MoU with MyDIGITAL Corporation. This partnership reinforces its commitment to advancing responsible, tech-driven solutions that address real-world challenges and support Malaysia's sustainable growth.



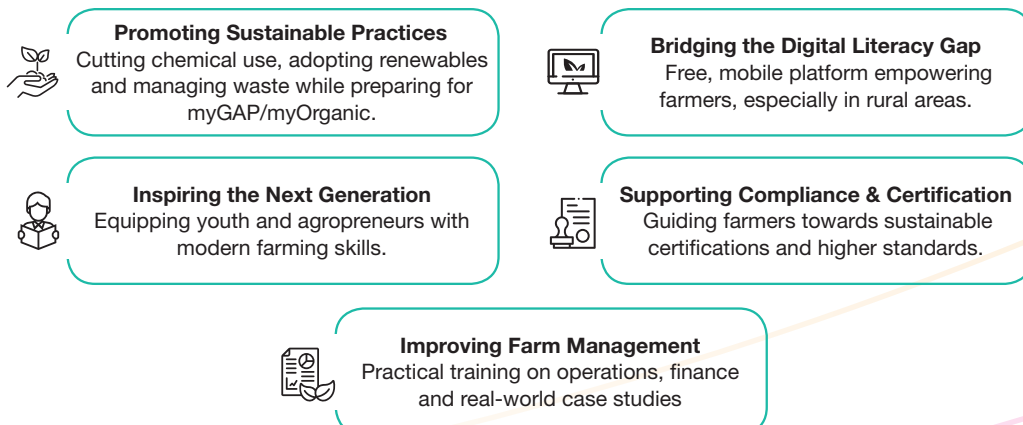
EMPOWERING SUSTAINABLE AGRICULTURE THROUGH MYLATIH AGTECH INITIATIVE

MyLatih is a free online AgTech training platform jointly developed by REDtone IOT Sdn Bhd (“**RIOT**”), a wholly-owned subsidiary of REDtone and the Malaysia Digital Economy Corporation (MDEC). As part of Malaysia's broader Digital AgTech initiative, it supports the Ministry of Agriculture and Food Security in modernising the nation's agricultural sector.

Designed to be accessible and mobile-friendly, the platform equips farmers and aspiring agropreneurs with the knowledge and skills needed to thrive in a digital economy.

Through MyLatih, RIOT helps accelerate Malaysia's transition towards a modern, sustainable and resilient agricultural sector, empowering individuals while strengthening national food security.

Key Impacts of REDtone's MyLatih Initiative



POWERING ECONOMIC PROGRESS (CONT'D)

REDTONE'S SMART SUSTAINABLE FOREST MANAGEMENT

RIOT successfully delivered a Smart Forest Monitoring Proof of Concept (POC) for the Forest Research Institute Malaysia (FRIM), covering a 60-acre forest reserve in Kepong, Selangor.

The initiative demonstrated how smart technologies can support more informed, efficient and sustainable forest management. The system collects real-time IoT data from sensors on the ground and near-real-time GIS data from analysing satellite-based GIS data.

Technologies Deployed

- Weather Monitoring Station
- Water Quality Monitoring System
- Satellite IoT Solutions (SIS)
- Asset Management System

Key Benefits

- Digitalisation of forest management processes (logging, silviculture, rehabilitation, monitoring and socio-economic planning)
- Real-time updates and remote data capture
- Integrated databases for smarter decision-making
- Reduced operational costs and environmental impact
- Greater efficiency, sustainability and contribution to national income

ELEVATING NATIONAL DIGITAL CAPABILITIES THROUGH MYGOVUC 3.0

REDTone is shaping Malaysia's digital future through the MyGovUC 3.0 contract, which commenced on 1 February 2024. The five-year project, valued at RM398.1 million, was awarded by Jabatan Digital Negara (JDN) and secured by REDTone's wholly owned subsidiary, REDTone Engineering & Network Services Sdn Bhd ("RENS").

Under this initiative, RENS delivers a secure, cloud-based unified communications (UC) platform that enhances collaboration, boosts productivity and streamlines communications across government ministries and departments. The project directly supports the government's digitalisation strategy by enabling seamless, integrated public sector operations.

Comprehensive UC Solution



Email and calendar systems



Centralised directory management



Audio and video conferencing tools



Change management and user training



Chat and collaborative workspaces



Software support, cybersecurity operations, network management and 24/7 helpdesk services

POWERING ECONOMIC PROGRESS (CONT'D)

ELEVATING NATIONAL DIGITAL CAPABILITIES THROUGH MYGOVUC 3.0 (CONT'D)

Designed for resilience, scalability and security, the platform strengthens communication and operational continuity across government environments. Robust cybersecurity measures and continuous technical support ensure smooth, uninterrupted service delivery.

This landmark project reinforces REDtone's position as a leader in telecommunication and digital infrastructure while contributing to Malaysia's broader digital transformation agenda and public sector innovation.

In November 2024, the National Digital Department (JDN) was named a winner of the Digital Government Award at the Malaysia Digital Transformation Awards 2024, recognising the success of the MyGovUC 3.0 initiative.

As the technology enabler behind MyGovUC 3.0, this national recognition affirms REDtone's role in supporting Malaysia's digitalisation of the public sector and advancing the country's sustainable digital economy through innovative, scalable ICT solutions.

SUSTAINABLE SUPPLY CHAIN

REDtone procures a wide range of products and services essential to its operations, particularly for Managed Telecommunications Network Services (MTNS). Supplier diversity is a core component of the Group's strategy, as it cultivates open and long-term relationships with strategic partners and suppliers.

REDtone is committed to building a sustainable supply chain and working with partners who share the same values. REDtone expects suppliers to:

- Adhere to its Code of Conduct;
- Incorporate social and environmental considerations into supply chain management;
- Uphold ethical labour practices;
- Support local communities; and
- Minimise environmental impacts.

In addition to standard criteria such as price, reputation, logistics and quality, REDtone's supplier sourcing and renewal evaluations also include social and environmental elements. Supplier contracts reference these elements.

Suppliers must:

- Acknowledge REDtone's sustainability standards;
- Communicate the standards to their employees and upstream value chain partners; and
- Ensure continuous commitment to compliance.

REDtone regularly communicates expectations through meetings and emails. Suppliers are also encouraged to monitor, measure, report and reduce the social and environmental impacts of their operations.

POWERING ECONOMIC PROGRESS (CONT'D)

SUSTAINABLE SUPPLY CHAIN (CONT'D)

REDTONE SUPPLIERS' ENVIRONMENTAL AND SOCIAL PRINCIPLES

ENVIRONMENTAL SUPPLY CHAIN

REDtone's sourcing policy and assessments encompass:

- Energy use and efficiency;
- Climate change impacts, such as greenhouse gas emissions;
- Water usage;
- Biodiversity impacts;
- Pollution and waste reduction; and
- Resource use and other environmental issues.

Suppliers must comply with relevant environmental laws and regulations while operating in a manner that respects and protects the local environment, including:

- Efficient use of energy and natural resources; and
- Responsible management of waste, emissions and discharges.

SOCIAL SUPPLY CHAIN

REDtone communicates its Social Supply Chain commitments to all suppliers, ensuring major partners comply with Malaysian Labour Law and International Labour Organisation (ILO) standards. Its principles include:

- Child labour prevention: compliance with the Malaysian minimum legal working age;
- Forced labour prevention: employment must be freely chosen;
- Equal opportunity and non-discrimination: applied to hiring, pay, training, promotion, overtime, termination and retirement;
- Freedom of association: employees may join organisations of their choice in line with local law;
- Collective bargaining rights: employees may form unions, be represented and discuss employment matters;
- Working hours: compliance with local law, voluntary overtime paid at premium rates and weekly monitoring of hours;
- Living wage: wages must meet or exceed Malaysia's legal minimum living wage; and
- Health and safety: suppliers must implement policies and practices to provide safe, healthy workplaces in line with local laws.

SUPPORTING LOCAL

REDtone prioritises local procurement as a strategic measure to support the Malaysian economy, create jobs and improve efficiency. Sourcing from local suppliers strengthens domestic supply chains and ensures faster, more reliable delivery of critical equipment and services.

This approach contributes to regional development and builds practical, long-term partnerships that benefit both REDtone and the communities it serves. The Group regularly procure essential infrastructure and ICT equipment from local vendors, including:

- Mobile base stations, antennas and solar systems; and
- Voice systems, printers, PCs, notebooks, servers, routers and switches.

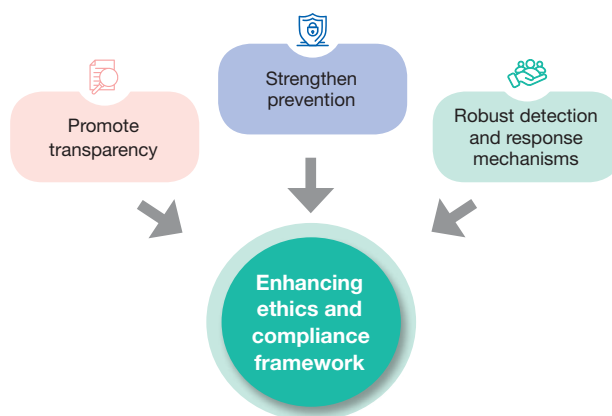
Local procurement is not just a business decision; it is part of REDtone's commitment to responsible operations and national development.

POWERING ECONOMIC PROGRESS (CONT'D)

ETHICAL BUSINESS CONDUCT

REDtone is committed to integrity, accountability and ethical business practices, continuously enhancing its ethics and compliance framework to promote transparency, strengthen prevention and ensure robust detection and response mechanisms.

REDtone upholds a zero-tolerance policy toward unethical business practices, including bribery, such as kickbacks and facilitation payments, as well as corruption, including fraud and money laundering. This policy applies to all board members, employees, and business partners, who must demonstrate integrity and strictly adhere to the Group's anti-corruption guidelines.



Strengthening Anti-Corruption Governance

Governance

- The Board oversees compliance with REDtone's anti-corruption policies and ensures implementation across all operations.
- Concerns can be raised through established confidential whistleblowing channels.

Risk Management

- REDtone has procedures to address corruption in high-risk operations, covering all elements and types of corruption, including bribery.
- Corruption risk assessments are conducted regularly, documented in the Group's risk register and reviewed as part of comprehensive anti-corruption measures.

Training

- REDtone trains its staffs on anti-corruption policy, covering all elements and types of corruption, including bribery.
- Interactive e-learning modules, including case studies and scenario simulations, support practical application.
- Training participation and effectiveness are monitored through a centralised system.

Policies

- The Employee Handbook, Code of Conduct and other governing documents set out a zero-tolerance stance towards corruption and bribery.
- Employees must attend annual Code of Conduct training. In FY2025, REDtone conducted 569 hours of training, attended by 239 employees.
- The Group's anti-corruption policy includes provisions on bribery and is communicated to all employees, comprehensively covering anti-corruption.

Third-Party Commitment

- REDtone extends its ethical standards to suppliers, contractors and business partners.
- Corruption and bribery risk assessments are conducted on both new and existing partners as part of due diligence.
- REDtone implements procedures to address corruption risks for intermediaries, including contractors and agents, and communicates its anti-corruption policy to all intermediaries.

Compliance

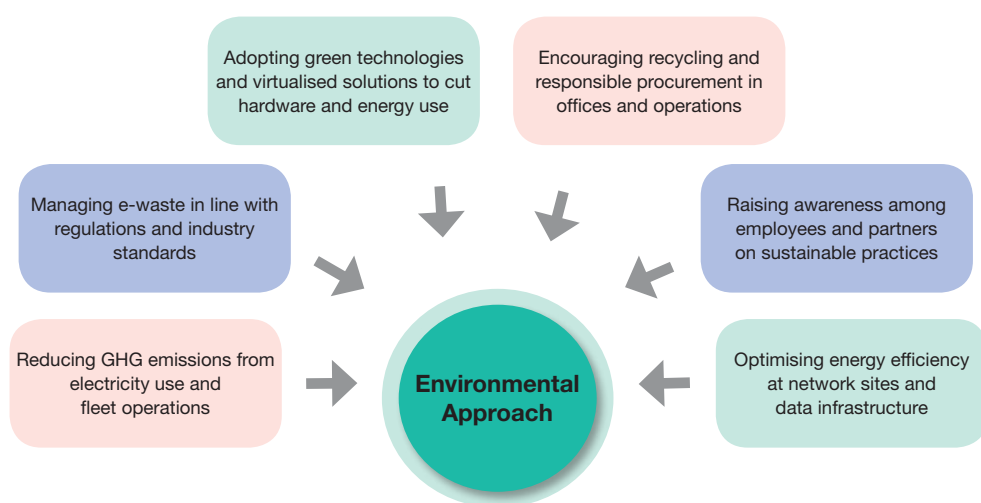
- Any employee or third party found engaging in bribery will face disciplinary action, including termination of employment or contracts.
- No disciplinary actions for corruption were reported during the review period.

ENVIRONMENTAL SUSTAINABILITY

As a leading provider of integrated telecommunications and digital infrastructure services, REDtone recognises its responsibility to manage environmental impacts across its operations, supply chain and service delivery. REDtone is committed to driving environmental sustainability through proactive and measurable actions, although its direct footprint is smaller than that of resource-intensive industries.

REDtone also monitors and seeks to reduce indirect impacts from its value chain, including equipment procurement, packaging and end-of-life asset handling.

The Group integrates sustainability into all operations, from network design and data centre efficiency to vendor selection, to support a greener, low-carbon future for Malaysia.



MINIMISING WASTE THROUGH DIGITALISATION AND EFFICIENCY IMPROVEMENT

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

Waste issues are addressed through its technological expertise as an integrated telecommunications and digital infrastructure services provider. 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 BPA, converting 63 manual processes online that reduced paper usage and aimed for an entirely paperless work environment.
- Digital transformation in HR processes by introducing an e-letter in December 2023, facilitating quick and easy access to HR correspondence for employees.
- 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.

ENVIRONMENTAL SUSTAINABILITY (CONT'D)

ENERGY MANAGEMENT

REDtone is committed to reducing energy consumption and lowering its carbon footprint through targeted initiatives across data centres, offices and remote sites. Efficiency is improved by optimising operations, adopting energy-saving technologies and exploring renewable alternatives, all while ensuring compliance with environmental regulations.

Key Energy Initiatives

Lighting Efficiency

- Replaced all ceiling lights at the MY01 Data Centre with LED fixtures.
- Extended LED upgrades to offices, with automated sensors to switch off lighting and air-conditioning after office hours.
- Reduced electricity consumption, operational waste and maintenance costs.

Cloud Virtualisation

- REDtone's Cloud IaaS platform optimises hardware use through virtualisation.
- Reduces the number of physical servers needed, cutting power consumption, cooling requirements and overall emissions.
- Delivers cost savings and a smaller environmental footprint for REDtone and its customers.

Renewable Transition in Rural Sites

- Shifting MTNS sites in East Malaysia from diesel generators to solar hybrid systems.
- Cuts fuel use and greenhouse gas emissions while enhancing energy reliability in remote areas.
- Supports national renewable energy targets.

AGRICULTURE 101: EMBRACING THE IOT REVOLUTION

REDtone recognises the transformative potential of smart farming in building a more productive, efficient and sustainable agriculture sector. By integrating IoT platforms, sensor networks, smart gateways and real-time monitoring, smart farming enables data-driven decisions that improve yields, reduce labour dependency and strengthen food security.

These solutions empower farm owners, smallholders and youth by automating key processes, boosting productivity while reducing costs. These initiatives align with national objectives to digitalise agriculture and safeguard food supply. There are also collaborations with strategic partners, including MAFS, DOA, MDEC, Agrobank, UTM and UiTM, leveraging Big Data Analytics to enhance planning, forecasting and yield optimisation.

ENVIRONMENTAL SUSTAINABILITY (CONT'D)

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

Smart Farming in Action

Benefits

- Higher yields, lower costs and reduced labour
- Supports sustainability across the value chain

Capabilities

- Remote Monitoring, Automation & Remote Control (RAR)
- Weather/soil monitoring, automated irrigation and fertigation
- Cloud-hosted control panels and real-time analytics
- CCTV, intrusion detection and crop analytics

Proven Impact

- Pilot projects with MDEC: increased yields, lower costs and reduced losses

Smart Farming Systems

- SF-1100 & SF-3000 (fertigation & irrigation)
- SF-100 (environmental monitoring)
- SA-1000 (aquaculture monitoring)

Beyond Agriculture

- Satellite IoT Solutions (forest & river monitoring)
- NFC-based logging monitoring (with FRIM)

Future Expansion

- Smart Forestry
- Smart Manufacturing
- Smart Building Management
- Smart Healthcare

ADDRESSING CLIMATE CHANGE

REDtone recognises climate change as a critical global challenge with direct implications for business as an integrated telecommunications and digital solutions provider. Rising energy demands, infrastructure vulnerabilities and shifting regulatory landscapes require urgent and strategic action. REDtone is addressing climate challenges through adaptation by adopting new technologies, cleaner energy sources and efficiency improvement measures.

Climate Change Response Strategy

Increasing renewable energy use

Reducing greenhouse gas (GHG) emissions across operations, transportation and supply chain

Enhancing energy efficiency throughout the digital infrastructure

There is close collaboration with employees, supply chain partners and regulators to implement energy-saving initiatives and integrate climate-related risk assessments into decision-making processes.

ENVIRONMENTAL SUSTAINABILITY (CONT'D)

ADDRESSING CLIMATE CHANGE (CONT'D)

CLIMATE RISK AND STRATEGY

Climate change poses a significant threat to humanity and has a direct impact on business operations. REDtone recognises the critical importance of addressing climate risks and has developed a comprehensive response strategy, focusing on:

- Increasing renewable energy usage;
- Reducing greenhouse gas (GHG) emissions; and
- Improving energy efficiency across operations.

The Group recognises both the short-term and long-term risks and opportunities posed by climate change and is committed to mitigating its effects by enhancing operational efficiency. Its strategy involves close collaboration with employees and supply chain partners to implement energy-saving measures and assess climate-related risks.

INTEGRATED RISK MANAGEMENT

REDtone has embedded climate-related risk management into its company-wide risk scorecard, forming the basis for business strategy and guiding future R&D, innovation and technology investments. This includes climate-specific risk management processes such as:

- * mitigation efforts to reduce emissions;
- * expansion of climate knowledge; and
- * integration of climate risks and opportunities into new processes, technology advancement and sourcing strategies.

ADAPTATION AND MONITORING

Climate change is addressed through adaptation measures, including the adoption of green technologies and energy efficiency initiatives. A monitoring system tracks emissions, energy consumption, water usage and waste generation across its facilities.

- Track and report Scope 1 and Scope 2 emissions.
- Phased solar energy adoption: In FY2025, 110 solar systems at JENDELA sites were installed, averaging 30 panels per site (a total of 3,300 panels). Of 213 sites, 100 sites are pending completion.

ENVIRONMENTAL SUSTAINABILITY (CONT'D)

ADDRESSING CLIMATE CHANGE (CONT'D)

CLIMATE RISK AND STRATEGY (CONT'D)

DECARBONISATION STRATEGY

REDtone has formulated a decarbonisation strategy with defined actions to meet short-term, medium-term and long-term GHG reduction targets, including Scope 3 where applicable, as follows:

Energy Efficiency & Infrastructure

- Optimise energy use in data centres and network infrastructure through advanced cooling, server consolidation and intelligent energy management
- Transition to energy-efficient equipment such as low-power servers, switches and transmission hardware
- Implement IoT-enabled energy monitoring systems across facilities

Renewable & Digital Solutions

- Increase renewable and alternative energy adoption across offices, data centres and remote sites
- Enhance virtualisation and cloud solutions to reduce reliance on physical hardware

Supply Chain & Partnerships

- Engage suppliers and contractors to adopt lower-carbon practices

Mobility & Work Practices

- Optimise fleet and logistics through electric/hybrid vehicles and efficient routing
- Expand remote work capabilities to cut commuting emissions

Circular Economy & Innovation

- Apply circular economy principles by refurbishing, reusing and recycling telecom and IT equipment
- Invest in R&D for low-carbon innovations in telecom infrastructure and service delivery

CLIMATE RISK INTEGRATION AND FINANCIAL IMPACTS

REDtone embeds climate-related risks into its company-wide risk scorecard, shaping business strategy, R&D priorities and sourcing decisions. REDtone considers environmental factors in the development and deployment of its digital and network solutions.

Climate change influences both operational and capital expenditures. Climate-related risks and opportunities are incorporated into strategies to ensure resilience and long-term value creation, including:

- OPEX: Increased energy consumption due to higher cooling needs in data centres and network sites leads to rising utility costs; and
- CAPEX: Extreme weather events may damage infrastructure, requiring investment in repairs or climate-resilient upgrades. Additionally, transitioning to low-energy technologies and green facilities demands upfront capital investment.

To mitigate these impacts, REDtone implements green technologies, upgrades critical infrastructure and enhances network resilience.

ENVIRONMENTAL SUSTAINABILITY (CONT'D)

ADDRESSING CLIMATE CHANGE (CONT'D)

EMISSIONS MONITORING AND DECARBONISATION PATHWAY

In alignment with global climate frameworks, REDtone monitors and discloses its Scope 1 (direct), Scope 2 (indirect) and Scope 3 (value chain) emissions. The environmental tracking system provides granular visibility across:

- Energy consumption;
- Greenhouse gas emissions; and
- Water usage.

These metrics form the basis of the decarbonisation strategy, helping the Group:

- Identify and prioritise high-impact emission sources;
- Set achievable, science-aligned reduction targets;
- Make informed decisions on investments in renewable energy and low-emission technologies; and
- Continuously improve operational efficiency and circularity across the Group's digital and telecommunication services.

REDtone is committed to achieving net-zero greenhouse gas emissions by 2050, aligning its operations and value chain with the Paris Agreement objective of limiting global warming to 1.5°C.

By integrating this data into the enterprise risk management and long-term planning, REDtone is progressing toward a low-carbon, climate-resilient business model while contributing to Malaysia's environmental goals and the broader global climate agenda.

Consolidation method in calculating carbon footprint	Operational
Coverage and organisational boundary in calculating the carbon footprint	Accounts for 100% of GHG emissions, where REDtone has the authority to implement operational policies
Independent verification of operational GHG data	Scope 1 emissions – increased from 737 to 940 tCO ₂ e Scope 2 emissions – decreased from 4,682 to 1,213 tCO ₂ e*

* Partially due to using more accurate and improved emission factors for Sabah and Sarawak, the calculations have been updated to reflect the latest data available, ensuring more precise and reliable results.

WATER MANAGEMENT

As an integrated telecommunications and digital infrastructure services provider, REDtone's water usage is primarily linked to day-to-day office operations and the daily needs of staff at hostels.

In FY2025, total water consumption increased significantly from 45 m³ to 811 m³, driven by the growth in the number of hostels established to support the company's expanding workforce and operations.

Although REDtone's core activities are not water-intensive, the company recognises the importance of responsible water management as part of its environmental commitments. Water usage is monitored regularly, with ongoing efforts to enhance efficiency through measures such as installing water-saving fixtures and promoting awareness among employees and hostel residents.

REDtone remains committed to improving operational sustainability and minimising its environmental impact wherever possible.

ENVIRONMENTAL SUSTAINABILITY (CONT'D)

REDTONE'S RECYCLING INITIATIVE

REDtone operates a dedicated recycling programme that reduces waste and promotes responsible resource use, advancing its sustainability goals. A large number of boxes with equipment shipments are repurposed during the installation process. After installation, the boxes are sent back to regional warehouses for recycling.

In FY2024/FY2025, the Group successfully recycled 122.5 kilograms of boxes through this initiative. This effort directly reduces waste and reinforces the commitment to environmental responsibility and a more sustainable future.

REDTONE SOCIAL RESPONSIBILITY

TOGETHER, WITH OUR PEOPLE

People come first at REDtone. The Company champions a culture that values diversity, prioritises safety and fosters strong employee engagement. As a leader in communications and technology, the Company recognises that its people are the driving force behind its success.

The Company actively invests in employee growth, offering clear career pathways, continuous learning and a workplace that sparks creativity and collaboration.

REDtone upholds global labour standards, guided by the International Labour Organisation's (ILO) core conventions. The Code of Conduct outlines transparent yet fair employment expectations. All employees receive this code in English, with translations provided when needed.

The Company assesses the labour practices of its business and supply chain partners to ensure alignment with and adherence to established standards. REDtone received no reports of breaches of labour standards during this review period.

DIVERSITY, EQUITY AND INCLUSIVITY MAKE US STRONGER

REDtone recognises that diverse teams enhance innovation, strengthen collaboration and improve outcomes. The Diversity, Equity and Inclusion policy is integrated into the Company's recruitment, development and advancement processes.

The Company values the unique perspectives and contributions of every employee and remains committed to fostering a respectful, supportive and inclusive work environment. Equal opportunity underpins all aspects of the Company's employment practices, including recruitment, promotion, training and remuneration. All individuals are provided with equal opportunities to succeed, regardless of background, gender, ethnicity or beliefs.

The Company also prioritises the recruitment and development of local talent within the communities in which it operates. Its inclusive hiring policy extends beyond non-discrimination, proactively creating pathways for underrepresented and marginalised groups. Targeted initiatives are implemented to address youth unemployment through internship and graduate placement programmes.

The details of workforce diversity during the financial year under review can be found on pages 66 to 67 of this Annual Report.

REDTONE SOCIAL RESPONSIBILITY (CONT'D)

TOGETHER, WITH OUR PEOPLE (CONT'D)

REDTONE'S ENHANCED BENEFITS

As REDtone strengthens its position in integrated telecommunication and digital infrastructure, attracting and retaining top talent remains a strategic priority. An enhanced employee benefits programme supports workforce engagement, well-being and work-life balance. These efforts position REDtone as an employer of choice within the technology and telecommunication sectors.

Key Enhancement Areas

Education Assistance Programme

Sponsoring employees pursuing industry-relevant certifications and professional development courses, helping them stay at the cutting edge of telecommunications and digital technology.

Professional Subscriptions

REDtone supports up to RM500 of annual membership fees for professional bodies relevant to the Group's sectors, ensuring its employees remain connected to the latest industry developments.

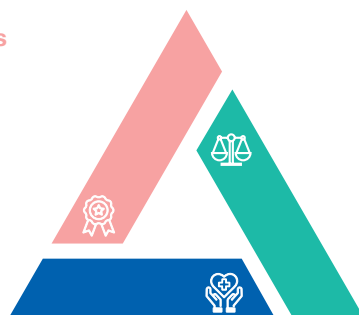
Inclusive Benefits Policy

Employees' benefits package is inclusive, extending coverage to non-traditional families, including those with adopted children, as part of the Group's commitment to diversity.

REDtone's benefits framework supports employees at every stage of their career. By aligning compensation and support with job roles, family needs and market standards, the Company seeks to attract and retain top talent while promoting well-being, equity and performance.

Financial & Performance Rewards

- Competitive Salary
- Annual salary increments
- Performance-based bonuses
- Expense reimbursements
- Various allowances



Fairness & Equity

- Regular compensation benchmarking against market standards
- Pay consistently above minimum living wage
- Compensation reviews to ensure equity and compliance with the Principle of Equal Pay for Equal Work and local regulations

Health & Well Being

- Comprehensive medical
- Health-related subsidies

REDTONE SOCIAL RESPONSIBILITY (CONT'D)

TOGETHER, WITH OUR PEOPLE (CONT'D)

FOSTERING UNITY AND EMPOWERING THROUGH ENGAGEMENT

REDtone embeds employee engagement into its culture to promote unity, transparency and collaboration. Encouraging open communication and mutual respect fosters a workplace where every voice matters and teams collaborate toward shared goals.

Employee Engagement Strategy

Communication & Feedback

- Intranet platforms
- Performance management systems
- Departmental meetings
- Employee surveys
- Townhall sessions
- Open-door policy

Purposeful Engagement

- CSR participation opportunities
- Idea-sharing initiatives
- Continuous feedback channels

Relationship Building

- Team-building activities
- Cross-functional collaboration
- Informal events and celebrations

These structured and informal engagement efforts strengthen internal relationships, drive innovation and nurture a sense of belonging across the organisation. REDtone also fosters a culture of mutual respect, creativity and continuous learning through the following diverse activities.

Key Engagement FY2025

Team Building & Outdoor Activities

- Team Building in Gopeng, Perak
- Hiking Activity at Mirror Lake, Shah Alam
- Hiking expedition

Fun & Sports

- Bowling tournament
- Futsal tournament
- Teambuilding activities in Sabah and Sarawak

Health & Wellness

- Workplace Health Promotion
- Workshop by MSOSH Academy
- Health awareness day

Cultural & Festive Celebrations

- Lion dance & Chinese New Year Open House
- REDtone Raya Open House

Information & Learning Opportunities

- EPF Outreach Programme

Community & CSR Engagement

- Meal Pack-a-Thon with Rise Against Hunger
- Awareness talks on autism
- Blood donation campaign

ENSURING SATISFACTION

A positive work environment is key to attracting and retaining top talent. The Company is committed to ensuring employee satisfaction through a structured and data-driven approach. Combining meaningful engagement activities with continuous feedback and proactive action plans creates a workplace where every individual feels valued and empowered.

Through a combination of Employee Engagement Surveys and Exit Interviews, valuable insights are gathered that drive improvements across the organisation. This ongoing process enables the continual refinement of the Company's people management approach, ensuring that all employees feel heard, valued and supported.

REDTONE SOCIAL RESPONSIBILITY (CONT'D)

TOGETHER, WITH OUR PEOPLE (CONT'D)

ENSURING SATISFACTION (CONT'D)

WHAT ARE THESE AVENUES?

Annual Employee Engagement Surveys

The annual survey provides a platform for employees to anonymously share their views on overall satisfaction, engagement levels and the workplace culture. This initiative fosters an open and safe environment for employees to express their opinions, concerns and suggestions, identifying areas for improvement.

Exit Interviews

Conducted for all departing employees, exit interviews provide crucial insights into the reasons for turnover and areas where the organisation can improve. Structured analysis of exit feedback offers actionable insights that strengthen retention strategies and drive continuous improvement in the employee experience.

Insights from surveys and exit interviews highlight key areas for improvement, prompting targeted actions to enhance the overall employee experience.

Listening, Responding and Evolving

Areas	Feedback	Response
Enhanced Onboarding Process	Feedback from both surveys highlighted that new employees needed a more straightforward integration path.	Developed a more structured onboarding programme, ensuring smoother transitions, clearer expectations and greater support for new hires.
Improved Managerial Support and Communication	Employees expressed a need for stronger managerial support, particularly in areas such as communication and conflict resolution.	Introduced leadership training to enhance communication, conflict resolution and team engagement skills for managers.
Review of Compensation and Benefits	Compensation and benefits concerns were raised in the surveys and exit interviews.	Benchmarked salary packages against industry standards and expanded benefits to include flexible work arrangements, mental health support and wellness programmes to meet diverse employee needs.
Career Growth and Development Opportunities	Employees sought more career development opportunities.	Expanded access to training programmes, launched mentorship initiatives and clarified internal career progression paths, enabling employees to envision long-term careers at REDtone.
Team Culture and Collaboration	Surveys indicated a desire for stronger team-building and cross-functional collaboration.	Introduced regular team-building activities and cross-departmental collaboration platforms to strengthen the team culture and promote innovation.
Refined Exit Interview Process	Feedback highlighted inconsistencies in the exit interview process.	Standardised the exit interview process, ensuring consistency and anonymity to improve the quality of insights and enable actionable feedback for future improvements.

REDTONE SOCIAL RESPONSIBILITY (CONT'D)

EMPOWERING OUR PEOPLE: BUILDING SKILLS, ETHICS AND RESILIENCE

Driven by its commitment to continuous learning, employee well-being and ethical governance, REDtone delivered a diverse range of structured training and development initiatives throughout the year. From technical courses and leadership programmes to compliance training and soft skills workshops, each session built capability and shaped mindsets, embedding the Group's culture and sparking real, lasting impact across the organisation.

Key Focus Areas and their Outcomes

Objective	Key Initiatives	Impact
Strengthening Leadership and Strategic Thinking	Empowering current and future leaders through: • Creating Leaders of Tomorrow • Strategic Thinking: From Vision to Action • Kaizen Leadership in a VUCA Environment	These initiatives fostered visionary thinking, agility, and confidence, critical attributes for navigating an evolving business environment.
Promoting a Safer, Healthier Workplace	Safety and health programmes are embedded with a zero-harm mindset, enhancing operational vigilance. Highlights included: • Working Safely at Height • Vision Zero & Accident Prevention • Commuting Accident Prevention • Workplace Health Promotion Workshop	These sessions reduced risk exposure and reinforced the Group's culture of care and responsibility.
Supporting Mental Wellness and Emotional Resilience	Delivered the following sessions to build emotional intelligence and stress adaptability: • Managing Stress with Emotional Intelligence • Change Matters!	These programmes enhanced personal well-being and team cohesion, equipping employees to thrive in the face of change.
Upholding Ethics, Inclusion and Compliance	Reinforced a values-driven culture through targeted training on: • Grievance Handling with DEI Policy • Human Rights & Labour Standards • Anti-Bribery & Corruption • Sexual Harassment at the Workplace • Personal Data Protection Act	These efforts strengthened ethical awareness and regulatory compliance, supporting a workplace that is fair, inclusive and accountable.
Elevating Professional and Personal Development	To drive performance and cross-functional collaboration: • Empowering Your Communication & Networking Skills • Creativity & Analytical Thinking • Focus on Behavioural Interviewing • Business Etiquette & Personal Grooming • JIRA End User and CMMI Level 3 system training	These initiatives raised capabilities across teams and improved operational effectiveness.
Enriching Industry Knowledge and Future Readiness	To keep pace with rapid industry shifts, the teams engaged in sessions such as: • Unlocking the Power of AI in the Workplace • Mastering CRM – Unlocking the Power of Customer Experience • Nexvois Cloud PBX Product Overview • Modern Farming Practices • Participation in PIKOM CIO Chapter (PCC): Cybersecurity & PDPA Act Amendments	These engagements expanded the Group's domain expertise and future-proofed its workforce.

REDTONE SOCIAL RESPONSIBILITY (CONT'D)

TOGETHER, WITH OUR PEOPLE (CONT'D)

SAFETY AND HEALTH

Safety and health are paramount, particularly given the operational risks inherent in the telecommunications and digital infrastructure sector. REDtone has implemented a structured, proactive approach to managing workplace risks and promoting well-being across the Group.

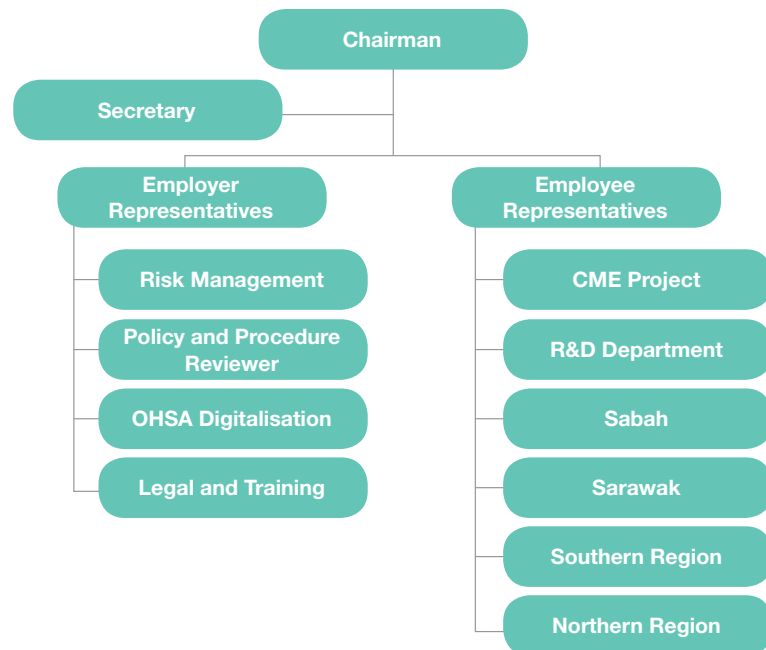
SAFETY GOVERNANCE

An Occupational Safety and Health (OSHA) Committee has been established, chaired by the Group Chief Executive Officer, with representation from both employer and employee groups across seven regions. This Committee oversees:

- Monitoring of safety performance;
- Setting of safety targets; and
- Driving continuous improvement initiatives.

The Company also maintains a clearly defined REDtone Steering Safety and Health Committee Structure to ensure consistent implementation and accountability.

REDtone Steering Safety and Health Committee Structure



EMERGENCY PREPAREDNESS

The Group's Emergency Response Team ("ERT") ensures swift action in emergencies. The ERT includes trained first aiders, firefighters, Floor Wardens and an On-Scene Commander.

This team is strategically distributed, with four members based at the corporate headquarters and one representative stationed at each branch in Sabah, Sarawak, Johor and Penang.

REDTONE SOCIAL RESPONSIBILITY (CONT'D)

TOGETHER, WITH OUR PEOPLE (CONT'D)

SAFETY AND HEALTH (CONT'D)

COMPLIANCE, TRAINING AND RISK CONTROL

REDtone's Safety and Health Policy applies to all employees, contractors, suppliers and individuals on-site. It ensures compliance with all applicable legal requirements, promoting a safety-first culture through regular safety training and refresher courses, mandatory Personal Protective Equipment ("PPE") and clear safety guidelines tailored to job-specific risks.

As part of its commitment to maintaining a safe and compliant workplace, REDtone equips its workforce with the necessary certifications, training and risk management tools.

Commitment to Safety and Well-Being

Certified Safety Training

- Safety personnel are certified through the NIOSH Safety Passport programme, aligning with national standards.
- Field engineers undergo Safety Induction Training and hold a CIDB card to verify site safety competency.

Risk Awareness and Control

- Site teams are trained in HIRARC (Hazard Identification, Risk Assessment and Risk Control) to manage job-specific risks effectively.
- Annual risk assessments are conducted at all facilities to identify hazards and strengthen preventive controls.

Supporting Mental and Physical Well-Being

- Initiatives extend beyond physical safety to promote overall employee well-being through proactive support and awareness.

SAFETY TRAINING

Given the nature of the Company's operations, which involve on-site installations, handling of technical equipment and coordination with contractors, safety remains a non-negotiable priority. Comprehensive safety training is mandated to safeguard the well-being of employees, contractors and other stakeholders. These trainings equip participants with the critical knowledge and skills to prevent accidents, ensure regulatory compliance and embed a strong safety culture across all operations.

Training Name	Type of Training	Number of Training Conducted	Total Participants
Safety and health induction (new worker)	Inhouse	3	23
Safety and health induction (contractor)	Inhouse	6	31
Safety and health induction (refresher)	Inhouse	4	43
Vision Zero and Accident Prevention	Inhouse	2	33
On Job Training	Inhouse	1	4
Konvensyen Pencegahan Kemalangan Perkeso	External	1	2
PPE Inspector Course	External	1	1

REDTONE SOCIAL RESPONSIBILITY (CONT'D)

TOGETHER, WITH OUR PEOPLE (CONT'D)

SAFETY AND HEALTH (CONT'D)

SAFETY TRAINING (CONT'D)

Training Name	Type of Training	Number of Training Conducted	Total Participants
Lifting Supervisor Competency	External	1	1
Rigger Family Day Huawei	External	1	1
Seminar Organisasi Keselamatan Kebakaran Jabatan Bomba Penyelamat Malaysia	External	1	1

SAFETY INITIATIVES

1. Worker Identification System 1.0 and 2.0

REDtone has implemented an online database system to monitor worker competency and behaviour-based safety tools. The Worker Identification System versions 1.0 and 2.0 ensure continuous tracking of individual workers' safety standards and OSHE (Occupational Safety, Health and Environment) compliance, helping to maintain high-quality safety performance throughout the workforce.

2. EPTW 2.0 (Electronic Permit to Work System)

The upgraded EPTW 2.0 system features a more reliable platform with a new interface and enhanced functionalities.

This system seamlessly integrates with WIS 2.0 (Worker Identification System) and the Tower Solution System, enabling improved coordination and management of permits to work, thereby enhancing workplace safety and operational efficiency.

3. Work Health Promotion

In collaboration with the Malaysian Society of Occupational Safety and Health (MSOSH), REDtone secured a grant for work health promotion training aimed at raising employee awareness about maintaining a healthy lifestyle. On 17 October 2024, the MSOSH Academy held a dynamic Workplace Health Promotion Workshop at Jumba Café, HQ, Puchong, for 28 participants. The workshop included physical exercises and practical nutrition advice. Empowering employees to incorporate fitness and healthy eating habits into their daily routines fostered a healthier and more active work environment.

4. Introducing Fall Arrestors for Working at Height

To enhance safety during climbing activities, REDtone distributed fall arrestors to teams in Johor and Sabah. These devices serve as an additional control measure, ensuring that workers are securely attached to lifelines while ascending and descending telecommunication structure ladders, significantly reducing the risk of falls.

5. Management Safety Audit and Inspection

Safety and health inspections were conducted on-site with management representatives to reinforce REDtone's safety culture. Inspections covered multiple regions, including 228 in the South, two in the East, 108 in Sabah and nine in Sarawak. REDtone identified one significant finding: an aerial rigger in the Southern region climbed a monkey ladder without using a lanyard. The team took immediate corrective action in response.

REDTONE SOCIAL RESPONSIBILITY (CONT'D)

TOGETHER, WITH OUR PEOPLE (CONT'D)

SAFETY AND HEALTH (CONT'D)

SAFETY INITIATIVES (CONT'D)

6. Fire Prevention and Evacuation Training by Pertubuhan Pencegahan Kebakaran Kuala Lumpur

On 11 September 2024, REDtone employees participated in a fire prevention and evacuation training session conducted by Pertubuhan Pencegah Kebakaran KL. With 49 participants, the training focused on fire safety protocols, evacuation procedures and the correct use of fire extinguishers. Emphasising the 1RaPi Campaign & Fire Prevention Seminar 2024 theme, 'Get Out Alive – It is Your Choice', the workshop included practical drills and real-life scenario discussions to enhance preparedness in both work and personal settings.

7. PPE Distribution

REDtone has invested RM16,202 in distributing essential Personal Protective Equipment (PPE) to enhance the safety of its workers. These PPE items included full-body harnesses, Y-lanyards, positioning lanyards, rigger helmets, safety shoes, reflective vests, gloves, safety signage, tool lanyards, phone attachments, first aid kits and fire extinguishers. Distribution by region was as follows: Southern (32 sets), Eastern (13 sets), Sabah (17 sets), Sarawak (9 sets), and Central (3 sets).

In FY2025, REDtone expanded its safety agenda to include mental health and wellness:

- Employee Assistance Programme (EAP): Launched in partnership with an NGO, the EAP provides confidential counselling and mental health consultations.
- Wellness Programmes: the Group organised webinars and talks covering stress management, ergonomics and nutrition, along with on-site health screenings and wellness booths to encourage healthy living and early detection.

RESPECTING HUMAN RIGHTS

REDtone upholds the highest standards of ethical conduct in all business activities and is firmly committed to respecting human rights. The Company's Human Rights Policy, as outlined in the Code of Conduct, aligns with internationally recognised standards, including:

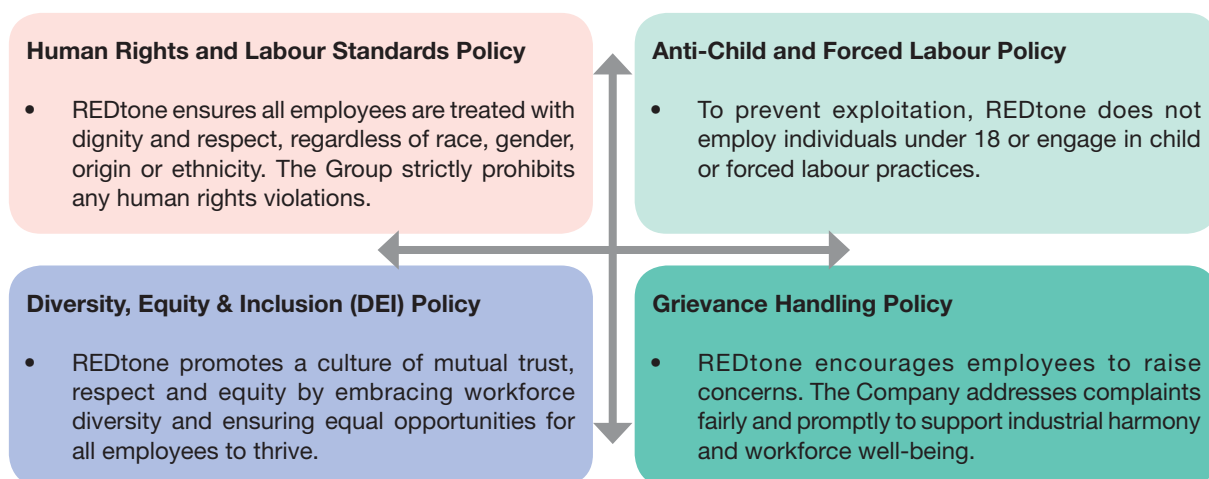
- The United Nations Universal Declaration of Human Rights
- The International Bill of Human Rights
- The United Nations Guiding Principles on Business and Human Rights
- The International Labour Organization's Declaration on Fundamental Principles and Rights at Work
- The OECD Guidelines for Multinational Enterprises
- The Ten Principles of the United Nations Global Compact

In line with these commitments and to further strengthen its governance framework, REDtone has introduced new policies and continues to review existing ones. These efforts ensure that the Company proactively addresses emerging risks while maintaining alignment with global best practices.

REDTONE SOCIAL RESPONSIBILITY (CONT'D)

RESPECTING HUMAN RIGHTS (CONT'D)

Effective 1 September 2024, REDtone has implemented four new policies designed to promote awareness and corporate responsibility throughout the Group:



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

Principles	Actions and Commitments				
Freely chosen employment	Strictly adhering to regulatory requirements and maintaining a zero-tolerance stance on forced and involuntary labour.				
Prevention of Child Labour	Upholding a zero-tolerance policy for child labour, complying fully with local laws concerning the minimum legal employment age.				
Working Hours	REDtone complies with all local laws regarding working hours and overtime, committing to reducing excessive working hours.				
Wages and Benefits	The Group's compensation practices comply with applicable wage laws. The Group ensures payment of at least the legally mandated minimum living wages, overtime pay and benefits.				
Diversity, Equality and Non-Discrimination	Recruitment and employment practices at REDtone promote equality, with no discrimination based on race, colour, religion, age, gender, sexual orientation, marital status, disabilities, ethnicity or nationality. <u>Actions to improve workforce diversity</u> <table border="1"> <tr> <td>Race, traits, age, sexual orientation and nationality</td><td>REDtone does not base recruitment, promotion and recognition on race, traits, age, sexual orientation or nationality.</td></tr> <tr> <td>Religion</td><td> - Designated prayer rooms in the workplace accommodate various religious practices. - Leave allows employees to observe their religious obligations. </td></tr> </table>	Race, traits, age, sexual orientation and nationality	REDtone does not base recruitment, promotion and recognition on race, traits, age, sexual orientation or nationality.	Religion	- Designated prayer rooms in the workplace accommodate various religious practices. - Leave allows employees to observe their religious obligations.
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REDTONE SOCIAL RESPONSIBILITY (CONT'D)

RESPECTING HUMAN RIGHTS (CONT'D)

REDtone Principles, Codes and Actions with Regards to Human Rights and Labour (Cont'd)

Principles	Actions and Commitments				
Diversity, Equality and Non-Discrimination (Cont'd)	Actions to improve workforce diversity (Cont'd) <table> <tr> <td>Gender</td><td>Flexible work arrangements for new mothers provide the support they need to balance work responsibilities with childcare and family needs.</td></tr> <tr> <td>Disabilities</td><td>REDtone offers practical support to employees with special needs, promoting an inclusive work environment.</td></tr> </table>	Gender	Flexible work arrangements for new mothers provide the support they need to balance work responsibilities with childcare and family needs.	Disabilities	REDtone offers practical support to employees with special needs, promoting an inclusive work environment.
Gender	Flexible work arrangements for new mothers provide the support they need to balance work responsibilities with childcare and family needs.				
Disabilities	REDtone offers practical support to employees with special needs, promoting an inclusive work environment.				
Harassment	REDtone enforces a strict anti-harassment policy, including zero-tolerance for sexual harassment. Over the past year, the Group conducted three awareness sessions for 127 employees to reinforce its commitment to a safe and respectful workplace. REDtone's Whistleblowing Policy provides a confidential platform for promptly reporting and addressing any instances of bullying or harassment. Managers are trained to handle such cases effectively and with sensitivity.				
Freedom of Association and Collective Bargaining	Respecting rights to freedom of association and collective bargaining, continuously striving to improve working conditions and management practices, in line with local laws.				
Freedom of Expression	Upholding the right to freedom of expression, fostering an environment where diverse views and open dialogue are respected and encouraged.				
Health and Safety	REDtone has established a comprehensive Health and Safety Management System that complies with both local and international occupational safety and health standards.				

FROM NETWORKS TO NEIGHBOURHOOD

Community engagement represents more than corporate social responsibility; it serves as a strategic expression of the Group's purpose as a leading integrated telecommunications and digital infrastructure services provider. The Group strives to deliver measurable and lasting impact by leveraging its technological expertise, national presence and industry leadership in forming meaningful community partnerships.

Community engagement is fully integrated into the Group's business strategy and reflects REDtone's core values. The Group collaborates with organisations and supports initiatives that uplift communities and drive long-term social progress, focusing on two core areas: well-being and social development.

These focus areas are aligned with the Group's strategic objectives in telecommunications and digital solutions. By promoting community resilience and inclusivity, the Group ensures that technology serves as a bridge, connecting people, narrowing gaps and creating opportunities.

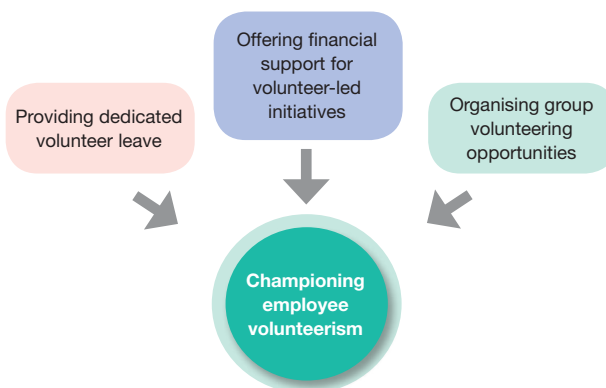
REDTONE SOCIAL RESPONSIBILITY (CONT'D)

FROM NETWORKS TO NEIGHBOURHOOD (CONT'D)

REDtone empowers communities by applying real-world solutions to real-world challenges. These purposeful partnerships:

- Enable shared value creation
- Advance business objectives
- Support the national agenda for inclusive, tech-enabled development

This approach fosters deeper employee engagement and reinforces the Group's commitment to making a positive impact beyond the workplace.



DRIVING INCLUSIVE DEVELOPMENT THROUGH CONNECTIVITY

REDtone views connectivity as a fundamental right and a critical enabler of inclusive, sustainable development. As a trusted partner in government-led initiatives, REDtone helps bridge the digital divide and uplift underserved communities through strategic ICT deployment.

The Group recognises the transformative power of connectivity for children, unlocking access to education, opportunity and future growth. This commitment aligns with the Children's Rights and Business Principles, reinforcing corporate responsibility in safeguarding and enabling children's rights.

EXPANDING RURAL COVERAGE THROUGH NATIONAL PROGRAMMES

REDtone actively contributes to the Universal Service Provision (USP) framework through projects such as:

- Time 3 Extension Phase 1 (T3eP1);
- Time 3 Extension Phase 3 (T3eP3); and
- JENDELA Phase 1.

Through these initiatives, the Group has expanded mobile coverage across rural and remote areas in Peninsular Malaysia, Sabah, and Sarawak, including 2G, 3G and 4G networks.

Under Time 3 Extension, REDtone maintains 268 mobile coverage sites, strengthening rural digital infrastructure and supporting equitable access.

SUPPORTING NATIONAL DIGITAL OBJECTIVES

As part of the JENDELA initiative under the 12th Malaysia Plan (2021–2025), REDtone:

- Optimises digital infrastructure and spectrum use;
- Supports the government's target of expanding nationwide connectivity; and
- Aligns with MCMC's Universal Service Provision objectives.

The Group's efforts ensure that digital connectivity serves as a foundation for broader development, encompassing education, e-commerce, healthcare and public services.

REDTONE SOCIAL RESPONSIBILITY (CONT'D)

FROM NETWORKS TO NEIGHBOURHOOD (CONT'D)

DRIVING INCLUSIVE DEVELOPMENT THROUGH CONNECTIVITY (CONT'D)

ENABLING SKILLS & ACCESS THROUGH COMMUNITY PROGRAMMES

Beyond infrastructure, REDtone supports digital inclusion and capacity building through on-the-ground initiatives. REDtone currently operates three National Information Dissemination Centre (NADI) sites that offer:

- Access to digital tools and services;
- Training to enhance digital literacy and employability; and
- Support for community entrepreneurship.

Over the years, the Group has maintained 662 community connectivity sites under national initiatives such as:

- National Information Dissemination Centre (NADI);
- Wireless Komuniti (WK); and
- WI1M (Pusat Internet Komuniti).

EXPANDING RURAL CONNECTIVITY THROUGH SATELLITE SOLUTIONS

REDtone is advancing digital inclusion in Malaysia by expanding high-speed satellite internet access to underserved regions. As an Authorised Reseller for Starlink Enterprise, REDtone delivers low-latency, high-performance satellite connectivity to communities and businesses where traditional infrastructure remains out of reach.

Through this strategic partnership, REDtone is transforming access in remote areas, strengthening national efforts to close the digital divide and enabling long-term socio-economic impact.

Key Initiatives Supporting National Digital Goals

Rural School Connectivity Projects	Partner: Ministry of Education (MOE) Impact: • Delivered reliable internet to remote schools • Enabled access to digital learning tools and online education • Supported students and educators with seamless connectivity
Community Wi-Fi Projects	Partner: Malaysian Communications and Multimedia Commission (MCMC) Impact: • Provided Wi-Fi access in rural and remote communities • Improved access to education, e-government services and information • Advanced national goals for inclusive digital development

REDtone combines its nationwide deployment expertise with cutting-edge satellite technology to reach rural and marginalised populations. By deploying solutions like Starlink, REDtone not only strengthens connectivity infrastructure but also supports Malaysia's broader vision of a connected, equitable and digitally empowered society.

REDTONE SOCIAL RESPONSIBILITY (CONT'D)

FROM NETWORKS TO NEIGHBOURHOOD (CONT'D)

SUPPORTING STRATEGIC COMMUNICATIONS FOR PUBLIC SECTOR AGENCIES

In addition to its efforts to bridge the digital divide in rural communities, REDtone also supports a range of specialised connectivity requirements for public sector agencies. These engagements are critical for enabling real-time communication, emergency coordination and secure information dissemination in key national functions.

REDtone has provided technical solutions and satellite-enabled connectivity for:

The Forestry Department

- supporting communication infrastructure for remote forest monitoring and environmental conservation operations.

Emergency Disaster and Response Team (EDRT) of MCMC

- assisting with rapid deployment of communication systems in disaster-affected areas to ensure continuity of emergency coordination and public information.

National Information Dissemination Center (NADI) of MCMC

- contributing to the development of secure and reliable information dissemination platforms that support national awareness and digital outreach.

REDTONE JOINS SOUTHEAST ASIA'S LARGEST MEAL PACKING EVENT TO FIGHT HUNGER

On 4 September 2024, REDtone joined the Meal Pack-A-Thon at Sunway Pyramid Convention Centre, Selangor, organised by Sunway Group and Rise Against Hunger Malaysia.

Goal: Pack 2 million meals in one day, the largest such event in Southeast Asia

REDtone team: 20 volunteers from across departments

Contribution: Over 500,000 meals packed alongside 1,200 volunteers

Impact at a Glance

Beneficiaries:

- Orang Asli communities
- Orphanages & senior homes
- Refugees (Klang Valley)
- Stateless communities (Malaysia)
- Impoverished groups (Timor Leste)

Meals delivered:

- 8,300 people
- 2 meals per day
- 30 days of nutrition

REDtone's participation reflects its ongoing commitment to social responsibility, regional solidarity and the global movement to end hunger.

REDTONE SOCIAL RESPONSIBILITY (CONT'D)

FROM NETWORKS TO NEIGHBOURHOOD (CONT'D)

REDTONE SUPPORTS LAKSAMANA RUN 2024 FOR THE FIFTH CONSECUTIVE YEAR



REDtone proudly sponsored the Laksamana Run 2024, marking its fifth consecutive year of support for this meaningful cause. Organised by the Tunku Laksamana Johor Cancer Foundation, the Laksamana Run plays a vital role in raising cancer awareness, generating funds and providing financial assistance to cancer patients in need. Held on 14 August 2024, the event brought together thousands of participants in a collective show of support for cancer fighters and survivors.

GIVE BLOOD, SAVE LIVES



As part of REDtone's annual corporate social responsibility programme, this campaign reflects REDtone's dedication to making a meaningful difference in the communities it serves.

Organised in partnership with Pusat Darah Negara at REDtone's Headquarters, the campaign encourages employees to take part not only as donors but also as volunteers and ambassadors. Invitations were also extended to building tenants, neighbouring businesses and members of the wider community, highlighting REDtone's commitment to community engagement beyond its workforce. A total of 57 donors came forward with 46 bags of blood collected.

REDTONE SOCIAL RESPONSIBILITY (CONT'D)

COMMITMENT TO OPERATING RESPONSIBLY

REDtone operates with integrity, precision and purpose. The Group prioritises network reliability, service quality and data security to deliver seamless, secure connectivity for all customers. Its operations are grounded in strong governance and compliance frameworks, reinforcing trust and accountability across the organisation.

As the Group expands its digital and AI-driven solutions, emphasis remains on responsible innovation. Safeguards are embedded to protect user privacy, prevent algorithmic bias and ensure transparency in AI deployments.

These measures reflect REDtone's ongoing commitment to ethical operations and future-ready, trustworthy technology.

DIGITALLY DRIVEN, CUSTOMER FOCUSED

In FY2025, REDtone accelerated its digital transformation journey by implementing a series of initiatives to enhance internal efficiency, strengthen customer engagement and support flexible, modern work environments. These efforts reflect the Group's ongoing commitment to innovation, productivity and service excellence.

Cloud-Based Systems Deployment

- REDtone adopted Microsoft 365 as its primary communication and collaboration platform, enabling seamless hybrid and online meetings. Integrated tools for document sharing and real-time co-authoring support a more agile, paperless work environment.
- The cloud-based telephony system enhances mobility by allowing employees to make and receive business calls via softphones on mobile devices, ensuring accessibility from any location.

Process Automation

- To boost efficiency and reduce manual workload, REDtone implemented Business Process Automation (BPA) across multiple departments.
- Routine tasks, including product ordering, HR processes and administrative approvals, are now handled through automated workflows, ensuring standardised operations and consistent, timely approvals organisation-wide.

Customer Engagement Platforms

- Customer experience is central to REDtone's digital transformation. The launch of the REDtone MY Portal (<https://my.redtone.com/>) provides self-service capabilities, allowing customers to access invoices, track data usage and escalate support tickets independently.
- An AI-powered chatbot was also introduced to deliver real-time support, reduce response times and ease the burden on manual support channels.

CYBERSECURITY AND DATA PRIVACY

At REDtone, cybersecurity and data privacy are treated as non-negotiable priorities. Safeguarding personal data and securing digital infrastructure are central to the Group's commitment to responsible business practices.

The Group fully complies with the Personal Data Protection Act (PDPA) and upholds stringent standards across all operations. In FY2024/FY2025, REDtone conducted three PDPA training sessions to strengthen employee awareness of data protection responsibilities. These are reinforced by:

- Regular internal audits;
- System updates and patching;
- Data minimisation protocols; and
- Role-Based Access Controls (RBAC).

REDTONE SOCIAL RESPONSIBILITY (CONT'D)

COMMITMENT TO OPERATING RESPONSIBLY (CONT'D)

CYBERSECURITY AND DATA PRIVACY (CONT'D)

Key Cybersecurity Initiatives

Multi-Factor Authentication (MFA)

- Mandatory for all staff; applied across email, portals and SaaS tools (e.g. Microsoft 365)

Network Security Upgrades

- Enhanced switches and Wi-Fi access points for improved access control

Cyber Awareness Training

- Regularly conducted to embed secure behaviour across the organisation

Infrastructure Protection

- Enterprise-grade firewalls and full endpoint protection across all staff devices

BUILDING INTERNAL EXPERTISE

To deepen internal capabilities, REDtone supported one team member in obtaining the globally recognised CISSP (Certified Information Systems Security Professional) certification. This certification reflects the Group's long-term commitment to developing in-house cybersecurity talent.

STRENGTHENING DATA CENTRE SECURITY

REDtone Data Centre Sdn Bhd ("RDC") provides a secure foundation for Group-wide operations. RDC holds the following certifications:

SIRIM ISO/IEC
27001:2013

- Covers information security, managed services, business continuity and operational support
- Upgrade to ISO/IEC 27001:2022 in progress, with completion targeted by end-2025

PCI-DSS (Payment
Card Industry Data
Security Standard)

- Mandated by Bank Negara Malaysia for financial services hosted on RDC infrastructure
- Affirms robust data, physical and network security and governance over cardholder data

Through these initiatives and certifications, REDtone protects sensitive information, strengthens regulatory compliance and builds lasting digital trust with customers, partners and stakeholders.

SUSTAINABILITY PERFORMANCE DATA
(Bursa Malaysia ESG Reporting Platform)

Indicator	Measurement Unit	2024	2025
Bursa (Anti-corruption)			
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category			
Senior management	Percentage	18.18	25.00
Middle management	Percentage	19.54	11.63
Junior management	Percentage	31.43	20.41
Non-executive	Percentage	22.22	6.56
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0
Bursa (Community/Society)			
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	95,000.00	131,500.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	4,209	2,043
Bursa (Diversity)			
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	0.00
Senior management Between 30-50	Percentage	27.27	25.00
Senior management Above 50	Percentage	72.73	75.00
Middle management Under 30	Percentage	1.15	3.49
Middle management Between 30-50	Percentage	79.31	77.91
Middle management Above 50	Percentage	19.54	18.60
Junior management Under 30	Percentage	36.57	39.29
Junior management Between 30-50	Percentage	60.00	55.61
Junior management Above 50	Percentage	3.43	5.10
Non-executive Under 30	Percentage	57.41	52.46
Non-executive Between 30-50	Percentage	42.59	47.54
Non-executive Above 50	Percentage	0.00	0.00
Gender Group by Employee Category			
Senior management Male	Percentage	81.82	83.33
Senior management Female	Percentage	18.18	16.67
Middle management Male	Percentage	65.52	67.44
Middle management Female	Percentage	34.48	32.56
Junior management Male	Percentage	68.57	63.27
Junior management Female	Percentage	31.43	36.73
Non-executive Male	Percentage	79.63	80.33
Non-executive Female	Percentage	20.37	19.67
Bursa C3(b) Percentage of directors by gender and age group			
Male	Percentage	62.50	57.14
Female	Percentage	37.50	42.86
Under 30	Percentage	0.00	0.00
Between 30-50	Percentage	37.50	28.57
Above 50	Percentage	62.50	71.43
Bursa (Energy management)			
Bursa C4(a) Total energy consumption	Megawatt	8,926.81	8,451.53

Internal assurance

External assurance

No assurance

(*)Restated

Sustainability Statement

(Cont'd)

SUSTAINABILITY PERFORMANCE DATA (CONT'D)

(Bursa Malaysia ESG Reporting Platform)

Indicator	Measurement Unit	2024	2025
Bursa (Health and safety)			
Bursa C5(a) Number of work-related fatalities	Number	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	49.61	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	176	278
Bursa (Labour practices and standards)			
Bursa C6(a) Total hours of training by employee category			
Senior management	Hours	413	94
Middle management	Hours	2,941	608
Junior management	Hours	4,375	1,663
Non-executive	Hours	801	6,652
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0.00	0.00
Bursa C6(c) Total number of employee turnover by employee category			
Senior management	Number	1	1
Middle management	Number	9	3
Junior management	Number	37	8
Non-executive	Number	30	4
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0
Bursa (Supply chain management)			
Bursa C7(a) Proportion of spending on local suppliers	Percentage	99.16	96.93
Bursa (Data privacy and security)			
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0
Bursa (Water)			
Bursa C9(a) Total volume of water used	Megalitres	0.045000	0.810800
Bursa (Waste management)			
Bursa C10(a) Total waste generated	Metric tonnes	-	0.00
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	-	0.00
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	-	0.00
Bursa (Emissions management)			
Bursa C11(a) Scope 1 emissions in tonnes of CO ₂ e	Metric tonnes	-	939.91
Bursa C11(b) Scope 2 emissions in tonnes of CO ₂ e	Metric tonnes	-	1,213.23
Bursa C11(c) Scope 3 emissions in tonnes of CO ₂ e (at least for the categories of business travel and employee commuting)	Metric tonnes	-	492.80

Internal assurance External assurance No assurance (*)Restated

SUSTAINABILITY PERFORMANCE INDICATORS

	Unit	FY2023	FY2024	FY2025
Economic				
Supply Chain Management				
Proportion of spending on local suppliers	%	99.73%	99.16%	96.93%
Corruption				
<u>Employees who have received training on anti-corruption</u>				
Non-executive	No. (%)	22	12 (22.22%)	4 (6.56%)
Junior management	No. (%)	7	55 (31.43%)	40 (20.41%)
Middle management	No. (%)	3	17 (19.54%)	10 (11.63%)
Senior management	No. (%)	0	2 (18.18%)	3 (25.00%)
Total employees	No. (%)	32	86 (26.30%)	57 (16.06%)
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 anti-corruption policy	No.	0	0	0
Compliance				
Provisions for fines and settlements specified for ESG issues in audited accounts	RM	0	0	0
Total costs of environmental fines and penalties	RM	0	0	0
Environment				
Energy				
Grid electricity	kWh	7,433,900	6,176,909	2,777,235
Grid electricity	GJ	26,762	22,237	9,998
Renewable electricity (solar)	kWh	NA	NA	2,169,957
Renewable electricity (solar)	GJ	NA	NA	7,812
Total electricity	kWh	NA	NA	4,947,191
Total electricity	GJ	NA	NA	17,810
Fuel *	GJ	9,247	9,900	12,616
Total energy	GJ	36,009	32,137	30,426
* Calculated using the IPCC 2006 Guidelines for National Greenhouse Gas Inventories				
Water and Effluents				
Municipal water consumption	m ³	NA	45	811
Total water consumption	m ³	NA	45	811
Total volume of water (effluent) discharge)	m ³	NA	0	0
GHG Emissions				
<u>Scope 1</u>				
CO ₂	tCO ₂ e	685	733	934
CH ₄	tCO ₂ e	3	3	3.52
N ₂ O	tCO ₂ e	2	2	2.07
CO ₂ e	tCO ₂ e	689	737	940
<u>Scope 2</u>				
Electricity	tCO ₂ e	5,635	4,682	1,213

Sustainability Statement (Cont'd)

SUSTAINABILITY PERFORMANCE INDICATORS (CONT'D)

	Unit	FY2023	FY2024	FY2025
Environment (Cont'd)				
GHG Emissions (Cont'd)				
<u>Scope 3</u>				
3. Fuel- and energy-related activities	tCO ₂ e	NA	NA	265
6. Business travel				
CO ₂	tCO ₂ e	NA	NA	226
CH ₄	tCO ₂ e	NA	NA	0
N ₂ O	tCO ₂ e	NA	NA	2
CO ₂ e	tCO ₂ e	NA	337	228

Scope 1 calculated using the IPCC 2006 Guidelines for National Greenhouse Gas Inventories (cross-sector tool emission factors; CO₂, CH₄, N₂O aggregated to CO₂e).

Scope 2 calculated using the Grid Emission Factor for Peninsular Malaysia, Sabah and Sarawak published by the Energy Commission (National Grid EF).

Scope 3 (Category 3 – Fuel- and energy-related activities) calculated using the UK Government GHG Conversion Factors for Company Reporting 2025.

Scope 3 (Category 6 – Business travel) calculated using the UK Government GHG Conversion Factors for Company Reporting 2025.

Social				
Diversity				
Total number of employees	No.	NA	327	355
<u>Employees by contract</u>				
Full time employees	No. (%)	NA	327 (100.00%)	355 (100.00%)
Contractors/temporary staff	No. (%)	NA	0 (0.00%)	0 (0.00%)
<u>Employees by nationality</u>				
Malaysian Staff	No. (%)	NA	326 (99.69%)	354 (99.72%)
Non-Malaysian Staff	No. (%)	NA	1 (0.31%)	1 (0.28%)
<u>Employees by gender</u>				
Female	No. (%)	NA	98 (29.97%)	114 (32.11%)
Male	No. (%)	NA	229 (70.03%)	241 (67.89%)
<u>Employees by age group</u>				
<30	No. (%)	NA	96 (29.36%)	112 (31.55%)
30-50	No. (%)	NA	200 (61.16%)	208 (58.59%)
>50	No. (%)	NA	31 (9.48%)	35 (9.86%)
<u>Employees by category</u>				
Non-executive employees	No. (%)	NA	54 (16.51%)	61 (17.18%)
Junior management	No. (%)	NA	175 (53.52%)	196 (55.21%)
Middle management	No. (%)	NA	87 (26.61%)	86 (24.23%)
Senior management	No. (%)	NA	11 (3.36%)	12 (3.38%)
<u>By Ethnicity</u>				
Malay	No. (%)	NA	NA	170 (47.89%)
Chinese	No. (%)	NA	NA	97 (27.32%)
Indian	No. (%)	NA	NA	14 (3.94%)
Others	No. (%)	NA	NA	74 (20.85%)
<u>Employees: Gender by category</u>				
Non-Executive: Female	No. (%)	NA	11 (20.37%)	12 (19.67%)
Non-Executive: Male	No. (%)	NA	43 (79.63%)	49 (80.33%)
Junior management: Female	No. (%)	NA	55 (31.43%)	72 (36.73%)
Junior management: Male	No. (%)	NA	120 (68.57%)	124 (63.27%)
Middle management: Female	No. (%)	NA	30 (34.48%)	28 (32.56%)
Middle management: Male	No. (%)	NA	57 (65.52%)	58 (67.44%)
Senior management: Female	No. (%)	NA	2 (18.18%)	2 (16.67%)
Senior management: Male	No. (%)	NA	9 (81.82%)	10 (83.33%)

SUSTAINABILITY PERFORMANCE INDICATORS (CONT'D)

	Unit	FY2023	FY2024	FY2025
Social (Cont'd)				
Diversity (Cont'd)				
<u>Employees: Age by category</u>				
Non-executive:<30	No. (%)	NA	31 (57.41%)	32 (52.46%)
Non-executive: 30-50	No. (%)	NA	23 (42.59%)	29 (47.54%)
Non-executive: >50	No. (%)	NA	0 (0.00%)	0 (0.00%)
Junior management:<30	No. (%)	NA	64 (36.57%)	77 (39.29%)
Junior management:30-50	No. (%)	NA	105 (60.00%)	109 (55.61%)
Junior management:>50	No. (%)	NA	6 (3.43%)	10 (5.10%)
Middle management:<30	No. (%)	NA	1 (1.15%)	3 (3.49%)
Middle management:30-50	No. (%)	NA	69 (79.31%)	67 (77.91%)
Middle management:>50	No. (%)	NA	17 (19.54%)	16 (18.60%)
Senior management:<30	No. (%)	NA	0 (0.00%)	0 (0.00%)
Senior management:30-50	No. (%)	NA	3 (27.27%)	3 (25.00%)
Senior management:>50	No. (%)	NA	8 (72.73%)	9 (75.00%)
<u>Employees by union membership</u>				
Union members	No. (%)	NA	0 (0.00%)	0 (0.00%)
Non-union members	No. (%)	NA	327 (100.00%)	355 (100.00%)
<u>Employees by disabilities</u>				
Disabled staff	No. (%)	NA	0 (0.00%)	0 (0.00%)
Employee Turnover *				
Total Turnover	No. (rate)	NA	77 (23.55%)	16 (4.51%)
By Gender				
Female	No. (rate)	NA	30 (30.61%)	6 (5.26%)
Male	No. (rate)	NA	47 (20.52%)	10 (4.15%)
By age Group				
<30	No. (rate)	NA	35 (36.46%)	6 (5.36%)
30-50	No. (rate)	NA	35 (17.50%)	8 (3.85%)
>50	No. (rate)	NA	7 (22.58%)	2 (5.71%)
By Employment Category				
Non-executive employees	No. (rate)	NA	30 (55.56%)	4 (6.56%)
Junior management	No. (rate)	NA	37 (21.14%)	8 (4.08%)
Middle management	No. (rate)	NA	9 (10.34%)	3 (3.49%)
Senior management	No. (rate)	NA	1 (9.09%)	1 (8.33%)
Voluntary/Non-voluntary				
Total Turnover full time staff voluntary	No. (rate)	NA	70 (90.91%)	16 (100.00%)
Total Turnover full time staff involuntary	No. (rate)	NA	7 (9.09%)	0 (0.00%)
* All turnover rates calculated by dividing the number of employees leaving the company by the total number of employees for each category				
Director Diversity				
Total directors	No.	NA	8	7
Directors by Gender				
Female	No. (%)	NA	3 (37.50%)	3 (42.86%)
Male	No. (%)	NA	5 (62.50%)	4 (57.14%)
By Age Group				
<30	No. (%)	NA	0 (0.00%)	0 (0.00%)
30-50	No. (%)	NA	3 (37.50%)	2 (28.57%)
>50	No. (%)	NA	5 (62.50%)	5 (71.43%)
By Ethnicity				
Malay	No. (%)	NA	4 (50.00%)	3 (42.86%)
Chinese	No. (%)	NA	3 (37.50%)	3 (42.86%)
Indian	No. (%)	NA	0 (0.00%)	0 (0.00%)
Others	No. (%)	NA	1 (12.50%)	1 (14.29%)

Sustainability Statement

(Cont'd)

SUSTAINABILITY PERFORMANCE INDICATORS (CONT'D)

	Unit	FY2023	FY2024	FY2025
Social (Cont'd)				
Training & Development				
Time spent on employee development training by employee category				
Non-executive employees	Hrs.	7,061.0	801.0	6,651.5
Junior management	Hrs.	1,329.0	4,375.0	1,663.1
Middle management	Hrs.	2,243.5	2,941.0	608.0
Senior management	Hrs.	194.0	413.0	93.5
Total employees	Hrs.	10,827.5	8,530.0	9,016.1
Total employees attending training	No.	3,249.0	2,778.0	0.0
Types of employee development training to enhance knowledge or individual skills				
Finance & Accounting	No.	15	11	29
Management	No.	41	83	38
Product & Services	No.	1,128	991	633
Safety & Health	No.	151	205	278
Soft skills	No.	299	231	785
Technical	No.	67	162	494
Others	No.	1,497	1,095	28
Total	No.	3,198	2,778	2,285
Total company training time	Hours	8,393	8,530	9,016
Average training hours per employee	Hours	35	28	26
Average training days per employee	Days	4	4	3
Safety induction training sessions	No.	8	37	53
Health and Safety				
Fatalities (employees)	No.	0	0	0
Fatalities (third-party contractors)	No.	0	0	0
Lost Time Incident Rate	Rate *	56.97	49.61	0.00
Lost Workday Cases (LWC)	No.	0	0	0
Restricted Workday Cases (RWC)	No.	0	1	0
First Aid Cases (FAC)	No.	0	0	0
Near Miss Cases	No.	0	0	0
Dangerous Occurrence Cases	No.	0	0	0
Fire Cases	No.	0	0	0
Property Damage Case	No.	1	1	0
Vehicle Accident Cases	No.	0	1	0
No. of Days Lost	Days	0	0	0
Total Safe Man-hours Worked	Hours	212,160	125,184	173,992
Employees trained on health and safety standards	No.	136	176	278
Employees receiving general training which includes safety	No.	255	302	2,314
* LTIR = lost time injuries / total hours worked x 200,000				
Human Rights				
Number of substantiated complaints concerning human rights violations	No.	0	0	0
Data Privacy and Security				
Total substantiated complaints concerning breaches of customer privacy and losses of customer data	No.	0	0	0
Community				
Total amount of corporate or group donations/community investments made to registered not-for-profit organisations	RM	3,000	95,000	131,500
Total number of beneficiaries of the investment in communities	No.	1	4,209	2,043

INDEPENDENT ASSURANCE STATEMENT



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INDEPENDENT LIMITED ASSURANCE STATEMENT TO THE BOARD OF DIRECTORS REDTONE DIGITAL BERHAD

Limited Assurance Conclusion

We have conducted a limited assurance engagement on the selected sustainability information (the “Subject Matters”) listed below for the year ended 30 June 2025 as published in the Sustainability Statement 2025 (the “Statement”) of REDtone Digital Berhad (the “Company” or “REDtone”).

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matters are not prepared, in all material respects, in accordance with the Reporting Criteria.

Scope of Work

BDO PLT (“BDO” or “we”), was engaged by the Company to provide limited assurance engagement as defined by the International Standard on Assurance Engagements (“ISAE”) 3000, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information on the Subject Matters for the year ended 30 June 2025 as published in the Statement.

Subject Matters

The Subject Matters on which we provided limited assurance, consist of:

Subject Matters	Unit	Value 2025
Anti-corruption:		
Employees who have received training on anti-corruption, by employee category:		
Non-executive	Percentage	6.56
Junior management	Percentage	20.41
Middle management	Percentage	11.63
Senior Management	Percentage	25.00
Total employees	Percentage	16.06
Directors who have received training on anti-corruption	Percentage	100.00
Proportion of operations assessed for corruption-related risks	Percentage	100
Total confirmed incidents of corruption	Number	0
Community/Society:		
Amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	131,500
Beneficiaries of the investment in communities	Number	2,043

INDEPENDENT ASSURANCE STATEMENT (CONT'D)



Subject Matters	Unit	Value 2025
Total Water Consumption	m ³	810.8
GHG Emission: Scope 1	tCO ₂ e	940
GHG Emission: Scope 2	tCO ₂ e	1,213
GHG Emission: Scope 3 - Business travel ¹	tCO ₂ e	228
Total Energy Consumption	Gigajoules	30,426
Diversity:		
Employees by gender		
Male	Percentage	67.89
Female	Percentage	32.11
Employees by age group		
<30 year old	Percentage	31.55
30-50 year old	Percentage	58.59
>50 year old	Percentage	9.86
Employee by gender, for each employee category		
Non-Executive: Female	Percentage	19.67
Non-Executive: Male	Percentage	80.33
Junior management: Female	Percentage	36.73
Junior management: Male	Percentage	63.27
Middle management: Female	Percentage	32.56
Middle management: Male	Percentage	67.44
Senior management: Female	Percentage	16.67
Senior management: Male	Percentage	83.33
Employee by age group, for each employee category		
Non-Executive: <30 year old	Percentage	52.46
Non-Executive: 30-50 year old	Percentage	47.54
Non-Executive: >50 year old	Percentage	0.00
Junior management: <30 year old	Percentage	39.29
Junior management: 30-50 year old	Percentage	55.61
Junior management: >50 year old	Percentage	5.10
Middle management: <30 year old	Percentage	3.49
Middle management: 30-50 year old	Percentage	77.91
Middle management: >50 year old	Percentage	18.60
Senior management: <30 year old	Percentage	0.00
Senior management: 30-50 year old	Percentage	25.00
Senior management: >50 year old	Percentage	75.00

¹ business travel is limited to airmiles and automobile mileage.

INDEPENDENT ASSURANCE STATEMENT (CONT'D)



Subject Matters	Unit	Value 2025
Directors by gender		
Female	Percentage	42.86
Male	Percentage	57.14
Directors by age group		
<30 year old	Percentage	0.00
30-50 year old	Percentage	28.57
>50 year old	Percentage	71.43

The Subject Matters subject to limited assurance cover the following legal entities and assets owned/leased by the Company and its subsidiaries:

Boundary - FYE 2025	
1.	REDtone Telecommunications Sdn Bhd
2.	SEA Telco Technology Sdn Bhd
3.	REDtone Engineering & Network Services Sdn Bhd ("RENS")
4.	REDtone Data Centre Sdn Bhd
5.	Ansar Mobile Sdn Bhd
6.	REDtone IOT Sdn Bhd
7.	REDtone Xarmour Sdn Bhd
8.	REDtone Technology Pte Ltd
9.	SEA Telco Engineering Services Sdn Bhd
10.	REDtone Equity Sdn Bhd
11.	Bytebuilder Sdn Bhd through RENS
12.	CRM International Sdn Bhd

The scope of our work was limited to the Subject Matters presented in the Statement and did not include coverage of data sets or information unrelated to the data and information underlying the Subject Matters; nor did it include information reported outside of the Statement, comparisons against historical data, or management's forward-looking statements.

Reporting Criteria

In preparing the Subject Matters mentioned above, the Company applied the following criteria:

- Listing Requirements of Bursa Malaysia Securities Berhad [paragraph 9.45(2) and paragraph (29), Part A of Appendix 9C of the Main Market Listing Requirements (supplemented by Practice Note 9)];
- United Nations Sustainable Development Goals;
- ISO 260000 Social Responsibility;
- Sustainability Reporting Guide 3rd Edition issued by Bursa Malaysia Securities Berhad; and
- Group's relevant policies and procedures, including GHG Protocol

INDEPENDENT ASSURANCE STATEMENT (CONT'D)



Inherent Limitation

Inherent limitations of assurance engagements include the use of judgement and selective testing of data, which means that it is possible that fraud, error or non-compliance may occur and not be detected in the course of performing the engagement. Accordingly, there is some risk that a material misstatement may remain undetected. Further, our limited assurance engagement is not designed to detect fraud or error that is immaterial.

The absence of a significant body of established practice on which to measure and evaluate the Subject Matters, allows for different, but acceptable, measurement basis and can affect comparability between entities over time.

In addition, Greenhouse Gas ("GHG") quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emission factors and the values needed to combine emissions of different gasses.

The Subject Matters are subject to more inherent limitations than financial information, given the characteristics and methods used for determining underlying information. The precision of different measurement techniques may also vary.

Our Independence and Quality Management

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) issued by the International Ethics Standards Board for Accountants, together with the ethical requirements that are relevant to our assurance engagement of the Subject Matters in Malaysia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our firm applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, and, accordingly, maintains a comprehensive system of quality management, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Management's Responsibilities

Management of the Company is responsible for:

- The preparation of the Subject Matters in accordance with the Reporting Criteria;
- Selection and application of appropriate methods to prepare the Subject Matters reported in the Statement, which includes but not limited to the use of assumptions and estimates for disclosure which are reasonable; and
- Designing, implementing and maintaining internal control relevant to the preparation of the Subject Matters, in accordance with the Reporting Criteria, to enable the preparation of such information that is free from material misstatement, whether due to fraud or error.

INDEPENDENT ASSURANCE STATEMENT (CONT'D)



Our Responsibilities

Our responsibility is to express our conclusion on whether anything has come to our attention that causes us to believe that the Subject Matters and related disclosures as presented in the Statement are not prepared, in all material respects, in accordance with the Reporting Criteria.

We have performed our limited assurance engagement in accordance with the scope of work agreed with the Company as stated in our Engagement Letter dated 4 September 2025, including performing the engagement in accordance to International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information, which was issued by the International Auditing and Assurance Standards Board. This Standard requires that we plan and perform our engagement to obtain limited assurance about whether the Subject Matters as presented in the Statement are free from material misstatement.

A limited assurance engagement undertaken in accordance with ISAE 3000 involves assessing the suitability in the circumstances of the Company's use of the Reporting Criteria specified as the basis of preparation used for the selected Subject Matters presented in the Statement, assessing the risks of material misstatement thereof, whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Subject Matters in the Statement. We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Procedures Performed

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls.

Our limited assurance engagement on the Subject Matters consists of making enquiries, primarily of persons responsible for the preparation of the Subject Matters presented in the Statement and applying analytical and other evidence gathering procedures as appropriate.

INDEPENDENT ASSURANCE STATEMENT (CONT'D)



Our limited assurance procedures included:

- Gained an understanding of REDtone's business, internal processes and approach to sustainability;
- Conducted interviews with key personnel and collated evidence to understand REDtone's process for reporting performance indicators and disclosures, including inquiries into potential risks of misstatement and quality control measures in place to mitigate the risks;
- Conducted limited assurance procedures over the selected Subject Matters, including:
 - i. Performed analytical procedures to support the reasonableness of the data;
 - ii. Checked that calculation of the Reporting Criteria have been applied as per the methodologies for the Subject Matters;
 - iii. Identified and tested the assumptions supporting the calculations to assess their reasonableness and consistency;
 - iv. Tested, on a sample basis, underlying source information to check accuracy of the data;
 - v. Obtained appropriate representations from management, in the form of a management representation letter addressed to us to confirm that the management believes that it has fulfilled its responsibilities.
- We also performed such other procedures as we considered necessary in the circumstances.

Other Matters

Information relating to prior reporting periods has not been subject to assurance procedures. Our report does not extend to any disclosures or assertions relating to future performance plans and/or strategies disclosed in the Statement. The maintenance and integrity of REDtone's website is the responsibility of REDtone's management. Our procedures did not involve consideration of these matters and, accordingly we accept no responsibility for any changes to the Subject Matters and related disclosures, the Statement or to our independent limited assurance statement that may have occurred since the initial date of presentation on the REDtone's website.

INDEPENDENT ASSURANCE STATEMENT (CONT'D)



Restriction on Distribution or Use

This report is made solely to the Board of Directors of the Company in accordance with the agreement between us, in connection with the performance of an independent limited assurance engagement on the Subject Matters, as reported by REDtone in the Statement and should not be used or relied upon for any other purposes.

We consent the inclusion of this report in the Statement to be disclosed on the website of the Company at <https://www.redtone.com/> to assist the Board of Directors in responding to their governance responsibilities by obtaining an independent limited assurance report on the Subject Matters in connection with the preparation of the Statement.

As a result, we will not accept any liability or responsibility to any other party to whom our report is shown or into whose hands it may come. Any reliance on this report by any third party is entirely at its own risk.

A handwritten signature in black ink, appearing to read 'BDO PLT'.

BDO PLT
201906000013 (LLP0018825-LCA) & AF 0206
Chartered Accountants

Kuala Lumpur
7 October 2025

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“**Board**”) of REDtone Digital Berhad (“**REDtone**” or **Company**”) recognises that sound corporate governance is essential to sustaining long-term shareholder value, safeguarding stakeholder trust, and ensuring resilient business performance. Guided by the Malaysian Code on Corporate Governance (“**MCCG**” or “**Code**”) and Paragraph 15.25 of the Main Market Listing Requirements (“**MMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”), the Board continues to uphold high standards of transparency, integrity, and accountability.

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.

The Board’s governance practices are structured around the three (3) key Principles set out in the MCCG. Details of application for each practice of the Code during the financial year ended 30 June 2025 (“**FY2025**”) 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.

The Board is collectively responsible for, amongst others:

- Setting the Group’s strategic business plan and direction
- Promoting a culture of good corporate governance
- Approving major investment and divestment proposals
- Approving financial results and ensuring reporting integrity
- Overseeing risk management and internal control systems
- Succession planning for Board and Senior Management
- Appointment of Directors, Board Committees and determining remuneration
- Appointment of Auditors and determining their remuneration
- Overseeing sustainability risks and opportunities

The Chairman of the Board, YAM Tunku Tun Aminah Binti Sultan Ibrahim Ismail plays a pivotal role in promoting strong corporate governance, ensuring the effective functioning of the Board, and providing leadership that facilitates robust and constructive deliberations. The Chairman is not a member of the Board Committees.

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 (“**Group CEO**”) 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 CEO focuses primarily on formulation and implementation of business strategies, oversees the implementation of the Board’s decisions and policies, as well as overseeing day-to-day management and running of the Group.

To enhance oversight and efficiency, the Board has delegated specific responsibilities to its Committees. These Committees assist the Board in fulfilling its governance and oversight functions.

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

A. Board Responsibilities (Cont'd)

Board of Directors (Cont'd)

The Board is supported by the Company Secretaries, who are suitably qualified, experienced and competent, and provides guidance on regulatory and procedural matters, ensuring that Directors can effectively fulfill their responsibilities. The Company Secretaries also ensure that the deliberations and resolutions of the Board and its Committees are properly documented and keep the Board informed of updates in statutory requirements and corporate governance best practices.

Board Meetings

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 2025, there were a total of five (5) Board meetings held. The attendance of each Director is as follows:

NAME OF DIRECTORS	Attendance
YAM Tunku Tun Aminah Binti Sultan Ibrahim Ismail	4/5
Encik Syed Ali Shahul Hameed	5/5
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	5/5

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 meeting, 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 and Code of Conduct

The Board has adopted a Board Charter and a Code of Conduct, both of which are published on the Company's website at www.redtone.com.

The Board Charter 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. It serves as an important reference for Directors in carrying out their duties. Embedded within the Board Charter is the Directors' Code of Best Practice, which prescribes ethical standards to ensure the Board upholds high levels of integrity and accountability at all times.

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

A. Board Responsibilities (Cont'd)

Board Charter and Code of Conduct (Cont'd)

The Board Charter is reviewed periodically to ensure its continued relevance and alignment with the Board's objectives and responsibilities. The most recent review was undertaken in August 2023.

The Code of Conduct outlines the principles of business ethics, workplace safety, and standards of personal conduct. It provides guidance on ethical behaviour, promotes honesty and integrity, and ensures that all employees maintain high standards of ethical and professional conduct in the performance of their duties and responsibilities.

Whistleblowing Policy

The Whistleblowing Policy provides Directors, employees, and stakeholders with a confidential channel to report any improper or unethical conduct within the Group. This policy also includes measures to protect whistleblowers from retaliation. The Whistleblowing Policy was last reviewed in August 2022 and is available on the Company's website at www.redtone.com.

Anti-Bribery and Corruption Policy

The Anti-Bribery and Corruption Policy outlines the Group's commitment to preventing bribery and corrupt practices. It provides clear guidance to Directors and employees on identifying and handling potential instances of bribery and corruption in the course of their professional responsibilities. The policy, last reviewed in August 2024, is accessible on the Company's website at www.redtone.com.

B. Sustainability

The Board holds the ultimate accountability for the Group's operations by ensuring sustainability considerations are embedded in the strategic planning, risk management and implementation of the Group's initiatives.

Sustainability governance is anchored by the Sustainability Working Committee, chaired by the Group CEO, who is responsible for driving the implementation of Board-approved sustainability strategies and practices. The Board has also adopted a Sustainability Framework that sets out guiding principles for promoting a culture of sustainability across the Group.

During FY2025, the Group engaged with stakeholders through various channels, as detailed in the Sustainability Statement of this Annual Report. To remain current on sustainability matters, including climate-related risks and opportunities, the Board members will continue to participate in relevant and contemporaneous formal training programmes.

C. Board Composition

Board Composition and Balance

The Board comprises seven (7) members with a balanced representation of skills, experience, and independence to discharge their duties effectively. The composition is as follows:

- Three (3) Independent Non-Executive Directors (INEDs) who provide objective judgment and constructive challenge to management decisions;
- Three (3) Non-Independent Non-Executive Directors (NINEDs) who bring shareholder perspectives and industry knowledge to the Board's deliberations; and
- One (1) Executive Director, who is responsible for the day-to-day management of the Group.

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

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

C. Board Composition (Cont'd)

Board Composition and Balance (Cont'd)

In line with the MCCG Practice 5.9, which recommends a minimum of 30% female representation on the Board, REDtone exceeded this threshold, with 42% female representation (three (3) out of seven (7) Directors) as at FY2025. This achievement reflects the Board's ongoing commitment to gender diversity and inclusion as part of its broader Diversity, Equity, and Inclusion Policy adopted on 22 August 2024.

The Board collectively brings a diverse blend of leadership experience, industry expertise, financial acumen, and governance knowledge, enabling it to guide the Company in achieving its strategic objectives. The combination of independent and non-independent directors ensures robust oversight while maintaining strong operational insight.

Board Committees

To enhance oversight and efficiency, the Board has delegated certain responsibilities to its established Board Committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee. Each Committee operates within clearly defined Terms of Reference, which are reviewed periodically to ensure their continued relevance and alignment with the latest regulatory requirements, corporate governance best practices, and the Company's strategic priorities. The Terms of Reference for all Committees are available on the Company's website at www.redtone.com.

All Board Committees comprise Non-Executive Directors, with the majority being Independent Non-Executive Directors. This composition promotes an objective and independent approach to the Board Committees' deliberations and recommendations to the Board.

Through these Board Committees, the Board is able to focus more effectively on specific areas of governance and oversight, while retaining collective responsibility for all decisions. The Board Committees' recommendations are presented to the Board for approval, ensuring that decision-making remains well-informed and robust.

Nomination Committee

The Nomination Committee supports the Board in matters relating to Board composition, succession planning, director development and annual assessment. Its key responsibilities include:

- Assessing the size, structure, and composition of the Board and its Committees;
- Reviewing the independence of Independent Directors;
- Recommending the appointment of new Directors to the Board; and
- Overseeing the annual performance evaluation of the Board, Committees, and individual Directors.

The present members of the Nomination Committee are as follows:

Director	Designation
Mr. Kua Choo Kai	Chairman, Independent Non-Executive Director
Dato' Avinderjit Singh A/L Harjit Singh	Member, Independent Non-Executive Director
Puan Sabarina Binti Harun	Member, Independent Non-Executive Director

The Nomination Committee held one (1) meeting during the FY2025 and all Nomination Committee members were present.

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

C. Board Composition (Cont'd)

Nomination Committee (Cont'd)

The key activities undertaken by the Nomination Committee for the FY2025 and up to the date of this Statement were as follows:

- Conducted an annual assessment of the Board's effectiveness as a whole and the contribution of each Director and Board Committee;
- Assessed the independence status of the Independent Non-Executive Directors of the Company;
- Assessed the performance of each Board Committee and its members;
- Reviewed and recommended to the Board, the re-election of the Directors who were due for re-election at the forthcoming Annual General Meeting ("**AGM**") 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 MCGG at the forthcoming AGM of the Company; and
- In accordance with Paragraph 15.20 of the MMLR 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.

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.

The tenure of an Independent Director shall not exceed twelve (12) years. Should the Board wish to retain an Independent Director beyond nine (9) years, annual shareholders' approval will be sought.

The Nomination Committee conducts an annual review and assessment of the independence of all Independent Directors to ensure they remain effective in providing objective oversight. This review considers whether the Directors are independent of management and free from any business or other relationships with the Group that could reasonably be perceived to interfere with their independent judgment.

Based on the assessment carried out, the Nomination Committee and the Board are satisfied that all Independent Directors continue to demonstrate independence of mind, objectivity, and integrity in their roles.

Dato' Avinderjit Singh A/L Harjit Singh, who was appointed to the Board on 19 February 2014 as an Independent Non-Executive Director, has served for a cumulative term exceeding nine (9) years. Notwithstanding his long tenure, the Board is satisfied that he continues to provide impartial perspectives, constructively challenge Management, and actively contribute to the Board and the Board Committees' deliberations and decision-making.

In view of these attributes and his consistent performance, the Board will recommend to the shareholders at the forthcoming AGM that Dato' Avinderjit Singh A/L Harjit Singh be retained as an Independent Director of the Company.

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

C. Board Composition (Cont'd)

Boardroom Diversity

The Board values diversity in age, gender, and ethnicity, recognising the advantages it brings to decision-making and governance. While diversity remains a key consideration, appointments are guided by the need for a well-balanced mix of competencies, skills, experience, and industry knowledge, enabling the Board to discharge its responsibilities effectively and meet the Group's current needs.

There are currently three (3) female Directors on the Board, YAM Tunku Tun Aminah Binti Sultan Ibrahim Ismail, Ms. Loh Paik Yoong, and Puan Sabarina Binti Harun, representing 42% of its composition, which exceeds the recommendation of 30% female Board representation under Practice 5.9 of the MCCG.

To reinforce its commitment to inclusivity, the Group has adopted a Group-wide Diversity, Equity and Inclusion Policy, applicable at all levels, including the Board and all employees.

Appointment and Re-election to the Board

The Nomination Committee is responsible for identifying and recommending suitable candidates for appointment to the Board. In fulfilling this role, the Nomination Committee adopts a transparent and formal selection process, ensuring that appointments are made based on merit. To broaden the pool of potential candidates, the Nomination Committee utilises various sourcing methods, including directors' registries, open advertisements, and independent search firms, rather than relying solely on recommendations from existing Board members, Management, or major shareholders.

The suitability of potential candidates is assessed in accordance with the Directors' Fit and Proper Policy, which is available on the Company's website at www.redtone.com. The Nomination Committee evaluates a candidate's profile based on criteria such as competency, experience, expertise, integrity, and time commitment, before recommending the candidate for appointment to the Board.

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 three (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 who are due for retirement and are eligible for re-election pursuant to the Company's Constitution are as follows:-

Directors	Clause of the Company's Constitution
Dato' Avinderjit Singh A/L Harjit Singh	Clause 117
Ms. Loh Paik Yoong	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.

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

C. Board Composition (Cont'd)

Board and Board Committees' Annual Assessment

The Board, through the Nomination Committee, conducts an annual assessment of the Board, its Committees, and individual Directors to evaluate their performance and identify areas for enhancement. The process covers:

- Board and Board Committee evaluations;
- Board Skills Matrix review;
- Individual Directors' assessment;
- Audit Committee assessment;
- Independent Directors self-assessment; and
- Directors' evaluation relating to Environmental, Social and Governance ("ESG"), and Sustainability

These assessments are guided by the Corporate Governance Guide (4th Edition) issued by Bursa Malaysia Berhad and are completed by the respective Committees and Directors, who provide feedback, views, and suggestions for improvement. The Nomination Committee collates and summarises the results, which are deliberated at its meeting before the Nomination Committee Chairman presents the findings to the Board.

Evaluations are based on specific criteria, including Board structure, skills composition, effectiveness of operations, clarity of roles and responsibilities, and the leadership of the Chairman. This structured review ensures that each Director possesses the necessary competency, experience, integrity, and time commitment to fulfil their role effectively, and that the Board collectively has the right balance of skills to meet the Group's strategic needs.

Overall, the Board is satisfied with the assessment results, affirming that its size is optimal and that its composition reflects an appropriate mix of skills, experience, and perspectives to discharge its responsibilities effectively.

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. As at this Annual Report date, all Directors have attended the Mandatory Accreditation Programme Part II under Bursa Securities.

All Directors have also attended relevant training sessions, conferences and seminars on an ongoing basis to ensure that they remain abreast of the latest developments and regulatory changes relevant to 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.

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

C. Board Composition (Cont'd)

Directors' Training (Cont'd)

During FY2025, 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	• Latest Trends on AI, Amendments to PDPA, Tax Issues; and Corporate Liability Regime: Section 17A Malaysian Anti-Corruption Commission Act 2009
Mr. Lau Bik Soon	• Latest Trends on AI, Amendments to PDPA, Tax Issues; and Corporate Liability Regime: Section 17A Malaysian Anti-Corruption Commission Act 2009 • Four Decades of Uninterrupted Growth; CEO's AI Success Stories curated; CEO Panel-Billions of Ringgit of Wisdom • Global, Regional and Malaysian Economic Updates • Future-Proofing Your Business with AI: Strategies for Sustainable Success
Mr. Kua Choo Kai	• Understanding IFRS1 and IFRS2: Learn the impact of the new reporting standard and how to navigate the requirements for Malaysian Public Listed Companies • Audit Committee Conference 2024 – Embracing Strategic Oversight: The Future of Audit Committees • What can seriously go wrong with RPTs?: Understanding the legal requirements and gain insights from recent cases • Latest Trends on AI, Amendments to PDPA, Tax Issues; and Corporate Liability Regime: Section 17A Malaysian Anti-Corruption Commission Act 2009 • MIA Conference 2025 – Collaborative Leadership for a Sustainable Future • Provision of Financial Assistance – A Complete Guide • The Journey into the AI Age – Game Changer for Your Digital Transformation Era • National Sustainability Reporting Framework (NSRF) & Latest Bursa Listing Requirements • Anti-Bribery and Corruption in the Workplace
Dato' Avinderjit Singh A/L Harjit Singh	• Moderating Anti-Bribery and Corruption Risks, and Corporate Liability Offence under Section 17A of MACC Act 2009 (Amendment 2018) • Elevating your company's Bursa ESG Rating • Bursa Malaysia Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Ms. Loh Paik Yoong	• Navigating Capital Gains Tax • Insights from Asia Pacific Businesses • Enhance Compliance Through Malaysian's Tax Corporate Governance Program • International Tax-Outbound Investment into Vietnam • Setting Up Data Centers in Malaysia – Key Legal Issues and Challenges • Tax and Business Summit 2024 • Stamp Duty • Latest Trends on AI, Amendments to PDPA, Tax Issues; and Corporate Liability Regime: Section 17A Malaysian Anti-Corruption Commission Act 2009 • ESG Considerations in M&A

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

C. Board Composition (Cont'd)

Directors' Training (Cont'd)

During FY2025, the continuous education programmes attended by the Directors are as follows: (Cont'd)

Director	Title of Programmes/Seminars/Courses/Forums
Puan Sabarina Binti Harun	- MIA Webinar Series: Slide Design for Non-Designers - Project Risk Management & PMI RMP Exam Preparation - Leadership Mentoring Programme (LMP) – Women's Leadership Foundation - Latest Trends on AI, Amendments to PDPA, Tax Issues; and Corporate Liability Regime: Section 17A Malaysian Anti-Corruption Commission Act 2009 - MIA Conference 2025 – Collaborative Leadership for a Sustainable Future - Bursa Malaysia Mandatory Accreditation Programme Part II: Leading for Impact (LIP) - ASEAN Women Economic Summit 2025 – Women's Leadership Foundation
Encik Syed Ali Shahul Hameed	Latest Trends on AI, Amendments to PDPA, Tax Issues; and Corporate Liability Regime: Section 17A Malaysian Anti-Corruption Commission Act 2009

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 is committed to maintaining formal and transparent remuneration policies and procedures for Directors and Senior Management, designed to attract, motivate, retain, and reward individuals of the calibre required to drive the Group's success.

The Remuneration Committee advises the Board on remuneration policies and frameworks for Directors and Senior Management, ensuring that they remain competitive, performance-based, and aligned with shareholder interests. Its key responsibilities include:

- Reviewing the remuneration packages of Executive Directors and Senior Management;
- Recommending Non-Executive Directors' fees and allowances to the Board for recommendation to the shareholders for approval; and
- Ensuring that remuneration practices are linked to performance and benchmarked against market standards.

The present members of the Remuneration Committee are as follows:

Director	Designation
Dato' Avinderjit Singh A/L Harjit Singh	Chairman, Independent Non-Executive Director
Mr. Kua Choo Kai	Member, Independent Non-Executive Director
Ms. Loh Paik Yoong	Member, Non-Independent Non-Executive Director

The Remuneration Committee held one (1) meeting during FY2025 and all Remuneration Committee members were present.

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

D. Remuneration (Cont'd)

In undertaking its review, the Remuneration Committee considers the Group's financial performance, the scope of individual responsibilities, and the complexity of each role. In FY2025, the Remuneration Committee reviewed the remuneration structure to ensure continued alignment with the Group's strategic objectives and talent retention priorities.

While the Remuneration Committee provides recommendations, the Board as a whole determines the fees of Non-Executive Directors. Directors concerned abstain from any deliberations or decisions relating to their own remuneration. The Board applies a remuneration framework that takes into account the Group's performance and the responsibilities of each Director, comprising both 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.

Details of the Directors' remuneration categorised into relevant components for FY2025 are set out in the table below:-

	Company				Group			
	Salaries/ Bonus (RM)	Fees (RM)	Allowance (RM)	Other Emoluments [^] (RM)	Salaries/ Bonus (RM)	Fees (RM)	Allowance (RM)	Other Emoluments [^] (RM)
Executive Director								
Mr. Lau Bik Soon	-	-	-	-	1,296,000	-	95,600	175,800
Non-Executive Directors								
YAM Tunku Tun Aminah Binti Sultan Ibrahim Ismail	-	409,800	-	5,800	-	409,800	-	5,800
Encik Syed Ali Shahul Hameed	-	84,000	-	8,600	-	84,000	-	8,600
Mr. Kua Choo Kai	-	118,500	-	14,500	-	118,500	-	14,500
Dato' Avinderjit Singh A/L Harjit Singh	-	60,000	-	5,700	-	300,000	-	5,700
Ms. Loh Paik Yoong	-	60,000	-	14,700	-	60,000	-	14,700
Puan Sabarina Binti Harun	-	60,000	-	15,800	-	60,000	-	15,800
Dato' Badrul Hisham Bin Abdul Aziz*	-	8,400	-	-	-	8,400	-	-

Notes:-

[^] Other emoluments are inclusive of meeting allowance and employer's provident fund contributions

* Resigned on 21 August 2024

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, and the competitive nature of talent acquisition in the telecommunications industry.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

A. Audit Committee

The Audit Committee assists the Board in fulfilling its statutory and fiduciary responsibilities in relation to financial reporting, internal controls, and risk management systems. Its key responsibilities include:

- Reviewing quarterly and annual financial statements to ensure compliance with financial reporting standards and regulatory requirements;
- Assessing the adequacy and effectiveness of the Group's internal control environment;
- Review all related party transactions to ensure they are at arm's length, on normal commercial terms, and in the best interests of minority shareholders;
- Overseeing the performance, independence, and objectivity of the External Auditors; and
- Monitoring the work of the internal audit function, which reports directly to the Audit Committee.

The details on the members of the Audit Committee and their attendance at Audit Committee meetings held for FY2025 are set out in the Audit Committee Report of this Annual Report.

During FY2025, the Audit Committee met regularly to review audit findings, monitor remediation actions, and evaluate the Group's principal and emerging risks, including cybersecurity threats and ESG-related risks.

The Audit Committee members continued to receive ongoing training and development during FY2025, as disclosed in this Statement.

To further strengthen its independence, Practice 9.2 of the MCCG recommends observing a cooling-off period of at least three (3) years before any former partner of the external audit firm and/or its affiliate firm is appointed as a member of the Audit Committee. This requirement has been incorporated into the Audit Committee's Terms of Reference.

The Audit Committee maintains direct communication with the External Auditors, who attend meetings at least twice a year to present their audit plan and findings. Private sessions are also held without the Management's presence to discuss audit-related matters, including cooperation during the audit process, the quality of financial reporting, and any issues encountered.

In FY2025, the Audit Committee assessed the performance, suitability, objectivity, and independence of the External Auditors, Ernst & Young PLT ("EY"), including the impact of any non-audit services. Satisfied with the outcome, the Audit Committee recommended the re-appointment of EY as External Auditors for the financial year ending 30 June 2026.

An overview of the summary of works undertaken by the Audit Committee is described 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 recognises that a sound risk management and internal control system is fundamental to the Group's ability to achieve its strategic and operational objectives while safeguarding the interests of shareholders and other stakeholders.

The details of the internal audit function of the Group are set out in the Audit Committee Report on page 94 of this Annual Report, while an overview of the Group's risk management and internal control framework is provided in the Statement on Risk Management and Internal Control on pages 95 to 100 of this Annual Report.

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

A. Communication with Stakeholders

The Board recognises the importance of having clear corporate disclosure procedures to ensure timely, accurate, and comprehensive communication with regulators, shareholders, and other stakeholders. Regular disclosures including the timely release of quarterly financial results, updates on the Group's performance, and announcements of material transactions provide shareholders with a transparent view of the Group's operations and overall performance.

The Company is committed to ensuring that all information shared with the public regarding its business, operations, and financial performance is accurate, factual, timely, and consistent. Where required, disclosures to regulators are made in full compliance with applicable legal and regulatory requirements. To guide this process, the Board has adopted a formal Shareholders' Communication Policy, which sets out a consistent approach for engagement with shareholders.

In maintaining effective, transparent, and regular communication with stakeholders, the Company primarily utilises the following channels:

- Corporate Website – The Company's website at www.redtone.com serves as a central resource for shareholders, customers, and the public to access key information on the Group's activities. It includes links to all Bursa Securities announcements, annual reports, financial results, and the latest updates on the Group;
- General Meetings – These serve as the principal platform for dialogue with shareholders, allowing them to raise questions and seek clarification directly from the Company's Directors on business operations and reports; and
- Social Media Platforms – Through its official social media pages ("redtonemalaysia" on Facebook, LinkedIn, Instagram, and YouTube), the Company shares updates on corporate events, staff activities, and other relevant developments, fostering engagement with employees and the wider public.

B. Conduct of General Meetings

The AGM serves as an important platform for direct engagement between the Company and its shareholders. In line with best practices, the Notice of AGM, and the Annual Report together with the financial statements, are issued more than 28 days prior to the meeting, allowing shareholders sufficient time to review the materials and make informed decisions. 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.

The Board values shareholder participation and encourages active engagement during the AGM. Shareholders are invited to raise questions and provide feedback on proposed resolutions and the Group's operations. The Directors and the Chair of every Board Committee, as well as Senior Management are present at the meeting to address queries and provide clarification where necessary, thereby promoting meaningful two-way communication. The questions posed by the shareholders during the Twenty-Second AGM were made visible to the shareholders.

The Twenty-Second AGM of the Company, held on 3 December 2024, was conducted on a virtual basis by way of live streaming and online remote voting via the Remote Participation and Voting ("RPV") facilities. In compliance with Paragraph 8.29A of the MMLR, poll voting was carried out through a remote electronic voting system, with an independent scrutineer appointed to validate the results. The outcome of each resolution, including the breakdown of votes for and against, was announced during the meeting and released via Bursa Link on the same day.

Shareholders were able to submit questions in real time through the online portal during the live stream or email them to the Company prior to the AGM. SSE Solutions Sdn. Bhd. was engaged as the service provider for the RPV facilities, ensuring a smooth broadcast and interactive participation. The minutes of the general meeting were published on the Company's website within thirty (30) business days.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

KEY FOCUS AREAS AND FUTURE PRIORITIES

The Board is satisfied that the Group has maintained high standards of corporate governance and has upheld the highest levels of integrity and ethical conduct in all business dealings, in compliance with applicable laws, regulations, and best practices.

The Board remains committed to providing effective oversight and working closely with Management in shaping the Group's strategic direction, driving sustainable value creation for stakeholders, and identifying strategic opportunities in line with the Group's sustainability agenda.

This Corporate Governance Overview Statement and the CG Report were approved by the Board on 7 October 2025.

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 2025 are as below:-

	Group RM	Company RM
Audit fees:		
Ernst & Young PLT	414,000	125,000
Other auditors	24,000	–
Non-Audit fees:		
Ernst & Young PLT	19,000	8,000
Other auditors	4,000	–
Total Audit and Non-Audit Fees	461,000	133,000

The non-audit services include the following:

- (i) review on the Statement on Risk Management and Internal Control of the Company; and
- (ii) review of regulatory compliance reporting.

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-Second Annual General Meeting of the Company held on 3 December 2024, 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 2025 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 2024 to 30 June 2025 (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

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 2025 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 2024 to 30 June 2025 (RM'000)
Berjaya Corporation Berhad ("BCorporation") and/or its unlisted subsidiary companies ("BCorporation Group"):- (Cont'd)				
2.	REDtone Data Centre Sdn. Bhd. ("RDC")	BCorporation Group	Provision of data centre and cloud related services by RDC.	137
3.	REDtone and its subsidiary companies ("REDtone Group")	BCorporation Group	Provision of Information and Communication Technologies ("ICT") products and services by the REDtone Group.	1,386
4.	REDtone	Berjaya Registration Services Sdn. Bhd.	Receipt of share registration services, printing and mailing services by REDtone.	68
5.	REDtone Group	E.V.A Management Sdn. Bhd.	Receipt of human resource management services by the REDtone Group.	22
6.	REDtone Group	BLoyalty Sdn. Bhd.	Loyalty reward charges payable by the REDtone Group.	1
Berjaya Land Berhad ("BLand") and/or its unlisted subsidiary companies ("BLand Group"):-				
7.	REDtone Group	BLand Group	Contract revenue payable by the REDtone Group for the construction of mobile base stations and related operations and maintenance.	12,706
8.	REDtone Group	BLand Group	Provision of ICT products and services by the REDtone Group.	60
7-Eleven Malaysia Holdings Berhad ("7-Eleven") and/or its unlisted subsidiary companies ("7-Eleven Group"):-				
9.	REDtone Group	7-Eleven	Provision of managed network services by the REDtone Group.	1,519
10.	REDtone Group	7-Eleven Group	Provision of ICT products and services by the REDtone Group.	679
Berjaya Assets Berhad ("BAssets") and/or its unlisted subsidiary companies				
11.	REDtone Telecommunications Sdn. Bhd. ("RTC")	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
12.	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

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 2025 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 2024 to 30 June 2025 (RM'000)
Other Related Parties				
13.	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.	28,403
14.	REDtone Group	U Mobile Sdn. Bhd.	Provision of interconnect and related services by the REDtone Group.	36
15.	REDtone Group	U Mobile Sdn. Bhd.	Provision of interconnect and related services to the REDtone Group.	172

Notes:

- (1) BCorporation is a major shareholder of BLand, 7-Eleven and BAssets. Its direct and indirect interests in these companies as at the financial year ended 30 June 2025 are as follows:-

	% of Interest	
	Direct	Indirect
BLand	8.55	65.31 (a)
7-Eleven	2.53	11.84 (a)
BAssets	–	18.28 (a)

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 2025. YAM Tunku Tun Aminah Binti Sultan Ibrahim Ismail (“**Tunku Tun Aminah**”), the Non-Independent Non-Executive Chairman of REDtone, BCorporation and BAssets, is a 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 2025. 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 (“**Committee**”) Report to provide insights on the discharge of the Committee’s functions and responsibilities for the financial year ended 30 June 2025.

OBJECTIVE

The 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)

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.

All three (3) Committee members 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 convened seven (7) meetings during the financial year ended 30 June 2025. The details of attendance record 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	Member	7/7

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.

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

In line with its responsibilities outlined in its Terms of Reference, the Committee discharged its functions and duties for the financial year ended 30 June 2025 and up to the date of this Committee Report through the completion of the following work:-

Financial Reporting

Reviewed the Group's quarterly and annual audited financial statements for the financial year ended 30 June 2025 before recommending them for the Board's approval. This included:

- Examining significant audit and accounting matters highlighted including provisions, Management's judgements, estimates and assessments, and the impact of new accounting standards.
- Deliberating with Management to ensure compliance with the MMLR of Bursa Securities, the Companies Act 2016, Malaysian Financial Reporting Standards (MFRS) Accounting Standards and other legal and regulatory requirements; whichever applicable.

External Audit

- Held two (2) private sessions with External Auditors on 20 May 2025 and 18 August 2025, without the presence of the Executive Directors and/or Management.
- Reviewed the Audit Planning Memorandum for the Group and Company for the financial year ended 30 June 2025 prepared by the External Auditors, setting out the responsibilities of the External Auditors, their audit scoping, audit approach, audit timelines, audit process and execution, the areas of audit emphasis and the independence of the External Auditors in connection with their audit of the Group and Company.
- Reviewed the Audit Status Report prepared by the External Auditors in respect of the audit for the financial year ended 30 June 2025 covering updates on the status and findings on the areas of audit emphasis by the External Auditors.
- Reviewed the Audit Results Report prepared by the External Auditors for the financial year ended 30 June 2025 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.
- Reviewed the overall performance of the External Auditors, including an assessment of their independence, suitability, objectivity, adequacy of resources, audit quality, and the nature and extent of non-audit services rendered to ensure these did not compromise their independence or objectivity. The Committee was satisfied with the competency, quality, and independence demonstrated throughout the engagement and recommended to the Board the re-appointment of the External Auditors at the forthcoming Annual General Meeting.
- Reviewed the proposed audit fees of the entities within the Group for the financial year ended 30 June 2025 and recommended to the Board for approval.

Internal Audit

- Assessed the scope, competency, independence, and resources of the internal audit function and concluded that the Internal Auditors possess the necessary resources, objectivity, and expertise to discharge their duties effectively.
- Reviewed and approved the annual Internal Audit Plan for the financial year ended 30 June 2025.
- Reviewed audit findings, Management's responses, and agreed action plans to strengthen internal controls. There were no major weaknesses in internal controls or significant issues noted from the internal audit review.
- Monitored the outcome of the audits and follow-up audits conducted to ascertain all agreed action plans were adequately implemented and recommended to the Board on additional measures as deemed fit.
- Held a private session with the Internal Auditors on 20 May 2025; no urgent issues were raised.

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

In line with its responsibilities outlined in its Terms of Reference, the Committee discharged its functions and duties for the financial year ended 30 June 2025 and up to the date of this Committee Report through the completion of the following work:- (Cont'd)

Whistleblowing

The Company did not receive any whistleblowing report during the financial year ended 30 June 2025, and hence there were no actions required from the Committee.

Related Party Transactions and Conflict of Interest

- Examined potential conflict of interest (“COI”) situations and assessed the adequacy of COI declaration procedures to uphold business integrity, transparency, and compliance with the Group’s Code of Conduct. The Committee noted that there were no material COI situations (excluding related party transactions) requiring intervention during the reporting period.
- Reviewed the Group’s recurrent related party transactions on a quarterly basis and against the annual mandate approved by the shareholders at the Twenty-Second Annual General Meeting held on 3 December 2024.
- Reviewed proposed related party transactions to ensure that they are conducted on arm’s length basis and on normal commercial terms; not detrimental to the interests of the Company and its minority shareholders; and in compliance with the applicable laws, regulations, and MMLR of Bursa Securities, before recommending to the Board for approval.
- Reviewed the draft Circular to Shareholders for the Proposed Renewal of and New Shareholders’ Mandates for Recurrent Related Party Transactions before recommendation to the Board for approval.

Oversight of Risk Management and Internal Control

- Reviewed updates from the Risk Management Working Committee on the Group’s risk environment, including gross and net risk rating assessments for key risks identified across the Group.
- Reviewed the adequacy of scope, functions, competency and resources of the risk management functions.
- Reviewed proposed revisions to the Enterprise Risk Management Framework and recommended to the Board for approval.
- The Committee reviewed and recommended the Committee Report and Statement on Risk Management and Internal Control to the Board for approval and for inclusion in the Annual Report.

SUMMARY OF WORK OF THE INTERNAL AUDIT FUNCTION

The internal audit function provides an independent assessment of the system of internal controls established by the Management and makes appropriate recommendations for improvement or enhancements in relation thereto.

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 Auditors adopt a risk-based audit methodology in developing the internal audit plan and carrying out their audit activities. All internal audits are conducted in accordance with 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 four (4) cycles of internal audit as stipulated in the approved Internal Audit Plan. The four (4) cycles of internal audit were in respect of: -

- Procurement for REDtone IOT Sdn Bhd;
- Compliance to Service Level Agreement & Project Management for MyGovUC 3.0;
- Sales, Billing, Collection and Credit Control of Telecommunication Services; and
- Branch Operations Processes for Sabah & Sarawak Branch.

The total cost incurred for the internal audit function of the Group for the financial year ended 30 June 2025 was RM106,579.

This Committee Report was approved by the Board on 7 October 2025.

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.

The Statement on Risk Management and Internal Control (“**Statement**”) 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 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 2025.

BOARD RESPONSIBILITY

The Board affirms its overall responsibility for establishing and maintaining a robust risk management and internal control system by reviewing its adequacy in identifying, assessing, evaluating, and addressing risks that may hinder the Group from achieving its objectives. 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, which reviews internal control processes and monitors the implementation of the Enterprise Risk Management (“**ERM**”) Framework. The Audit Committee is further assisted by the Risk Management Working Committee (“**RMC**”), chaired by the Group Chief Executive Officer and comprising key management personnel from various divisions. Supported by an external risk management consultant, the RMC oversees and manages the ERM Framework.

The Board does not review the internal control system of its associate 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 associate 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 associate companies.

Statement on Risk Management and Internal Control (Cont'd)

MANAGEMENT RESPONSIBILITY

Management is accountable to the Board and is responsible for the effective implementation of risk management and control mechanisms across the Group. This responsibility is carried out through the RMC, which oversees the Group's ERM Framework. Management's commitment and approach to fulfilling this responsibility include the following:

- Implementing Board-approved policies;
- Effective execution of the risk management framework and internal control system through proper design and oversight;
- Assessing risks that are material to the Group's strategic and operational objectives;
- Developing policies and processes to manage risks in accordance with the Group's strategic vision and overall risk appetite;
- Taking corrective actions to address compliance deficiencies as directed by the Board; and
- Keeping the Board promptly informed of risk changes and corresponding remedial measures undertaken.

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 and business conditions.

RISK MANAGEMENT FRAMEWORK

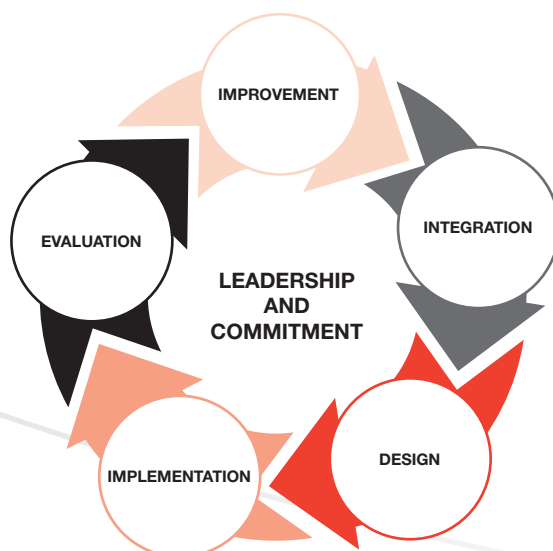
The Board regards the management of key risks as a vital part of the Group's day-to-day operations, firmly embedded within its culture, processes, and structures. By drawing on the Group's experience, knowledge, and expertise, risks are identified and managed throughout the financial year, enabling cautious and well-informed decision-making. Such decisions are further reinforced through the development and execution of appropriate action plans, alongside a robust monitoring framework, all of which are essential to achieving 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 adopts a standardised and systematic approach to identifying, evaluating, monitoring, and reporting key risks and controls. It establishes adequate measures to implement, track, and review action plans effectively. Aligned with the principles and guidelines of ISO 31000:2018, the Framework is applied consistently across all operating companies within the Group.

The RMC is tasked with reporting to the Audit Committee on key risks identified and the implementation of mitigation action plans. The Board is kept informed by the Audit Committee, together with the RMC, on the Group's overall risk profile and the measures taken to address significant risks.

The key features of the ERM Framework are as follows:



RISK MANAGEMENT FRAMEWORK (CONT'D)

Group-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 Group.

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, the Group 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 the Board 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 2025, the RMC reviewed the Key Risk Register, including risk ratings and related controls, and provided updates to the Audit Committee and the Board on risk management activities. In addition, the Audit Committee, with support from the RMC, recommended revisions to the ERM Framework, which were subsequently approved by the Board.

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 established various Board Committees including Audit Committee, Nomination Committee and Remuneration Committee to support its functions and enhance governance oversight.

- **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.

- **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 Group. 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.

Statement on Risk Management and Internal Control (Cont'd)

KEY INTERNAL CONTROL ELEMENTS (CONT'D)

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

- **Policies and Procedures**

Operational policies and procedures form an integral part of the internal control system to safeguard the Group's assets and minimise the risk of material loss. 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 Group's performance is monitored on a regular basis, with business objectives and plans reviewed during Management meetings attended by division and business unit heads. These meetings also serve as a platform to address key operational and management matters. In addition, the Executive Committee meets regularly with Senior Management to review the Group's financial performance, business initiatives, and other corporate and management 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.

- **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 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 regulations, or other malpractices. The Whistleblowing Policy and Procedures also outlines the protection accorded to whistleblowers who disclose such irregularities in good faith. The Whistleblowing Policy and Procedures is available on the Company's website at www.redtone.com.

- (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.

INTERNAL AUDIT FUNCTION

The Group outsources its internal audit function to an independent professional service provider to support the Audit Committee and the Board in discharging their responsibilities. The internal audit function provides independent and objective assurance, as well as advisory services, with the aim of adding value and enhancing the Group's internal control system.

This function is undertaken by Crowe Governance Sdn. Bhd., led by its Executive Director, Amos Law, a Certified Internal Auditor, Chartered Member of the Malaysian Institute of Internal Auditors, and holder of the Certification in Risk Management Assurance. Together with his qualified and experienced team, he is well equipped to carry out the internal audit responsibilities effectively. The internal audits are conducted in accordance with 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 include:

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.

The Internal Auditors report independently and directly to the Audit Committee in respect of the internal audit function. The Internal Auditors adopt a risk-based audit methodology in developing the internal audit plan and carrying out their audit activities in accordance with the internal audit plan approved by the Audit Committee. All audit findings arising therefrom are 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, working in teams of three (3) had conducted four (4) cycles of internal audit as stipulated in the approved internal audit plan. The internal audits covered the Procurement for REDtone IOT Sdn Bhd; Compliance to Service Level Agreement & Project Management for MyGovUC 3.0; Sales, Billing, Collection and Credit Control of Telecommunication Services; and Branch Operations Processes for Sabah & Sarawak Branch.

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 the Annual Report for the financial year ended 30 June 2025.

The Audit Committee had evaluated and reviewed the internal audit function in terms of scope, functions, competency, independence, and resources. The Audit Committee was also satisfied that the Internal Auditors performed their work in accordance with the principles of the International Professional Practices Framework issued by the Institute of Internal Auditors Inc., a globally recognised professional body for internal auditors.

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.

Statement on Risk Management and Internal Control (Cont'd)

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 2025. 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.

CONCLUSION

For the financial year under review, the Board evaluated the Group's risk management and internal control system and concluded that it is adequate and effective. No material weaknesses or deficiencies were identified in the risk management practices and internal controls that could have resulted in material loss, contingencies, or uncertainties during the financial year under review. The Board also received assurance from the Group Chief Executive Officer and Chief Financial Officer that the Group's risk management and internal control system has been operating adequately and effectively in all material respects.

Nevertheless, the Board acknowledges the fact that continuous improvements will be made to the Group's risk management and internal control system practices to adapt to evolving business and regulatory environments. 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 7 October 2025.

DIRECTORS' RESPONSIBILITY STATEMENT

In Respect of the Audited Financial Statements for the Financial Year Ended 30 June 2025

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.

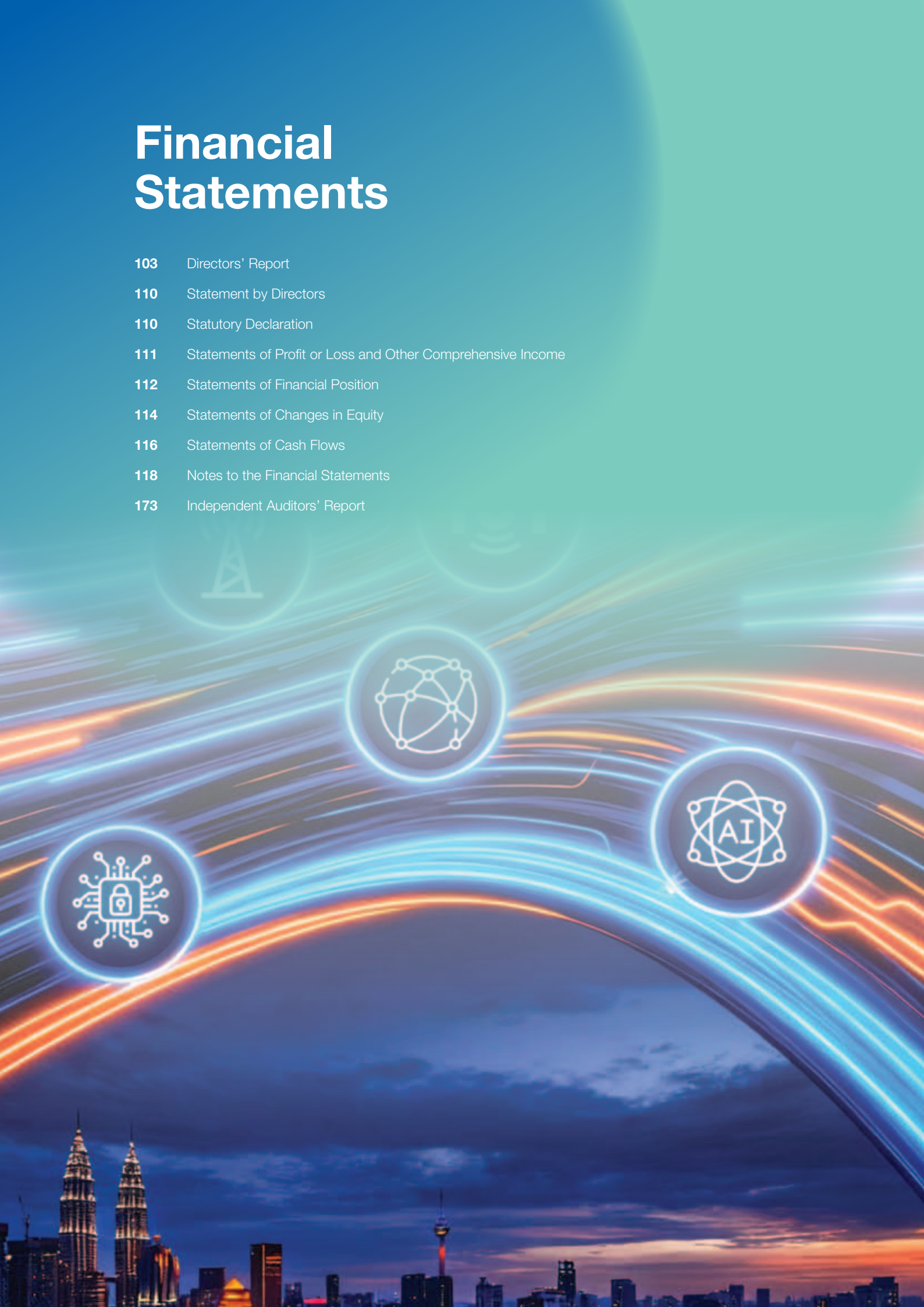
Additionally, the Directors are responsible for maintaining accurate accounting records, enabling the Company to present a true and fair view of its financial results. The annual audited financial statements have been prepared using relevant and appropriate accounting policies, with the application of 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 2025, as set out on pages 111 to 172 of this Annual Report.

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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 2025.

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 15 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	26,725	16,988
Profit attributable to:		
Owners of the parent	26,617	16,988
Non-controlling interests	108	-
	26,725	16,988

There were no material transfers to or from reserves or provisions during the financial year.

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.

Dividend

The dividend paid by the Company since 30 June 2024 was as follows:

	RM'000
<u>In respect of the financial year ended 30 June 2024</u>	
Interim single-tier dividend of 3.0 sen per ordinary share, declared on 22 August 2024 and paid on 18 October 2024	23,189

On 21 August 2025, the Directors declared an interim single-tier dividend of 2.0 sen per ordinary share amounting to RM15,459,038 in respect of the financial year ended 30 June 2025 payable on 16 October 2025. 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 profits in the financial year ending 30 June 2026.

Directors' Report

(Cont'd)

Treasury shares

The number and carrying amount of treasury shares as at 30 June 2025 were as follows:

	Average price per share RM	Number of shares '000	Amount RM'000
At 1 July 2024/30 June 2025	0.59	9,502	5,653

As at 30 June 2025, the issued ordinary share capital of the Company with voting rights was 772,951,885 (2024: 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
Syed Ali Shahul Hameed
Lau Bik Soon
Kua Choo Kai
Dato' Avinderjit Singh A/L Harjit Singh
Loh Paik Yoong
Sabarina Binti Harun
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
Lai Kim Choy
Ahmad Radzi Bin Zaini (Resigned on 25 July 2024)
(Appointed on 5 July 2024, resigned on 22 August 2024)

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 RM27,091. 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:

	Group RM'000	Company RM'000
Executive directors' remuneration:		
- Salaries and bonuses	2,295	-
- Other emoluments	452	-
	<u>2,747</u>	<u>-</u>
Non-executive directors' remuneration:		
- Fees	1,041	801
- Other emoluments	65	65
	<u>1,106</u>	<u>866</u>
Total directors' remuneration	<u>3,853</u>	<u>866</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 2024	Acquired	At 30 June 2025
The Company			
<i>Direct interests</i>			
Lau Bik Soon	2,308,160	-	2,308,160

	Number of ordinary shares		
	At 1 July 2024	Acquired	At 30 June 2025
Ultimate holding company, Berjaya Corporation Berhad ("BCorp")			
<i>Direct interests</i>			
Loh Paik Yoong	60	-	60

	Number of 2% Irredeemable Convertible Unsecured Loan Stock 2016/2026		
	At 1 July 2024	Acquired	At 30 June 2025
Ultimate holding company, BCorp			
<i>Direct interests</i>			
Loh Paik Yoong	1,000	-	1,000

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 2025
	At 1 July 2024	Acquired	Disposed	
Ultimate holding company, BCorp <i>Direct interests</i>				
Loh Paik Yoong	1,000	-	-	1,000

	Number of ordinary shares			At 30 June 2025
	At 1 July 2024	Acquired	Disposed	
Related company, Berjaya Land Berhad <i>Direct interests</i>				
Loh Paik Yoong	16,400	-	-	16,400

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.

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.

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	414	125
Other auditors	24	-
	<u>438</u>	<u>125</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 7 October 2025.

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 111 to 172 are drawn up in accordance with MFRS Accounting Standards, IFRS Accounting 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 2025 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 7 October 2025.

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 111 to 172 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 7 October 2025

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 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue	3	324,926	342,173	-	-
Cost of sales		(205,168)	(229,173)	-	-
Other income	4	7,701	18,952	29,357	73,276
General and administrative expenses		(50,601)	(45,059)	(2,571)	(2,616)
Impairment (loss)/reversal		(37,450)	(742)	(4,201)	444
Finance costs	5	(3,827)	(2,987)	(4,673)	(864)
Profit before tax	6	35,581	83,164	17,912	70,240
Taxation	9	(8,856)	(23,082)	(924)	(4,047)
Profit for the financial year		26,725	60,082	16,988	66,193
Other comprehensive (loss)/income:					
<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")	17	(34,027)	514	(30,040)	514
Foreign currency translation		(1)	1	-	-
Total comprehensive (loss)/income for the financial year		(7,303)	60,597	(13,052)	66,707
Profit attributable to:					
- Owners of the parent		26,617	59,814	16,988	66,193
- Non-controlling interests		108	268	-	-
		26,725	60,082	16,988	66,193
Total comprehensive (loss)/income attributable to:					
- Owners of the parent		(7,411)	60,329	(13,052)	66,707
- Non-controlling interests		108	268	-	-
		(7,303)	60,597	(13,052)	66,707
Earnings per share attributable to owners of the parent:					
- Basic (sen)	10	3.44	7.74		

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

STATEMENTS OF FINANCIAL POSITION

As at 30 June 2025

		Group		Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Assets					
Non-current assets					
Goodwill	11	423	423	-	-
Property, plant and equipment	12	14,097	18,654	-	-
Right-of-use assets	28	16,021	12,003	-	-
Investment properties	13	4,710	1,180	-	-
Intangible assets	14	2,131	20,436	27	-
Investments in subsidiaries	15	-	-	43,967	43,967
Investments in associates	16	-	-	-	-
Other investments	17	73,369	60,707	68,613	60,707
Deferred tax assets	18	9,202	5,714	-	-
		<u>119,953</u>	<u>119,117</u>	<u>112,607</u>	<u>104,674</u>
Current assets					
Inventories	19	739	632	-	-
Trade and other receivables	20	133,088	80,461	29,062	156,177
Contract assets	21	64,136	182,320	-	-
Tax recoverable		13,843	2,616	4,325	-
Short term investments	22	403	18,381	403	18,381
Cash and bank balances	23	66,566	63,475	861	33,620
		<u>278,775</u>	<u>347,885</u>	<u>34,651</u>	<u>208,178</u>
Total assets		<u>398,728</u>	<u>467,002</u>	<u>147,258</u>	<u>312,852</u>

Statements of Financial Position
As at 30 June 2025 (Cont'd)

		Group		Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Equity and liabilities					
Equity attributable to owners of the parent					
Share capital	24	149,813	149,813	149,813	149,813
Treasury shares	25	(5,653)	(5,653)	(5,653)	(5,653)
Reserves	26	120,018	150,600	2,861	39,102
		264,178	294,760	147,021	183,262
Non-controlling interests		3,352	3,262	-	-
Total equity		267,530	298,022	147,021	183,262
Non-current liabilities					
Loans and borrowings	27	887	1,007	-	-
Lease liabilities	28	13,941	10,507	-	-
Other payable	29	-	20,174	-	-
Deferred tax liabilities	18	-	625	-	625
		14,828	32,313	-	625
Current liabilities					
Trade and other payables	29	103,675	120,546	237	126,071
Contract liabilities	21	1,283	3,460	-	-
Loans and borrowings	27	7,807	3,918	-	-
Lease liabilities	28	2,569	2,041	-	-
Tax payable		1,036	6,702	-	2,894
		116,370	136,667	237	128,965
Total liabilities		131,198	168,980	237	129,590
Total equity and liabilities		398,728	467,002	147,258	312,852

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 2025

Group	Share capital RM'000 (Note 24)	Treasury shares RM'000 (Note 25)	Foreign exchange reserve RM'000 (Note 26(b))	Revaluation reserve RM'000 (Note 26(c))	FVTOCI reserve RM'000 (Note 26(d))	Distributable retained profits RM'000 (Note 26(a))	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 July 2023	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 17)	-	-	-	-	(619)	619	-	-	-
Transaction with owners									
- Dividend (Note 37)	-	-	-	-	-	(19,324)	(19,324)	-	(19,324)
At 30 June 2024	149,813	(5,653)	(661)	641	8,425	142,195	294,760	3,262	298,022
At 1 July 2024	149,813	(5,653)	(661)	641	8,425	142,195	294,760	3,262	298,022
Profit for the financial year	-	-	-	-	-	26,617	26,617	108	26,725
Other comprehensive loss	-	-	(1)	-	(34,027)	-	(34,028)	-	(34,028)
Total comprehensive (loss)/income	-	-	(1)	-	(34,027)	26,617	(7,411)	108	(7,303)
Effect arising from the disposal of equity investments measured at FVTOCI (Note 17)	-	-	-	-	(601)	601	-	-	-
Transactions with owners									
- Arising from increase in equity interest in subsidiary company	-	-	-	-	-	18	18	(18)	-
- Dividend (Note 37)	-	-	-	-	-	(23,189)	(23,189)	-	(23,189)
At 30 June 2025	149,813	(5,653)	(662)	641	(26,203)	146,242	264,178	3,352	267,530

Statements of Changes in Equity
For the financial year ended 30 June 2025 (Cont'd)

	Share capital RM'000 (Note 24)	Treasury shares RM'000 (Note 25)	FVTOCI reserve RM'000 (Note 26(d))	Distributable retained profits RM'000 (Note 26(a))	Total equity RM'000
Company					
At 1 July 2023	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 17)	-	-	(619)	619	-
Transaction with owners					
- Dividend (Note 37)	-	-	-	(19,324)	(19,324)
At 30 June 2024	149,813	(5,653)	8,425	30,677	183,262
At 1 July 2024	149,813	(5,653)	8,425	30,677	183,262
Total comprehensive (loss)/income	-	-	(30,040)	16,988	(13,052)
Effect arising from the disposal of equity investments measured at FVTOCI (Note 17)	-	-	(601)	601	-
Transaction with owners					
- Dividend (Note 37)	-	-	-	(23,189)	(23,189)
At 30 June 2025	149,813	(5,653)	(22,216)	25,077	147,021

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 2025

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities				
Receipts from customers	405,584	214,711	-	-
Payments of operating expenses	(295,778)	(230,736)	-	-
Tax refund	207	-	-	-
Payments of taxes	(30,069)	(27,098)	(8,768)	(5,816)
Payment of short term leases and leases of low-value assets	(6,809)	(6,953)	-	-
Other (payments)/receipts	(115)	301	(18,099)	8,945
Net cash generated from/(used in) operating activities	73,020	(49,775)	(26,867)	3,129
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	-	3	-	-
Additional investment in a subsidiary	-	-	-	(25,000)
(Increase)/decrease in deposits	(299)	6,097	-	-
Proceeds from disposal of equity instrument	33,410	137,570	33,410	137,570
Acquisition of equity instrument	(56,750)	(93,276)	(48,006)	(93,276)
Acquisition of property, plant and equipment (Note 12)	(1,168)	(4,067)	-	-
Acquisition of investment property	(1,412)	-	-	-
Payment of intangible asset	(20,185)	(21,542)	(27)	-
Interest received	671	1,516	42	-
Dividend received	1,878	560	31,878	25,560
Net cash (used in)/generated from investing activities	(43,855)	26,861	17,297	44,854
Cash flows from financing activities				
Payment of principal portion of lease liabilities	(2,827)	(2,092)	-	-
Drawdown of bank borrowings and other loans	69,888	-	-	-
Net withdrawal from banks as security pledged for borrowing and other facilities	4,994	-	-	-
Repayment of bank borrowings and other loans	(66,119)	(100)	-	-
Dividend paid	(23,189)	(19,324)	(23,189)	(19,324)
Lease interest paid	(1,109)	(488)	-	-
Other interest paid	(2,718)	(2,499)	-	-
Net cash used in financing activities	(21,080)	(24,503)	(23,189)	(19,324)

Statements of Cash Flows
For the financial year ended 30 June 2025 (Cont'd)

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Net change in cash and cash equivalents	8,085	(47,417)	(32,759)	28,659
Cash and cash equivalents at beginning of financial year	41,089	88,506	33,620	4,961
Cash and cash equivalents at end of financial year (Note 23)	49,174	41,089	861	33,620

(a) Reconciliation of liabilities arising from financing activities:

	Lease liabilities	Loan and borrowings	Total
	RM'000	RM'000	RM'000
Group			
2025			
At beginning of financial year	12,548	4,925	17,473
Addition	6,789	-	6,789
Drawdown	-	69,888	69,888
Repayment	(2,827)	(66,119)	(68,946)
Interest paid	(1,109)	(774)	(1,883)
Accretion of interest	1,109	774	1,883
At end of financial year	16,510	8,694	25,204
2024			
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) Reconciliation of acquisition of investment property:

	2025
	RM'000
Cash	1,412
Other payables	2,118
Addition (Note 13)	3,530

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

NOTES TO THE FINANCIAL STATEMENTS

30 June 2025

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, Malaysia.

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 15. 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 7 October 2025.

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 MFRS Accounting Standards, IFRS Accounting Standards 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 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

The adoption of the above pronouncements did not have any material impact on the financial statements of the Group and of the Company.

2. Accounting policies (contd.)

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 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 2026:

- Amendments to MFRS 9: Financial Instruments and MFRS 7: Disclosure of Financial Instruments – Amendments to the Classification and Measurement of Financial Instruments
- Amendments to MFRS 1, MFRS 7, MFRS 9, MFRS 10 and MFRS 107: Annual Improvements to MFRS Accounting Standards – Volume 11
- Amendments to MFRS 9: Financial Instruments and MFRS 7: Disclosure of Financial Instruments – Contracts Referencing Nature-dependent Electricity

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, except for the presentation and disclosure required by MFRS 18 which introduces new categories and subtotals in the statements of profit or loss and other comprehensive income. It also requires disclosure of management-defined performance measures and sets out the principles for the aggregation and disaggregation of financial information.

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.

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 ("PPE") 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.

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.

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) 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.

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.

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.

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

(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.

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.

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

(i) Telecommunication 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.

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.)

(i) Telecommunication services (contd.)

(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.

(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, IT related services, provision of software licenses and managed IT services. Revenue is recognised when goods are transferred or when services are rendered.

2. Accounting policies (contd.)

2.4 Summary of accounting policies (contd.)

2.4.11 Revenue recognition (contd.)

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.

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) Revenue recognition from Managed Telecommunication 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 telecommunication 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.

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.)

(2) Impairment of trade receivables and contract assets

The Group has applied the simplified approach to calculate expected credit losses which uses a lifetime expected loss allowance on all trade receivables and contract assets. The Group's provision matrix is based on its historical credit loss experience with customers of similar credit risk characteristics.

The Group also considers a trade receivable or contract asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding receivables in full before taking into account any credit enhancements held by the Group.

The information about impairment on the Group's trade receivables and contract assets are disclosed in Note 20 and Note 21, respectively.

(3) Deferred tax asset

Deferred tax assets are recognised for all unutilised tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management estimates is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profit together with future tax planning strategies. The total unutilised tax losses, unabsorbed capital allowances and other deductible temporary differences of the Group that have not been recognised as deferred tax assets are disclosed in Note 18.

(4) 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.

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.

3. Revenue

	Group	
	2025	2024
	RM'000	RM'000
Revenue from contract with customers	324,926	342,173

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

	Group	
	2025	2024
	RM'000	RM'000
<u>Type of goods or services</u>		
Telecommunication Services	56,923	53,480
Managed Telecommunications Network Services	192,453	212,209
Non-operating spectrum related income	48,323	59,212
Cloud and Internet of Things ("Cloud & IoT")*	27,227	17,272
	<u>324,926</u>	<u>342,173</u>

Timing of revenue recognition

At a point in time	23,149	20,724
Over time	301,777	321,449
	<u>324,926</u>	<u>342,173</u>

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

4. Other income

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Interest income				
- Subsidiaries	-	-	4,518	1,274
- Others	792	1,927	42	164
Dividend income	1,878	713	19,878	55,713
Office rental income	92	97	-	-
Fair value gain on short term investments	4,919	16,125	4,919	16,125
Gain on disposal of property, plant and equipment	-	3	-	-
Miscellaneous income	20	87	-	-
	<u>7,701</u>	<u>18,952</u>	<u>29,357</u>	<u>73,276</u>

Notes to the Financial Statements

30 June 2025 (Cont'd)

5. Finance costs

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Accretion of interest for				
- leases (Note 28)	1,109	488	-	-
- sundry payables	1,560	2,301	-	-
Interest expense on:				
- bank overdrafts	4	1	-	-
- term loans	59	64	-	-
- invoicing financing	715	54	-	-
- margin facility	304	-	-	-
- amounts due to subsidiary companies	-	-	4,673	864
Others	76	79	-	-
	<u>3,827</u>	<u>2,987</u>	<u>4,673</u>	<u>864</u>

6. Profit before tax

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

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Audit fee:				
- statutory audits				
- auditors of the Company (Ernst & Young PLT)	414	402	125	115
- other auditors	24	27	-	-
- other services				
- auditors of the Company (Ernst & Young PLT)	19	19	8	8
- other auditors	4	6	-	-
Amortisation of intangible assets (Note 14)	22,044	31,110	-	-
Depreciation of:				
- property, plant and equipment (Note 12)	4,332	3,924	-	-
- right-of-use assets (Note 28)	2,623	1,420	-	-
Impairment of:				
- property, plant and equipment (Note 12)	766	24	-	-
- right-of-use assets (Note 28)	148	618	-	-
Inventories written down/(back)	5	(37)	-	-
Directors' remuneration (Note 8)	3,853	3,164	866	777
Employee benefits expense (Note 7)	35,934	31,001	-	-
Fair value loss on investment properties (Note 13)	-	20	-	-
Provision for Universal Service Fund Contribution (Note 29(c))	1,269	926	-	-

6. Profit before tax (contd.)

The following items have been included in arriving at profit before tax: (contd.)

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Gain on foreign exchange	(4)	(323)	-	-
Write off of:				
- property, plant and equipment (Note 12)	1	143	-	-
- intangible assets (Note 14)	116	-	-	-
Expenses relating to leases:				
- short-term lease expenses	6,673	6,811	-	-
- expenses for leases of low-value assets	136	142	-	-
	<u>136</u>	<u>142</u>	<u>-</u>	<u>-</u>

7. Employee benefits expense

	Group	
	2025	2024
	RM'000	RM'000
Salaries, wages, bonuses and allowances	30,498	25,747
Defined contribution plan	3,585	3,063
Social security contribution	335	261
Other benefits	1,516	1,930
	<u>35,934</u>	<u>31,001</u>

Included in the employee benefits expense are Executive Directors' remuneration payable to the Directors of the Company amounting to RM2,747,000 (2024: RM2,122,000) as disclosed in Note 8.

8. Directors' remuneration

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Executive directors' remuneration:				
- Salaries and bonuses	2,295	1,767	-	-
- Other emoluments	452	355	-	-
	<u>2,747</u>	<u>2,122</u>	<u>-</u>	<u>-</u>
Non-executive directors' remuneration:				
- Fees	1,041	954	801	714
- Other emoluments	65	88	65	63
	<u>1,106</u>	<u>1,042</u>	<u>866</u>	<u>777</u>
Total directors' remuneration	<u>3,853</u>	<u>3,164</u>	<u>866</u>	<u>777</u>

Notes to the Financial Statements

30 June 2025 (Cont'd)

9. Taxation

The major components of income tax expense are as follows:

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Current income tax:				
- Malaysian income tax	14,355	29,687	1,594	8,941
- (Over)/under provision in prior years	(1,386)	584	(45)	(264)
	<u>12,969</u>	<u>30,271</u>	<u>1,549</u>	<u>8,677</u>
Deferred tax (Note 18):				
- Origination and reversal of temporary differences	(4,003)	(7,200)	(534)	(4,630)
- (Over)/under provision in prior years	(110)	11	(91)	-
	<u>(4,113)</u>	<u>(7,189)</u>	<u>(625)</u>	<u>(4,630)</u>
Total income tax expense	<u>8,856</u>	<u>23,082</u>	<u>924</u>	<u>4,047</u>

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2024: 24%) of the estimated assessable profit for the financial year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

Pillar Two Taxes

As at reporting date, the ultimate holding company ("UHC") and its subsidiaries ("UHC Group") of which the Group is part of, has performed an assessment of its exposure to Pillar Two income taxes and the UHC Group satisfied the requirements of the Transitional Country-by-Country Reporting Safe Harbour test. Accordingly, no top-up tax was required for the current financial year.

The UHC Group will continue to monitor Pillar Two legislative developments and evaluate the potential future exposure to top-up tax.

9. Taxation (contd.)

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	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Profit before tax	35,581	83,164	17,912	70,240
Taxation at Malaysian statutory tax rate of 24%	8,539	19,959	4,299	16,858
Different tax rates in other countries	(11)	-	-	-
Income not subject to tax	(401)	(278)	(4,771)	(13,478)
Expenses not deductible	852	2,497	1,532	931
Utilisation of previously unrecognised deferred tax assets	(315)	(939)	-	-
Deferred tax assets not recognised during the financial year	1,688	1,248	-	-
(Over)/under provision of income tax in prior years	(1,386)	584	(45)	(264)
(Over)/under provision of deferred tax in prior years	(110)	11	(91)	-
Income tax expense for the financial year	8,856	23,082	924	4,047

10. Earnings per share**(a) Basic**

The basic earnings per share is 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.

	Group	
	2025	2024
Profit attributable to owners of the parent (RM'000)	26,617	59,814
Weighted average number of ordinary shares in issue with voting rights ('000)	772,952	772,952
Basic earnings per share (sen):	3.44	7.74

Diluted earnings per share is not presented as there were no potential dilutive ordinary shares during the financial year.

11. Goodwill

	Group	
	2025	2024
	RM'000	RM'000
Net carrying amount	423	423

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

	Group	
	2025	2024
	RM'000	RM'000
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 Earnings Before Interest, Tax, Depreciation, and Amortisation ("EBITDA") margin and discount rate of 10.30% (2024: 10.50%). The EBITDA margin was determined by management based on past performance and management's assessment of future trends in the telecommunication 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.

12. Property, plant and equipment

Group	Office lots		Computers		Furniture, fittings and office equipment		Equipment, plant and machinery		Renovation		Motor vehicles		Total	
	RM'000		RM'000		RM'000		RM'000		RM'000		RM'000		RM'000	
2025														
Cost														
At 30 June 2025														
Accumulated depreciation														
Charge for the year (Note 6)														
At 30 June 2025														
Accumulated impairment														
Impairment during the year (Note 6)														
At 30 June 2025														
Net carrying amount														

Accumulated depreciation

At 1 July 2024	
Charge for the year (Note 6)	
Transfer	
Written off	
At 30 June 2025	

Accumulated impairment

At 1 July 2024	
Impairment during the year (Note 6)	
Transfer	
At 30 June 2025	

Net carrying amount

12. Property, plant and equipment (contd.)

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
2024							
Cost							
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
Accumulated depreciation							
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
Accumulated impairment							
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
Net carrying amount							
	3,649	991	146	12,431	547	890	18,654

Included in the cost of property, plant and equipment of the Group are costs of fully depreciated assets which are still in use amounting to RM17,503,000 (2024: RM16,126,000).

12. Property, plant and equipment (contd.)

During the financial year, the Group conducted a review of the recoverable amount of certain property, plant and equipment and recognised an impairment loss of RM766,000 (2024: RM24,000). The impairment loss was due to a decline in the recoverable amount of certain property, plant and equipment for which the value in use was less than the carrying value.

The office lots of the Group with net book value of RM2,550,000 (2024: RM2,594,000) have been pledged to licensed banks as security of banking facilities granted to the Group as disclosed in Note 27.

13. Investment properties**Group****2025**

	Freehold land RM'000	Office lots RM'000	Total RM'000
At beginning of financial year	-	1,180	1,180
Addition	3,530	-	3,530
At end of financial year	3,530	1,180	4,710

2024

	Office lots RM'000
At beginning of financial year	1,200
Fair value loss recognised in profit or loss (Note 6)	(20)
At end of financial year	1,180

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

	Valuation method	Fair value measurement using significant unobservable inputs (Level 3) RM'000
Investment properties, at fair value	Comparison method	4,710

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 fair value of the existing investment properties (i.e. office lots) were performed by accredited independent valuers.

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

The Group's office lots are secured against the loans and borrowings as disclosed in Note 27.

Notes to the Financial Statements

30 June 2025 (Cont'd)

14. Intangible assets

	Spectrum rights RM'000	Computer software RM'000	Others RM'000	Total RM'000
Group				
2025				
Cost				
At 1 July 2024	86,707	-	250	86,957
Addition	2,888	491	-	3,379
Transfer	-	1,084	-	1,084
Written off	-	(116)	-	(116)
At 30 June 2025	89,595	1,459	250	91,304
Accumulated amortisation and impairment				
At 1 July 2024	66,271	-	250	66,521
Amortisation (Note 6)	21,880	164	-	22,044
Transfer	-	608	-	608
At 30 June 2025	88,151	772	250	89,173
Analysed as:				
Accumulated amortisation	83,065	666	250	83,981
Accumulated impairment	5,086	106	-	5,192
	88,151	772	250	89,173
Net carrying amount	1,444	687	-	2,131
2024				
Cost				
At 1 July 2023	67,306	-	250	67,556
Addition	19,401	-	-	19,401
Written off	-	-	-	-
At 30 June 2024	86,707	-	250	86,957
Accumulated amortisation and impairment				
At 1 July 2023	35,161	-	250	35,411
Amortisation (Note 6)	31,110	-	-	31,110
At 30 June 2024	66,271	-	250	66,521
Analysed as:				
Accumulated amortisation	61,185	-	250	61,435
Accumulated impairment	5,086	-	-	5,086
	66,271	-	250	66,521
Net carrying amount	20,436	-	-	20,436

Spectrum rights consists of both upfront and annual fees for the spectrum assignment for the frequency band of 2500 MHz paired with 2600 MHz ("2600 SA") from 1 July 2022 to 30 June 2027 and 2300 MHz to 2390 MHz ("2300 SA") from 1 January 2023 to 31 December 2027.

14. Intangible assets (contd.)

During the year, management has assessed that the useful life for the 2600 SA be extended for 3 more months in alignment with the approval obtained from the Malaysian Communications and Multimedia Commission ("MCMC"). There were no changes to the useful life of the 2300 SA in the current year.

Computer software
RM'000

Company**2025****Cost**

At 1 July 2024

Addition

At 30 June 2025

-

27

27

15. Investments in subsidiaries

	Company	
	2025	2024
	RM'000	RM'000
Unquoted shares, at cost	37,898	37,494
ESOS granted to employees of subsidiary companies	10,367	10,367
	48,265	47,861
Accumulated impairment losses	(4,298)	(3,894)
	43,967	43,967

During the financial year ended 30 June 2024, the Company increased its investment in REDtone Engineering & Network Services Sdn. Bhd. through the subscription of 25 million new ordinary shares for a total cash consideration of RM25.0 million.

The details of the subsidiaries are as follows:

Name of subsidiary companies	Country of incorporation	Equity interest held		Principal activities
		2025	2024	
		%	%	
REDtone Telecommunications Sdn. Bhd. ("RTC")	Malaysia	100	100	Provision of end-to-end telecommunication and technology 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 and technology related products and services, including cyber security solutions, and investment holding.

Notes to the Financial Statements

30 June 2025 (Cont'd)

15. Investments in subsidiaries (contd.)

Name of subsidiary companies	Country of incorporation	Equity interest held		Principal activities
		2025	2024	
		%	%	
REDtone Data Centre Sdn. Bhd. ("RDC")	Malaysia	70	70	Provision of information technology solutions including data centre and cloud related products and services such as hosting, cloud-based computing infrastructure, data storage software solutions, and consultancy.
Ansar Mobile Sdn. Bhd. ("ANM") ^	Malaysia	100	100	Provision of telecommunications services including fixed and mobile services and telecommunications related services.
REDtone IOT Sdn. Bhd. ("RIOT")	Malaysia	100	100	Provision of information technology solutions including Internet of Things ("IoT") related products and services.
CRM International Sdn. Bhd. ("CRM") *	Malaysia	100	-	Provision of customer relationship management solutions and services.
REDtone XArmour Sdn. Bhd. (formerly known as REDtone Mytel Sdn. Bhd.) ^	Malaysia	100	60	Provision of cyber security and related services, consultancy, software resale, distribution and security operations center services.
Held through STT				
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. ("REQ") (formerly known as Meridianotch Sdn. Bhd.) ^	Malaysia	100	100	Investment holding.
Held through RENS				
Bytebuilder Sdn. Bhd. ("BBSB") ^	Malaysia	60	60	Provision of fibre optic transmission network services and project management services related to telecommunications.

15. Investments in subsidiaries (contd.)

[^] Subsidiaries audited by firms of chartered accountants other than Ernst & Young PLT.

^{*} Incorporated on 11 June 2025

(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	
	2025	2024
	%	%
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 2025	RM'000	RM'000
Non-current assets	1,444	-
Current assets	40,179	684
Non-current liabilities	(40)	-
Current liabilities	(15,277)	(14,940)
Net assets/(liabilities)	26,306	(14,256)
Year ended 30 June 2025		
Revenue	9,959	2,243
(Loss)/profit for the financial year	(565)	759
(Loss)/profit attributable to:		
- Owners of the parent	(452)	531
- Non-controlling interests	(113)	228
	(565)	759

Notes to the Financial Statements

30 June 2025 (Cont'd)

15. Investments in subsidiaries (contd.)

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

	STE RM'000	RDC RM'000
Year ended 30 June 2025		
Net cash generated from/(used in):		
Operating activities	11,170	664
Investing activities	(2,391)	-
Financing activities	(4,724)	(556)
Net change in cash and cash equivalents	<u>4,055</u>	<u>108</u>
At 30 June 2024		
Non-current assets	1,359	-
Current assets	53,528	3,573
Non-current liabilities	(861)	(216)
Current liabilities	(22,789)	(18,372)
Net assets/(liabilities)	<u>31,237</u>	<u>(15,015)</u>
Year ended 30 June 2024		
Revenue	<u>12,472</u>	<u>3,064</u>
Profit/(loss) for the financial year	<u>3,665</u>	<u>(1,544)</u>
Profit/(loss) attributable to:		
- Owners of the parent	2,932	(1,081)
- Non-controlling interests	733	(463)
	<u>3,665</u>	<u>(1,544)</u>
Year ended 30 June 2024		
Net cash (used in)/generated from:		
Operating activities	(22,250)	943
Investing activities	165	(9)
Financing activities	(12,960)	(824)
Net change in cash and cash equivalents	<u>(35,045)</u>	<u>110</u>

16. Investments in associates

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 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	(841)	(841)	(3,305)	(3,305)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

16. Investments in associates (contd.)

Details of the associates are as follows:

Name of associated companies	Country of incorporation	Equity interest held		Principal activities
		2025 %	2024 %	
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	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.

*Struck off from Suruhanjaya Syarikat Malaysia's register on 18 November 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:

	2025 RM'000	2024 RM'000
RTN	1,044	1,039
STES	-	21
REX	7,898	7,386

Notes to the Financial Statements

30 June 2025 (Cont'd)

16. Investments in associates (contd.)

The summarised financial information of the material associated company are as follows:

Summarised statement of financial position of REX

	2025 RM'000	2024 RM'000
Assets and liabilities		
Current assets	76	546
Non-current assets	1	2
Current liabilities	(9,943)	(9,500)
Net liabilities	(9,866)	(8,952)

Summarised statement of comprehensive income of REX

	2025 RM'000	2024 RM'000
Revenue	55	1,261
(Loss)/profit for the financial year, representing total comprehensive loss for the financial year	(914)	1,046

Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in REX:

	2025 RM'000	2024 RM'000
Net liabilities at beginning of year	(8,952)	(9,998)
(Loss)/profit for the year	(914)	1,046
Net liabilities at the end of year	(9,866)	(8,952)
Group's equity interest	56%	56%
Interest in associate company	(5,525)	(5,013)
Group's share of net liabilities	5,525	5,013
Carrying amount	-	-

17. Other investments

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
At fair value through other comprehensive income ("FVTOCI")				
- Shares quoted in Malaysia	73,369	59,403	68,613	59,403
- Shares quoted outside Malaysia	-	1,304	-	1,304
	<u>73,369</u>	<u>60,707</u>	<u>68,613</u>	<u>60,707</u>

During the financial year, the Group and the Company recognised fair value changes of investments classified as FVTOCI, amounting to a loss of RM34,027,000 for Group (2024: gain of RM514,000) and RM30,040,000 for Company (2024: gain of RM514,000) 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 RM1,939,000 (2024: RM8,952,000), and the accumulated gain of RM601,000 (2024: RM619,000) was then reclassified from FVTOCI reserve to retained earnings.

Further details on fair value hierarchy and classification of equity investments are disclosed in Note 34.

Notes to the Financial Statements

30 June 2025 (Cont'd)

18. Deferred tax

	Group	
	2025	2024
	RM'000	RM'000
At beginning of financial year	(5,089)	2,100
Recognised in profit or loss (Note 9)	(4,113)	(7,189)
At end of financial year	<u>(9,202)</u>	<u>(5,089)</u>
Presented in the statements of financial position as follows:		
Deferred tax assets	(9,202)	(5,714)
Deferred tax liabilities	-	625
	<u>(9,202)</u>	<u>(5,089)</u>

Deferred tax assets of the Group:

	Unutilised losses and unabsorbed capital allowances RM'000	Intangible assets RM'000	Provisions and lease liabilities RM'000	Total RM'000
At 1 July 2024	-	(4,817)	(3,621)	(8,438)
Recognised in profit or loss	(2,576)	-	(1,951)	(4,527)
At 30 June 2025	<u>(2,576)</u>	<u>(4,817)</u>	<u>(5,572)</u>	<u>(12,965)</u>
Less: Offset against deferred tax liabilities				<u>3,763</u>
				<u>(9,202)</u>
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>-</u>	<u>(4,817)</u>	<u>(3,621)</u>	<u>(8,438)</u>
Less: Offset against deferred tax liabilities				<u>2,724</u>
				<u>(5,714)</u>

18. 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 2024	625	2,724	3,349
Recognised in profit or loss	(625)	1,039	414
At 30 June 2025	-	3,763	3,763
Less: Offset against deferred tax assets			(3,763)
			-
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

Deferred tax liabilities of the Company:

	Other investments RM'000
At 1 July 2024	625
Recognised in profit or loss (Note 9)	(625)
At 30 June 2025	-
At 1 July 2023	5,255
Recognised in profit or loss (Note 9)	(4,630)
At 30 June 2024	625

Deferred tax assets of the Group has not been recognised in respect of the following items:

	Group 2025 RM'000	2024 RM'000
Unutilised tax losses	28,267	25,315
Unabsorbed capital allowances	9,491	5,411
Other deductible temporary differences	6,734	8,045
	44,492	38,771

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.

Notes to the Financial Statements

30 June 2025 (Cont'd)

18. 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 (i.e. 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:

	Group	
	2025	2024
	RM'000	RM'000
Within 10 years	2,951	2,196
Within 9 years	2,197	3,630
Within 8 years	3,630	5,096
Within 7 years	5,096	2,273
Within 6 years	2,273	810
Within 5 years	810	2,490
Within 4 years	11,310	8,820
	<u>28,267</u>	<u>25,315</u>

19. Inventories

	Group	
	2025	2024
	RM'000	RM'000
Net realisable value		
Finished goods	<u>739</u>	<u>632</u>

During the financial year, the amount of inventories recognised as an expense in cost of sales of the Group was RM7,678,000 (2024: RM10,624,000).

20. Trade and other receivables

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Trade receivables				
Third parties	84,052	20,935	-	-
Less: Impairment loss	(2,527)	(3,393)	-	-
Trade receivables, net	81,525	17,542	-	-
Other receivables				
Third parties	3,478	3,360	30	30
Amount due from associated companies	5,584	5,576	5,206	5,202
Amounts due from subsidiary companies	-	-	42,983	165,900
Deposits	1,788	1,760	-	-
Prepayments (Note 20(a))	46,271	57,666	11	12
Sundry receivables	-	108	-	-
	57,121	68,470	48,230	171,144
Less: Impairment loss	(5,558)	(5,551)	(19,168)	(14,967)
Other receivables, net	51,563	62,919	29,062	156,177
	133,088	80,461	29,062	156,177
Total trade and other receivables	133,088	80,461	29,062	156,177
Add: Cash and bank balances (Note 23)	66,566	63,475	861	33,620
Less: Prepayments	(46,271)	(57,666)	(11)	(12)
Total financial assets carried at amortised cost	153,383	86,270	29,912	189,785

(a) Prepayments

Prepayments relate to advances made to suppliers for services and purchase of equipment for the contracts.

Notes to the Financial Statements

30 June 2025 (Cont'd)

20. Trade and other receivables (contd.)

Ageing analysis of trade receivables

The ageing analysis of the Group's total trade receivables are as follows:

	Gross carrying amount at default RM'000	Impairment loss RM'000	Net carrying amount RM'000
Group			
2025			
Current	16,958	-	16,958
1 to 30 days	2,056	-	2,056
31 to 60 days	25,924	-	25,924
61 to 90 days	31,204	-	31,204
91 to 120 days	1,285	-	1,285
More than 121 days	6,625	(2,527)	4,098
Total	84,052	(2,527)	81,525
2024			
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
Total	20,935	(3,393)	17,542

The Group's trade receivables are non-interest bearing and are subject to normal trade credit terms ranging from 30 to 60 days (2024: 30 to 60 days). They are recognised at their original invoice amounts which represents their fair value on initial amount. More than 74% (2024: 77%) 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.

20. Trade and other receivables (contd.)Movement in impairment loss 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 impairment loss:

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Trade receivables				
At beginning of financial year	3,393	2,607	-	-
Net impairment (reversal)/loss	(866)	786	-	-
At end of financial year	<u>2,527</u>	<u>3,393</u>	<u>-</u>	<u>-</u>
Other receivables				
At beginning of financial	5,551	5,595	14,967	15,411
Net impairment loss/(reversal)	7	(44)	4,201	(444)
At end of financial year	<u>5,558</u>	<u>5,551</u>	<u>19,168</u>	<u>14,967</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 impairment loss for the Company of RM19,168,000 (2024: RM14,967,000) comprises of impairment loss of RM13,962,000 (2024: RM9,765,000) relating to amount due from subsidiary companies and RM5,206,000 (2024: RM5,202,000) relating to amount due from associated 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 (2024: two) customers representing approximately 73% (2024: 54%) 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. (2024: 4.20% 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. (2024: 4.20% p.a.), unsecured and are repayable on demand.

Notes to the Financial Statements

30 June 2025 (Cont'd)

21. Contract assets/liabilities

	Group	
	2025	2024
	RM'000	RM'000
Current		
Contract assets	64,136	182,320
Contract liabilities	(1,283)	(3,460)
Contract assets		
Contract assets	102,445	182,320
Less: Impairment loss on contract assets	(38,309)	-
Contract assets, net	64,136	182,320

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	
	2025	2024
	RM'000	RM'000
Movements in net contract assets/(liabilities):		
At beginning of financial year	178,860	(3,457)
Recognised in profit or loss	341,632	337,235
Impairment loss on contract assets	(38,309)	-
Billings raised during the financial year	(419,330)	(154,918)
At end of financial year	62,853	178,860

The transaction price allocated to the remaining performance obligations as at the reporting date is as follows:

	Group	
	2025	2024
	RM'000	RM'000
Within one year	109,131	197,952
More than one year	359,642	468,727
	468,773	666,679

Movement in impairment loss on contract assets:

	Group
	2025
	RM'000
Contract Assets	
At beginning of financial year	-
Impairment loss on contract assets	38,309
At end of financial year	38,309

22. Short term investments

	Group and Company	
	2025	2024
	RM'000	RM'000
Fair value through profit or loss		
Cash management fund	403	-
Equity instruments quoted in Malaysia *	-	7,181
Shares quoted in Malaysia	-	11,200
	<u>403</u>	<u>18,381</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 34.

23. Cash and bank balances

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Cash in hand and at banks	49,174	40,985	861	33,516
Deposits with financial institutions	17,392	22,490	-	104
	<u>66,566</u>	<u>63,475</u>	<u>861</u>	<u>33,620</u>
Less: Deposits pledged to licensed banks	(17,392)	(22,386)	-	-
Total cash and cash equivalents	<u>49,174</u>	<u>41,089</u>	<u>861</u>	<u>33,620</u>

The interest rates per annum of deposits with financial institutions at the reporting date were as follows:

	Group		Company	
	2025	2024	2025	2024
Deposits with financial institutions	<u>2.43%</u>	<u>2.58%</u>	<u>-</u>	<u>2.40%</u>

The average maturity of deposits with licensed banks at the reporting date were as follows:

	Group	
	2025	2024
	Days	Days
Deposits with licensed banks	<u>82</u>	<u>88</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 33.

Notes to the Financial Statements

30 June 2025 (Cont'd)

24. Share capital

Issued and fully paid-up:

	Group/Company		Amount	
	Number of shares			
	2025	2024	2025 RM'000	2024 RM'000

Ordinary shares

At beginning and end of financial year

782,453,885	782,453,885	149,813	149,813
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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.

25. Treasury shares

Details of the shares repurchased and retained as treasury shares were as follows:

	Group/Company		Amount	
	Number of shares			
	2025	2024	2025 RM'000	2024 RM'000
At beginning and end of financial year	9,502,000	9,502,000	5,653	5,653

26. Reserves

		Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Retained profits	(a)	146,242	142,195	25,077	30,677
Foreign exchange reserve	(b)	(662)	(661)	-	-
Revaluation reserve	(c)	641	641	-	-
FVTOCI reserve	(d)	(26,203)	8,425	(22,216)	8,425
		120,018	150,600	2,861	39,102

(a) Retained profits

The Company may distribute dividends out of its entire retained profits as at 30 June 2025 under the single-tier system.

26. 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 other investments classified as FVTOCI as disclosed in Note 17.

27. Loans and borrowings

		Group	
		2025	2024
		RM'000	RM'000
	Maturity		
Current			
Secured:			
Invoice financing	On demand	-	3,811
Margin facility	On demand	7,686	-
Term loans:-			
Fixed loan 1 at BLR -1.65% p.a.	2026	18	16
Fixed loan 2 at BLR -1.65% p.a.	2026	41	37
Refinancing loan 1 at BLR -1.65% p.a.	2026	14	12
Refinancing loan 2 at BLR -1.65% p.a.	2026	33	29
Refinancing loan 3 at BLR -1.65% p.a.	2026	15	13
		<u>7,807</u>	<u>3,918</u>
Non-current			
Secured:			
Term loans:-			
Fixed loan 1 at BLR -1.65% p.a.	2027 - 2029	123	139
Fixed loan 2 at BLR -1.65% p.a.	2027 - 2029	290	329
Refinancing loan 1 at BLR -1.65% p.a.	2027 - 2029	112	126
Refinancing loan 2 at BLR -1.65% p.a.	2027 - 2029	252	285
Refinancing loan 3 at BLR -1.65% p.a.	2027 - 2029	110	128
		<u>887</u>	<u>1,007</u>

Notes to the Financial Statements

30 June 2025 (Cont'd)

27. Loans and borrowings (contd.)

	Group	
	2025	2024
	RM'000	RM'000
Total loans and borrowings		
Secured:		
Invoice financing	-	3,811
Margin facility	7,686	-
Term loans:-		
Fixed loan 1 at BLR -1.65% p.a.	141	155
Fixed loan 2 at BLR -1.65% p.a.	331	366
Refinancing loan 1 at BLR -1.65% p.a.	126	138
Refinancing loan 2 at BLR -1.65% p.a.	285	314
Refinancing loan 3 at BLR -1.65% p.a.	125	141
	<u>8,694</u>	<u>4,925</u>

The remaining maturities of the loans and borrowings as at the reporting date are as follows:

	Group	
	2025	2024
	RM'000	RM'000
On demand or within one year	7,807	3,918
More than 1 year and less than 2 years	127	112
More than 2 years and less than 5 years	760	895
	<u>8,694</u>	<u>4,925</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.

28. 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
Group					
At 30 June 2025					
Leasehold office lots	338	-	(13)	-	325
Warehouse, office and sites	11,481	6,789	(2,504)	(74)	15,692
Equipment and machinery	184	-	(106)	(74)	4
Total	12,003	6,789	(2,623)	(148)	16,021
At 30 June 2024					
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

Set out below are the carrying amounts of lease liabilities recognised and the movements during the financial year.

	Group	
	2025 RM'000	2024 RM'000
At beginning of financial year	12,548	2,775
Additions	6,789	11,865
Accretion of interest	1,109	488
Lease payments	(3,936)	(2,580)
At end of financial year	16,510	12,548
Analysed as:		
- Current	2,569	2,041
- Non-current	13,941	10,507
	16,510	12,548
The following are the amount recognised in profit or loss:		
- Depreciation of right-of-use assets	2,623	1,420
- Interest expense on lease liabilities	1,109	488
- Impairment of right-of-use assets	148	618
- Short term leases	6,673	6,811
- Leases of low-value assets	136	142
	10,689	9,479

The Group has total cash outflow for leases including short-term and low-value lease amounting to RM10,745,000 (2024: RM9,533,000).

Notes to the Financial Statements

30 June 2025 (Cont'd)

29. Trade and other payables

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Non-current				
<u>Other payable</u>				
Sundry payables (Note 29(d))	-	20,174	-	-
Current				
<u>Trade payables</u>				
Third parties	15,024	34,564	-	-
Accruals	44,328	45,396	-	-
	<u>59,352</u>	<u>79,960</u>	<u>-</u>	<u>-</u>
<u>Other payables</u>				
Amounts due to subsidiary companies (Note 29(b))	-	-	9	125,917
Provision for Universal Service Fund Contribution ("USOF") (Note 29(c))	6,300	7,214	-	-
Accruals	8,240	6,516	140	128
Deposits payable	2,056	1,799	-	-
Sundry payables (Note 29(d))	<u>27,727</u>	<u>25,057</u>	<u>88</u>	<u>26</u>
	<u>44,323</u>	<u>40,586</u>	<u>237</u>	<u>126,071</u>
Total current	<u>103,675</u>	<u>120,546</u>	<u>237</u>	<u>126,071</u>
	<u>103,675</u>	<u>140,720</u>	<u>237</u>	<u>126,071</u>
Total trade and other payables	103,675	140,720	237	126,071
Add: Loans and borrowings (Note 27)	8,694	4,925	-	-
Add: Lease liabilities (Note 28)	16,510	12,548	-	-
Less: Provision for USOF	<u>(6,300)</u>	<u>(7,214)</u>	<u>-</u>	<u>-</u>
Total financial liabilities carried at amortised cost	<u>122,579</u>	<u>150,979</u>	<u>237</u>	<u>126,071</u>

(a) Trade payables

Trade payables are interest-bearing and the normal trade credit terms granted to the Group range from 30 to 60 (2024: 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. (2024: 4.20% p.a.), unsecured and are repayable on demand.

29. Trade and other payables (contd.)**(c) Provision for USOF**

	Group	
	2025	2024
	RM'000	RM'000
At beginning of financial year	7,214	7,010
Recognised in profit or loss (Note 6)	1,269	926
Payment	(2,183)	(722)
At end of financial year	<u>6,300</u>	<u>7,214</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.

30. Commitment

	Group	
	2025	2024
	RM'000	RM'000
Capital commitment		
Approved and contracted for:		
- Property, plant and equipment	<u>8,680</u>	<u>289</u>

31. Guarantees

The Company provided corporate guarantees to certain financial institutions for credit facilities 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.

Notes to the Financial Statements

30 June 2025 (Cont'd)

32. 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 2025 RM'000	2024 RM'000
Revenue:			
<u>Telecommunication services</u>			
Data:			
BCorp	a	23	21
Berjaya Land Berhad	b	23	23
Berjaya Sampo Insurance Berhad	c	798	820
Sports Toto Berhad	b	23	23
Berjaya Starbucks Coffee Company Sdn. Bhd.	b	-	2
Berjaya Waterfront Sdn. Bhd.	d	87	62
Inter-Pacific Securities Sdn. Bhd.	b	10	29
The Taaras Beach & Spa Resort (Redang) Sdn. Bhd.	b	206	248
Berjaya Hills Resort Berhad	b	572	554
BTS Hotel Sdn. Bhd.	b	21	21
Voice:			
BCorp	a	19	20
STM Lottery Sdn. Bhd.	b	3	4
U Mobile Sdn. Bhd.	e	10	-
Interconnect:			
U Mobile Sdn. Bhd.	e	36	34
Information and Communication Technologies:			
BCorp	a	70	-
7-Eleven Malaysia Sdn. Bhd.	f	679	-
Berjaya Land Berhad	b	20	-
Berjaya Hotel & Resorts (M) Sdn. Bhd.	b	20	-
STM Lottery Sdn. Bhd.	b	20	-
Berjaya Hills Resort Berhad	b	1,316	-
Managed Network Services:			
7-Eleven Malaysia Sdn. Bhd.	f	1,519	-
<u>Managed Telecommunications Network Services</u>			
U Mobile Sdn. Bhd.	e	28,403	31,508
<u>Cloud and IOT</u>			
Data centre services:			
BLoyalty Sdn. Bhd.	g	137	1,381
Expenses:			
<u>Telecommunication services</u>			
Staff handphone charges:			
U Mobile Sdn. Bhd.	e	103	110
Interconnect charges:			
U Mobile Sdn. Bhd.	e	172	120
<u>Managed Telecommunications Network Services</u>			
Provision of civil engineering contracting works:			
Berjaya Construction Berhad	b	12,706	29,075

32. 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	2025 RM'000	2024 RM'000
Expenses (contd.):			
<u>Others</u>			
Management fees:			
BCorp	a	60	60
Share registration:			
Berjaya Registration Services Sdn. Bhd.	b	68	70
General insurance:			
Berjaya Sompo Insurance Berhad	c	523	335
Rental co-location:			
Berjaya Times Square Sdn. Bhd.	d	73	73
Human resources management services:			
E.V.A. Management Sdn. Bhd.	b	22	46
E-Voucher:			
BLoyalty Sdn. Bhd.	g	46	28
Loyalty reward charges:			
BLoyalty Sdn. Bhd.	g	1	-
Brokerage fees:			
Inter-Pacific Securities Sdn. Bhd.	b	230	496

		Company	
	Note	2025	2024
		RM'000	RM'000
Other income:			
<u>Interest income from subsidiaries:</u>			
RTC		458	889
RENS		3,983	243
STT		-	140
RDC		24	2
RIOT		31	-
REQ		21	-

Expenses:

<u>Interest charged by subsidiaries:</u>			
STE		153	635
RENS		-	11
STT		4,520	218
<u>Management fees:</u>			
BCorp	a	60	60
<u>Administrative support cost:</u>			
RTC		217	5

Notes to the Financial Statements

30 June 2025 (Cont'd)

32. 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) Associated company of BCorp Group;
- (d) A subsidiary company of Berjaya Assets Berhad ("BASSET"). BCorp, K.D.Y.M.M. Seri Paduka Baginda Yang Di-Pertuan Agong Sultan Ibrahim ("K.D.Y.M.M. Sultan Ibrahim") and Tan Sri Dato' Seri Vincent Tan Chee Yioun ("TSVT") are major shareholders of BASSET;
- (e) K.D.Y.M.M. Sultan Ibrahim is a major shareholder of the Company and U Mobile Sdn. Bhd.;
- (f) A subsidiary company of 7-Eleven Malaysia Holdings Berhad ("SEM"). TSVT is a major shareholder of SEM; and
- (g) Former subsidiary of BCorp.

Compensation of key management personnel

The remuneration of key management personnel during the financial year was as follows:

	Group	
	2025	2024
	RM'000	RM'000
Short-term employee benefits	7,431	5,438

Included in compensation for key management personnel of the Group are directors' remuneration amounting to RM2,747,000 (2024: RM2,122,000) as disclosed in Note 8.

33. 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, credit risk and market price 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.

33. Financial instruments (contd.)

(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.

The Group has minimal exposure to interest rate risk at the reporting date. The following table sets out the carrying amounts, the weighted average effective interest rates ("WAEIR") as at the reporting date and the remaining maturities of the Group's and of the Company's financial instruments that are exposed to interest rate risk:

Group	Note	WAEIR %	Within 1 year RM'000	1-2 years RM'000	2-5 years RM'000	Over 5 years RM'000	Total RM'000
At 30 June 2025							
Loans and borrowings	27	5.07%	(7,807)	(127)	(760)	-	(8,694)
Lease liabilities	28	7.00%	(2,569)	(2,263)	(6,546)	(5,132)	(16,510)
Deposits with financial institutions	23	2.43%	17,392	-	-	-	17,392
At 30 June 2024							
Loans and borrowings	27	5.07%	(3,918)	(112)	(895)	-	(4,925)
Lease liabilities	28	6.99%	(2,041)	(1,640)	(4,219)	(4,648)	(12,548)
Deposits with financial institutions	23	2.58%	22,490	-	-	-	22,490
Company							
At 30 June 2024							
Deposits with financial institutions	23	2.40%	-	-	-	-	104

Notes to the Financial Statements

30 June 2025 (Cont'd)

33. 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
Group	
At 30 June 2025	
Financial assets	
Trade receivables	81
Cash and bank balances	2,300
	<u>2,381</u>
Financial liabilities	
Trade payables	(11,786)
Other payables and accruals	(18)
	<u>(11,804)</u>
Net financial liabilities	<u>(9,423)</u>
At 30 June 2024	
Financial assets	
Trade receivables	5
Cash and bank balances	2,692
	<u>2,697</u>
Financial liabilities	
Trade payables	(18,153)
Other payables and accruals	(49)
	<u>(18,202)</u>
Net financial liabilities	<u>(15,505)</u>

33. 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.

		Group	
		2025	2024
		RM'000	RM'000
		(Decrease)/	(Decrease)/
		increase	increase
		in profit	in profit
		before tax	before tax
USD/RM	- strengthened 5%	(471)	(775)
	- weakened 5%	471	775

(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 2025 (Cont'd)

33. 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
Group				
30 June 2025				
Loans and borrowings	7,850	976	-	8,826
Lease liabilities	3,587	11,368	5,510	20,465
Trade and other payables	97,375	-	-	97,375
Total undiscounted financial liabilities	108,812	12,344	5,510	126,666
30 June 2024				
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
Company				
30 June 2025				
Other payables and accruals, representing total undiscounted financial liabilities	237	-	-	237
30 June 2024				
Other payables and accruals, representing total undiscounted financial liabilities	126,071	-	-	126,071

(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.

33. Financial instruments (contd.)**(e) Credit risk (contd.)**

The Group establishes an allowance for impairment 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 receivables, and contract assets is disclosed in Note 20 and Note 21, 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 impairment) 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 (2024: two) customers which constituted approximately 73% (2024: 54%) 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. 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 2025 (Cont'd)

34. 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:

	Level 1 RM'000	Level 3 RM'000
Group		
<u>2025</u>		
Asset at FVTOCI		
Other investments (Note 17)	73,369	-
Assets at FVTPL		
Short term investments (Note 22)	403	-
Investment properties (Note 13)	-	4,710
<u>2024</u>		
Asset at FVTOCI		
Other investments (Note 17)	60,707	-
Assets at FVTPL		
Short term investments (Note 22)	18,381	-
Investment properties (Note 13)	-	1,180

34. 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
Company	
<u>2025</u>	
Asset at FVTOCI	
Other investments (Note 17)	68,613
Asset at FVTPL	
Short term investments (Note 22)	<u>403</u>
<u>2024</u>	
Asset at FVTOCI	
Other investments (Note 17)	60,707
Asset at FVTPL	
Short term investments (Note 22)	<u>18,381</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:

	<u>Note</u>
Trade and other receivables	20
Cash and bank balances	23
Loans and borrowings	27
Trade and other payables (current)	29

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 2025 (Cont'd)

35. 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.

36. 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 (i.e. telecommunication 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
Revenue			
2025			
Telecommunication Services	105,246	3,820	109,066
Managed Telecommunications Network Services	192,453	159,332	351,785
Cloud and Internet of Things	27,227	1,207	28,434
Inter-segment elimination	-	(164,359)	(164,359)
	<u>324,926</u>	<u>-</u>	<u>324,926</u>
2024			
Telecommunication 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>

36. Segment information (contd.)

	2025	2024
	RM'000	RM'000
Results		
Telecommunication Services	27,030	30,889
Managed Telecommunications Network Services	6,952	40,954
Cloud and Internet of Things	371	(2,013)
	<u>34,353</u>	<u>69,830</u>
Unallocated corporate expenses	(2,626)	(2,524)
Profit from operations	<u>31,727</u>	<u>67,306</u>
Investment related income	7,681	18,865
Investment related expenses	-	(20)
Finance costs	(3,827)	(2,987)
Profit before tax	<u>35,581</u>	<u>83,164</u>
Taxation	(8,856)	(23,082)
Profit after tax	<u>26,725</u>	<u>60,082</u>
	Assets	Liabilities
	RM'000	RM'000
Assets and liabilities		
2025		
Telecommunication Services	222,175	30,055
Managed Telecommunications Network Services	589,631	353,460
Cloud and Internet of Things	28,479	31,762
Inter-segment elimination	(805,971)	(844,250)
	<u>34,314</u>	<u>(428,973)</u>
Unallocated items	364,414	560,171
Total assets and liabilities	<u>398,728</u>	<u>131,198</u>
2024		
Telecommunication 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
Total assets and liabilities	<u>467,002</u>	<u>168,980</u>

Notes to the Financial Statements

30 June 2025 (Cont'd)

36. Segment information (contd.)

	Capital expenditure RM'000	Depreciation and amortisation RM'000	Impairment loss on PPE and ROU RM'000	Impairment loss on trade and other receivables and contract assets RM'000	Other non-cash expenses RM'000
Other information					
2025					
Telecommunication Services	3,108	25,459	706	(144)	5
Managed Telecommunications					
Network Services	257	2,765	-	38,309	-
Cloud and Internet of Things	375	96	-	(723)	-
	3,740	28,320	706	37,442	5
Unallocated items	4,337	679	208	8	117
Total	8,077	28,999	914	37,450	122
2024					
Telecommunication Services	20,762	34,514	-	101	11
Managed Telecommunications					
Network Services	966	1,338	-	-	-
Cloud and Internet of Things	156	219	642	685	-
	21,884	36,071	642	786	11
Unallocated items	1,584	383	-	(44)	139
Total	23,468	36,454	642	742	150

Major customers

Revenue from two (2024: two) major customers amounted to RM150,944,000 and RM45,469,000 (2024: RM148,981,000 and RM56,962,000) respectively, arising from managed telecommunications network services and non-operating spectrum related income.

37. Dividend

	2025 RM'000	2024 RM'000
In respect of the financial year ended 30 June 2024		
Interim single-tier dividend of 3.0 sen per ordinary share declared on 22 August 2024 and paid on 18 October 2024	23,189	-
In respect of the financial year ended 30 June 2023		
Interim single-tier dividend of 2.5 sen per ordinary share declared on 24 August 2023 and paid on 16 October 2023	-	19,324

On 21 August 2025, the Directors declared an interim single-tier dividend of 2.0 sen per ordinary share amounting to RM15,459,038 in respect of the financial year ended 30 June 2025 payable on 16 October 2025. 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 profits in the financial year ending 30 June 2026.

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 2025 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 material accounting policy information, as set out on pages 111 to 172.

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 2025, and of their financial performance and their cash flows for the year then ended in accordance with MFRS Accounting Standards, IFRS Accounting 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.

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.

Report on the audit of the financial statements (contd.)

Key audit matters (contd.)

Revenue recognition

(a) Revenue recognition on telecommunication services

Refer to Note 2.4.11(i) – Revenue Recognition (Telecommunication Services) and Note 3 – Revenue.

Revenue from telecommunication services recognised by the Group during the year amounted to RM56,923,000 representing 18% of the total revenue of the Group. The Group relies on complex information technology systems in accounting for its telecommunication 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 telecommunication services. Accordingly, we identified this as an area of focus.

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 telecommunication 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 cut-off procedures to determine if revenue is recorded in the correct accounting period.

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 telecommunication 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 telecommunication 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 telecommunication infrastructure and USP sites which span more than one accounting period. Revenues from these long term contracts amount to RM192,453,000, representing 59% of the Group's total revenue.

The Group recognises revenue for construction and maintenance and support services of telecommunication 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.

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;
- 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; and
- 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.

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 MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes 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 15 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
7 October 2025

Chong Tse Heng
No. 03179/05/2027 J
Chartered Accountant

LIST OF PROPERTIES

As at 30 June 2025

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 2025 (RM'000)	Date of Valuation/ Effective Year of Purchase
REDtone Telecommunications Sdn Bhd ("RTC")/ Unit No: 6-12, Storey: 6 th , 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	27	70	11 Jul 2025/ 10 Feb 1999
RTC/ Unit No: 6-13, Storey: 6 th , 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	27	74	N/A/ 10 Feb 1999
RTC/ Unit No: 6-13A, Storey: 6 th , 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	27	90	N/A/ 10 Feb 1999
RTC/ Unit No: 6-16, Storey: 6 th , 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	27	91	N/A/ 10 Feb 1999
RTC/ Unit No: 26 Storey: 2 nd , Pusat Perdagangan IOI Bandar Puchong Jaya, 47100 Puchong, Selangor Darul Ehsan	Office/ Tenanted	N/A/ 137.0	Freehold	28	590	11 Jul 2025/ 1 Mar 2005
RTC/ Unit No: 27 Storey: 2 nd , Pusat Perdagangan IOI Bandar Puchong Jaya, 47100 Puchong, Selangor Darul Ehsan	Office/ Occupied	N/A/ 314.0	Freehold	28	783	30 Apr 2009/ 1 Mar 2005

List Of Properties

As at 30 June 2025 (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 2025 (RM'000)	Date of Valuation/ Effective Year of Purchase
RTC/ Unit No: 26 Storey: 3 rd , Pusat Perdagangan IOI Bandar Puchong Jaya, 47100 Puchong, Selangor Darul Ehsan	Office/ Tenanted	N/A/ 137.0	Freehold	28	590	30 Jun 2022/ 16 Feb 2009
RTC/ Unit No: 27 Storey: 3 rd , Pusat Perdagangan IOI Bandar Puchong Jaya, 47100 Puchong, Selangor Darul Ehsan	Office/ Occupied	N/A/ 300.0	Freehold	28	587	11 Jul 2025/ 16 Feb 2009
RTC/ Unit No: 23 Storey: 4 th , Pusat Perdagangan IOI Bandar Puchong Jaya, 47100 Puchong, Selangor Darul Ehsan	Office/ Occupied	N/A/ 120.0	Freehold	28	151	11 Jul 2025/ 28 Mar 2005
RTC/ Unit No: 24 Storey: 4 th , Pusat Perdagangan IOI Bandar Puchong Jaya, 47100 Puchong, Selangor Darul Ehsan	Office/ Occupied	N/A/ 145.0	Freehold	28	191	N/A/ 21 Jun 2005
RTC/ Unit No: 24, 25, 26, 27, 28, 29 & 30 Storey: 5 th , Pusat Perdagangan IOI Bandar Puchong Jaya, 47100 Puchong, Selangor Darul Ehsan	Office/ Occupied	N/A/ 1,144.0	Freehold	28	1,335	N/A/ 29 Mar 2004
RTC/ Unit No: 28 Storey: 6 th , Pusat Perdagangan IOI Bandar Puchong Jaya, 47100 Puchong, Selangor Darul Ehsan	Office/ Occupied	N/A/ 142.0	Freehold	28	483	31 Mar 2018/ 7 July 2005
REDtone Engineering & Network Services Sdn Bhd Lot 012 Ayara Hills (Geran 331651, Lot 1909 and Geran 330883, Lot 1150) Mukim Ulu Semenyih, Daerah Ulu Langat Selangor Darul Ehsan	Freehold land/ Vacant	4,386.0/ N/A	Freehold	1	3,530	N/A/ 27 September 2024

ANALYSIS OF SHAREHOLDINGS

As at 25 September 2025

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	618	9.474	9,426	0.001
100 – 1,000 shares	1,074	16.465	478,726	0.062
1,001 – 10,000 shares	2,622	40.196	14,148,058	1.830
10,001 – 100,000 shares	1,843	28.254	63,799,752	8.254
100,001 – less than 5% of issued shares	363	5.565	455,515,923	58.932
5% and above of issued shares	3	0.046	239,000,000	30.921
TOTAL	6,523	100.000	772,951,885[#]	100.000

[#] 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	266,232,692	34.44	7,445,000 ⁽¹⁾	0.96
2	Berjaya Group Berhad	–	–	283,277,692 ⁽²⁾	36.65
3	Berjaya Corporation Berhad	–	–	283,277,692 ⁽³⁾	36.65
4	Tan Sri Dato' Seri Vincent Tan Chee Yioun	–	–	283,277,692 ⁽⁴⁾	36.65
5	DYMM Sultan Ibrahim Johor	134,000,000	17.34	–	–

Notes:

- (1) 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 Berjaya Securities Sdn Bhd (formerly known as Inter-Pacific Securities Sdn Bhd).
- (2) Deemed interested by virtue of its interest in Juara Sejati Sdn Bhd and Teras Mewah Sdn Bhd.
- (3) Deemed interested by virtue of its interest in Berjaya Group Berhad.
- (4) Deemed interested by virtue of his interest in Berjaya Corporation Berhad.

Analysis of Shareholdings

As at 25 September 2025 (Cont'd)

THIRTY (30) LARGEST SHAREHOLDERS

(without aggregating securities from different securities accounts belonging to the same person)

No.	Name of Shareholders	SHAREHOLDINGS	(%)
1	DYMM SULTAN IBRAHIM JOHOR	134,000,000	17.3361
2	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR JUARA SEJATI SDN BHD	57,000,000	7.3743
3	MBSB INVESTMENT NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR JUARA SEJATI SDN BHD	48,000,000	6.2100
4	BERJAYA EQUITY NOMINEES (TEMPATAN) SDN BHD BERJAYA MUTUAL BERHAD FOR AMANAH RAYA BERHAD FOR COMMON FUND	38,016,000	4.9183
5	RHB NOMINEES (TEMPATAN) SDN BHD OSK CAPITAL SDN BHD FOR JUARA SEJATI SDN BHD	30,000,000	3.8812
6	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR JUARA SEJATI SDN BHD	29,000,000	3.7519
7	MAYBANK NOMINEES (TEMPATAN) SDN BHD NATIONAL TRUST FUND (IFM KAF)	28,673,300	3.7096
8	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR JUARA SEJATI SDN BHD	28,000,000	3.6225
9	UNIVERSAL TRUSTEE (MALAYSIA) BERHAD KAF CORE INCOME FUND	25,474,100	3.2957
10	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR JUARA SEJATI SDN BHD	23,000,000	2.9756
11	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR JUARA SEJATI SDN BHD	18,000,000	2.3287
12	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR JUARA SEJATI SDN BHD	17,000,000	2.1994
13	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR CITIBANK NEW YORK	14,220,800	1.8398
14	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PETROLIAM NASIONAL BERHAD (ACF-KENANGA-EQ)	9,612,400	1.2436
15	BBL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR JUARA SEJATI SDN BHD	9,400,000	1.2161
16	CIMB ISLAMIC NOMINEES (TEMPATAN) SDN BHD CIMB ISLAMIC TRUSTEE BERHAD - KENANGA SYARIAH GROWTH FUND	9,029,100	1.1681
17	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TERAS MEWAH SDN BHD	7,000,000	0.9056
18	JUARA SEJATI SDN BHD	6,832,692	0.8840

THIRTY (30) LARGEST SHAREHOLDERS (CONT'D)

(without aggregating securities from different securities accounts belonging to the same person)

No.	Name of Shareholders	SHAREHOLDINGS	(%)
19	BERJAYA EQUITY NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ARSAM BIN DAMIS	5,896,000	0.7628
20	PRIME CREDIT LEASING BERHAD	5,400,000	0.6986
21	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PETROLIAM NASIONAL BERHAD	5,132,500	0.6640
22	UNIVERSAL TRUSTEE (MALAYSIA) BERHAD KAF TACTICAL FUND	4,158,200	0.5380
23	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR EASTSPRING INVESTMENTSSMALL-CAP FUND	3,919,500	0.5071
24	MOOMOO NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SHUM THIN SOON	3,521,000	0.4555
25	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (EASTSPRINGESG)	3,447,300	0.4460
26	MAYBANK NOMINEES (TEMPATAN) SDN BHD MEDICAL FUND (IFM KAF)	2,900,000	0.3752
27	GOH AH PUAY	2,622,000	0.3392
28	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TERAS MEWAH SDN BHD	2,600,000	0.3364
29	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PETROLIAM NASIONAL BERHAD (PET-KENANGA-EQET)	2,379,700	0.3079
30	LAU BIK SOON	2,308,160	0.2986

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FORM OF PROXY

(before completing this Form of Proxy, please refer to the notes below)

REDtone**REDTONE DIGITAL BERHAD**

[Registration No. 200201028701 (596364-U)]

(Incorporated in Malaysia)

* I/We:

Full name (in block capitals):	CDS account no.:	No. of shares held:
Address:	NRIC/Passport/Registration no.:	
Contact no.:	Email:	

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-Third Annual General Meeting of the Company ("**Meeting**") to be held physically at Perdana Ballroom, Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur, Wilayah Persekutuan on Tuesday, 2 December 2025 at 10:00 a.m. or at any adjournment thereof.

ORDINARY RESOLUTIONS		FOR	AGAINST
1.	Approval of the payment of Directors' fees for an aggregate amount of up to RM1,350,000/- payable to the Non-Executive Directors of the Company on a monthly basis from 3 December 2025 until the next Annual General Meeting of the Company to be held in year 2026.		
2.	Approval of the payment of Directors' benefits for an amount of up to RM130,000/- payable to the Directors of the Company from 3 December 2025 until the next Annual General Meeting of the Company to be held in year 2026.		
3.	Re-election of Dato' Avinderjit Singh A/L Harjit Singh as a Director of the Company.		
4.	Re-election of Ms. Loh Paik Young as a Director of the Company.		
5.	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.		
6.	Retention of Dato' Avinderjit Singh A/L Harjit Singh as an Independent Non-Executive Director of the Company.		
7.	Authority to issue shares pursuant to the Companies Act 2016.		
8.	Proposed renewal of and new shareholders' mandate for recurrent related party transactions of a revenue or trading nature with persons connected with Tan Sri Dato' Seri Vincent Tan Chee YOUN.		
9.	Proposed renewal of and new shareholders' mandate for recurrent related party transactions of a revenue or trading nature with companies in which Tan Sri Dato' Seri Vincent Tan Chee YOUN and KDYMM Seri Paduka Baginda Yang Di-Pertuan Agong Sultan Ibrahim are major shareholders.		
10.	Proposed renewal of 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(s), 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 _____ 2025

Notes:

- Only members whose names appear in the Record of Depositors of the Company as at 25 November 2025 shall be eligible to attend, participate, speak and vote at the Meeting or appoint proxy(ies) to attend, participate, speak and vote in his/her stead.
- 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/her 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/she specifies the proportion of his/her 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.
- The instrument appointing a proxy shall be in writing under the hand of the member or of his/her 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 its officer or attorney duly authorised.



Notes: (Cont'd)

4. 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.
5. 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.
6. 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 the Share Registrar of the Company, Berjaya Registration Services Sdn. Bhd. at 09-27 Level 9, Berjaya Times Square, No. 1 Jalan Imbi, 55100 Kuala Lumpur, Wilayah Persekutuan OR alternatively, the Form of Proxy may be submitted electronically via Berjaya Registration Portal at <https://www.berjayaregistration.com.my>, not less than forty-eight (48) hours before the time set for holding the Meeting or at any adjournment thereof. The lodging of the Form of Proxy does not preclude you from attending, participating, speaking and voting in person at the Meeting should you subsequently wish to do so. Please follow the procedures provided in the Administrative Guide for the Meeting for further details.
7. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in this Notice will be put to vote by way of poll. Independent Scrutineers will be appointed to validate the results of the poll.

Personal Data Privacy

By (i) submitting an instrument appointing proxy(ies) and/or representative(s) to participate and vote at the Twenty-Third Annual General Meeting of the Company ("23rd AGM") and/or any adjournment thereof, and/or (ii) submitting questions relating to resolutions to be tabled at the 23rd AGM, a shareholder of the Company (i) consents to the collection, use and disclosure of the shareholder's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxy(ies) and representative(s) appointed for the 23rd AGM (including any adjournment thereof), the preparation and compilation of the attendance lists and other documents relating to the 23rd AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing requirements, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the shareholder discloses the personal data of the shareholder's proxy(ies) and/or representative(s) to the Company (or its agents), the shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

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AFFIX
STAMP

Share Registrar
REDTONE DIGITAL BERHAD
[Registration No. 200201028701 (596364-U)]

09-27 Level 9,
Berjaya Times Square,
No. 1 Jalan Imbi,
55100 Kuala Lumpur,
Wilayah Persekutuan

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Fold This Flap For Sealing



REDtone Digital Berhad 200201028701 (596364-U)

Suites 22-30, 5th Floor, IOI Business Park, 47100 Puchong, Selangor, Malaysia.

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