

REDTONE INTERNATIONAL BERHAD

(Company No: 596364-U)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER ENDED 30 APRIL 2016

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

The Directors are pleased to announce the unaudited Interim Financial Report for the fourth quarter ended 30 April 2016.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 APRIL 2016
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		1 Feb 2016 to 30 Apr 2016	1 Feb 2015 to 30 Apr 2015	1 Jun 2015 to 30 Apr 2016	1 Jun 2014 to 30 Apr 2015
		CURRENT QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING YEAR TO DATE
		RM'000	RM'000	RM'000	RM'000
GROUP REVENUE	A14 (B)	51,812	N/A	148,593	N/A
Less: Revenue from discontinued operation		(2,645)	N/A	(19,643)	N/A
Revenue from continuing operations		<u>49,167</u>	<u>N/A</u>	<u>128,950</u>	<u>N/A</u>
<u>Continuing Operations</u>					
LOSS FROM OPERATIONS		(17,525)	N/A	(19,098)	N/A
Investment related income	A14 (A)	332	N/A	559	N/A
Investment related expenses	A14 (A)	(385)	N/A	(385)	N/A
Finance costs	A15	<u>(668)</u>	<u>N/A</u>	<u>(1,911)</u>	<u>N/A</u>
LOSS BEFORE TAX	A16	(18,246)	N/A	(20,835)	N/A
TAXATION	A17	<u>877</u>	<u>N/A</u>	<u>(327)</u>	<u>N/A</u>
LOSS AFTER TAX FROM CONTINUING OPERATIONS		(17,369)	N/A	(21,162)	N/A
<u>Discontinued Operation</u>					
LOSS AFTER TAX FROM DISCONTINUED OPERATION		(12,838)	N/A	(16,417)	N/A
LOSS AFTER TAX		<u>(30,207)</u>	<u>N/A</u>	<u>(37,579)</u>	<u>N/A</u>
Other comprehensive items, net of tax					
<u>Item that may be reclassified subsequently to profit or loss:</u>					
- Foreign currency translation		<u>(189)</u>	<u>N/A</u>	<u>1,486</u>	<u>N/A</u>
Total comprehensive income for the financial period		<u>(30,396)</u>	<u>N/A</u>	<u>(36,093)</u>	<u>N/A</u>
<u>Loss attributable to:-</u>					
Owners of the Company					
- From continuing operations		(18,663)	N/A	(21,330)	N/A
- From discontinued operation		<u>(4,865)</u>	<u>N/A</u>	<u>(8,458)</u>	<u>N/A</u>
		(23,528)	N/A	(29,788)	N/A
Non-controlling interests		<u>(6,679)</u>	<u>N/A</u>	<u>(7,791)</u>	<u>N/A</u>
		<u>(30,207)</u>	<u>N/A</u>	<u>(37,579)</u>	<u>N/A</u>
<u>Total comprehensive income attributable to :-</u>					
Owners of the Company		(30,241)	N/A	(35,372)	N/A
Non-controlling interests		<u>(155)</u>	<u>N/A</u>	<u>(721)</u>	<u>N/A</u>
		<u>(30,396)</u>	<u>N/A</u>	<u>(36,093)</u>	<u>N/A</u>
<u>Loss per share (sen)</u>					
	A18				
- Basic, for the period from continuing operations		(2.40)	N/A	(2.72)	N/A
- Basic, for the period from discontinued operation		<u>(0.63)</u>	<u>N/A</u>	<u>(1.09)</u>	<u>N/A</u>
- Basic, for the period		<u>(3.03)</u>	<u>N/A</u>	<u>(3.81)</u>	<u>N/A</u>

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 FOURTH QUARTER ENDED 30 APRIL 2016
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	UNAUDITED As at 30 April 2016 RM'000	AUDITED As at 31 May 2015 RM'000
ASSETS			
Non-current Assets			
Property, plant and equipment		26,770	38,974
Investment properties		550	1,143
Deferred tax assets		1,397	1,424
Other investments	A19	50	50
Goodwill		426	6,363
Intangible assets		35,481	40,516
Development costs		4,774	11,301
		<u>69,448</u>	<u>99,771</u>
Current Assets			
Inventories		491	114
Trade receivables	A20	87,346	85,281
Other receivables, deposits and prepayments		13,510	16,378
Tax recoverable		4,831	2,469
Deposits with licensed banks		38,528	41,139
Cash and bank balances		4,029	23,010
		<u>148,735</u>	<u>168,391</u>
Assets of disposal group classified as held for sale		34,878	-
		<u>183,613</u>	<u>168,391</u>
TOTAL ASSETS		<u>253,061</u>	<u>268,162</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		75,728	75,257
Treasury shares		(5,631)	(2,426)
Reserves		67,431	101,290
Equity Attributable to Owners of the Company		<u>137,528</u>	<u>174,121</u>
Non-controlling interests		10,955	11,676
Total Equity		<u>148,483</u>	<u>185,797</u>
Non-current Liabilities			
Irredeemable convertible unsecured loan stocks ("ICULS")		525	678
Long term borrowings	A21	3,631	4,903
Deferred tax liabilities		867	867
		<u>5,023</u>	<u>6,448</u>
Current Liabilities			
Deferred income		2,642	7,604
Trade payables		40,507	18,918
Other payables and accruals	A22	15,604	28,084
Short term borrowings	A21	19,782	17,913
Provision for taxation		14	3,398
		<u>78,549</u>	<u>75,917</u>
Liabilities directly associated with disposal group classified as held for sale		21,006	-
		<u>99,555</u>	<u>75,917</u>
Total Liabilities		<u>104,578</u>	<u>82,365</u>
TOTAL EQUITY AND LIABILITIES		<u>253,061</u>	<u>268,162</u>
Net assets per share (sen)		<u>18.39</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.

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 FOURTH QUARTER ENDED 30 APRIL 2016
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	11 MONTHS CURRENT FINANCIAL PERIOD 1 Jun 2015 to 30 Apr 2016 RM'000	11 MONTHS PRECEDING FINANCIAL PERIOD 1 Jun 2014 to 30 Apr 2015 RM'000
CASH FLOWS FOR OPERATING ACTIVITIES		
Loss before taxation	(36,907)	N/A
Adjustments for:		
Non-cash items	33,945	N/A
Non- operating items	762	N/A
Operating loss before working capital changes	(2,200)	N/A
Net changes in current assets	(17,950)	N/A
Net changes in current liabilities	28,815	N/A
	8,665	N/A
Interest paid	(1,911)	N/A
Tax refund	211	N/A
Tax paid	(3,071)	N/A
NET CASH GENERATED FROM OPERATING ACTIVITIES	3,894	N/A
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income received	1,149	N/A
Increase in fixed deposits	(12,786)	N/A
Purchase of property, plant and equipment	(4,089)	N/A
Development costs paid	(4,378)	N/A
Grant received	6,197	N/A
NET CASH USED IN INVESTING ACTIVITIES	(13,907)	N/A
CASH FLOWS FROM FINANCING ACTIVITIES		
Purchase of treasury shares	(3,205)	N/A
Repayment of finance lease payables	(446)	N/A
Repayment of term loans	(2,437)	N/A
Drawdown of short term financing	28,146	N/A
Repayment of short term financing	(22,201)	N/A
Proceeds from exercise of employees' share options	1,984	N/A
NET CASH GENERATED FROM FINANCING ACTIVITIES	1,841	N/A
NET DECREASE IN CASH AND CASH EQUIVALENTS	(8,172)	N/A
EFFECTS OF EXCHANGE RATE CHANGES	(5,940)	N/A
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	22,213	N/A
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	8,101	N/A
Cash and cash equivalents comprise of:		
Cash and bank balances	4,029	N/A
Deposits with licensed banks	38,528	N/A
Including: Cash and cash equivalents classified as held for sale	17,115	N/A
	59,672	N/A
Bank overdrafts	(1,035)	N/A
Less: Deposits pledged to licensed banks	(50,536)	N/A
	8,101	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 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.

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 APRIL 2016
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	RETAINED PROFITS/ (ACCUMULATED LOSSES)	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
At 1 June 2015	75,257	(2,426)	2,545	69,336	3,488	418	707	24,796	174,121	11,676	185,797
Loss after taxation for the financial period	-	-	-	-	-	-	-	(29,788)	(29,788)	(7,791)	(37,579)
Other comprehensive income for the financial period, net of tax:											
- Foreign currency translation	-	-	-	-	(5,584)	-	-	-	(5,584)	7,070	1,486
Total comprehensive income for the financial period	-	-	-	-	(5,584)	-	-	(29,788)	(35,372)	(721)	(36,093)
Transactions with owners:											
Treasury shares acquired	-	(3,205)	-	-	-	-	-	-	(3,205)	-	(3,205)
Issuance of shares pursuant to conversion of ICULS	32	-	(32)	-	-	-	-	-	-	-	-
Employees' share options:-											
- Exercised	439	-	-	2,236	-	-	(691)	-	1,984	-	1,984
- Forfeited	-	-	-	-	-	-	(16)	16	-	-	-
Total transactions with owners	471	(3,205)	(32)	2,236	-	-	(707)	16	(1,221)	-	(1,221)
At 30 April 2016	75,728	(5,631)	2,513	71,572	(2,096)	418	-	(4,976)	137,528	10,955	148,483

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
At 1 June 2014												
- 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
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.

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 FOURTH QUARTER ENDED 30 APRIL 2016

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:

Period/Quarters for financial period ended 30 April 2016:

1st Period – 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 unusual items

There were no unusual items during the quarter under review except for the following:

Recognised directly in statement of profit or loss and other comprehensive income

	Individual Quarter 1 Feb 2016 to 30 Apr 2016 RM'000	Cumulative Quarter 1 Jun 2015 to 30 Apr 2016 RM'000
Impairment of goodwill	3,282	5,844
Impairment of property, plant and equipment	9,404	9,404

A5. Changes in estimates

There were no material changes in estimates for the quarter ended 30 April 2016.

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 cyclical 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 debt and equity securities, share buy-back, share cancellation, shares held as treasury shares for the quarter ended 30 April 2016 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	320,320	32,032
Arising from exercise of ESOS	4,393,000	439,300
Share capital as at 30 April 2016	<u>757,279,392</u>	<u>75,727,939</u>

(b) Share buy-back

Month	Price per share (RM)			Number of shares	Total Consideration RM'000
	Lowest	Highest	Average		
July 2015	0.72	0.72	0.720	1,000	1
September 2015	0.58	0.66	0.620	342,000	212
December 2015	0.62	0.62	0.620	1,000	1
January 2016	0.51	0.56	0.535	376,000	203
February 2016	0.52	0.53	0.520	300,000	157
March 2016	0.52	0.56	0.540	3,772,200	2,049
April 2016	0.53	0.56	0.545	1,070,000	582
			<u>0.547</u>	<u>5,862,200</u>	<u>3,205</u>

(c) The number of treasury shares held in hand as at 30 April 2016 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	0.547	5,862,200	3,205
Total treasury shares as at 30 April 2016	<u>0.595</u>	<u>9,460,000</u>	<u>5,631</u>

As at 30 April 2016, the number of outstanding shares in issue and fully paid up with voting rights was 747,819,392 (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 30 Apr 2016 RM'000	As at 31 May 2015 RM'000
(a) Performance bonds in favour of various government and statutory bodies, and private companies	23,403	24,029
(b) Performance bonds in favour of third party for private companies	<u>2,302</u>	<u>1,404</u>
	<u>25,705</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 30 April 2016 (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 11 months ended 30 April 2016 and its comparative figures are as follows:-

	<u>Continuing Operations</u>		<u>Discontinued</u>	<u>Total</u> RM'000
	<u>Malaysia</u> RM'000	<u>Singapore</u> RM'000	<u>Operation</u> The People's Republic Of China RM'000	
For the 11 months ended 30 April 2016				
Revenue	128,950	-	19,643	148,593
Cost of sales	(99,128)	-	(14,212)	(113,340)
Gross profit	29,822	-	5,431	35,253
Finance income	995	-	154	1,149
<u>Investment related income</u>				
- Gain on disposal of property, plant and equipment	2	-	-	2
- Gain on ICULS conversion	154	-	-	154
- Miscellaneous income	403	-	167	570
<u>Investment related expenses</u>				
- Impairment loss	(376)	-	(14,871)	(15,247)
- Fair value loss of investment property	(9)	-	-	(9)
General and administrative expenses	(44,788)	(47)	(5,792)	(50,627)
Loss before interest, tax, depreciation and amortisation	(13,797)	(47)	(14,911)	(28,755)
Finance costs	(1,911)	-	-	(1,911)
Depreciation and amortisation	(5,080)	-	(1,161)	(6,241)
Loss before tax	(20,788)	(47)	(16,072)	(36,907)
Taxation	(327)	-	(345)	(672)
Loss after tax	(21,115)	(47)	(16,417)	(37,579)

	<u>Continuing Operations</u>		<u>Discontinued</u>	<u>Total</u> RM'000
	<u>Malaysia</u> RM'000	<u>Singapore</u> RM'000	<u>Operation</u> The People's Republic Of China RM'000	
For the 11 months ended 30 April 2015				
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
Finance income	N/A	N/A	N/A	N/A
<u>Investment related income</u>				
- Gain on disposal of property, plant and equipment	N/A	N/A	N/A	N/A
- Gain on ICULS conversion	N/A	N/A	N/A	N/A
- Miscellaneous income	N/A	N/A	N/A	N/A
<u>Investment related expenses</u>				
- Impairment loss	N/A	N/A	N/A	N/A
- Fair value loss of investment property	N/A	N/A	N/A	N/A
General and administrative expenses	N/A	N/A	N/A	N/A
Earnings/(Loss) before interest, tax, depreciation and amortisation	N/A	N/A	N/A	N/A
Finance costs	N/A	N/A	N/A	N/A
Depreciation and amortisation	N/A	N/A	N/A	N/A
Profit/(Loss) before tax	N/A	N/A	N/A	N/A
Taxation	N/A	N/A	N/A	N/A
Profit/(Loss) after tax	N/A	N/A	N/A	N/A

A14. Segment information (continued)

B) The segment information for the reportable segments by line of business for the 11 months ended 30 April 2016 and its comparative figures are as follows:-

	Individual Quarter 1 Feb 2016 to 30 Apr 2016 RM'000	Individual Quarter 1 Feb 2015 to 30 Apr 2015 RM'000	Cumulative Quarter 1 Jun 2015 to 30 Apr 2016 RM'000	Cumulative Quarter 1 Jun 2014 to 30 Apr 2015 RM'000
<u>Revenue by line of business:-</u>				
Telecommunication services	16,076	N/A	67,812	N/A
Managed telecommunication network services	35,214	N/A	79,311	N/A
Industry digital services	473	N/A	1,073	N/A
Sales of telecommunication software, goods and installation charges	49	N/A	397	N/A
	<u>51,812</u>	<u>N/A</u>	<u>148,593</u>	<u>N/A</u>
Less: Revenue from discontinued operation	(2,645)	N/A	(19,643)	N/A
Revenue from continuing operations	<u>49,167</u>	<u>N/A</u>	<u>128,950</u>	<u>N/A</u>

	Individual Quarter 1 Feb 2016 to 30 Apr 2016 RM'000	Individual Quarter 1 Feb 2015 to 30 Apr 2015 RM'000	Cumulative Quarter 1 Jun 2015 to 30 Apr 2016 RM'000	Cumulative Quarter 1 Jun 2014 to 30 Apr 2015 RM'000
<u>Gross profit/(loss) by line of business:-</u>				
Telecommunication services	4,934	N/A	16,648	N/A
Managed telecommunication network services	(331)	N/A	17,550	N/A
Industry digital services	447	N/A	1,004	N/A
Sales of telecommunication software, goods and installation charges	(244)	N/A	43	N/A
	<u>4,806</u>	<u>N/A</u>	<u>35,245</u>	<u>N/A</u>
Less: Gross profit from discontinued operation	(852)	N/A	(5,431)	N/A
Gross profit from continuing operations	<u>3,954</u>	<u>N/A</u>	<u>29,814</u>	<u>N/A</u>

A15 Finance costs

	Individual Quarter 1 Feb 2016 to 30 Apr 2016 RM'000	Individual Quarter 1 Feb 2015 to 30 Apr 2015 RM'000	Cumulative Quarter 1 Jun 2015 to 30 Apr 2016 RM'000	Cumulative Quarter 1 Jun 2014 to 30 Apr 2015 RM'000
Interest charges	(415)	N/A	(1,031)	N/A
Term loan interest	(204)	N/A	(703)	N/A
Leasing interest	(6)	N/A	(19)	N/A
ICULS interest	(43)	N/A	(158)	N/A
	<u>(668)</u>	<u>N/A</u>	<u>(1,911)</u>	<u>N/A</u>

A16 Loss before tax

	Individual Quarter 1 Feb 2016 to 30 Apr 2016 RM'000	Individual Quarter 1 Feb 2015 to 30 Apr 2015 RM'000	Cumulative Quarter 1 Jun 2015 to 30 Apr 2016 RM'000	Cumulative Quarter 1 Jun 2014 to 30 Apr 2015 RM'000
Loss before tax is arrived at after charging/(crediting):-				
Audit fee	499	N/A	751	N/A
Amortisation of development cost	285	N/A	1,205	N/A
Depreciation of property, plant and equipment	1,101	N/A	5,036	N/A
(Gain)/Loss on foreign exchange:				
- realised	(52)	N/A	(200)	N/A
- unrealised	(434)	N/A	1,335	N/A
Impairment of trade receivables	10,180	N/A	10,201	N/A
Impairment of goodwill	3,282	N/A	5,844	N/A
Impairment of property, plant and equipment	9,404	N/A	9,404	N/A
Rental of computer	195	N/A	424	N/A
Rental of office	456	N/A	1,620	N/A
Staff cost:				
- Salaries, bonus, wages and allowances	6,186	N/A	19,953	N/A
- Defined contribution plan	645	N/A	2,448	N/A
Finance income	(434)	N/A	(1,149)	N/A

A17 Taxation

	Individual Quarter 1 Feb 2016 to 30 Apr 2016 RM'000	Individual Quarter 1 Feb 2015 to 30 Apr 2015 RM'000	Cumulative Quarter 1 Jun 2015 to 30 Apr 2016 RM'000	Cumulative Quarter 1 Jun 2014 to 30 Apr 2015 RM'000
Income tax:				
Reversal/(Provision) in current period				
- In Malaysia	916	N/A	(93)	N/A
Underprovision in prior years				
- In Malaysia	-	N/A	(207)	N/A
	916	N/A	(300)	N/A
Deferred tax	(39)	N/A	(27)	N/A
	877	N/A	(327)	N/A

A18 Loss per share

Basic loss per share is calculated as follows:

	Individual Quarter 1 Feb 2016 to 30 Apr 2016	Individual Quarter 1 Feb 2015 to 30 Apr 2015	Cumulative Quarter 1 Jun 2015 to 30 Apr 2016	Cumulative Quarter 1 Jun 2014 to 30 Apr 2015
Loss attributable to owners of the Company from continuing operations(RM'000)	(18,663)	N/A	(21,330)	N/A
Impact on income statement upon conversion of ICULS (RM'000)	43	N/A	158	N/A
	(18,620)	N/A	(21,172)	N/A
Loss attributable to owners of the Company from discontinued operation (RM'000)	(4,865)	N/A	(8,458)	N/A
Adjusted net loss attributable to owners of the Company (RM'000)	(23,485)	N/A	(29,630)	N/A
Weighted average number of ordinary shares in issue with voting rights ('000)	750,547	N/A	752,499	N/A
Weighted average number of shares to be issued upon conversion of mandatorily convertible ICULS ('000)	25,201	N/A	25,303	N/A
Number of shares used in the calculation of basic loss per share ('000)	775,748	N/A	777,802	N/A
Basic loss per share (sen)				
- From continuing operations	(2.40)	N/A	(2.72)	N/A
- From discontinued operation	(0.63)	N/A	(1.09)	N/A
	(3.03)	N/A	(3.81)	N/A

A19 Other investments

	As at 30 Apr 2016 RM'000	As at 31 May 2015 RM'000
At Cost:		
Non-current		
Unquoted shares in Malaysia	50	50

A20 Trade receivables

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

A21 Group Borrowings

Borrowings of the Group were as follows:

	As at 30 Apr 2016 RM'000	As at 31 May 2015 RM'000
<u>Secured</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	1,756	1,635
Term loan facility, which is denominated in US dollar	10,560	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	5,945	-
Bank overdrafts, which are denominated in Ringgit Malaysia	1,035	5,158
	<u>19,782</u>	<u>17,913</u>
<u>Long term borrowings</u>		
Finance lease facilities, which are denominated in Ringgit Malaysia	415	86
Term loan facilities, which are denominated in Ringgit Malaysia	3,216	4,817
	<u>3,631</u>	<u>4,903</u>
Total bank borrowings	<u>23,413</u>	<u>22,816</u>

* Converted at exchange rate as at 30 April 2016.

A22 Other payables and accruals

Other payables and accruals of the Group are as follows:

	As at 30 Apr 2016 RM'000	As at 31 May 2015 RM'000
Sundry payables	1,813	14,899
Provision for Universal Service Fund Contribution ("USOF")	5,972	5,841
Accruals	5,984	5,772
Deposits payable	1,835	1,572
	<u>15,604</u>	<u>28,084</u>

Included in sundry payables are the following items:

(a) An amount of approximately RM Nil (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 RM Nil (31 May 2015: RM4,207,000).

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

B1. Review of group performance for the fourth quarter ended 30 April 2016

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 for the period ended 30 April 2015 was not available for comparison.

For the quarter ended 30 April 2016

The group reported revenue of RM51.8 million (comprised of RM49.2 million from continuing operations and RM2.6 million from discontinued operation).

The loss after tax of RM30.2 million (comprised of RM17.4 million from continuing operations and RM12.8 million from discontinued operation) was mainly attributed to high project costs spilled over from the prolonged delay in major projects, high impairment of trade receivables and impairment of goodwill and property, plant and equipment.

For the 11-months financial period ended 30 April 2016

The group reported revenue of RM148.6 million (comprised of RM129.0 million from continuing operations and RM19.6 million from discontinued operation).

The loss after tax of RM37.6 million (comprised of RM21.2 million from continuing operations and RM16.4 million from discontinued operation) was mainly attributed to high project costs arising from the prolonged delay in major projects, high impairment of trade receivables and impairment of goodwill and property, plant and equipment.

B2. Material changes in loss before tax compared to the preceding quarter

For the quarter under review, the Group reported a revenue of RM51.8 million (comprised of RM49.2 million from continuing operations and RM2.6 million from discontinued operation) which was higher than RM38.7 million reported in the preceeding quarter. The higher revenue was mainly due to revenue growth in Managed Telecommunications Network Services in the current quarter.

The Group reported a higher loss before tax of RM31.1 million (comprised of RM18.3 million from continuing operations and RM12.8 million from discontinued operation) in the current quarter as compared to loss before tax of RM7.9 million in the preceeding quarter. The higher loss before tax was mainly due to higher impairment of trade receivables, additional impairment of goodwill, higher project cost and impairment of property, plant and equipment in the current quarter.

B3. Prospects and business outlook

Given the current macro-economic outlook and the prevailing weak Malaysian Ringgit, the Board of Directors is of the view that the operating environment for the next financial year will continue to be challenging for the Group.

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 follows:

	As at 30 Apr 2016 RM'000	As at 31 May 2015 RM'000
<u>Total retained profits of the Company and its subsidiaries:</u>		
Realised	41,722	42,825
Unrealised	(28,205)	(1,179)
	13,517	41,646
<u>Total share of retained profits of associates:</u>		
Realised	-	-
Unrealised	-	-
	-	-
	13,517	41,646
Less: Consolidation adjustments	(18,493)	(16,850)
	(4,976)	24,796