

# **REDTONE INTERNATIONAL BERHAD**

Incorporated in Malaysia: 596364-U

QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE SECOND QUARTER ENDED 31 OCTOBER 2015

**REDTONE INTERNATIONAL BERHAD**

(Company No.: 596364-U)

The Directors are pleased to announce the unaudited results for the second quarter ended 31 October 2015.

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

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		1 Aug 2015 to 31 Oct 2015	1 Aug 2014 to 31 Oct 2014	1 Jun 2015 to 31 Oct 2015	1 Jun 2014 to 31 Oct 2014
		CURRENT QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING YEAR TO DATE
		RM'000	RM'000	RM'000	RM'000
Revenue	A14 (B)	35,065	N/A	58,098	N/A
Cost of sales		(22,326)	N/A	(36,810)	N/A
Gross profit		12,739	N/A	21,288	N/A
Other income	A15	53	N/A	338	N/A
General and administrative expenses		(9,560)	N/A	(15,884)	N/A
Provisions		(70)	N/A	(131)	N/A
Gain/(Loss) on foreign exchange		105	N/A	(231)	N/A
<b>Earnings before interest, tax, depreciation and amortisation</b>		3,267	N/A	5,380	N/A
Interest expense (net)	A16	(84)	N/A	(326)	N/A
Depreciation and amortisation		(1,837)	N/A	(2,989)	N/A
Profit before taxation	A17	1,346	N/A	2,065	N/A
Income tax expense	A18	(1,833)	N/A	(1,922)	N/A
<b>(Loss)/profit for the period</b>		(487)	N/A	143	N/A
Other comprehensive income, net of tax <u>Item that may be reclassified subsequently to profit or loss:</u>					
- Foreign currency translation		1,043	N/A	1,896	N/A
<b>Total comprehensive income for the financial period</b>		556	N/A	2,039	N/A
<u>(Loss)/profit attributable to:-</u>					
Owners of the Company		398	N/A	936	N/A
Non-controlling interests		(885)	N/A	(793)	N/A
		(487)	N/A	143	N/A
<u>Total comprehensive income attributable to :-</u>					
Owners of the Company		2,574	N/A	2,012	N/A
Non-controlling interests		(2,018)	N/A	27	N/A
		556	N/A	2,039	N/A
<u>Earnings per share (sen)</u>					
Basic	A19	0.05	N/A	0.12	N/A

The unaudited Condensed Consolidated Statement of Profit or Loss and Other 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 to be coterminous with the ultimate parent company's financial year end. As such, no comparative figures are presented due to the change of financial year end.

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 SECOND QUARTER ENDED 31 OCTOBER 2015**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Note	UNAUDITED As at 31 October 2015 RM'000	AUDITED As at 31 May 2015 RM'000
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, plant and equipment		41,556	38,974
Investment properties		1,143	1,143
Deferred tax assets		1,431	1,424
Other investments	A20	50	50
Goodwill		6,363	6,363
Intangible assets		40,516	40,516
Development costs		13,620	11,301
		104,679	99,771
<b>Current Assets</b>			
Inventories		244	114
Trade receivables	A21	99,684	85,281
Other receivables, deposits and prepayments		17,404	16,378
Tax recoverable		3,184	2,469
Deposits with licensed banks		54,329	41,139
Cash and bank balances		4,458	23,010
		179,303	168,391
<b>TOTAL ASSETS</b>		<b>283,982</b>	<b>268,162</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		75,724	75,257
Treasury shares		(2,640)	(2,426)
Reserves		104,819	101,290
<b>Equity Attributable to Owners of the Company</b>		177,903	174,121
Non-controlling interests		11,703	11,676
<b>Total Equity</b>		189,606	185,797
<b>Non-current Liabilities</b>			
Irredeemable convertible unsecured loan stocks ("ICULS")		706	678
Long term borrowings	A22	4,803	4,903
Deferred tax liabilities		847	867
		6,356	6,448
<b>Current Liabilities</b>			
Deferred income		10,561	7,604
Trade payables		15,222	18,918
Other payables and accruals	A23	29,068	28,084
Short term borrowings	A22	28,825	17,913
Provision for taxation		4,344	3,398
		88,020	75,917
<b>Total Liabilities</b>		94,376	82,365
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>283,982</b>	<b>268,162</b>
 Net assets per share (sen)		 23.62	 23.25

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.

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 SECOND QUARTER ENDED 31 OCTOBER 2015**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>5 MONTHS CURRENT FINANCIAL PERIOD 1 Jun 2015 to 31 Oct 2015 RM'000</b>	<b>5 MONTHS PRECEDING FINANCIAL PERIOD 1 Jun 2014 to 31 Oct 2014 RM'000</b>
<b>CASH FLOWS FOR OPERATING ACTIVITIES</b>		
Profit before taxation	2,065	N/A
Adjustments for:		
Non-cash items	3,530	N/A
Non- operating items	326	N/A
Operating profit before working capital changes	<u>5,921</u>	<u>N/A</u>
Net changes in current assets	(16,465)	N/A
Net changes in current liabilities	<u>1,745</u>	<u>N/A</u>
	(8,799)	N/A
Interest paid	(849)	N/A
Tax refund	211	N/A
Tax paid	<u>(1,401)</u>	<u>N/A</u>
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<u>(10,838)</u>	<u>N/A</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest income received	523	N/A
Increase in pledged deposits	(10,819)	N/A
Purchase of property, plant and equipment	(1,798)	N/A
Development costs paid	<u>(1,747)</u>	<u>N/A</u>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u>(13,841)</u>	<u>N/A</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Purchase of treasury shares	(214)	N/A
Repayment of finance lease payables	(203)	N/A
Repayment of term loans	(2,088)	N/A
Drawdown of short term financing	17,004	N/A
Repayment of short term financing	(7,393)	N/A
Proceeds from exercise of employees' share options	<u>1,984</u>	<u>N/A</u>
<b>NET CASH GENERATED FROM FINANCING ACTIVITIES</b>	<u>9,090</u>	<u>N/A</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(15,589)	N/A
<b>EFFECTS OF EXCHANGE RATE CHANGES</b>	(2,796)	N/A
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<u>22,213</u>	<u>N/A</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<u><b>3,828</b></u>	<u><b>N/A</b></u>
Cash and cash equivalents comprise of:		
Cash and bank balances	4,458	N/A
Deposits with licensed banks	<u>54,329</u>	<u>N/A</u>
	58,787	N/A
Bank overdrafts	(5,339)	N/A
Less: Deposits pledged to licensed banks	<u>(49,620)</u>	<u>N/A</u>
<b>Total cash and cash equivalents</b>	<u><b>3,828</b></u>	<u><b>N/A</b></u>

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 to be coterminous with the ultimate parent company's financial year end. As such, no comparative figures are presented due to the change of financial year end.

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 SECOND QUARTER ENDED 31 OCTOBER 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 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
<b>At 1 June 2015</b>	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	-	-	-	-	-	-	-	936	936	(793)	143
Other comprehensive income for the financial period, net of tax:											
- Foreign currency translation	-	-	-	-	1,076	-	-	-	1,076	820	1,896
Total comprehensive income for the financial period	-	-	-	-	1,076	-	-	936	2,012	27	2,039
Transactions with owners:											
Treasury shares acquired	-	(214)	-	-	-	-	-	-	(214)	-	(214)
Issuance of shares, pursuant to conversion of ICULS	28	-	(28)	-	-	-	-	-	-	-	-
Employees' share options:-											
- Exercised	439	-	-	2,236	-	-	(691)	-	1,984	-	1,984
- Forfeited	-	-	-	-	-	-	(16)	16	-	-	-
Total transactions with owners	467	(214)	(28)	2,236	-	-	(707)	16	1,770	-	1,770
<b>At 31 October 2015</b>	<b>75,724</b>	<b>(2,640)</b>	<b>2,517</b>	<b>71,572</b>	<b>4,564</b>	<b>418</b>	<b>-</b>	<b>25,748</b>	<b>177,903</b>	<b>11,703</b>	<b>189,606</b>

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

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.

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 SECOND QUARTER ENDED 31 OCTOBER 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 to be coterminous with the ultimate parent company's financial year end 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, covering 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 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 quarter under review.

**A5. Changes in estimates**

There were no material changes in estimates for the quarter ended 31 October 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 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 quarter 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 October 2015 except for the following:

**(a) Share capital**

	<b>Ordinary share of RM0.10 each</b>	
	<b>No. of shares</b>	<b>RM</b>
Share capital - issued and fully paid up as at 1 August 2015	756,995,072	75,699,507
Arising from conversion of ICULS	242,440	24,244
Share capital as at 31 October 2015	<u>757,237,512</u>	<u>75,723,751</u>

**(b) Share buy-back**

Month	Price per share (RM)			Number of shares	Total Considerations RM'000
	Lowest	Highest	Average		
August 2015	0.72	0.72	0.720	1,000	1
September 2015	0.58	0.66	0.620	342,000	213
			0.624	343,000	214

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

	Average price per share RM	Number of shares	Amount RM'000
Balance as at 1 June 2015	0.674	3,597,800	2,426
Increase in treasury shares	0.624	343,000	214
<b>Total treasury shares as at 31 October 2015</b>	0.670	3,940,800	2,640

As at 31 October 2015, the number of outstanding shares in issue and fully paid up with voting rights was 753,296,712 (31 May 2015: 748,968,272) ordinary shares of RM0.10 each.

**A10. Contingent liability**

**Bank guarantees of the Group are as follows:**

	<b>As at 31 October 2015 RM'000</b>	<b>As at 31 May 2015 RM'000</b>
(a) Performance bonds in favour of various government and statutory bodies, and private companies	23,430	24,029
(b) Performance bonds in favour of third party for private companies	<u>2,302</u>	<u>1,404</u>
	<u>25,732</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 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 quarter ended 31 October 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 5 months ended 31 October 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 5 months ended 31 October 2015</b>				
Revenue	47,441	-	10,657	58,098
Cost of sales	(28,902)	-	(7,908)	(36,810)
<b>Gross profit</b>	18,539	-	2,749	21,288
Other income	162	-	176	338
Expenses	(13,888)	(20)	(2,338)	(16,246)
<b>EBITDA</b>	4,813	(20)	587	5,380
Interest expense, net	(436)	-	110	(326)
Depreciation and amortisation	(2,270)	-	(719)	(2,989)
<b>Profit/(Loss) before taxation</b>	2,107	(20)	(22)	2,065
Income tax expense	(1,515)	-	(407)	(1,922)
<b>Profit/(Loss) after taxation</b>	592	(20)	(429)	143

	Malaysia RM'000	Singapore RM'000	The People's Republic Of China RM'000	Total RM'000
<b>For the 5 months ended 31 October 2014</b>				
Revenue	N/A	N/A	N/A	N/A
Cost of sales	N/A	N/A	N/A	N/A
<b>Gross profit</b>	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
<b>EBITDA</b>	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
<b>Profit/(Loss) before taxation</b>	N/A	N/A	N/A	N/A
Income tax expense	N/A	N/A	N/A	N/A
<b>Profit/(Loss) after taxation</b>	N/A	N/A	N/A	N/A

B) The segment information for the reportable segments by line of business for the 5 months ended 31 October 2015 and its comparative figures are as follows:-

	Individual Quarter 1 Aug 2015 to 31 Oct 2015 RM'000	Individual Quarter 1 Aug 2014 to 31 Oct 2014 RM'000	Cumulative Quarter 1 Jun 2015 to 31 Oct 2015 RM'000	Cumulative Quarter 1 Jun 2014 to 31 Oct 2014 RM'000
<u>Revenue by line of business:-</u>				
Voice	12,830	N/A	23,234	N/A
Data	22,067	N/A	34,693	N/A
Others	168	N/A	171	N/A
	35,065	N/A	58,098	N/A
<u>Gross profit by line of business:-</u>				
Voice	2,322	N/A	4,238	N/A
Data	10,304	N/A	16,936	N/A
Others	113	N/A	114	N/A
	12,739	N/A	21,288	N/A

**A15 Other income**

	Individual Quarter 1 Aug 2015 to 31 Oct 2015 RM'000	Individual Quarter 1 Aug 2014 to 31 Oct 2014 RM'000	Cumulative Quarter 1 Jun 2015 to 31 Oct 2015 RM'000	Cumulative Quarter 1 Jun 2014 to 31 Oct 2014 RM'000
Other income- Interest income	52	N/A	84	N/A
Miscellaneous income	1	N/A	254	N/A
	<u>53</u>	<u>N/A</u>	<u>338</u>	<u>N/A</u>

**A16 Interest expense (net)**

	Individual Quarter 1 Aug 2015 to 31 Oct 2015 RM'000	Individual Quarter 1 Aug 2014 to 31 Oct 2014 RM'000	Cumulative Quarter 1 Jun 2015 to 31 Oct 2015 RM'000	Cumulative Quarter 1 Jun 2014 to 31 Oct 2014 RM'000
<b>Breakdown:</b>				
Finance income	299	N/A	523	N/A
Interest charges	(176)	N/A	(438)	N/A
Term loan interest	(203)	N/A	(331)	N/A
Leasing interest	(5)	N/A	(8)	N/A
ICULS interest	1	N/A	(72)	N/A
	<u>(383)</u>	<u>N/A</u>	<u>(849)</u>	<u>N/A</u>
	<u>(84)</u>	<u>N/A</u>	<u>(326)</u>	<u>N/A</u>

**A17 Profit before taxation**

	Individual Quarter 1 Aug 2015 to 31 Oct 2015 RM'000	Individual Quarter 1 Aug 2014 to 31 Oct 2014 RM'000	Cumulative Quarter 1 Jun 2015 to 31 Oct 2015 RM'000	Cumulative Quarter 1 Jun 2014 to 31 Oct 2014 RM'000
Profit before taxation is arrived at after charging/(crediting):-				
Audit fee	71	N/A	137	N/A
Amortisation of development cost	326	N/A	520	N/A
Depreciation of property, plant and equipment	1,511	N/A	2,469	N/A
(Gain)/Loss on foreign exchange:				
- realised	(25)	N/A	(74)	N/A
- unrealised	(80)	N/A	305	N/A
Impairment loss on trade receivables	4	N/A	12	N/A
Rental of computer	77	N/A	121	N/A
Rental of office	495	N/A	764	N/A
Staff cost:				
- Salaries, bonus, wages and allowances	5,220	N/A	8,325	N/A
- Defined contribution plan	856	N/A	1,205	N/A
Interest income from deposits with licensed banks	(299)	N/A	(523)	N/A

**A18 Income tax expense**

	Individual Quarter 1 Aug 2015 to 31 Oct 2015 RM'000	Individual Quarter 1 Aug 2014 to 31 Oct 2014 RM'000	Cumulative Quarter 1 Jun 2015 to 31 Oct 2015 RM'000	Cumulative Quarter 1 Jun 2014 to 31 Oct 2014 RM'000
Income tax:				
Current period provision				
- In Malaysia	(1,423)	N/A	(1,522)	N/A
- Outside Malaysia	(248)	N/A	(248)	N/A
Overprovision in prior years				
- Outside Malaysia	-	N/A	19	N/A
	<u>(1,671)</u>	<u>N/A</u>	<u>(1,751)</u>	<u>N/A</u>
Deferred tax	(162)	N/A	(171)	N/A
	<u>(1,833)</u>	<u>N/A</u>	<u>(1,922)</u>	<u>N/A</u>

#### A19. Earnings per share

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

	Individual Quarter 1 Aug 2015 to 31 Oct 2015 RM'000	Individual Quarter 1 Aug 2014 to 31 Oct 2014 RM'000	Cumulative Quarter 1 Jun 2015 to 31 Oct 2015 RM'000	Cumulative Quarter 1 Jun 2014 to 31 Oct 2014 RM'000
Profit attributable to owners of the Company (basic)	398	N/A	936	N/A
	Individual Quarter 1 Aug 2015 to 31 Oct 2015 '000	Individual Quarter 1 Aug 2014 to 31 Oct 2014 '000	Cumulative Quarter 1 Jun 2015 to 31 Oct 2015 '000	Cumulative Quarter 1 Jun 2014 to 31 Oct 2014 '000
Weighted average number of ordinary shares in issue (basic)	753,324	N/A	753,193	N/A
	Individual Quarter 1 Aug 2015 to 31 Oct 2015	Individual Quarter 1 Aug 2014 to 31 Oct 2014	Cumulative Quarter 1 Jun 2015 to 31 Oct 2015	Cumulative Quarter 1 Jun 2014 to 31 Oct 2014
Basic earnings per share (sen)	0.05	N/A	0.12	N/A

#### A20. Other investments

	As at 31 Oct 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 Oct 2015 RM'000	As at 31 May 2015 RM'000
<u>Total Secured Borrowings:-</u>		
<u>Long term borrowings</u>		
Finance lease facilities, which are denominated in Ringgit Malaysia	659	86
Term loan facilities, which are denominated in Ringgit Malaysia	4,144	4,817
	<u>4,803</u>	<u>4,903</u>
<u>Short term borrowings</u>		
Finance lease facilities, which are denominated in Ringgit Malaysia	486	111
Term loan facilities, which are denominated in Ringgit Malaysia	1,742	1,635
Term loan facility, which is denominated in US dollar	11,647	11,009
- Foreign currency amount: USD 2,716,000 (31 May 2015: USD 3,007,000)		
Short term financing, which are denominated in Ringgit Malaysia	9,611	-
Bank overdrafts, which are denominated in Ringgit Malaysia	5,339	5,158
	<u>28,825</u>	<u>17,913</u>

#### A23. Other payables and accruals

Other payables and accruals of the Group are as follows:

	As at 31 Oct 2015 RM'000	As at 31 May 2015 RM'000
Sundry payables	16,334	14,899
Provision for Universal Service Fund Contribution ("USOF")	5,584	5,841
Accruals	5,404	5,772
Deposits payable	1,746	1,572
	<u>29,068</u>	<u>28,084</u>

Included in sundry payables is the following items:

(a) An amount of approximately RM7,480,000 (31 May 2015: RM6,871,000) owing to non-controlling interests. The amount represents unsecured interest-free advances granted to the Group and is repayable on demand.

(b) The advances for projects comprise receipts for the future projects which, on completion of those projects, will be recognised as revenue, approximately RM4,207,000 (31 May 2015: RM4,207,000).

**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 second quarter ended 31 October 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 to be coterminous with the ultimate parent company's financial year end and to comply with Section 168(1) of the Companies Act, 1965. As a result, the performance of the period ended 31 Oct 2014 was not available for comparison.

**B2. Material changes in profit before taxation compared to the preceding quarter**

	<b>CURRENT QUARTER 1 Aug 2015 to 31 October 2015 RM'000</b>	<b>PRECEDING PERIOD 1 June 2015 to 31 July 2015 RM'000</b>
Revenue	35,065	23,033
Profit before taxation and non-controlling interest	1,346	719

The Group recorded a profit before tax of RM1.35 million for 3 months ended 31 October 2015 as compared to profit before tax of RM0.72 million for Q1 FYE 2016. This increase is attributable the preceding quarter being a shorter, 2-month period and commencement of a new project in this second quarter.

**B3. 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. 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.

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.

**B4. Profit forecast**

No profit forecast was announced.

**B5. Corporate proposals**

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

**B6. Realised and unrealised profits**

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

	<b>As at 31 Oct 2015 RM'000</b>	<b>As at 31 May 2015 RM'000</b>
<u>Total retained profits of the Company and its subsidiaries:</u>		
Realised	37,764	42,825
Unrealised	(265)	(1,179)
	37,499	41,646
<u>Total share of retained profits of associates:</u>		
Realised	-	-
Unrealised	-	-
	-	-
	37,499	41,646
Less: Consolidation adjustments	(11,750)	(16,850)
	25,748	24,796