

REDTONE DIGITAL BERHAD

Registration Number: 200201028701 (596364-U)

Date: 21 August 2025

Subject: **UNAUDITED QUARTERLY (Q4) FINANCIAL REPORT FOR
THE YEAR ENDED 30 JUNE 2025**

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REDTONE DIGITAL BERHAD

Registration Number: 200201028701 (596364-U)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2025
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	Note	3 months ended		12 months ended	
		30 Jun 2025 RM'000	30 Jun 2024 RM'000	30 Jun 2025 RM'000	30 Jun 2024 RM'000 (Audited)
REVENUE		82,907	114,777	324,627	342,173
(LOSS)/PROFIT FROM OPERATIONS		(12,589)	18,392	32,265	67,306
Investment related income		4,019	22,615	7,681	18,865
Investment related expenses		-	(20)	-	(20)
Finance costs	A11	(855)	(697)	(3,827)	(2,987)
(LOSS)/PROFIT BEFORE TAX	B7	(9,425)	40,290	36,119	83,164
TAXATION	B6	1,971	(10,733)	(9,592)	(23,082)
(LOSS)/PROFIT AFTER TAX		(7,454)	29,557	26,527	60,082
Other comprehensive items					
<u>Items that will not be reclassified subsequently to profit or loss</u>					
Foreign currency translation		1	-	(1)	1
Net changes in fair value of other investments at fair value through other comprehensive income		(20,664)	(20,253)	(34,027)	514
Total comprehensive (loss)/income for the period		(28,117)	9,304	(7,501)	60,597
<u>(Loss)/profit attributable to:-</u>					
Owners of the Company		(7,580)	29,496	26,325	59,814
Non-controlling interests		126	61	202	268
		(7,454)	29,557	26,527	60,082
<u>Total comprehensive (loss)/income attributable to:-</u>					
Owners of the Company		(28,243)	9,243	(7,703)	60,329
Non-controlling interests		126	61	202	268
		(28,117)	9,304	(7,501)	60,597
<u>(Loss)/earnings per share attributable to owners of the parent (sen per share):</u>					
- Basic, for the period	B11	(0.98)	3.82	3.41	7.74

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2025
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 30 Jun 2025 RM'000	As at 30 Jun 2024 RM'000 (Audited)
ASSETS			
Non-current Assets			
Goodwill		423	423
Property, plant and equipment		19,080	18,654
Right-of-use assets		16,169	12,003
Investment properties		1,180	1,180
Intangible assets		6,450	20,436
Other investments		73,369	60,707
Deferred tax assets		5,649	5,714
		122,320	119,117
Current Assets			
Inventories		722	632
Trade and other receivables	A12	140,703	80,461
Contract assets		55,797	182,320
Tax recoverable		16,704	2,616
Short term investments		403	18,381
Cash and bank balances		66,566	63,475
		280,895	347,885
TOTAL ASSETS		403,215	467,002
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	A7(a)	149,813	149,813
Treasury shares	A7(b)	(5,653)	(5,653)
Reserves		119,726	150,600
		263,886	294,760
Non-controlling interests		3,446	3,262
Total Equity		267,332	298,022
Non-current Liabilities			
Loans and borrowings	B8	887	1,007
Lease liabilities		13,941	10,507
Other payable	A13	-	20,174
Deferred tax liabilities		-	625
		14,828	32,313
Current Liabilities			
Trade and other payables	A13	108,230	120,546
Contract liabilities		1,369	3,460
Loans and borrowings	B8	7,807	3,918
Lease liabilities		2,569	2,041
Tax payable		1,080	6,702
		121,055	136,667
Total Liabilities		135,883	168,980
TOTAL EQUITY AND LIABILITIES		403,215	467,002
Net assets per share (sen)		34.14	38.13

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

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

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

REDTONE DIGITAL BERHAD

Registration Number: 200201028701 (596364-U)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2025
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Share capital	Treasury shares	Foreign exchange reserve	Revaluation reserve	FVTOCI reserve	Distributable retained profits	Total	Non- controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
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	-	-	-	-	-	26,325	26,325	202	26,527
Other comprehensive income	-	-	(1)	-	(34,027)	-	(34,028)	-	(34,028)
Total comprehensive income	-	-	(1)	-	(34,027)	26,325	(7,703)	202	(7,501)
Effect arising from the disposal of equity investments measured at FVTOCI	-	-	-	-	(601)	601	-	-	-
Transactions with owners:									
- Arising from increase in equity interest in subsidiary company	-	-	-	-	-	18	18	(18)	-
- Dividend paid	-	-	-	-	-	(23,189)	(23,189)	-	(23,189)
At 30 June 2025	149,813	(5,653)	(662)	641	(26,203)	145,950	263,886	3,446	267,332
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	-	-	-	-	(619)	619	-	-	-
Transaction with owners:									
- Dividend paid	-	-	-	-	-	(19,324)	(19,324)	-	(19,324)
At 30 June 2024 (Audited)	149,813	(5,653)	(661)	641	8,425	142,195	294,760	3,262	298,022

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2025
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	12 months ended	
	30 Jun 2025	30 Jun 2024
	RM'000	RM'000 (Audited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	405,926	214,711
Payments of operating expenses	(303,987)	(237,689)
Net payment of taxes	(29,862)	(27,098)
Other (payments)/receipts	(115)	301
Net cash generated from/(used in) operating activities	<u>71,962</u>	<u>(49,775)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	-	3
(Increase)/decrease in deposits and short term investments	(299)	6,097
Proceeds from disposal of equity instrument	33,410	137,570
Acquisition of equity instrument	(56,750)	(93,276)
Acquisition of property, plant and equipment	(3,071)	(4,067)
Payment of intangible assets	(19,694)	(21,542)
Interest received	671	1,516
Dividend received	1,878	560
Net cash (used in)/generated from investing activities	<u>(43,855)</u>	<u>26,861</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of bank borrowings and other loans	69,888	-
Payment of principal portion of lease liabilities	(2,827)	(2,092)
Repayment of bank borrowings and other loans	(65,061)	(100)
Net withdrawal from banks as security pledged for borrowing and other facilities	4,994	-
Dividend paid	(23,189)	(19,324)
Interest paid	(3,827)	(2,987)
Net cash used in financing activities	<u>(20,022)</u>	<u>(24,503)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>8,085</u>	<u>(47,417)</u>
OPENING CASH AND CASH EQUIVALENTS	<u>41,089</u>	<u>88,506</u>
CLOSING CASH AND CASH EQUIVALENTS	<u>49,174</u>	<u>41,089</u>
The closing cash and cash equivalents comprise the following:		
Deposits with financial institutions	17,392	22,490
Cash in hand and at banks	49,174	40,985
	<u>66,566</u>	<u>63,475</u>
Less:		
Deposits pledged to licensed bank	(17,392)	(22,386)
	<u>49,174</u>	<u>41,089</u>

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2025
NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

A1. Basis of preparation

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

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

A2. Changes in accounting policies

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

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

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

A3. Nature and amount of unusual items

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

A4. Changes in estimates

There were no material changes in estimate of amount reported in the prior financial year which have a material effect in the current financial year ended 30 June 2025.

A5. Changes in the composition of the group

There were no changes in the composition of the Group for the current financial year ended 30 June 2025 except as described below:

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

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

A6. Seasonality or cyclical of interim operations

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

A7. Debt and equity securities

There were no issuances and repayment of debt and equity securities, share buy-back and share cancellation for the financial year ended 30 June 2025:

(a) Share capital

	Number of Ordinary Shares	RM
Share capital as at 1 July 2024/30 June 2025	<u>782,453,885</u>	<u>149,812,475</u>

(b) Share buy-back

There was no share buy back transacted during the financial year ended 30 June 2025 and the number of treasury shares held in hand as at 30 June 2025 are as follows:

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

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2025
NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

A8. Contingent liability and performance bond

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

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

	As at 30 Jun 2025 RM'000	As at 30 Jun 2024 RM'000 (Audited)
Performance bonds in favour of various government and statutory bodies and private companies	143,900	147,308

A9. Dividends paid

An interim dividend of 3.0 sen per share amounting to RM23.189 million in respect of the financial year ended 30 June 2024 was paid on 18 October 2024 (Financial year ended 30 June 2023: 2.5 sen per share).

A10. Segment information

The segment information for the reportable segments by line of business for the financial year ended 30 June 2025 are as follows:-

	Year to date 30 Jun 2025 RM'000
<u>Revenue</u>	
Telecommunication services	105,244
Managed telecommunication network services ("MTNS")	192,156
Cloud and Internet of Things ("Cloud & IOT")	27,227
Total revenue	324,627
<u>Results</u>	
Telecommunication services	27,356
MTNS	7,150
Cloud & IOT	384
	34,890
Unallocated corporate expenses	(2,625)
Profit from operations	32,265
Investment related income	7,681
Finance costs	(3,827)
Profit before tax	36,119
Income tax expense	(9,592)
Profit after tax	26,527

A11. Finance costs

	3 months ended		12 months ended	
	30 Jun 2025 RM'000	30 Jun 2024 RM'000	30 Jun 2025 RM'000	30 Jun 2024 RM'000 (Audited)
Interest expense on:				
- bank overdrafts	-	-	4	1
- term loans	21	20	59	64
- invoice financing	(1)	54	715	54
- lease liabilities	289	207	1,109	488
- margin facility	138	-	304	-
- others	408	416	1,636	2,380
	855	697	3,827	2,987

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2025
NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

A12. Trade and other receivables

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

Receivables of the Group are as follows:

	As at 30 Jun 2025 RM'000	As at 30 Jun 2024 RM'000 (Audited)
Trade receivables	81,525	17,542
Other receivables		
- Third parties, associated companies and sundry receivables	3,495	3,493
- Deposits	1,788	1,760
- Prepayments	53,895	57,666
	59,178	62,919
Total	140,703	80,461

A13. Trade and other payables

Payables of the Group are as follows:

	As at 30 Jun 2025 RM'000	As at 30 Jun 2024 RM'000 (Audited)
Non-current		
Other payable		
- Sundry payables	-	20,174
Current		
Trade payables	59,255	79,960
Other payables		
- Provision for Universal Service Fund Contribution	6,300	7,214
- Accruals	7,898	6,516
- Deposits payable	2,044	1,799
- Sundry payables	32,733	25,057
	48,975	40,586
Total	108,230	120,546

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2025
ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES LR

B1. Review of group performance for the quarter/year ended 30 June 2025

	3 months ended		%	12 months ended		%
	30 Jun 2025 RM'000	30 Jun 2024 RM'000		30 Jun 2025 RM'000	30 Jun 2024 RM'000 (Audited)	
Revenue	82,907	114,777	-27.77	324,627	342,173	-5.13
(Loss)/profit from operations	(12,589)	18,392	N/A	32,265	67,306	-52.06
(Loss)/profit before tax	(9,425)	40,290	N/A	36,119	83,164	-56.57

Review of results for the quarter

For the quarter under review, the Group reported a revenue of RM82.91 million which was 27.77% lower than RM114.78 million reported in the previous year corresponding quarter mainly due to lower revenue registered by MTNS segment.

The Group posted a loss from operations of RM12.59 million, compared to a profit from operations of RM18.39 million reported in the previous year corresponding quarter. The loss in the current quarter was mainly due to the impairment of contract assets. In December 2024, Malaysian Communications and Multimedia Commission ("MCMC") informed REDtone that the claim relating to certain works performed for Time 3 Extension under the Universal Service Provision Programme (administered by the MCMC) had been rejected. The rejected claims which were previously accounted for as contract assets related 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 current quarter, 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.

The Group posted a loss before tax for the current quarter of RM9.43 million, compared to a profit before tax of RM40.29 million reported in the previous year corresponding quarter. The loss in the current quarter was mainly due to the abovementioned reason and lower investment income.

Review of results for the financial year

The Group reported a revenue of RM324.63 million which was 5.13% lower than RM342.17 million reported in the previous financial year mainly due to lower revenue contributed by MTNS segment.

The Group posted a profit from operations for the current year of RM32.27 million which was 52.06% lower than the RM67.31 million reported in the previous financial year mainly due to the abovementioned reason.

The Group posted a profit before tax for the current year of RM36.12 million which was 56.57% lower than the RM83.16 million reported in the previous financial year mainly due to the abovementioned reason and lower investment income.

B2. Review of results of current quarter vs preceding quarter

	3 months ended		%
	30 Jun 2025 RM'000	31 Mar 2025 RM'000	
Revenue	82,907	66,580	24.52
(Loss)/profit from operations	(12,589)	19,809	N/A
(Loss)/profit before tax	(9,425)	19,299	N/A

Commentary on revenue

The Group reported a revenue of RM82.91 million in this current quarter which was 24.52% higher than RM66.58 million reported in the preceding quarter mainly due to higher revenue contributed from MTNS segment.

Commentary on results

The Group reported a loss from operations of RM12.59 million, compared to a profit from operations of RM19.81 million registered in the preceding quarter. The loss in the current quarter was mainly due to impairment of contract assets.

The Group reported a loss before tax of RM9.43 million, compared to a profit before tax of RM19.30 million registered in the preceding quarter. The loss in the current quarter was mainly due to the abovementioned reason, partially offset by higher investment income.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2025
ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES LR

B3. Prospects and business outlook

The Board of Directors anticipates the business outlook for the next financial year ending 30 June 2026 to be challenging due to the volatilities and uncertainties of the market. Nevertheless, the Group continues to exercise caution and remains steadfast in its determination to maintain the momentum to boost its profitability by prioritizing its operational efficiency and adopt measures to enhance its core business.

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

B4. Profit forecast

No profit forecast was announced.

B5. Corporate proposal

On 21 August 2025, the Company announced that it proposed to undertake a bonus issue of up to 386,475,942 free warrants in REDtone ("Warrants") on the basis of one (1) Warrant for every two (2) existing ordinary shares in REDtone held by the entitled shareholders of the Company whose names appear in the Company's Record of Depositors as at the close of business on an entitlement date to be determined and announced later.

Save as disclosed above, there were no other corporate proposals announced by the Company but not completed as at the date of this unaudited quarterly (Q4) financial report.

B6. Taxation

	3 months ended		12 months ended	
	30 Jun 2025	30 Jun 2024	30 Jun 2025	30 Jun 2024
	RM'000	RM'000	RM'000	RM'000
				(Audited)
Current income tax:				
Provision in current period				
- Malaysian income tax	1,971	(12,749)	(11,538)	(29,687)
Over/(under) provision in prior years	-	-	1,386	(584)
	1,971	(12,749)	(10,152)	(30,271)
Deferred tax				
- Origination and reversal of temporary differences	-	2,016	560	7,200
- Under provision in prior years	-	-	-	(11)
	-	2,016	560	7,189
Total	1,971	(10,733)	(9,592)	(23,082)

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

B7. (Loss)/profit before tax

	3 months ended		12 months ended	
	30 Jun 2025	30 Jun 2024	30 Jun 2025	30 Jun 2024
	RM'000	RM'000	RM'000	RM'000
				(Audited)
(Loss)/profit before tax is arrived at after charging/(crediting):				
Amortisation of intangible assets	5,571	7,777	21,880	31,110
Bad debts written off	982	-	1,033	-
Depreciation of:				
- property, plant and equipment	1,179	992	4,495	3,924
- right-of-use assets	756	619	2,623	1,420
Impairment of:				
- property, plant and equipment	-	10	-	24
- right-of-use assets	-	618	-	618
- contract assets	38,309	-	38,309	-
Property, plant and equipment written off	1	139	118	143
Gain on foreign exchange	(459)	(609)	(5)	(323)
(Write back of)/allowance for doubtful debts on trade receivables	(192)	214	(866)	786

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2025
ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES LR

B7. (Loss)/profit before tax (cont'd)

	3 months ended		12 months ended	
	30 Jun 2025	30 Jun 2024	30 Jun 2025	30 Jun 2024
	RM'000	RM'000	RM'000	RM'000
				(Audited)
(Loss)/profit before tax is arrived at after charging/(crediting): (cont'd)				
Expenses relating to leases:				
- short term leases	333	253	1,134	954
- leases of low value assets	68	36	136	142
Interest income	(250)	(379)	(792)	(1,927)
Dividend income	(1,680)	(294)	(1,878)	(713)
Rental income	(21)	(26)	(92)	(97)
Fair value gain on short term investment	(2,068)	(21,913)	(4,919)	(16,125)

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

B8. Loans and borrowings

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

	As at	As at
	30 Jun 2025	30 Jun 2024
	RM'000	RM'000
		(Audited)
Current		
<u>Secured</u>		
Term loans	121	107
Invoice financing	-	3,811
Margin facility	7,686	-
	<u>7,807</u>	<u>3,918</u>
Non current		
<u>Secured</u>		
Term loans	887	1,007
Total	<u>8,694</u>	<u>4,925</u>

B9. Material litigation

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

B10. Dividend

On 21 August 2025, the Board approved an interim dividend of 2.0 sen per share (financial year ended 30 June 2024: 3.0 sen per share) in respect of the financial year ended 30 June 2025 and payable on 16 October 2025. The entitlement date has been fixed on 25 September 2025.

B11. (Loss)/earnings per share

Basic (loss)/earnings per share is calculated as follows:

	3 months ended		12 months ended	
	30 Jun 2025	30 Jun 2024	30 Jun 2025	30 Jun 2024
	RM'000	RM'000	RM'000	RM'000
				(Audited)
(Loss)/profit attributable to owners of the Company	(7,580)	29,496	26,325	59,814
Weighted average number of ordinary shares in issue with voting rights ('000)	772,952	772,952	772,952	772,952
Basic (loss)/earnings per share (sen)	<u>(0.98)</u>	<u>3.82</u>	<u>3.41</u>	<u>7.74</u>

There are no potential ordinary shares outstanding as at 30 June 2025. As such, the fully diluted earnings per share of the Group is not presented.