REDTONE DIGITAL BERHAD

Registration Number: 200201028701 (596364-U)

Date: 12 February 2026

Subject: **UNAUDITED QUARTERLY (Q2) FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2025**

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REDTONE DIGITAL BERHAD
Registration Number: 200201028701 (596364-U)

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

	Note	3 months ended		6 months ended	
		31 Dec 2025 RM'000	31 Dec 2024 RM'000	31 Dec 2025 RM'000	31 Dec 2024 RM'000
REVENUE		42,631	74,818	94,864	175,140
PROFIT FROM OPERATIONS		3,690	8,402	10,837	25,045
Investment related income		454	2,648	937	3,348
Finance costs	A11	(858)	(1,296)	(1,685)	(2,148)
PROFIT BEFORE TAX	B7	3,286	9,754	10,089	26,245
TAXATION	B6	122	(1,897)	(2,358)	(7,522)
PROFIT AFTER TAX		3,408	7,857	7,731	18,723
Other comprehensive items					
Items that will not be reclassified subsequently to profit or loss					
Foreign currency translation		(2)	2	(3)	(2)
Net changes in fair value of other investments at fair value through other comprehensive income		(5,791)	(9,838)	(9,718)	(13,509)
Total comprehensive (loss)/income for the period		(2,385)	(1,979)	(1,990)	5,212
Profit/(loss) attributable to:-					
Owners of the Company		3,353	7,800	7,802	18,803
Non-controlling interests		55	57	(71)	(80)
		3,408	7,857	7,731	18,723
Total comprehensive (loss)/income attributable to:-					
Owners of the Company		(2,440)	(2,036)	(1,919)	5,292
Non-controlling interests		55	57	(71)	(80)
		(2,385)	(1,979)	(1,990)	5,212
Earnings per share attributable to owners of the parent (sen per share):					
- Basic, for the period	B11	0.43	1.01	1.01	2.43

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 PERIOD ENDED 31 DECEMBER 2025
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 31 Dec 2025 RM'000	As at 30 Jun 2025 RM'000 (Audited)
ASSETS			
Non-current Assets			
Goodwill		423	423
Property, plant and equipment		17,219	14,097
Right-of-use assets		14,919	16,021
Investment properties		4,710	4,710
Intangible assets		995	2,131
Other investments		63,913	73,369
Deferred tax assets		9,699	9,202
		111,878	119,953
Current Assets			
Inventories		892	739
Trade and other receivables	A12	80,742	133,088
Contract assets		36,612	64,136
Tax recoverable		21,405	13,843
Short term investments		28,257	403
Cash and bank balances		116,768	66,566
		284,676	278,775
TOTAL ASSETS		**396,554**	**398,728**
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		102,640	120,018
		246,800	264,178
Non-controlling interests		3,281	3,352
Total Equity		250,081	267,530
Non-current Liabilities			
Loans and borrowings	B8	827	887
Lease liabilities		12,849	13,941
		13,676	14,828
Current Liabilities			
Trade and other payables	A13	77,718	103,675
Contract liabilities		43,011	1,283
Loans and borrowings	B8	9,595	7,807
Lease liabilities		2,473	2,569
Tax payable		-	1,036
		132,797	116,370
Total Liabilities		146,473	131,198
TOTAL EQUITY AND LIABILITIES		**396,554**	**398,728**
Net assets per share (sen)		31.93	34.18

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.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 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 2025	149,813	(5,653)	(662)	641	(26,203)	146,242	264,178	3,352	267,530
Profit for the period	-	-	-	-	-	7,802	7,802	(71)	7,731
Other comprehensive income	-	-	(3)	-	(9,718)	-	(9,721)	-	(9,721)
Total comprehensive income	-	-	(3)	-	(9,718)	7,802	(1,919)	(71)	(1,990)
Effect arising from the disposal of equity investments measured at FVTOCI	-	-	-	-	(62)	62	-	-	-
Transaction with owners:									
- Dividend paid	-	-	-	-	-	(15,459)	(15,459)	-	(15,459)
At 31 December 2025	149,813	(5,653)	(665)	641	(35,983)	138,647	246,800	3,281	250,081
At 1 July 2024	149,813	(5,653)	(661)	641	8,425	142,195	294,760	3,262	298,022
Profit for the period	-	-	-	-	-	18,803	18,803	(80)	18,723
Other comprehensive income	-	-	(2)	-	(13,509)	-	(13,511)	-	(13,511)
Total comprehensive income	-	-	(2)	-	(13,509)	18,803	5,292	(80)	5,212
Effect arising from the disposal of equity investments measured at FVTOCI	-	-	-	-	(256)	256	-	-	-
Transactions with owners:									
- Arising from increase in equity interest in subsidiary company	-	-	-	-	-	18	18	(18)	-
- Dividend paid	-	-	-	-	-	(23,189)	(23,189)	-	(23,189)
At 31 December 2024	149,813	(5,653)	(663)	641	(5,340)	138,083	276,881	3,164	280,045

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

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

	6 months ended	
	31 Dec 2025	**31 Dec 2024**
	RM'000	**RM'000**
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	252,323	241,355
Payments of operating expenses	(118,903)	(159,302)
Net payment of taxes	(11,453)	(18,620)
Other payments	(19)	(235)
Net cash generated from operating activities	121,948	63,198
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in deposits and short term investments	(28,059)	(19,910)
Proceeds from disposal of equity instrument	1,859	20,055
Acquisition of equity instrument	(2,121)	(45,305)
Acquisition of property, plant and equipment	(6,775)	(920)
Payment of investment property	(1,412)	(353)
Payment of intangible assets	(19,404)	(20,228)
Interest received	783	209
Dividend received	60	138
Net cash used in investing activities	(55,069)	(66,314)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of bank borrowings and other loans	1,788	57,199
Payment of principal portion of lease liabilities	(1,466)	(1,419)
Repayment of bank borrowings and other loans	(60)	(61,066)
Net withdrawal from banks as security pledged for borrowing and other facilities	-	5,192
Dividend paid	(15,459)	(23,189)
Interest paid	(1,685)	(2,148)
Net cash used in financing activities	(16,882)	(25,431)
NET CHANGE IN CASH AND CASH EQUIVALENTS	49,997	(28,547)
OPENING CASH AND CASH EQUIVALENTS	49,174	41,089
CLOSING CASH AND CASH EQUIVALENTS	99,171	12,542

The closing cash and cash equivalents comprise the following:

Deposits with financial institutions	17,597	17,194
Cash in hand and at banks	99,171	12,571
	116,768	29,765
Less:		
Bank overdrafts	-	(29)
Deposits pledged to licensed bank	(17,597)	(17,194)
	99,171	12,542

The annexed notes form an integral part of this 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 31 December 2025.

A5. Changes in the composition of the group

There were no changes in the composition of the Group for the current financial period ended 31 December 2025.

A6. Seasonality or cyclicality of interim operations

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

A7. Debt and equity securities

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

(a) Share capital

	Number of Ordinary Shares	RM
Share capital as at 1 July 2025/31 December 2025	782,453,885	149,812,475

(b) Share buy-back

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

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

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

(c) Warrants

As at 31 December 2025, the total number of warrants that have not been exercised was 386,475,740 (30 June 2025: Nil).

A8. Contingent liability and guarantee

(a) There is no contingent liability as at 31 December 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

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 (Period ended 31 December 2024: 3.0 sen per share).

A10. Segment information

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

	Year to date 31 Dec 2025 RM'000
Revenue	
Telecommunication services	34,181
Managed telecommunication network services ("MTNS")	44,665
Digital technology solutions	16,018
Total revenue	94,864
Results	
Telecommunication services	9,786
MTNS	6,781
Digital technology solutions	(4,528)
	12,039
Unallocated corporate expenses	(1,202)
Profit from operations	10,837
Investment related income	937
Finance costs	(1,685)
Profit before tax	10,089
Taxation	(2,358)
Profit after tax	7,731

A11. Finance costs

	3 months ended		6 months ended	
	31 Dec 2025 RM'000	31 Dec 2024 RM'000	31 Dec 2025 RM'000	31 Dec 2024 RM'000
Accretion of interest for:				
- leases	264	284	537	546
- sundry payables	401	400	794	793
Interest expense on:				
- bank overdrafts	-	4	-	4
- term loans	11	13	22	26
- invoice financing	-	534	-	700
- margin facility	151	-	283	-
Others	31	61	49	79
	858	1,296	1,685	2,148

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, base stations, and fiber optic infrastructure.

Receivables of the Group are as follows:

	As at 31 Dec 2025 RM'000	As at 30 Jun 2025 RM'000 (Audited)
Trade receivables	22,953	81,525
Other receivables		
- Third parties, associated companies and sundry receivables	4,407	3,504
- Deposits	1,807	1,788
- Prepayments	51,575	46,271
	57,789	51,563
Total	80,742	133,088

A13. Trade and other payables

Payables of the Group are as follows:

	As at 31 Dec 2025 RM'000	As at 30 Jun 2025 RM'000 (Audited)
Trade payables	52,019	59,352
Other payables		
- Provision for Universal Service Fund Contribution	7,058	6,300
- Accruals	10,215	8,240
- Deposits payable	2,109	2,056
- Sundry payables	6,317	27,727
	25,699	44,323
Total	77,718	103,675

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

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

	3 months ended			6 months ended		
	31 Dec 2025 RM'000	31 Dec 2024 RM'000	% +/(-)	31 Dec 2025 RM'000	31 Dec 2024 RM'000	% +/(-)
Revenue	42,631	74,818	-43.02	94,864	175,140	-45.84
Profit from operations	3,690	8,402	-56.08	10,837	25,045	-56.73
Profit before tax	3,286	9,754	-66.31	10,089	26,245	-61.56

Review of results for the quarter
For the quarter under review, the Group reported a revenue of RM42.63 million which was 43.02% lower than RM74.82 million reported in the previous year corresponding quarter mainly due to lower revenue registered by MTNS and telecommunication services segments. The decrease in MTNS revenue was mainly due to certain projects nearing the end of their deployment phase, with several having been completed in the previous financial year.

The Group posted a profit from operations of RM3.69 million which was 56.08% lower than RM8.40 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 RM3.29 million which was 66.31% lower than RM9.75 million reported in the previous year corresponding quarter mainly due to the abovementioned reason and lower investment related income.

Review of results for the 6-month period
The Group reported a revenue of RM94.86 million which was 45.84% lower than RM175.14 million reported in the previous year corresponding period mainly due to lower revenue contributed by MTNS and telecommunication services segments. The decrease in MTNS revenue was mainly due to nearing the end of its deployment and several projects were ended in previous financial year.

The Group posted a profit from operations for the current 6-month period of RM10.84 million which was 56.73% lower than the RM25.05 million reported in the previous year corresponding period mainly due to lower gross profit contributed by MTNS and telecommunication services segments.

The Group posted a profit before tax for the current period of RM10.09 million which was 61.56% lower than the RM26.25 million reported in the previous year corresponding period mainly due to the abovementioned reason and lower investment related income.

B2. Review of results of current quarter vs preceding quarter

	3 months ended		
	31 Dec 2025 RM'000	30 Sep 2025 RM'000	% +/(-)
Revenue	42,631	52,233	-18.38
Profit from operations	3,690	7,147	-48.37
Profit before tax	3,286	6,803	-51.70

Commentary on revenue
The Group reported a revenue of RM42.63 million in this current quarter which was 18.38% lower than RM52.23 million reported in the preceding quarter mainly due to lower revenue contributed by telecommunication services segment.

Commentary on results
The Group reported a profit from operations of RM3.69 million which was 48.37% lower than the RM7.15 million registered in the preceding quarter mainly due to lower gross profit contributed by telecommunication services segment.

The Group posted a profit before tax for the current quarter of RM3.29 million, which was 51.70% lower than RM6.80 million reported in the preceding quarter mainly due to the abovementioned reason.

B3. Prospects and business outlook

The Board of Directors expects the operating environment to remain highly competitive amid ongoing economic uncertainties and rapid technological change. In response, REDtone is accelerating enterprise-wide optimisation and the adoption of advanced digital and AI-enabled solutions, not only to enhance internal efficiency and scalability, but also to support customers in their digital transformation journeys. Central to this approach is the continued strengthening of the Group's Telco & Digital Technology solutions, encompassing telecommunications services, managed network services, cloud, AI, and cybersecurity, which underpin sustainable growth, recurring revenue expansion and long-term stakeholder value.

Aligned with its strategic growth ambitions, the Group is actively participating in high-impact tenders with the Government and government-linked agencies, including initiatives under JENDELA 2. These engagements reinforce REDtone's commitment to advancing national digitalisation, strengthening Malaysia's digital infrastructure, and accelerating enterprise and public-sector transformation across the country.

B4. Profit forecast

No profit forecast was announced.

B5. Corporate proposal

There were no corporate proposals announced by the Company but not completed as at the date of this Unaudited Quarterly (Q2) Financial Report.

B6. Taxation

	3 months ended		6 months ended	
	31 Dec 2025 RM'000	**31 Dec 2024 RM'000**	**31 Dec 2025 RM'000**	**31 Dec 2024 RM'000**
Current income tax:				
- Malaysian income tax	122	(1,832)	(2,358)	(8,082)
- Under provision in prior year	(497)	-	(497)	-
	(375)	(1,832)	(2,855)	(8,082)
Deferred tax:				
- Origination and reversal of temporary differences	-	(65)	-	560
- Over provision in prior year	497	-	497	-
	497	(65)	497	560
Total	122	(1,897)	(2,358)	(7,522)

The disproportionate tax charge of the Group for the current year was mainly due to utilisation of unabsorbed business losses.

B7. Profit before tax

	3 months ended		6 months ended	
	31 Dec 2025 RM'000	**31 Dec 2024 RM'000**	**31 Dec 2025 RM'000**	**31 Dec 2024 RM'000**
Profit before tax is arrived at after charging/(crediting):				
Amortisation of intangible assets	802	5,369	1,568	10,736
Bad debts written off	-	23	-	23
Depreciation of:				
- property, plant and equipment	2,232	1,086	3,653	2,196
- right-of-use assets	695	673	1,380	1,236
Property, plant and equipment written off	-	117	-	117
Loss on foreign exchange	181	1,133	553	919
Allowance for doubtful debts on trade receivables	87	67	81	662
Expenses relating to leases:				
- short term leases	1,851	219	3,627	439
- leases of low value assets	54	20	106	44
Interest income	(416)	(149)	(834)	(311)
Dividend income	(16)	(21)	(60)	(138)
Rental income	(22)	(24)	(43)	(48)
Fair value gain on short term investments	-	(2,472)	-	(2,851)

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

B8. Loans and borrowings

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

	As at 31 Dec 2025 RM'000	As at 30 Jun 2025 RM'000 (Audited)
Current		
Secured		
Term loans	121	121
Margin facility	9,474	7,686
	9,595	7,807
Non current		
Secured		
Term loans	827	887
Total	10,422	8,694

B9. Material litigation

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

B10. Dividend

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

B11. Earnings per share

Basic earnings per share is calculated as follows:

	3 months ended		6 months ended	
	31 Dec 2025 RM'000	31 Dec 2024 RM'000	31 Dec 2025 RM'000	31 Dec 2024 RM'000
Profit attributable to owners of the Company	3,353	7,800	7,802	18,803
Weighted average number of ordinary shares in issue with voting rights ('000)	772,952	772,952	772,952	772,952
Basic earnings per share (sen)	0.43	1.01	1.01	2.43

The outstanding warrants have no dilutive effect as the exercise price is higher than the average market price of the share.

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