

REDTONE INTERNATIONAL BERHAD

(Company No: 596364-U)

(Incorporated in Malaysia)

Date : 15 December 2017

UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 OCTOBER 2017

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 OCTOBER 2017
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	UNAUDITED As at 31 October 2017 RM'000	AUDITED As at 30 April 2017 RM'000
ASSETS			
Non-current Assets			
Property, plant and equipment		20,666	22,365
Investment properties		1,760	1,760
Deferred tax assets		5,518	5,518
Goodwill		423	423
Intangible assets		37,026	37,826
Development costs		2,893	3,208
		<u>68,286</u>	<u>71,100</u>
Current Assets			
Inventories		181	657
Trade receivables	A17	76,351	104,009
Other receivables, deposits and prepayment		9,611	7,642
Tax recoverable		5,672	5,693
Cash and bank balances		49,069	47,798
		<u>140,884</u>	<u>165,799</u>
TOTAL ASSETS		<u>209,170</u>	<u>236,899</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	A8(a)	147,506	147,359
Reserves		<u>(6,596)</u>	<u>(8,848)</u>
		140,910	138,511
Treasury shares	A8(b)	<u>(5,653)</u>	<u>(5,653)</u>
Equity Attributable to Owners of the Company		135,257	132,858
Non-controlling interests		<u>4,833</u>	<u>4,920</u>
Total Equity		<u>140,090</u>	<u>137,778</u>
Non-current Liabilities			
Irredeemable convertible unsecured loan stocks ("ICULS")		339	404
Loans and borrowings	A18	1,711	1,800
Deferred tax liabilities		<u>1,949</u>	<u>1,933</u>
		<u>3,999</u>	<u>4,137</u>
Current Liabilities			
Trade payables	A19	41,422	49,995
Other payables and accruals	A19	17,376	17,339
Loans and borrowings	A18	5,351	27,125
Provision for taxation		932	525
		<u>65,081</u>	<u>94,984</u>
Total Liabilities		<u>69,080</u>	<u>99,121</u>
TOTAL EQUITY AND LIABILITIES		<u>209,170</u>	<u>236,899</u>
Net assets per share (sen)		<u>18.07</u>	<u>17.76</u>

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 April 2017.

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 2017
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	Note	3 months ended		6 months ended	
		31/10/17 RM'000	31/10/16 RM'000	31/10/17 RM'000	31/10/16 RM'000
GROUP REVENUE	A12	29,093	39,257	59,326	77,703
Less: Revenue from discontinued operations		-	(2,842)	-	(5,982)
Revenue from continuing operations		<u>29,093</u>	<u>36,415</u>	<u>59,326</u>	<u>71,721</u>
<u>Continuing Operations</u>					
PROFIT/(LOSS) FROM OPERATIONS		962	(8,094)	2,505	(8,841)
Investment related income	A12	1,157	6,457	1,231	6,611
Finance costs	A13	<u>(543)</u>	<u>(572)</u>	<u>(953)</u>	<u>(1,265)</u>
PROFIT/(LOSS) BEFORE TAX	A14	1,576	(2,209)	2,783	(3,495)
INCOME TAX EXPENSE	A15	<u>(154)</u>	<u>(169)</u>	<u>(471)</u>	<u>(184)</u>
PROFIT/(LOSS) AFTER TAX FROM CONTINUING OPERATIONS		1,422	(2,378)	2,312	(3,679)
<u>Discontinued Operations</u>					
LOSS AFTER TAX FROM DISCONTINUED OPERATIONS		-	(959)	-	(1,390)
PROFIT/(LOSS) AFTER TAX		<u>1,422</u>	<u>(3,337)</u>	<u>2,312</u>	<u>(5,069)</u>
Other comprehensive items, net of tax					
<u>Items that may be reclassified subsequently to profit or loss</u>					
- Foreign currency translation		2	801	-	885
- Foreign currency translation arising from disposal of subsidiary company		-	2,228	-	2,228
<u>Items that will not be reclassified subsequently to profit or loss</u>					
- Revaluation of properties		-	-	-	234
Total comprehensive income for the financial period		<u>1,424</u>	<u>(308)</u>	<u>2,312</u>	<u>(1,722)</u>
<u>Profit/(loss) attributable to:-</u>					
Owners of the Company					
- From continuing operations		1,300	(1,726)	2,399	(2,698)
- From discontinued operations		-	(908)	-	(1,093)
		<u>1,300</u>	<u>(2,634)</u>	<u>2,399</u>	<u>(3,791)</u>
Non-controlling interests		<u>122</u>	<u>(703)</u>	<u>(87)</u>	<u>(1,278)</u>
		<u>1,422</u>	<u>(3,337)</u>	<u>2,312</u>	<u>(5,069)</u>
<u>Total comprehensive income attributable to :-</u>					
Owners of the Company					
		1,302	2,035	2,399	(639)
Non-controlling interests		<u>122</u>	<u>(2,343)</u>	<u>(87)</u>	<u>(1,083)</u>
		<u>1,424</u>	<u>(308)</u>	<u>2,312</u>	<u>(1,722)</u>
<u>Earnings/(loss) per share (sen)</u>					
	A16				
- Basic, for the period from continuing operations		0.17	(0.22)	0.32	(0.34)
- Basic, for the period from discontinued operations		-	(0.12)	-	(0.14)
- Basic, for the period		<u>0.17</u>	<u>(0.34)</u>	<u>0.32</u>	<u>(0.48)</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 30 April 2017.

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 2017
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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

	SHARE CAPITAL	TREASURY SHARES	ICULS	SHARE PREMIUM	FOREIGN EXCHANGE RESERVE	REVALUATION RESERVE	ACCUMULATED LOSSES	TOTAL	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
At 1 May 2017	147,359	(5,653)	2,454	-	(663)	641	(11,280)	132,858	4,920	137,778
Profit after taxation	-	-	-	-	-	-	2,399	2,399	(87)	2,312
Other comprehensive income, net of tax	-	-	-	-	-	-	-	-	-	-
- Foreign currency translation	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	-	2,399	2,399	(87)	2,312
Transactions with owners										
Issuance of shares pursuant to conversion of ICULS	147	-	(147)	-	-	-	-	-	-	-
Total transactions with owners	147	-	(147)	-	-	-	-	-	-	-
At 31 October 2017	147,506	(5,653)	2,307	-	(663)	641	(8,881)	135,257	4,833	140,090
At 1 May 2016	75,728	(5,631)	2,513	71,572	(3,580)	418	(5,849)	135,171	10,525	145,696
Loss after taxation	-	-	-	-	-	-	(3,791)	(3,791)	(1,278)	(5,069)
Other comprehensive income, net of tax	-	-	-	-	-	-	-	-	-	-
- Foreign currency translation	-	-	-	-	690	-	-	690	195	885
- Foreign currency translation arising from disposal of subsidiary companies	-	-	-	-	2,228	-	-	2,228	-	2,228
- Revaluation of investment property	-	-	-	-	-	234	-	234	-	234
Total comprehensive income	-	-	-	-	2,918	234	(3,791)	(639)	(1,083)	(1,722)
Transactions with owners										
Treasury shares acquired	-	(22)	-	-	-	-	-	(22)	-	(22)
Issuance of shares pursuant to conversion of ICULS	8	-	(8)	-	-	-	-	-	-	-
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	10	10
Arising from disposal of subsidiary companies	-	-	-	-	-	-	-	-	(5,375)	(5,375)
Total transactions with owners	8	(22)	(8)	-	-	-	-	(22)	(5,365)	(5,387)
At 31 October 2016	75,736	(5,653)	2,505	71,572	(662)	652	(9,640)	134,510	4,077	138,587

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 30 April 2017.

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 2017
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	6 months ended	6 months ended
	31/10/17	31/10/16
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from operations	85,832	43,544
Payment for operating expenses (including taxes)	(59,768)	(92,415)
Other receipts/(payments)	227	(5,666)
Net cash generated from/(used in) operating activities	<u>26,291</u>	<u>(54,537)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Disposal of investment in subsidiary company	-	18,034
(Increase)/decrease in deposits	(490)	12,155
Acquisition of property, plant and equipment, intangible assets and development cost	(529)	(2,132)
Interest received	595	574
Net cash flow (used in)/generated from investing activities	<u>(424)</u>	<u>28,631</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of share capital to non-controlling interest of subsidiary company	-	10
Drawdown of bank and other borrowings	6,409	38,426
Repayment of borrowings and loan	(28,077)	(20,230)
Repayment of hire purchase/lease liabilities	(195)	(245)
Interest paid	(953)	(1,265)
Purchase of treasury shares	-	(22)
Net cash flow (used in)/generated from financing activities	<u>(22,816)</u>	<u>16,674</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	3,051	(9,232)
EFFECT OF EXCHANGE RATE CHANGES	-	(660)
OPENING CASH AND CASH EQUIVALENTS	(757)	4,658
CLOSING CASH AND CASH EQUIVALENTS	<u>2,294</u>	<u>(5,234)</u>
Cash and cash equivalents comprise of:		
Continued operations		
- Cash on hand and at banks	3,110	1,564
- Deposits with licensed banks	45,959	42,013
Total cash and bank balances	<u>49,069</u>	<u>43,577</u>
Less:		
- Deposits pledged	(45,959)	(42,013)
- Bank overdrafts	(816)	(6,798)
Total cash and cash equivalents	<u>2,294</u>	<u>(5,234)</u>

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 30 April 2017.

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 REPORT FOR THE SECOND QUARTER ENDED 31 OCTOBER 2017

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 issued by the Malaysian Accounting Standards Board ("MASB") and ACE Listing Requirements of the Bursa Malaysia Securities Berhad ("BMSB") and comply with the requirements of Companies Act 2016 that became effective on after 31 January 2017 in Malaysia.

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

A2. Changes in accounting policies

The Group has not early adopted new or revised standards and amendments to standards that have been issued but not yet effective for the Group's accounting period beginning on or after 1 January 2017.

The initial application of the MFRSs, Amendments to MFRSs and IC Interpretations, which will be applied prospectively or which requires extended disclosures, is not expected to have any significant financial impact to the financial statements of the Group upon their first adoption.

A3. Qualification of financial statements

The auditors' report of the Company's most recent annual audited financial statements did not contain any qualification.

A4. Nature and amount of unusual items

There were no unusual items during the quarter under review.

A5. Changes in estimates

There were no material changes in estimates for the quarter ended 31 October 2017.

A6. Changes in the composition of the group

There were no changes in the composition of the Group during the quarter under review.

A7. Seasonality or cyclicity of interim operations

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

A8. 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 period ended 31 October 2017 except for the following:

(a) Movement in share capital

	Number of Ordinary shares	RM
Share capital - issued and fully paid up as at 1 May 2017	757,564,472	147,359,350
Arising from conversion of ICULS	592,500	147,125
Share capital as at 31 October 2017	<u>758,156,972</u>	<u>147,506,475</u>

A8. Debt and equity securities (contd.)

(b) Share buy-back

There was no share buy back transacted during the period ended 31 October 2017 and the number of treasury shares held in hand as at 31 October 2017 are as follows:

	Average price per share RM	Number of shares	Amount RM'000
Total treasury shares as at 31 October 2017	0.595	9,502,000	5,653

As at 31 October 2017, the number of outstanding shares in issue and fully paid up with voting rights was 748,654,972 (30 April 2017: 748,062,472) ordinary shares.

A9. Contingent liability

Bank guarantees of the Group are as follows:

	As at 31 October 2017 RM'000	As at 30 April 2017 RM'000
Performance bonds in favour of various customers	21,935	22,347

A10. Dividends

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

A11. Material events subsequent to the end of the reporting period

There were no material transactions or events subsequent to the quarter ended 31 October 2017.

A12. Segment information

The segment information for the reportable segments by line of business for the 6 months ended 31 October 2017 are as follows:-

	6 months ended 31/10/17 RM'000
<u>Revenue</u>	
Telecommunication services	40,292
Managed telecommunication network services	16,483
Industry digital services	2,551
Total revenue	<u>59,326</u>
<u>Results</u>	
Telecommunication services	8,186
Managed telecommunication network services	(2,022)
Industry digital services	(2,093)
	<u>4,071</u>
Unallocated corporate expenses	(1,566)
Profit from operations	2,505
Investment related income	1,231
Finance costs	(953)
Profit before tax	<u>2,783</u>
Income tax expense	(471)
Profit after tax	<u>2,312</u>

A13. Finance costs

	3 months ended		6 months ended	
	31/10/17	31/10/16	31/10/17	31/10/16
	RM'000	RM'000	RM'000	RM'000
Interest expense on:				
- bank overdrafts	-	85	39	90
- bankers' acceptance	8	52	41	68
- finance lease	5	5	11	10
- ICULS	40	43	83	86
- term loans	38	109	86	321
- short term financing	59	162	231	490
Others	393	116	462	200
	<u>543</u>	<u>572</u>	<u>953</u>	<u>1,265</u>

A14. Profit/(loss) before tax

	3 months ended		6 months ended	
	31/10/17	31/10/16	31/10/17	31/10/16
	RM'000	RM'000	RM'000	RM'000
Profit/(loss) before tax is arrived at after charging/(crediting):-				
Audit fee - Statutory audit	94	129	178	200
- continuing operations	94	100	178	157
- discontinued operations	-	29	-	43
Audit fee - Other services	-	60	45	60
- continuing operations	-	60	45	60
- discontinued operations	-	-	-	-
Amortisation of development cost	225	267	340	524
- continuing operations	225	106	340	207
- discontinued operations	-	161	-	317
Depreciation of property, plant and equipment	1,102	1,471	2,214	2,922
- continuing operations	1,102	1,326	2,214	2,601
- discontinued operations	-	145	-	321
Loss/(gain) on foreign exchange:				
- realised	27	3,595	107	3,107
- continuing operations	27	3,594	107	3,106
- discontinued operations	-	1	-	1
- unrealised	16	(438)	20	48
- continuing operations	16	(438)	20	48
- discontinued operations	-	-	-	-
Allowance/(writeback) for doubtful debts on:				
- Trade receivables	12	(84)	126	39
- continuing operations	12	(84)	126	39
- discontinued operations	-	-	-	-
Rental of computer	30	120	100	215
- continuing operations	30	120	100	215
- discontinued operations	-	-	-	-
Rental of office	200	143	337	534
- continuing operations	200	216	337	411
- discontinued operations	-	(73)	-	123
Staff cost:				
- Salaries, bonus, wages and allowances	5,748	6,364	11,477	11,399
- continuing operations	5,748	6,013	11,477	10,684
- discontinued operations	-	351	-	715
- Defined contribution plan	797	872	1,447	1,514
- continuing operations	797	796	1,447	1,374
- discontinued operations	-	76	-	140
Interest income	(302)	(366)	(595)	(573)
- continuing operations	(302)	(353)	(595)	(559)
- discontinued operations	-	(13)	-	(14)
Other income	(1,157)	(6,417)	(1,231)	(6,575)
- continuing operations	(1,157)	(6,457)	(1,231)	(6,611)
- discontinued operations	-	40	-	36

Other than as presented in the condensed consolidated statement of profit or loss and other comprehensive income and as disclosed above, there were no gain or loss on disposal of quoted or unquoted investments or properties, impairment of assets, gain or loss on derivatives and exceptional items included in the results of the current quarter ended 31 October 2017.

A15. Income tax expense

	3 months ended		6 months ended	
	31/10/17 RM'000	31/10/16 RM'000	31/10/17 RM'000	31/10/16 RM'000
Current income tax:				
Provision in current period				
- Malaysian income tax from continuing operations	(146)	(144)	(456)	(152)
- Foreign income tax	-	(169)	-	(174)
- continuing operations	-	-	-	-
- discontinued operations	-	(169)	-	(174)
	(146)	(313)	(456)	(326)
Deferred tax				
- Origination and reversal of temporary differences	(8)	(25)	(15)	(32)
- continuing operations	(8)	(25)	(15)	(32)
- discontinued operations	-	-	-	-
	(8)	(25)	(15)	(32)
Income tax expense attributable to:-				
- continuing operations	(154)	(169)	(471)	(184)
- discontinued operations	-	(169)	-	(174)
	(154)	(338)	(471)	(358)

The disproportionate tax charge of the Group for the quarter/period ended 31 October 2017 was mainly due to the availability of the unabsorbed losses to offset the chargeable income.

A16. Earnings/(loss) per share

Basic earnings/(loss) per share is calculated as follows:

	3 months ended		6 months ended	
	31/10/17 RM'000	31/10/16 RM'000	31/10/17 RM'000	31/10/16 RM'000
Profit/(loss) attributable to owners of the Company from continuing operations	1,300	(1,726)	2,399	(2,698)
Impact on income statement upon conversion of ICULS	40	43	83	86
	1,340	(1,683)	2,482	(2,612)
Loss attributable to owners of the Company from discontinued operations	-	(908)	-	(1,093)
Adjusted net profit/(loss) attributable to owners of the Company	1,340	(2,591)	2,482	(3,705)
Weighted average number of ordinary shares in issue with voting rights ('000)	748,198	747,850	748,198	747,850
Weighted average number of shares to be issued upon conversion of mandatorily convertible ICULS ('000)	24,754	25,104	24,754	25,104
Number of shares used in the calculation of basic earnings per share ('000)	772,952	772,954	772,952	772,954
Basic earnings/(loss) per share (sen)				
- From continuing operations	0.17	(0.22)	0.32	(0.34)
- From discontinued operations	-	(0.12)	-	(0.14)
	0.17	(0.34)	0.32	(0.48)

There are no potential ordinary shares outstanding as at 31 October 2017. As such, the fully diluted earnings/(loss) per share of the Group is equivalent to the basic earnings/(loss) per share.

A17. Trade receivables

Trade receivables are mainly due from progress billings for government projects for managed telecommunications network services as well as corporate voice and data services.

A18. Loans and borrowings

Loans and borrowings of the Group were as follows:

	As at 31 October 2017 RM'000	As at 30 April 2017 RM'000
Current		
<u>Secured</u>		
Term loan facilities, which are denominated in Ringgit Malaysia	697	1,586
Trade financing, which are denominated in Ringgit Malaysia	3,589	22,056
Bank overdrafts, which are denominated in Ringgit Malaysia	816	3,086
<u>Unsecured</u>		
Finance lease facilities, which are denominated in Ringgit Malaysia	219	367
Hire purchase, which is denominated in Ringgit Malaysia	30	30
	<u>5,351</u>	<u>27,125</u>
Non current		
<u>Secured</u>		
Term loan facilities, which are denominated in Ringgit Malaysia	1,611	1,653
<u>Unsecured</u>		
Finance lease facilities, which are denominated in Ringgit Malaysia	-	32
Hire purchase, which is denominated in Ringgit Malaysia	100	115
	<u>1,711</u>	<u>1,800</u>
Total	<u>7,062</u>	<u>28,925</u>

A19. Trade and other payables

Payables of the Group are as follows:

	As at 31 October 2017 RM'000	As at 30 April 2017 RM'000
Trade payables	41,422	49,995
Sundry payables	1,751	1,670
Provision for Universal Service Fund Contribution ("USOF")	7,037	6,702
Accruals	4,246	4,385
Deposits payable	2,025	2,126
Deferred income	2,317	2,456
Other payables and accruals	17,376	17,339
Total	<u>58,798</u>	<u>67,334</u>

B. ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD (ACE MARKET) LISTING REQUIREMENTS

B1. Review of group performance for the second quarter and financial period ended 31 October 2017

Review of result for the quarter

For the quarter under review, the Group reported a revenue wholly from continuing operations of RM29.1 million, which was 20.1% lower than the RM36.4 million reported for continuing operations in previous year corresponding quarter. Managed telecommunication network services segment contributed lower revenue in line with lesser project activities, while growth was registered in telecommunications and industry digital services. The Group's total revenue was RM39.3 million for the previous year corresponding quarter if the RM2.9 million revenue from discontinued operations was included.

The Group posted a profit before tax for the current quarter of RM1.58 million from continuing operations, compared to the RM3 million loss before tax reported in Quarter 2 ended 31 October 2016, which comprised of RM2.21 million loss from continuing operations and RM0.79 million loss from discontinued operations. The improvement in results for the quarter was mainly due to higher gross margins.

Review of result for the 6-month financial period

For the financial period under review, the Group reported a revenue wholly from continuing operations of RM59.3 million, which was 17.3% lower than the RM71.7 million reported for continuing operations in previous year corresponding period. The lower revenue in current period was mainly due to lower managed telecommunication network services revenue compared to previous year corresponding period. The Group revenue for the previous year corresponding period was RM77.7 million if the RM6 million revenue from discontinued operations was included.

The Group posted a profit before tax for the current period of RM2.78 million from continuing operations, compared to the RM4.71 million loss before tax reported in previous year corresponding period, which comprised of RM3.5 million loss from continuing operations and RM1.21 million loss from discontinued operations. The improvement in results for the current period was mainly due to higher gross margins and lower operating costs.

B2. Review of result of second quarter vs first quarter

Commentary on revenue

The Group reported a revenue of RM29.10 million as compared to RM30.2 million in the preceding quarter. The quarter-on-quarter decrease resulted from lower wifi revenue.

Commentary on pre-tax profit

The Group reported a profit before tax of RM1.58 million as compared to profit before tax of RM1.21 million in the preceding quarter. The quarter-on-quarter increase resulted from higher gross margins and government grant received in the quarter.

B3. Prospects and business outlook

Given the macro-economic outlook and the prevailing market environment, the Board of Directors is of the view that the operating environment will continue to be challenging for the Group going forward.

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/(loss)

Breakdown of the Group's realised and unrealised profits/(loss) are as follows:

	Unaudited As at 31 October 2017 RM'000	Audited As at 30 April 2017 RM'000
Total retained profits/(loss) of the Company and its subsidiaries:		
Realised	(53,134)	(55,474)
Unrealised	3,972	3,970
	(49,162)	(51,504)
Less: Consolidation adjustments	40,281	40,224
	(8,881)	(11,280)