

# **REDTONE DIGITAL BERHAD**

Registration Number: 200201028701 (596364-U)

Date: 19 November 2025

Subject: **UNAUDITED QUARTERLY (Q1) FINANCIAL REPORT FOR  
THE PERIOD ENDED 30 SEPTEMBER 2025**

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

	Note	3 months ended	
		30 Sep 2025 RM'000	30 Sep 2024 RM'000
REVENUE		52,233	100,322
PROFIT FROM OPERATIONS		7,147	16,643
Investment related income		483	700
Finance costs	A11	(827)	(852)
PROFIT BEFORE TAX	B7	6,803	16,491
TAXATION	B6	(2,480)	(5,625)
PROFIT AFTER TAX		4,323	10,866
Other comprehensive items			
<u>Items that will not be reclassified subsequently to profit or loss</u>			
Foreign currency translation		(1)	(4)
Net changes in fair value of other investments at fair value through other comprehensive income		(3,927)	(3,671)
<b>Total comprehensive income for the period</b>		<b>395</b>	<b>7,191</b>
<u>Profit/(loss) attributable to:-</u>			
Owners of the Company		4,449	11,003
Non-controlling interests		(126)	(137)
		<b>4,323</b>	<b>10,866</b>
<u>Total comprehensive income/(loss) attributable to:-</u>			
Owners of the Company		521	7,328
Non-controlling interests		(126)	(137)
		<b>395</b>	<b>7,191</b>
<u>Earnings per share attributable to owners of the parent (sen per share):</u>			
- Basic, for the period	B11	0.58	1.42

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2025**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Note	As at 30 Sep 2025 RM'000	As at 30 Jun 2025 RM'000 (Audited)
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Goodwill		423	423
Property, plant and equipment		15,111	14,097
Right-of-use assets		15,465	16,021
Investment properties		4,710	4,710
Intangible assets		1,405	2,131
Other investments		69,704	73,369
Deferred tax assets		9,202	9,202
		<u>116,020</u>	<u>119,953</u>
<b>Current Assets</b>			
Inventories		928	739
Trade and other receivables	A12	164,242	133,088
Contract assets		29,876	64,136
Tax recoverable		17,717	13,843
Short term investments		60,419	403
Cash and bank balances		43,722	66,566
		<u>316,904</u>	<u>278,775</u>
<b>TOTAL ASSETS</b>		<u><b>432,924</b></u>	<u><b>398,728</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital	A7(a)	149,813	149,813
Treasury shares	A7(b)	(5,653)	(5,653)
Reserves		105,080	120,018
		<u>249,240</u>	<u>264,178</u>
Non-controlling interests		3,226	3,352
<b>Total Equity</b>		<u>252,466</u>	<u>267,530</u>
<b>Non-current Liabilities</b>			
Loans and borrowings	B8	857	887
Lease liabilities		13,383	13,941
		<u>14,240</u>	<u>14,828</u>
<b>Current Liabilities</b>			
Trade and other payables	A13	112,514	103,675
Contract liabilities		41,728	1,283
Loans and borrowings	B8	9,443	7,807
Lease liabilities		2,533	2,569
Tax payable		-	1,036
		<u>166,218</u>	<u>116,370</u>
<b>Total Liabilities</b>		<u>180,458</u>	<u>131,198</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>432,924</b></u>	<u><b>398,728</b></u>
Net assets per share (sen)		<u>32.25</u>	<u>34.18</u>

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

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

**REDTONE DIGITAL BERHAD**

Registration Number: 200201028701 (596364-U)

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

	Share capital	Treasury shares	Foreign exchange reserve	Revaluation reserve	FVTOCI reserve	Distributable retained profits	Total	Non- controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 July 2025</b>	149,813	(5,653)	(662)	641	(26,203)	146,242	264,178	3,352	267,530
Profit for the period	-	-	-	-	-	4,449	4,449	(126)	4,323
Other comprehensive income	-	-	(1)	-	(3,927)	-	(3,928)	-	(3,928)
Total comprehensive income	-	-	(1)	-	(3,927)	4,449	521	(126)	395
Effect arising from the disposal of equity investments measured at FVTOCI	-	-	-	-	(62)	62	-	-	-
Transaction with owners:									
- Dividend payable	-	-	-	-	-	(15,459)	(15,459)	-	(15,459)
<b>At 30 September 2025</b>	<b>149,813</b>	<b>(5,653)</b>	<b>(663)</b>	<b>641</b>	<b>(30,192)</b>	<b>135,294</b>	<b>249,240</b>	<b>3,226</b>	<b>252,466</b>
<b>At 1 July 2024</b>	149,813	(5,653)	(661)	641	8,425	142,195	294,760	3,262	298,022
Profit for the period	-	-	-	-	-	11,003	11,003	(137)	10,866
Other comprehensive income	-	-	(4)	-	(3,671)	-	(3,675)	-	(3,675)
Total comprehensive income	-	-	(4)	-	(3,671)	11,003	7,328	(137)	7,191
Transactions with owners:									
- Arising from increase in equity interest in subsidiary company	-	-	-	-	-	-	-	(18)	(18)
- Dividend payable	-	-	-	-	-	(23,189)	(23,189)	-	(23,189)
<b>At 30 September 2024</b>	<b>149,813</b>	<b>(5,653)</b>	<b>(665)</b>	<b>641</b>	<b>4,754</b>	<b>130,009</b>	<b>278,899</b>	<b>3,107</b>	<b>282,006</b>

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

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2025  
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>3 months ended</b>	
	<b>30 Sep 2025</b>	<b>30 Sep 2024</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	121,311	64,788
Payments of operating expenses	(73,974)	(86,697)
Net payment of taxes	(7,390)	(12,232)
Other payments	(3)	(190)
Net cash generated from/(used in) operating activities	39,944	(34,331)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
(Increase)/decrease in deposits and short term investments	(60,127)	5,497
Proceeds from disposal of equity instrument	1,859	13,792
Acquisition of equity instrument	(2,121)	(33,580)
Acquisition of property, plant and equipment	(2,435)	(1,058)
Payment of investment property	(529)	-
Acquisition of intangible assets	(40)	-
Interest received	396	85
Dividend received	44	117
Net cash used in investing activities	(62,953)	(15,147)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of bank borrowings and other loans	1,636	18,040
Payment of principal portion of lease liabilities	(723)	(660)
Repayment of bank borrowings and other loans	(30)	(28)
Interest paid	(829)	(458)
Net cash generated from financing activities	54	16,894
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(22,955)	(32,584)
<b>OPENING CASH AND CASH EQUIVALENTS</b>	49,174	41,089
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	26,219	8,505
<b>The closing cash and cash equivalents comprise the following:</b>		
Deposits with financial institutions	17,503	16,993
Cash in hand and at banks	26,219	8,505
	43,722	25,498
<b>Less:</b>		
Deposits pledged to licensed bank	(17,503)	(16,993)
	26,219	8,505

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

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 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 2025. 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 2025.

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

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

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

**A4. Changes in estimates**

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

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

There were no changes in the composition of the Group for the current financial period ended 30 September 2025.

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

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

**A7. Debt and equity securities**

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

(a) Share capital

	Number of Ordinary Shares	RM
Share capital as at 1 July 2025/30 September 2025	782,453,885	149,812,475

(b) Share buy-back

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

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

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

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2025**  
**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT**

**A8. Contingent liability and guarantee**

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

**A9. Dividends paid**

There was no dividend paid during the period under review (Period ended 30 September 2024: RM Nil). Subsequent to 30 September 2025, 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 was paid on 16 October 2025.

**A10. Segment information**

The segment information for the reportable segments by line of business for the period ended 30 September 2025 are as follows:-

	<b>Year to date</b>
	<b>30 Sep 2025</b>
	<b>RM'000</b>
<u>Revenue</u>	
Telecommunication services	20,721
Managed telecommunication network services ("MTNS")	21,689
Digital and technology solutions	9,823
Total revenue	<u>52,233</u>
<u>Results</u>	
Telecommunication services	7,328
MTNS	2,409
Digital and technology solutions	(1,999)
	<u>7,738</u>
Unallocated corporate expenses	(591)
Profit from operations	<u>7,147</u>
Investment related income	483
Finance costs	(827)
Profit before tax	<u>6,803</u>
Taxation	(2,480)
Profit after tax	<u>4,323</u>

**A11. Finance costs**

	<b>3 months ended</b>	
	<b>30 Sep 2025</b>	<b>30 Sep 2024</b>
	<b>RM'000</b>	<b>RM'000</b>
Interest expense on:		
- term loans	11	13
- invoice financing	-	166
- lease liabilities	273	262
- margin facility	132	-
- others	411	411
	<u>827</u>	<u>852</u>

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 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 Sep 2025 RM'000	As at 30 Jun 2025 RM'000 (Audited)
Trade receivables	101,923	81,525
Other receivables		
- Third parties, associated companies and sundry receivables	4,246	3,504
- Deposits	1,791	1,788
- Prepayments	56,282	46,271
	62,319	51,563
Total	164,242	133,088

**A13. Trade and other payables**

Payables of the Group are as follows:

	As at 30 Sep 2025 RM'000	As at 30 Jun 2025 RM'000 (Audited)
Trade payables	50,172	59,352
Other payables		
- Provision for Universal Service Fund Contribution	6,705	6,300
- Accruals	9,059	8,240
- Deposits payable	2,087	2,056
- Dividend payable	15,459	-
- Sundry payables	29,032	27,727
	62,342	44,323
Total	112,514	103,675

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2025**  
**ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES LR**

**B1. Review of group performance for the quarter ended 30 September 2025**

	3 months ended		% + / (-)
	30 Sep 2025 RM'000	30 Sep 2024 RM'000	
Revenue	52,233	100,322	-47.93
Profit from operations	7,147	16,643	-57.06
Profit before tax	6,803	16,491	-58.75

**Review of results for the quarter**

For the quarter under review, the Group reported a revenue of RM52.23 million which was 47.93% lower than RM100.32 million reported in the previous year corresponding quarter mainly due to lower revenue registered by MTNS segment.

The Group posted a profit from operations of RM7.15 million which was 57.06% lower than RM16.64 million reported in the previous year corresponding quarter mainly due to lower revenue recorded during the quarter under review.

The Group posted a profit before tax for the current quarter of RM6.80 million which was 58.75% lower than RM16.49 million reported in the previous year corresponding quarter mainly due to the abovementioned reason.

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

	3 months ended		% + / (-)
	30 Sep 2025 RM'000	30 Jun 2025 RM'000	
Revenue	52,233	82,907	-37.00
Profit/(loss) from operations	7,147	(12,589)	N/A
Profit/(loss) before tax	6,803	(9,425)	N/A

**Commentary on revenue**

The Group reported a revenue of RM52.23 million in this current quarter which was 37.00% lower than RM82.91 million reported in the preceding quarter mainly due to lower revenue contributed by MTNS segment.

**Commentary on results**

The Group reported a profit from operations of RM7.15 million, compared to a loss from operations of RM12.59 million registered in the preceding quarter. The loss in the previous quarter was mainly due to impairment of contract assets.

The Group reported a profit before tax of RM6.80 million, compared to a loss before tax of RM9.43 million registered in the preceding quarter. The loss in the previous quarter was mainly due to the abovementioned reason.

**B3. Prospects and business outlook**

The Board of Directors 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 new technologies, and scaling efficiencies to fuel sustainable growth, thus enhancing stakeholder value.

Aligned with its strategic growth ambitions, the Group is actively participating in high-impact tenders with government and government-linked agencies such as Jendela 2, reinforcing REDtone's commitment to advancing national digitalisation and accelerating enterprise transformation across Malaysia.

**B4. Profit forecast**

No profit forecast was announced.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2025**  
**ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES LR**

**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 ("REDtone Shares") 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 ("Proposed Bonus Issue").

On 16 October 2025, Bursa Malaysia Securities Berhad approved the admission of the Warrants to the Official List and listing and quotation of up to 386,475,942 Warrants to be issued pursuant to the Proposed Bonus Issue, as well as the listing and quotation of up to 386,475,942 new REDtone Shares to be issued arising from the exercise of Warrants. The Proposed Bonus Issue is subject to shareholders' approval at the extraordinary general meeting scheduled for 2 December 2025.

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 (Q1) Financial Report.

**B6. Taxation**

	<b>3 months ended</b>	
	<b>30 Sep 2025</b>	<b>30 Sep 2024</b>
	<b>RM'000</b>	<b>RM'000</b>
Current income tax:		
Provision in current period		
- Malaysian income tax	(2,480)	(6,250)
Deferred tax		
- Origination and reversal of temporary differences	-	625
<b>Total</b>	<b>(2,480)</b>	<b>(5,625)</b>

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. Profit before tax**

	<b>3 months ended</b>	
	<b>30 Sep 2025</b>	<b>30 Sep 2024</b>
	<b>RM'000</b>	<b>RM'000</b>
Profit before tax is arrived at after charging/(crediting):		
Amortisation of intangible assets	766	5,367
Depreciation of:		
- property, plant and equipment	1,421	1,110
- right-of-use assets	685	563
Loss/(gain) on foreign exchange	372	(214)
(Write back of)/allowance for doubtful debts on trade receivables	(6)	595
Expenses relating to leases:		
- short term leases	1,776	220
- leases of low value assets	52	24
Interest income	(418)	(162)
Dividend income	(44)	(117)
Rental income	(21)	(24)
Fair value gain on short term investments	-	(379)

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

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2025**  
**ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES LR**

**B8. Loans and borrowings**

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

	As at 30 Sep 2025 RM'000	As at 30 Jun 2025 RM'000 (Audited)
<b>Current</b>		
<u>Secured</u>		
Term loans	121	121
Margin facility	9,322	7,686
	<u>9,443</u>	<u>7,807</u>
<b>Non current</b>		
<u>Secured</u>		
Term loans	857	887
<b>Total</b>	<u>10,300</u>	<u>8,694</u>

**B9. Material litigation**

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

**B10. Dividend**

No dividend declared in respect of the current quarter under review (Quarter ended 30 September 2024: Nil).

**B11. Earnings per share**

Basic earnings per share is calculated as follows:

	3 months ended 30 Sep 2025 RM'000	30 Sep 2024 RM'000
Profit attributable to owners of the Company	4,449	11,003
Weighted average number of ordinary shares in issue with voting rights ('000)	772,952	772,952
Basic earnings per share (sen)	<u>0.58</u>	<u>1.42</u>

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