

REDTONE INTERNATIONAL BERHAD

Incorporated in Malaysia: 596364-U

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE PERIOD ENDED 31 JULY 2015**

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

The Directors are pleased to announce the unaudited results for the period ended 31 July 2015.

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

	Note	INDIVIDUAL QUARTER *		CUMULATIVE QUARTER	
		1 Jun 2015 to 31 July 2015	1 Jun 2014 to 31 July 2014	1 Jun 2015 to 31 July 2015	1 Jun 2014 to 31 July 2014
		CURRENT PERIOD	PRECEDING YEAR CORRESPONDING PERIOD	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING YEAR TO DATE
		RM'000	RM'000	RM'000	RM'000
Revenue	A14 (B)	23,033	N/A	23,033	N/A
Cost of sales		(14,484)	N/A	(14,484)	N/A
Gross profit		8,549	N/A	8,549	N/A
Other income	A15	285	N/A	285	N/A
General and administrative expenses		(6,324)	N/A	(6,324)	N/A
Provisions		(61)	N/A	(61)	N/A
Loss on foreign exchange		(336)	N/A	(336)	N/A
Earnings before interest, tax, depreciation and amortisation		2,113	N/A	2,113	N/A
Interest expense (net)	A16	(242)	N/A	(242)	N/A
Depreciation and amortisation		(1,152)	N/A	(1,152)	N/A
Profit before taxation	A17	719	N/A	719	N/A
Income tax expense	A18	(89)	N/A	(89)	N/A
Profit for the period		630	N/A	630	N/A
Other comprehensive income, net of tax <u>Items will be reclassified subsequently to profit or loss:</u>					
- Foreign currency translation		853	N/A	853	N/A
Total comprehensive income for the financial period		1,483	N/A	1,483	N/A
<u>Profit attributable to:-</u>					
Equity holders of the Company		538	N/A	538	N/A
Non-controlling interests		92	N/A	92	N/A
		630	N/A	630	N/A
<u>Total comprehensive income attributable to :-</u>					
Equity holders of the Company		(562)	N/A	(562)	N/A
Non-controlling interests		2,045	N/A	2,045	N/A
		1,483	N/A	1,483	N/A
<u>Earnings per share (sen)</u>					
Basic	A19	0.10	N/A	0.10	N/A

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 2015.

As announced on 7 August 2015, the financial year end has been changed from 31 May to 30 April. The comparative figures are not applicable for the current financial period due to the change of financial year end.

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

* Due to the effective change of financial year end to 30 April 2016, the individual quarter is for the 2 months period from 1 June 2015 to 31 July 2015.

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2015
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	UNAUDITED As at 31 July 2015 RM'000	AUDITED As at 31 May 2015 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		40,220	38,974
Investment properties		1,143	1,143
Deferred tax assets		1,416	1,424
Other investments	A20	50	50
Goodwill		6,363	6,363
Intangible assets		40,516	40,516
Development costs		12,164	11,301
		<u>101,872</u>	<u>99,771</u>
Current Assets			
Inventories		143	114
Trade receivables	A21	91,313	85,281
Other receivables, deposits and prepayments		18,948	16,378
Tax recoverable		3,616	2,469
Deposits with licensed banks		41,708	41,139
Cash and bank balances		22,222	23,010
		<u>177,950</u>	<u>168,391</u>
TOTAL ASSETS		<u>279,822</u>	<u>268,162</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		75,700	75,257
Treasury shares		(2,426)	(2,426)
Reserves		102,269	101,290
Total Equity Attributable to Owners of the Company		<u>175,543</u>	<u>174,121</u>
Non-controlling interests		13,721	11,676
Total Equity		<u>189,264</u>	<u>185,797</u>
Non-Current Liabilities			
Irredeemable convertible unsecured loan stocks ("ICULS")		647	678
Finance lease payables	A22	844	86
Term loans	A22	4,551	4,817
Deferred tax liabilities		849	867
		<u>6,891</u>	<u>6,448</u>
Current Liabilities			
Deferred income		9,176	7,604
Trade payables		15,800	18,918
Other payables and accruals	A23	28,054	28,084
Finance lease payables		422	111
Term loans	A22	12,880	12,644
Provision for taxation		3,592	3,398
Short term financing	A22	13,743	-
Bank overdraft	A22	-	5,158
		<u>83,667</u>	<u>75,917</u>
Total Liabilities		<u>90,558</u>	<u>82,365</u>
TOTAL EQUITY AND LIABILITIES		<u>279,822</u>	<u>268,162</u>
Net assets per share (sen)		<u>23.30</u>	<u>23.25</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 2015.

As announced on 7 August 2015, the financial year end has been changed from 31 May to 30 April with effect from 30 April 2016.

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

REDTONE INTERNATIONAL BERHAD

(Company No: 596364-U)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2015
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	2 MONTHS CURRENT FINANCIAL PERIOD 1 Jun 2015 to 31 July 2015 RM'000	2 MONTHS PRECEDING FINANCIAL PERIOD 1 Jun 2014 to 31 July 2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	719	N/A
Adjustments for:		
Non-cash items	1,516	N/A
Non- operating items	76	N/A
Operating profit before working capital changes	<u>2,311</u>	N/A
Net changes in current assets	(9,657)	N/A
Net changes in current liabilities	82	N/A
	<u>(7,264)</u>	N/A
Interest paid	(300)	N/A
Tax paid	(367)	N/A
NET CASH USED IN OPERATING ACTIVITIES	<u>(7,931)</u>	N/A
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income received	224	N/A
Increase in pledged deposits	(817)	N/A
Purchase of property, plant and equipment	(531)	N/A
Development costs paid	(852)	N/A
NET CASH USED IN INVESTING ACTIVITIES	<u>(1,976)</u>	N/A
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of finance lease payables	(81)	N/A
Repayment of term loans	(145)	N/A
Drawdown of funds from financial institution	11,650	N/A
Proceeds from exercise of employees' share options	1,984	N/A
NET CASH GENERATED FROM FINANCING ACTIVITIES	<u>13,408</u>	N/A
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,501	N/A
EFFECTS OF EXCHANGE RATE CHANGES	621	N/A
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	<u>22,213</u>	N/A
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>26,335</u>	N/A
Cash and cash equivalents comprise of:		
Cash and bank balances	22,222	N/A
Deposits with licensed banks	41,708	N/A
	<u>63,930</u>	N/A
Less: Deposits pledged with license banks	(37,595)	N/A
Total cash and cash equivalents	<u>26,335</u>	N/A

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 May 2015.

As announced on 7 August 2015, the financial year end has been changed from 31 May to 30 April. The comparative figures are not applicable for the current financial period due to the change of financial year end.

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REDTONE INTERNATIONAL BERHAD

(Company No.: 596364-U)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2015
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

←-----NON-DISTRIBUTABLE-----→

	SHARE CAPITAL	TREASURY SHARES	ICULS	SHARE PREMIUM	FOREIGN EXCHANGE TRANSLATION RESERVE	REVALUATION RESERVE	EMPLOYEES' SHARE OPTION RESERVE	DISTRIBUTABLE RETAINED PROFIT	ATTRIBUTABLE TO OWNERS OF 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
At 1 June 2015	75,257	(2,426)	2,545	69,336	3,488	418	707	24,796	174,121	11,676	185,797
Profit after taxation for the financial period	-	-	-	-	-	-	-	538	538	92	630
Other comprehensive income for the financial period, net of tax:	-	-	-	-	(1,100)	-	-	-	(1,100)	1,953	853
- Foreign currency translation	-	-	-	-	(1,100)	-	-	-	(1,100)	2,045	1,483
Total comprehensive income for the financial period	-	-	-	-	(1,100)	-	-	538	(562)	2,045	1,483
Transactions with owners:											
Issuance of shares, pursuant to conversion of ICULS	4	-	(4)	-	-	-	-	-	-	-	-
Employees' share options:-											
- Exercised	439	-	-	2,236	-	-	(691)	-	1,984	-	1,984
- Forfeited	-	-	-	-	-	-	(16)	16	-	-	-
Total transactions with owners	443	-	(4)	2,236	-	-	(707)	16	1,984	-	1,984
At 31 July 2015	75,700	(2,426)	2,541	71,572	2,388	418	-	25,350	175,543	13,721	189,264

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 (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 COMPANY RM'000	NON- CONTROLLING INTERESTS RM'000	TOTAL EQUITY RM'000
At 1 June 2014	50,822	(1,741)	8,438	16,767	(680)	418	18,663	3,369	30,831	126,887	10,004	136,891
- As previously reported	-	-	-	-	-	-	-	-	(15,049)	(15,049)	-	(15,049)
- Prior year adjustment	50,822	(1,741)	8,438	16,767	(680)	418	18,663	3,369	15,782	111,838	10,004	121,842
As restated	-	-	-	-	-	-	-	-	-	-	-	-
Profit after taxation for the financial year	-	-	-	-	-	-	-	-	11,660	11,660	(360)	11,300
Other comprehensive income for the financial year, net of tax:-	-	-	-	-	4,168	-	-	-	-	4,168	430	4,598
- Foreign currency translation	-	-	-	-	4,168	-	-	-	-	-	-	-
Total comprehensive income for the financial year	-	-	-	-	4,168	-	-	-	11,660	15,828	70	15,898
Transactions with owners:												
Dividend paid	-	-	-	-	-	-	-	-	(5,792)	(5,792)	-	(5,792)
- By the Company	-	-	-	-	-	-	-	-	-	-	-	-
- By a subsidiary to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(55)	(55)
Dilution of equity interest in subsidiary	-	-	-	-	-	-	-	-	2,638	2,638	(2,638)	-
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	(942)	(942)
Issuance of share capital to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	5,237	5,237
Issuance of shares, pursuant to conversion of ICULS	5,905	-	(5,893)	(12)	-	-	-	-	-	-	-	-
Warrants	15,538	-	-	41,797	-	-	(18,490)	-	-	38,845	-	38,845
- Exercised	-	-	-	-	-	-	(173)	-	173	-	-	-
- Expired	-	-	-	-	-	-	-	-	-	-	-	-
Treasury shares:	-	(685)	-	-	-	-	-	-	-	(685)	-	(685)
- Acquired	-	-	-	-	-	-	-	-	-	-	-	-
Employees' share options:	-	-	-	-	-	-	-	2,096	-	2,096	-	2,096
- Granted	2,992	-	-	10,784	-	-	-	(4,423)	-	9,353	-	9,353
- Exercised	-	-	-	-	-	-	-	(335)	335	-	-	-
- Lapsed	-	-	-	-	-	-	-	-	-	-	-	-
Total transactions with owners	24,435	(685)	(5,893)	52,569	-	-	(18,663)	(2,662)	(2,646)	46,455	1,602	48,057
At 31 May 2015	75,257	(2,426)	2,545	69,336	3,488	418	-	707	24,796	174,121	11,676	185,797

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 May 2015.

As announced on 7 August 2015, the financial year end has been changed from 31 May to 30 April.

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

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

A. NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 JULY 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 Bursa Malaysia Securities Berhad ("BMSB").

The interim financial report should be read in conjunction with the audited financial statements for the year ended 31 May 2015.

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.

Following the completion of the conditional take over by Berjaya Corporation Berhad on 8 May 2015, the Board of Directors of REDtone International Berhad ("the Company") has approved the change of the Company's financial year end from 31 May to 30 April. This is to coincide with the financial year end of its holding company and to comply with Section 168(1) of the Companies Act, 1965. The next audited financial statements shall be for a period of eleven (11) months, made up from 1 June 2015 to 30 April 2016.

The following periods shall be the period to be covered in the Group's subsequent quarterly financial reporting:

Quarters for financial year ending 30 April 2016:

1st Quarter – 1 June 2015 to 31 July 2015

2nd Quarter – 1 August 2015 to 31 October 2015

3rd Quarter – 1 November 2015 to 31 January 2016

4th Quarter – 1 February 2016 to 30 April 2016

The change of financial year end shall apply to the Company and its subsidiaries.

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 MASB but are not yet effective for the current financial year:

MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)
MFRS 15 Revenue from Contracts with Customers
Amendments to MFRS 10 and MFRS 128 (2011): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations
Amendments to MFRS 10, MFRS 12 and MFRS 128 (2011): Investment Entities – Applying the Consolidation Exception
Amendments to MFRS 101: Presentation of Financial Statements – Disclosure Initiative
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to MFRS 116 and MFRS 141: Agriculture – Bearer Plants
Amendments to MFRS 119: Defined Benefit Plans – Employee Contributions
Amendments to MFRS 127 (2011): Equity Method in Separate Financial Statements
Annual Improvements to MFRSs 2010 – 2012 Cycle
Annual Improvements to MFRSs 2011 – 2013 Cycle
Annual Improvements to MFRSs 2012 – 2014 Cycle

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

A3. Qualification of financial statements

There were no audit qualification on the audited financial statements for the Company and the subsidiaries for the financial year ended 31 May 2015.

A4. Nature and amount of exceptional and extraordinary items

There were no exceptional or extraordinary items during the period under review.

A5. Changes in estimates

There were no material changes in estimates for the period ended 31 July 2015.

A6. Property, plant and equipment

During the period 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 period under review.

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 period ended 31 July 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 2015	752,566,072	75,256,607
Arising from conversion of ICULS	36,000	3,600
Arising from exercise of ESOS	4,393,000	439,300
Share capital as at 31 July 2015	<u>756,995,072</u>	<u>75,699,507</u>

(b) Share buy-back

There was no share buy back transacted during the period ended 31 July 2015 and the number of treasury shares held in hand as at 31 July 2015 are as follows:

	Average price per share RM	Number of shares	Amount RM'000
Total treasury share as at 31 July 2015	0.674	3,597,800	2,426

As at 31 July 2015, the number of outstanding shares in issue and fully paid up with voting rights was 753,397,272 (31 May 2015: 748,968,272) ordinary shares of RM0.10 each.

A10. Contingent liability

Bank guarantees of the Group are as follows:

	As at 31 July 2015 RM'000	As at 31 May 2015 RM'000
(a) Performance bonds in favour of various government and statutory bodies, and private companies	24,074	24,029
(b) Performance bonds in favour of third party for private companies	<u>1,404</u>	<u>1,404</u>
	<u>25,478</u>	<u>25,433</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 period under review.

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

There were no other material transactions or events subsequent to the period ended 31 July 2015 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

A14. Segment information

A) The segment information for the reportable segments by country for the 2 months ended 31 July 2015 and its comparative figures are as follows:-

	The People's Republic Of			Total RM'000
	Malaysia RM'000	Singapore RM'000	China RM'000	
For the 2 months ended 31 July 2015				
Revenue	17,627	-	5,406	23,033
Cost of sales	(10,376)	-	(4,108)	(14,484)
Gross profit	7,251	-	1,298	8,549
Other income	72	102	111	285
Expenses	(5,698)	(7)	(1,016)	(6,721)
EBITDA	1,625	95	393	2,113
Interest expense, net	(305)	-	63	(242)
Depreciation and amortisation	(885)	-	(267)	(1,152)
Profit before taxation	435	95	189	719
Income tax expense	(106)	-	17	(89)
Profit after taxation	329	95	206	630

	The People's Republic Of			Total RM'000
	Malaysia RM'000	Singapore RM'000	China RM'000	
For the 2 months ended 31 July 2014				
Revenue	N/A	N/A	N/A	N/A
Cost of sales	N/A	N/A	N/A	N/A
Gross profit	N/A	N/A	N/A	N/A
Other income	N/A	N/A	N/A	N/A
Expenses	N/A	N/A	N/A	N/A
EBITDA	N/A	N/A	N/A	N/A
Interest (expense)/income, net	N/A	N/A	N/A	N/A
Depreciation and amortisation	N/A	N/A	N/A	N/A
Profit/(Loss) before taxation	N/A	N/A	N/A	N/A
Income tax expense	N/A	N/A	N/A	N/A
Profit/(Loss) after taxation	N/A	N/A	N/A	N/A

B) The segment information for the reportable segments by line of business for the 2 months ended 31 July 2015 and its comparative figures are as follows:-

	Individual Quarter * 1 Jun 2015 to 31 July 2015 RM'000	Individual Quarter 1 Jun 2014 to 31 July 2014 RM'000	Cumulative Quarter 1 Jun 2015 to 31 July 2015 RM'000	Cumulative Quarter 1 Jun 2014 to 31 July 2014 RM'000
<u>Revenue by line of business:-</u>				
Voice	10,404	N/A	10,404	N/A
Data	12,626	N/A	12,626	N/A
Others	3	N/A	3	N/A
	23,033	N/A	23,033	N/A
<u>Gross profit by line of business:-</u>				
Voice	1,916	N/A	1,916	N/A
Data	6,632	N/A	6,632	N/A
Others	1	N/A	1	N/A
	8,549	N/A	8,549	N/A

* Due to the effective change of financial year end to 30 April 2016, the individual quarter is for the 2 months period from 1 June 2015 to 31 July 2015.

A15 Other income

	Individual Quarter * 1 Jun 2015 to 31 July 2015 RM'000	Individual Quarter 1 Jun 2014 to 31 July 2014 RM'000	Cumulative Quarter 1 Jun 2015 to 31 July 2015 RM'000	Cumulative Quarter 1 Jun 2014 to 31 July 2014 RM'000
Gain on conversion and amortisation of irredeemable convertible unsecured loan stock ("ICULS")	31	N/A	31	N/A
Miscellaneous income	254	N/A	254	N/A
	<u>285</u>	<u>N/A</u>	<u>285</u>	<u>N/A</u>

A16 Interest expense (net)

	Individual Quarter * 1 Jun 2015 to 31 July 2015 RM'000	Individual Quarter 1 Jun 2014 to 31 July 2014 RM'000	Cumulative Quarter 1 Jun 2015 to 31 July 2015 RM'000	Cumulative Quarter 1 Jun 2014 to 31 July 2014 RM'000
Breakdown:				
Finance income	224	N/A	224	N/A
Interest charges	(262)	N/A	(262)	N/A
Term loan interest	(128)	N/A	(128)	N/A
Leasing interest	(3)	N/A	(3)	N/A
ICULS interest	(73)	N/A	(73)	N/A
	<u>(466)</u>	<u>N/A</u>	<u>(466)</u>	<u>N/A</u>
	<u>(242)</u>	<u>N/A</u>	<u>(242)</u>	<u>N/A</u>

A17 Profit before taxation

	Individual Quarter * 1 Jun 2015 to 31 July 2015 RM'000	Individual Quarter 1 Jun 2014 to 31 July 2014 RM'000	Cumulative Quarter 1 Jun 2015 to 31 July 2015 RM'000	Cumulative Quarter 1 Jun 2014 to 31 July 2014 RM'000
Profit before taxation is arrived at after charging/(crediting):-				
Audit fee	66	N/A	66	N/A
Amortisation of development cost	194	N/A	194	N/A
Depreciation of property, plant and equipment	958	N/A	958	N/A
(Gain)/Loss on foreign exchange:				
- realised	(49)	N/A	(49)	N/A
- unrealised	385	N/A	385	N/A
Impairment loss on trade receivables	8	N/A	8	N/A
Rental of computer	44	N/A	44	N/A
Rental of office	269	N/A	269	N/A
Staff cost:				
- Salaries, bonus, wages and allowances	3,105	N/A	3,105	N/A
- Defined contribution plan	349	N/A	349	N/A
Interest income from deposits with licensed banks	(224)	N/A	(224)	N/A
	<u>(224)</u>	<u>N/A</u>	<u>(224)</u>	<u>N/A</u>

A18 Income tax expense

	Individual Quarter * 1 Jun 2015 to 31 July 2015 RM'000	Individual Quarter 1 Jun 2014 to 31 July 2014 RM'000	Cumulative Quarter 1 Jun 2015 to 31 July 2015 RM'000	Cumulative Quarter 1 Jun 2014 to 31 July 2014 RM'000
Income tax:				
Current period provision				
- In Malaysia	(99)	N/A	(99)	N/A
Overprovision in prior years				
- Outside Malaysia	19	N/A	19	N/A
	<u>(80)</u>	<u>N/A</u>	<u>(80)</u>	<u>N/A</u>
Deferred tax	(9)	N/A	(9)	N/A
	<u>(89)</u>	<u>N/A</u>	<u>(89)</u>	<u>N/A</u>

* Due to the effective change of financial year end to 30 April 2016, the individual quarter is for the 2 months period from 1 June 2015 to 31 July 2015.

A19. Earnings per share

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

	Individual Quarter * 1 Jun 2015 to 31 July 2015 RM'000	Individual Quarter 1 Jun 2014 to 31 July 2014 RM'000	Cumulative Quarter 1 Jun 2015 to 31 July 2015 RM'000	Cumulative Quarter 1 Jun 2014 to 31 July 2014 RM'000
Profit attributable to owners of the Company (basic)	538	N/A	538	N/A
	Individual Quarter * 1 Jun 2015 to 31 July 2015 '000	Individual Quarter 1 Jun 2014 to 31 July 2014 '000	Cumulative Quarter 1 Jun 2015 to 31 July 2015 '000	Cumulative Quarter 1 Jun 2014 to 31 July 2014 '000
Weighted average number of ordinary shares in issue (basic)	557,071	N/A	553,004	N/A
	Individual Quarter * 1 Jun 2015 to 31 July 2015	Individual Quarter 1 Jun 2014 to 31 July 2014	Cumulative Quarter 1 Jun 2015 to 31 July 2015	Cumulative Quarter 1 Jun 2014 to 31 July 2014
Basic earnings per share (sen)	0.10	N/A	0.10	N/A

A20. Other investments

	As at 31 July 2015 RM'000	As at 31 May 2015 RM'000
At Cost:		
Non-current		
Unquoted shares in Malaysia	50	50

A21. Trade receivables

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

A22. Group Borrowings

Total borrowings of the Group are as follows:

	As at 31 July 2015 RM'000	As at 31 May 2015 RM'000
<u>Total Secured Borrowings:-</u>		
Finance lease facility, which are denominated in Ringgit Malaysia	1,266	197
Term loan facilities, which are denominated in Ringgit Malaysia	6,188	6,452
Term loan facility, which are denominated in US dollar	11,243	11,009
- Foreign currency amount: USD 3,007,000 (31 May 2015: USD 3,007,000)		
Short term financing, which are denominated in Ringgit Malaysia	13,743	-
Bank overdraft, which are denominated in Ringgit Malaysia	-	5,158
	<u>32,440</u>	<u>22,816</u>

A23. Other payables and accruals

Other payables and accruals of the Group are as follows:

	As at 31 July 2015 RM'000	As at 31 May 2015 RM'000
Other payables	12,618	12,234
Accruals	6,271	6,410
USP fund	4,958	5,233
Advances for projects	4,207	4,207
	<u>28,054</u>	<u>28,084</u>

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

* Due to the effective change of financial year end to 30 April 2016, the individual quarter is for the 2 months period from 1 June 2015 to 31 July 2015.

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

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

B1. Review of group performance for the period ended 31 July 2015

Following the completion of the conditional take over by Berjaya Corporation Berhad on 8 May 2015, the Board of Directors of REDtone International Berhad ("the Company") has approved the change of the Company's financial year end from 31 May to 30 April. This is to coincide with the financial year end of its holding company and to comply with Section 168(1) of the Companies Act, 1965. As a result, the performance of the period ended 31 July 2014 was not available for comparison. Generally, the Company's performance has been lower due to delays in the commencement of USP projects and general weak market conditions. In addition, the profit during the period was lower mainly due to higher operating expenses such as payroll costs, advertising expenses and foreign currency losses.

B2. Prospects and business outlook

Our prospects for the year ahead are in line with our overall directions of growth and contribution from our managed telco and managed value added services lines of business. While our data and broadband services continue to support the Group's earnings potential, we do not anticipate significant growth. In FY 2016, despite a good inventory of projects in hand, we have not been able to crystallise profits, namely due to delays and projects put on hold. We do not foresee this condition to continue, especially, with the activation of projects expected soon. With these strong recurring revenue streams, we do expect to perform significantly better than our FY 2015 results. Our value proposition will continue to improve our position as an Integrated Telco Services provider, especially with our fundamentals and improvement in our voice and data infrastructure, new revenue streams in our healthcare and IOT (internet of things) services and mobile services. As FY 2015 had been a year of consolidation where the Group underwent several significant events, and FY 2016 being only for 2 months, we are excited about our prospects ahead, especially in new offerings and combined value added services with telco.

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

	2 months ended 31 July 2015 RM'000	4th Quarter 31 May 2015 RM'000
Revenue	23,033	32,325
Profit before taxation and non-controlling interest	719	335

The Group recorded a profit before tax of RM0.72 million for the 2 months ended 31 July 2015 as compared to profit before tax of RM0.34 million for Q4 FYE 2015. The increase in profit of RM0.38 million was mainly due to recognition of progress billing for data projects and lower operating expenses.

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 period and financial year to date.

B6. Corporate proposals

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

B7. Realised and unrealised profit/(loss)

Breakdown of the Group's realised and unrealised profits are as follow:

	As at 31 July 2015 RM'000	As at 31 May 2015 RM'000
<u>Total retained profits of the Company and its subsidiaries:</u>		
Realised	42,295	42,825
Unrealised	(352)	(1,179)
	41,942	41,646
<u>Total share of retained profits of associates:</u>		
Realised	-	-
Unrealised	-	-
	41,942	41,646
Less: Consolidation adjustments	(16,609)	(16,850)
Total group retained profits	25,334	24,796