

# **REDTONE INTERNATIONAL BERHAD**

Incorporated in Malaysia: 596364-U

**QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE FOURTH QUARTER ENDED 31 MAY 2015**

**REDTONE INTERNATIONAL BERHAD**

(Company No.: 596364-U)

The Directors are pleased to announce the unaudited results for the fourth quarter ended 31 May 2015.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 MAY 2015  
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		1 Mar 2015 to 31 May 2015	1 Mar 2014 to 31 May 2014	1 Jun 2014 to 31 May 2015	1 Jun 2013 to 31 May 2014
		CURRENT QUARTER RM'000	PRECEDING YEAR CORRESPONDING QUARTER RM'000 (RESTATED)	CURRENT YEAR TO DATE RM'000	PRECEDING YEAR CORRESPONDING YEAR TO DATE RM'000 (RESTATED)
Revenue	A14 (B)	31,872	34,274	150,365	141,758
Cost of sales		(15,491)	(15,243)	(88,602)	(82,430)
Gross profit		16,381	19,031	61,763	59,328
Other income	A15	1,176	1,104	6,346	8,035
General and administrative expenses		(14,087)	(8,523)	(43,073)	(31,770)
Provisions		(450)	(15,397)	(1,091)	(15,680)
Loss on foreign exchange		(1,390)	(40)	(1,197)	(74)
<b>Earnings/(Loss) before interest, tax, depreciation and amortisation</b>		1,630	(3,825)	22,748	19,839
Interest (expense)/income (net)	A16	(150)	-	(437)	334
Depreciation and amortisation		(1,288)	(1,919)	(7,836)	(7,804)
Profit/(Loss) before taxation	A17	192	(5,744)	14,475	12,369
Income tax expense	A18	(537)	(905)	(3,500)	(4,130)
<b>(Loss)/Profit for the period</b>		(345)	(6,649)	10,975	8,239
Other comprehensive income/(expenses), net of tax - Foreign currency translation		410	(829)	3,659	1,415
<b>Total comprehensive income/(expenses) for the financial year</b>		65	(7,478)	14,634	9,654
<u>(Loss)/Profit for the year attributable to:-</u>					
Equity holders of the Company		(1,496)	(7,555)	11,382	7,125
Non-controlling interests		1,151	906	(407)	1,114
		(345)	(6,649)	10,975	8,239
<u>Total comprehensive income/(expenses) attributable to :-</u>					
Equity holders of the Company		(1,676)	(8,515)	14,294	7,872
Non-controlling interests		1,741	1,037	340	1,782
		65	(7,478)	14,634	9,654
<u>(Loss)/Earnings per share (sen)</u>					
Basic	A19	(0.26)	(1.50)	2.18	1.42
Diluted	A19	(0.06)	(1.47)	2.17	1.26

The unaudited Condensed Consolidated Statement of Profit or Loss and Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 May 2014.

**REDTONE INTERNATIONAL BERHAD**  
(Company No.: 596364-U)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 MAY 2015**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Note	UNAUDITED AS AT 31 May 2015 RM'000	RESTATED AS AT 31 May 2014 RM'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment		39,699	30,285
Investment properties		1,143	1,274
Deferred tax assets		1,424	1,631
Other investments	A20	50	50
Goodwill		7,677	6,758
Intangible assets		40,516	35,110
Development costs		11,301	11,151
Other receivables		2,074	1,911
		<u>103,884</u>	<u>88,170</u>
<b>Current Assets</b>			
Inventories		114	841
Trade receivables	A22	84,733	54,134
Other receivables, deposits and prepayments		16,661	13,310
Tax recoverable		2,508	530
Deposits with licensed banks		41,139	25,062
Cash and bank balances		22,671	12,652
		<u>167,826</u>	<u>106,529</u>
<b>TOTAL ASSETS</b>		<b><u>271,710</u></b>	<b><u>194,699</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		75,257	50,822
Treasury shares		(2,426)	(1,741)
Reserves		99,755	62,757
<b>Total Equity Attributable to Owners of the Company</b>		<u>172,586</u>	<u>111,838</u>
Non-controlling interests		13,329	10,004
<b>Total Equity</b>		<u>185,915</u>	<u>121,842</u>
<b>Non-Current Liabilities</b>			
Irredeemable convertible unsecured loan stocks ("ICULS")		678	2,424
Finance lease payables		94	197
Term loans		4,815	1,825
Deferred tax liabilities		867	482
		<u>6,454</u>	<u>4,928</u>
<b>Current Liabilities</b>			
Deferred income		7,604	6,194
Trade payables		20,887	34,296
Other payables and accruals	A23	28,616	22,878
Finance lease payables		103	103
Term loans		12,646	65
Provision for taxation		3,654	2,757
Banker acceptance		1,012	-
Bank overdraft		4,819	1,636
		<u>79,341</u>	<u>67,929</u>
<b>Total Liabilities</b>		<u>85,795</u>	<u>72,857</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>271,710</u></b>	<b><u>194,699</u></b>
Net assets per share (sen)		<u>23.04</u>	<u>22.12</u>

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 May 2014.

**REDTONE INTERNATIONAL BERHAD**

(Company No: 596364-U)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 MAY 2015  
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>12 MONTHS CURRENT FINANCIAL YEAR 1 Jun 2014 to 31 May 2015 RM'000</b>	<b>12 MONTHS PRECEDING FINANCIAL YEAR 1 Jun 2013 to 31 May 2014 RM'000 (RESTATED)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	14,475	12,369
Adjustments for:		
Non-cash items	9,751	17,904
Non- operating items	437	846
Operating profit before working capital changes	24,663	31,119
Net changes in current assets	(36,455)	8,121
Net changes in current liabilities	(6,977)	(16,490)
	(18,769)	22,750
Interest paid	(1,368)	(846)
Tax refund	93	-
Tax paid	(4,219)	(5,278)
<b>NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES</b>	<b>(24,263)</b>	<b>16,626</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest income received	931	1,373
(Increase)/Decrease in pledged deposits	(16,085)	6,459
Acquisition of subsidiaries, net of cash and cash equivalents acquired	(5,186)	(1,440)
Disposal of subsidiary, net of cash and cash equivalents disposed	4,749	-
Proceeds from disposal of an associate	-	5,000
Purchase of property, plant and equipment	(4,421)	(3,645)
Purchase of intangible assets	(10,435)	(10,440)
Government grant received	5,351	-
Development costs paid	(4,347)	(1,940)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(29,443)</b>	<b>(4,633)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Purchase of treasury shares	(685)	(1,741)
Proceeds from resale of treasury shares	-	3,938
Repayment of finance lease payables	(103)	(103)
Repayment of term loans	(438)	(62)
Drawdown of term loans	14,895	-
Proceeds from exercise of employees' share options	9,353	1,076
Proceeds from exercise of warrants	38,845	1,399
Dividend paid	(5,792)	(7,587)
<b>NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES</b>	<b>56,075</b>	<b>(3,080)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	2,369	8,913
<b>EFFECTS OF EXCHANGE RATE CHANGES</b>	4,467	311
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	11,016	1,792
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<b>17,852</b>	<b>11,016</b>
Cash and cash equivalents comprise of:		
Cash and bank balances	22,671	12,652
Deposits with licensed banks	41,139	25,054
	63,810	37,706
Bank overdraft	(4,819)	(1,636)
Less: Deposits pledged with license banks	(41,139)	(25,054)
<b>Total cash and cash equivalents</b>	<b>17,852</b>	<b>11,016</b>

The unaudited Condensed Consolidated Cash Flow Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 May 2014.

**REDTONE INTERNATIONAL BERHAD**  
(Company No.: 596364-U)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 MAY 2015**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	←-----NON DISTRIBUTABLE-----→											
	SHARE CAPITAL	TREASURY SHARES	ICULS	SHARE PREMIUM	FOREIGN EXCHANGE TRANSLATION RESERVE	REVALUATION RESERVE	WARRANTS RESERVE	EMPLOYEES' SHARE OPTION RESERVE	DISTRIBUTABLE RETAINED PROFIT	ATTRIBUTABLE TO OWNERS OF THE THE COMPANY	NON- CONTROLLING INTERESTS	TOTAL EQUITY
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 June 2014 (Restated)</b>	50,822	(1,741)	8,438	16,767	(680)	418	18,663	3,369	15,782	111,838	10,004	121,842
Profit after taxation for the financial year	-	-	-	-	-	-	-	-	11,382	11,382	(407)	10,975
Other comprehensive income for the financial year, net of tax:												
-Foreign currency translation	-	-	-	-	2,912	-	-	-	-	2,912	747	3,659
Total comprehensive income for the financial year	-	-	-	-	2,912	-	-	-	11,382	14,294	340	14,634
Contributions by and distributions to Owners of the Company:												
Dividend paid	-	-	-	-	-	-	-	-	(5,792)	(5,792)	55	(5,737)
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	567	567
Treasury shares acquired	-	(685)	-	-	-	-	-	-	-	(685)	-	(685)
Transfer of warrant reserve	-	-	-	-	-	-	(173)	-	173	-	-	-
Exercise of warrants	15,538	-	-	41,797	-	-	(18,490)	-	-	38,845	-	38,845
Dilution of equity interest in a subsidiary	-	-	-	-	-	-	-	-	2,637	2,637	(2,637)	-
Issuance of shares, pursuant to conversion of ICULS	5,905	-	(5,893)	(12)	-	-	-	-	-	-	-	-
Issuance of ordinary shares to non-controlling interest by subsidiary	-	-	-	-	-	-	-	-	-	-	5,000	5,000
Employees' share options:-												
- Granted	-	-	-	-	-	-	-	2,096	-	2,096	-	2,096
- Exercised	2,992	-	-	10,784	-	-	-	(4,423)	-	9,353	-	9,353
Total transactions with owners	24,435	(685)	(5,893)	52,569	-	-	(18,663)	(2,327)	(2,982)	46,454	2,985	49,439
<b>At 31 May 2015</b>	<b>75,257</b>	<b>(2,426)</b>	<b>2,545</b>	<b>69,336</b>	<b>2,232</b>	<b>418</b>	<b>-</b>	<b>1,042</b>	<b>24,182</b>	<b>172,586</b>	<b>13,329</b>	<b>185,915</b>

REDTONE INTERNATIONAL BERHAD

(Company No.: 596364-U)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 MAY 2014  
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

-----NON DISTRIBUTABLE----->

	SHARE CAPITAL RM'000	TREASURY SHARES RM'000	ICULS RM'000	SHARE PREMIUM RM'000	FOREIGN EXCHANGE TRANSLATION RESERVE RM'000	REVALUATION RESERVE RM'000	WARRANTS RESERVE RM'000	EMPLOYEES' SHARE OPTION RESERVE RM'000	DISTRIBUTABLE RETAINED PROFITS RM'000	ATTRIBUTABLE TO OWNERS OF THE THE COMPANY RM'000	NON- CONTROLLING INTERESTS RM'000	TOTAL EQUITY RM'000
<b>At 1 June 2013</b>	48,298	(1,950)	9,696	11,765	(1,427)	418	19,331	3,291	16,244	105,666	7,394	113,060
Profit after taxation for the financial year (refer to Note A4)	-	-	-	-	-	-	-	-	7,125	7,125	1,114	8,239
Other comprehensive income for the financial year, net of tax:-												
- Foreign currency translation	-	-	-	-	747	-	-	-	-	747	668	1,415
Total comprehensive income for the financial year	-	-	-	-	747	-	-	-	7,125	7,872	1,782	9,654
Contributions by and distributions to Owners of the Company:												
Dividend paid	-	-	-	-	-	-	-	-	(7,587)	(7,587)	-	(7,587)
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	828	828
Treasury shares:												
- Acquired	-	(1,741)	-	-	-	-	-	-	-	(1,741)	-	(1,741)
- Disposed of	-	1,950	-	1,988	-	-	-	-	-	3,938	-	3,938
Issuance of shares, pursuant to conversion of ICULS	1,259	-	(1,258)	(1)	-	-	-	-	-	-	-	-
Exercise of warrants	560	-	-	1,507	-	-	(668)	-	-	1,399	-	1,399
Employees' share options:												
- Granted	-	-	-	-	-	-	-	1,213	-	1,213	-	1,213
- Exercised	705	-	-	1,508	-	-	-	(1,135)	-	1,078	-	1,078
Total transactions with owners	2,524	209	(1,258)	5,002	-	-	(668)	78	(7,587)	(1,700)	828	(872)
<b>At 31 May 2014 (Restated)</b>	<b>50,822</b>	<b>(1,741)</b>	<b>8,438</b>	<b>16,767</b>	<b>(680)</b>	<b>418</b>	<b>18,663</b>	<b>3,369</b>	<b>15,782</b>	<b>111,838</b>	<b>10,004</b>	<b>121,842</b>

**REDTONE INTERNATIONAL BERHAD**  
(Company No.: 596364-U)

**A. NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 MAY 2015**

**A1. Basis of preparation**

The interim financial report is unaudited and has been prepared in accordance with the requirements of the Malaysian Financial Reporting Standard (MFRS) 134: Interim Financial Reporting (previously known as FRS 134) issued by the Malaysian Accounting Standards Board ("MASB") and ACE Listing Requirements of the BMSB.

The interim financial report should be read in conjunction with the audited financial statements for the year ended 31 May 2014.

The following notes provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group.

**A2. Changes in accounting policies**

The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:

MFRS 9 (2009 & 2010) Financial Instruments
MFRS 9 Financial Instruments (Hedge Accounting and Amendments to MFRS7, MFRS9, and MFRS139)
MFRS 14 Regulatory Deferral Accounts
Amendments to MFRS9 and MFRS 7: Mandatory Effective Date of MFRS9 and Transition Disclosures
Amendments to MFRS 10, MFRS 12 and MFRS 127(2011) : Investment Entities
Amendments to MFRS 11 : Accounting for Acquisitions of Interests in Joint Operations
Amendments to MFRS 116 and MFRS 138 : Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to MFRS 119 : Defined Benefit Plans - Employee Contributions
Amendments to MFRS 132 : Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 136 : Recoverable Amount Disclosures for Non-financial Assets
Amendments to MFRS 139 : Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21 Levies
Annual Improvements to MFRSs 2010-2012 Cycle
Annual Improvements to MFRSs 2011-2013 Cycle

The above accounting standards and interpretations (including the consequential amendments) are not relevant to the Group's operations.

**A3. Qualification of financial statements**

The auditors' report on the audited financial statements of REDtone for the year ended 31 May 2014 was qualified with an "except for" opinion. The auditors were of the opinion that the amount due from a third party was long outstanding, and therefore impairment provision should be made for the year ended 31 May 2014. To date, the previously announced project related with the above third party has been deferred indefinitely. Accordingly, the Board is of the view that the amount due from the third party needs to be impaired by way of a provision. As this impairment relates to a debt outstanding as at 31 May 2014, the impairment was accounted for as a prior year adjustment.

**A4. Nature and amount of exceptional and extraordinary items**

A prior year adjustment of RM15.049 million has been made in the 4th Quarter of FY 2014 (in relation to Note A3 above) and respective statements have been accordingly restated, as shown below. There were no other exceptional or extraordinary items during the current quarter under review.

	As previously reported RM'000	Prior year adjustments RM'000	As restated RM'000
<b>As at 31 May 2014</b>			
<b>Statement of Financial Position</b>			
Other receivables	16,960	(15,049)	1,911
<b>Statement of Profit or Loss and Other Comprehensive Income</b>			
Provisions	(631)	(15,049)	(15,680)
Profit/(Loss) for the year attributable to:-			
Equity holders of the Company	22,174	(15,049)	7,125
Total comprehensive income/(expenses) attributable to :-			
Equity holders of the Company	22,921	(15,049)	7,872

**A5. Changes in estimates**

There were no material changes in estimates for the quarter ended 31 May 2015.

**A6. Property, plant and equipment**

During the quarter under review, the Group did not revalue any of its property, plant and equipment.

**A7. Changes in the composition of the group**

There are no changes in the composition of the Group during the quarter except the following:

On 18 September 2014, the Group announced the investment in by its indirect subsidiary, REDtone Telecommunications China Limited ("REDtone China"), via its wholly owned subsidiary, Shanghai Huitong Telecommunications Co., Ltd. ("Shanghai Huitong"), which comprised of the subscription of 49.8% equity interest in Shanghai YuZhong Financial Information Service Co., Ltd., and ("Shanghai YuZhong") and subscription of 20% equity interest in Shanghai YuGuang Automobile Inspection Technology Co., Ltd ("Shanghai YuGuang").

Shanghai YuZhong has been consolidated as subsidiary of the Group through Shanghai Huitong pursuant to MFRS 10: Consolidated Financial Statements because the Group has majority control of the Board and has combined equity interest of 74.9% with another shareholder acting in concert with the Group.

The principal activity of Shanghai YuZhong is provision of financial information, engaged in technology development in the field of information technology, technical services, technical consulting, technology transfer, investment management and investment advisory.

**A8. Seasonality or cyclicity of interim operations**

The Group's operations are not significantly affected by any seasonal or cyclical factors during the period under review.

**A9. Debt and equity securities**

There were no issuances and repayment of debts and equity securities, share buy-back, share cancellation, shares held as treasury shares for the quarter ended 31 May 2015 except for the following:

**(a) Share capital**

	Ordinary share of RM0.10 each	
	No. of shares	RM
Share capital - issued and fully paid up as at 1 June 2014	508,223,265	50,822,327
Arising from conversion of ICULS	59,045,756	5,904,576
Arising from exercise of Warrants	155,377,551	15,537,755
Arising from exercise of ESOS	29,919,500	2,991,950
Share capital as at 31 May 2015	<u>752,566,072</u>	<u>75,256,608</u>

**(b) Share buy-back**

Month	Price per share (RM)			Numbers of shares	Total Considerations RM'000
	Lowest	Highest	Average		
November 2014	0.725	0.731	0.728	192,500	141
December 2014	0.699	0.715	0.707	770,800	544
			0.711	963,300	685

**(c) The number of treasury shares held in hand as at 31 May 2015 are as follows:**

	Average price per share RM	Numbers of shares	Amount RM'000
Balance as at 1 June 2014	0.661	2,634,500	1,741
Increase in treasury shares	0.711	963,300	685
<b>Total treasury share as at 31 May 2015</b>	<b>0.674</b>	<b>3,597,800</b>	<b>2,426</b>

As at 31 May 2015, the number of outstanding shares in issued and fully paid up with voting rights was 748,968,272 (31 May 2014: 505,588,765) ordinary shares of RM0.10 each.

**A10. Contingent liability****Bank guarantees of the Group are as follows:**

	31 May 2015 RM'000	31 May 2014 RM'000
(a) Performance bonds in favour of various government and statutory bodies, and private	24,074	13,927
(b) Performance bonds in favour of third party for private companies	<u>1,404</u>	<u>-</u>
	<u>25,478</u>	<u>13,927</u>

**A11. Off balance sheet financial instruments**

There is no off balance sheet financial instruments as at the date of this report.

**A12. Dividends**

There were no dividends declared or paid by the company for the current quarter under review.



### A13. Material events subsequent to the end of the reporting period

There were no other material transactions or events subsequent to the current quarter ended 31 May 2015 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report) except for the following:

On 27 March 2015, the Company announced that it had of even date received a notice of conditional take-over offer from RHB Investment Bank Berhad on behalf of Juara Sejati Sdn Bhd ("JSSB"), a wholly-owned subsidiary of Berjaya Group Berhad, which in turn is a wholly-owned subsidiary of Berjaya Corporation Berhad to acquire i) all the remaining ordinary shares of RM0.10 each in REDtone not already owned by JSSB and its persons acting in concert ("PACs") with it and ii) all the remaining REDtone ICULS not already owned by JSSB and its PACs ("Offer").

On 8 May 2015, the Company received a press notice from RHB Investment Bank Berhad, on behalf of JSSB, informing that JSSB has received valid acceptances in respect of the Offer resulting in JSSB and its PACs holding in aggregate more than 50% voting shares of REDtone as at 5.00 p.m. (Malaysian time) on 8 May 2015 as set out in the press notice.

In view of JSSB and its PACs holding in aggregate more than 50% of the voting shares of REDtone, REDtone is deemed a subsidiary of Berjaya Corporation Berhad with effect from 8 May 2015.

### A14. Segment information

A) The segment information for the reportable segments by country for the 12 months ended 31 May 2015 and its comparative figures are as follows:-

	Malaysia RM'000	Singapore RM'000	The People's Republic Of China RM'000	Total RM'000
<b>For the 12 months ended 31 May 2015</b>				
Revenue	121,583	2	28,780	150,365
Cost of sales	(65,001)	-	(23,601)	(88,602)
<b>Gross profit</b>	56,582	2	5,179	61,763
Other income	2,924	-	3,422	6,346
Expenses	(38,169)	(52)	(7,140)	(45,361)
<b>EBITDA</b>	21,337	(50)	1,461	22,748
Interest (expense)/income, net	(719)	(3)	285	(437)
Depreciation and amortisation	(5,801)	-	(2,035)	(7,836)
<b>Profit/(Loss) before taxation</b>	14,817	(53)	(289)	14,475
Income tax expense	(3,258)	-	(242)	(3,500)
<b>Profit/(Loss) after taxation</b>	11,559	(53)	(531)	10,975

	Malaysia RM'000	Singapore RM'000	The People's Republic Of China RM'000	Total RM'000
<b>For the 12 months ended 31 May 2014 (Restated)</b>				
Revenue	121,463	43	20,252	141,758
Cost of sales	(72,792)	-	(9,638)	(82,430)
<b>Gross profit</b>	48,671	43	10,614	59,328
Other income	8,030	-	5	8,035
Expenses	(41,743)	(45)	(5,736)	(47,524)
<b>EBITDA</b>	14,958	(2)	4,883	19,839
Interest (expense)/income, net	(460)	(2)	796	334
Depreciation and amortisation	(6,069)	-	(1,735)	(7,804)
<b>Profit/(Loss) before taxation</b>	8,429	(4)	3,944	12,369
Income tax expense	(4,468)	-	338	(4,130)
<b>Profit/(Loss) after taxation</b>	3,961	(4)	4,282	8,239

B) The segment information for the reportable segments by line of business for the 12 months ended 31 May 2015 and its comparative figures are as follows:-

	Individual Quarter 1 Mar 2015 to 31 May 2015 RM'000	Individual Quarter 1 Mar 2014 to 31 May 2014 RM'000	Cumulative Quarter 1 Jun 2014 to 31 May 2015 RM'000	Cumulative Quarter 1 Jun 2013 to 31 May 2014 RM'000
<b>Revenue by line of business:-</b>				
Voice	15,559	15,098	64,503	55,309
Data	16,263	18,959	85,594	86,122
Others	50	216	268	326
	31,872	34,274	150,365	141,758
<b>Gross profit by line of business:-</b>				
Voice	1,694	3,702	12,838	17,329
Data	14,661	15,091	48,817	41,707
Others	26	238	108	292
	16,381	19,031	61,763	59,328

**A15 Other income**

	Individual Quarter 1 Mar 2015 to 31 May 2015 RM'000	Individual Quarter 1 Mar 2014 to 31 May 2014 RM'000	Cumulative Quarter 1 Jun 2014 to 31 May 2015 RM'000	Cumulative Quarter 1 Jun 2013 to 31 May 2014 RM'000
Gain on disposal of subsidiary/associate company	46	-	3,277	5,000
Gain on conversion and amortisation of irredeemable convertible unsecured loan stock ("ICULS")	1,471	85	1,745	704
Miscellaneous income	(341)	1,019	1,324	2,331
	<u>1,176</u>	<u>1,104</u>	<u>6,346</u>	<u>8,035</u>

**A16 Interest (expense)/income (net)**

	Individual Quarter 1 Mar 2015 to 31 May 2015 RM'000	Individual Quarter 1 Mar 2014 to 31 May 2014 RM'000	Cumulative Quarter 1 Jun 2014 to 31 May 2015 RM'000	Cumulative Quarter 1 Jun 2013 to 31 May 2014 RM'000
<b>Breakdown:</b>				
Finance income	257	344	931	1,373
Interest charges	(160)	(111)	(513)	(364)
Term loan interest	(198)	(23)	(364)	(95)
Leasing interest	(5)	(5)	(20)	(20)
ICULS interest	(44)	(205)	(471)	(560)
	<u>(407)</u>	<u>(344)</u>	<u>(1,368)</u>	<u>(1,039)</u>
	<u>(150)</u>	<u>-</u>	<u>(437)</u>	<u>334</u>

**A17 Profit/(Loss) before taxation**

	Individual Quarter 1 Mar 2015 to 31 May 2015 RM'000	Individual Quarter 1 Mar 2014 to 31 May 2014 RM'000 (Restated)	Cumulative Quarter 1 Jun 2014 to 31 May 2015 RM'000	Cumulative Quarter 1 Jun 2013 to 31 May 2014 RM'000 (Restated)
Audit fee	65	257	466	642
Amortisation of development cost	(179)	517	2,275	1,942
Bad debts written off	-	467	-	467
Depreciation of property, plant and equipment	1,468	1,401	5,562	5,861
Fair value loss/(gain) on investment properties	132	(136)	132	(136)
Loss/(Gain) on foreign exchange:				
- realised	277	71	40	124
- unrealised	1,114	(31)	1,157	(50)
Gain on disposal of subsidiary/associate company	(46)	-	(3,277)	(5,000)
Impairment loss on trade receivables	104	294	169	346
Impairment loss on other receivables	29	15,081	29	15,149
Inventories (written back)/written off	-	(5)	-	176
Impairment loss on inventories	555	-	555	-
Gain on remeasurement	-	(490)	-	(490)
Properties, plant and equipment written off	-	-	2	-
Intangible assets written off	648	-	648	-
Rental of computer	40	44	172	187
Rental of office	477	319	1,665	894
Share based payments	1,692	467	2,096	1,213
Staff cost:				
Salaries, bonus, wages and allowances	5,789	3,925	18,931	13,967
Defined contribution plan	433	385	2,300	1,573
Interest income from deposits with licensed banks	(257)	(344)	(931)	(1,373)

**A18 Income tax expense**

	Individual Quarter 1 Mar 2015 to 31 May 2015 RM'000	Individual Quarter 1 Mar 2014 to 31 May 2014 RM'000	Cumulative Quarter 1 Jun 2014 to 31 May 2015 RM'000	Cumulative Quarter 1 Jun 2013 to 31 May 2014 RM'000
Income tax:				
Current period provision				
- In Malaysia	341	(174)	(2,514)	(2,512)
- Outside Malaysia	(126)	964	(182)	232
Overprovision in the previous financial year	93	-	93	-
	<u>308</u>	<u>790</u>	<u>(2,603)</u>	<u>(2,280)</u>
Deferred tax	(845)	(1,695)	(897)	(1,850)
	<u>(537)</u>	<u>(905)</u>	<u>(3,500)</u>	<u>(4,130)</u>

#### A19. (Loss)/Earnings per share

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit attributable to equity holders of the Company by the weighted average number of ordinary shares issued during the period.

	Individual Quarter 1 Mar 2015 to 31 May 2015 RM'000	Individual Quarter 1 Mar 2014 to 31 May 2014 RM'000	Cumulative Quarter 1 Jun 2014 to 31 May 2015 RM'000	Cumulative Quarter 1 Jun 2013 to 31 May 2014 RM'000
(Loss)/Profit attributable to owners of the Company (basic)	(1,496)	(7,555)	11,382	7,125
Interest expense attributable to ICULS, net of tax	1,103	122	509	1,760
(Loss)/Profit attributable to owners of the Company (diluted)	<u>(393)</u>	<u>(7,433)</u>	<u>11,891</u>	<u>8,885</u>

	Individual Quarter 1 Mar 2015 to 31 May 2015 '000	Individual Quarter 1 Mar 2014 to 31 May 2014 '000	Cumulative Quarter 1 Jun 2014 to 31 May 2015 '000	Cumulative Quarter 1 Jun 2013 to 31 May 2014 '000
Weighted average number of ordinary shares in issue (basic)	580,039	504,726	521,447	501,118
Effect of conversion of ICULS	57,769	174	25,495	84,541
Effect of conversion of warrants	-	599	-	101,070
Effect of share options on issue	-	19	313	18,163
Weighted average number of ordinary shares in issue (diluted)	<u>637,808</u>	<u>505,518</u>	<u>547,255</u>	<u>704,891</u>

	Individual Quarter 1 Mar 2015 to 31 May 2015	Individual Quarter 1 Mar 2014 to 31 May 2014	Cumulative Quarter 1 Jun 2014 to 31 May 2015	Cumulative Quarter 1 Jun 2013 to 31 May 2014
Basic (loss)/earnings per share (sen)	<u>(0.26)</u>	<u>(1.50)</u>	<u>2.18</u>	<u>1.42</u>
Diluted (loss)/earnings per share (sen)	<u>(0.06)</u>	<u>(1.47)</u>	<u>2.17</u>	<u>1.26</u>

#### A20. Other investments

	31 May 2015 RM'000	31 May 2014 RM'000
At Cost:		
Non-current		
Unquoted shares in Malaysia	<u>50</u>	<u>50</u>

#### A21. Group Borrowings

Total borrowings of the Group are as follows:

	31 May 2015 RM'000	31 May 2014 RM'000
<u>Total Secured Borrowings:-</u>		
Finance lease facility, which are denominated in Ringgit Malaysia	197	300
Term loan facilities, which are denominated in Ringgit Malaysia	6,452	1,890
Term loan facility, which are denominated in US dollar	11,009	-
- Foreign currency amount: USD 3,007,000 (31 May 2014: Nil)		
Banker acceptance, which are denominated in Ringgit Malaysia	1,012	-
Bank overdraft, which are denominated in Ringgit Malaysia	4,819	1,636
	<u>23,489</u>	<u>3,826</u>

#### A22. Trade receivables

Receivables are mainly due from progress billings for major government projects as well as data projects.

#### A23. Other payables and accruals

Other payables and accruals of the Group are as follows:

	31 May 2015 RM'000	31 May 2014 RM'000
Other payables	12,762	4,507
Accruals	6,414	6,340
USP fund	5,233	6,513
Advances for projects	4,207	5,518
	<u>28,616</u>	<u>22,878</u>

The advances for projects comprise receipts for future projects which, on completion of those projects, will be recognised as revenue.

**REDTONE INTERNATIONAL BERHAD**  
(Company No.: 596364-U)

**B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS**

**B1. Review of group performance for fourth quarter ended 31 May 2015**

For the quarter under review, the Group's recorded lower revenue and gross profit. The profit before taxation shows a positive improvement as a result of the impairment adjustment that resulted in a loss in the preceding year's corresponding quarter. The Group experienced higher costs coupled by delays in large projects which resulted a drop in the revenue and gross profit. The higher expenses were due to an increase in headcount, ESOS that vested and exercised as a result of the takeover offer by Berjaya and related costs and foreign currency loss, whilst the preceding year corresponding quarter's results were impacted by the impairment adjustment.

**B2. Prospects and business outlook**

While our data and broadband services continue to support the Group's earnings potential, we anticipate that the managed telco and managed value added services will contribute significantly to the Group's FY 2016 revenue and income. In contrast to FY 2015, we move ahead with a solid inventory of recurring projects, namely USP and WiFi projects. With these strong recurring revenue streams and healthy growth in our corporate data services and government data projects, we expect to perform significantly better than our FY 2015 results show. We will continue to strengthen our position as an Integrated Telco Services provider, building our recurring revenue base, improving our voice and data infrastructure, while spearheading new revenue streams in our healthcare and IOT (internet of things) services. FY2015 has been a year of consolidation where the Group underwent a few significant events, however, with improved strength and stability, strong cash flow, ready resources, we will be able to execute our strategies better and return better results.

The traditional voice business segment will continue to contribute to the Group's cash flow, especially with the intended improvements in our infrastructure. We will continue to maintain the revenue contribution from this sector by upgrading our existing infrastructure in the coming years.

**B3. Material changes in profit before taxation compared to the preceding quarter**

	<b>4th Quarter 31 May 2015 RM'000</b>	<b>3rd Quarter 28 Feb 2015 RM'000</b>
Revenue	<u>31,872</u>	<u>39,515</u>
Profit before taxation and non-controlling interest	<u>192</u>	<u>3,743</u>

The Group recorded a profit before tax of RM0.2 million for Q4 FYE 2015 as compared to profit before tax of RM3.74 million for Q3 FYE 2015. The decrease in profit of RM3.55 million was mainly due to lower data project revenue.

**B4. Profit forecast**

No profit forecast was announced.

**B5. Profit on sale of unquoted investments and/or properties**

There were no disposal of unquoted investment and/or properties for the current quarter and financial year to date.

**B6. Corporate proposals**

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