

REDTONE INTERNATIONAL BERHAD

(Company No: 596364-U)

(Incorporated in Malaysia)

Date : 21 March 2017

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 JANUARY 2017

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 JANUARY 2017
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	UNAUDITED As at 31 January 2017 RM'000	AUDITED As at 30 April 2016 RM'000
ASSETS			
Non-current Assets			
Property, plant and equipment		24,123	26,770
Investment properties		1,101	550
Deferred tax assets		5,574	5,612
Available-for-sale investments	A17	50	50
Goodwill		423	423
Intangible assets		38,051	37,839
Development costs		3,098	2,263
		<u>72,420</u>	<u>73,507</u>
Current Assets			
Inventories		1,318	572
Trade receivables	A18	99,980	86,546
Other receivables, deposits and prepayment		9,328	11,750
Tax recoverable		5,636	4,831
Cash and bank balances		45,552	43,031
		<u>161,814</u>	<u>146,730</u>
Assets of disposal group classified as held for sale		-	31,808
		<u>161,814</u>	<u>178,538</u>
TOTAL ASSETS		<u>234,234</u>	<u>252,045</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		147,308	75,728
Reserves		(10,751)	65,074
		<u>136,557</u>	<u>140,802</u>
Treasury shares		(5,653)	(5,631)
Equity Attributable to Owners of the Company		<u>130,904</u>	<u>135,171</u>
Non-controlling interests		3,413	10,525
Total Equity		<u>134,317</u>	<u>145,696</u>
Non-current Liabilities			
Irredeemable convertible unsecured loan stocks ("ICULS")		436	525
Loans and borrowings	A19	2,487	3,631
Deferred tax liabilities		995	995
		<u>3,918</u>	<u>5,151</u>
Current Liabilities			
Trade payables	A20	44,265	42,470
Other payables and accruals	A20	18,808	17,692
Loans and borrowings	A19	32,311	18,693
Provision for taxation		615	76
		<u>95,999</u>	<u>78,931</u>
Liabilities of disposal group classified as held for sale		-	22,267
		<u>95,999</u>	<u>101,198</u>
Total Liabilities		<u>99,917</u>	<u>106,349</u>
TOTAL EQUITY AND LIABILITIES		<u>234,234</u>	<u>252,045</u>
Net assets per share (sen)		<u>17.50</u>	<u>18.08</u>

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the period ended 30 April 2016.

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

REDTONE INTERNATIONAL BERHAD

(Company No.: 596364-U)

The Directors are pleased to announce the unaudited Interim Financial Report for the third quarter ended 31 January 2017.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 JANUARY 2017
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	Note	3 months ended		9 months ended	
		31/01/17 RM'000	31/01/16 RM'000	31/01/17 RM'000	31/01/16 RM'000
GROUP REVENUE	A12 (B)	37,432	38,683	115,135	N/A
Less: Revenue from discontinued operations		-	(6,341)	(5,982)	N/A
Revenue from continuing operations		<u>37,432</u>	<u>32,342</u>	<u>109,153</u>	<u>N/A</u>
<u>Continuing Operations</u>					
LOSS FROM OPERATIONS		(1,371)	(3,638)	(10,212)	N/A
Investment related income	A12 (A)	99	65	6,710	N/A
Investment related expense	A12 (A)	(2,059)	-	(2,059)	N/A
Finance costs	A13	(405)	(394)	(1,670)	N/A
LOSS BEFORE TAX	A14	(3,736)	(3,968)	(7,231)	N/A
TAXATION	A15	(546)	310	(730)	N/A
LOSS AFTER TAX FROM CONTINUING OPERATIONS		(4,282)	(3,657)	(7,961)	N/A
<u>Discontinued Operations</u>					
LOSS AFTER TAX FROM DISCONTINUED OPERATIONS		-	(3,858)	(1,390)	N/A
LOSS AFTER TAX		<u>(4,282)</u>	<u>(7,515)</u>	<u>(9,351)</u>	<u>N/A</u>
Other comprehensive items, net of tax					
<u>Items that may be reclassified subsequently to profit or loss:</u>					
- Foreign currency translation		12	(221)	897	N/A
- Foreign currency translation arising from disposal of subsidiary company		-	-	2,228	N/A
- Revaluation of investment property		-	-	234	N/A
Total comprehensive income for the financial period		<u>(4,270)</u>	<u>(7,736)</u>	<u>(5,992)</u>	<u>N/A</u>
<u>Loss attributable to:-</u>					
Owners of the Company					
- From continuing operations		(3,618)	(3,346)	(6,316)	N/A
- From discontinued operations		-	(3,850)	(1,093)	N/A
		<u>(3,618)</u>	<u>(7,196)</u>	<u>(7,409)</u>	<u>N/A</u>
Non-controlling interests		(664)	(319)	(1,942)	N/A
		<u>(4,282)</u>	<u>(7,515)</u>	<u>(9,351)</u>	<u>N/A</u>
<u>Total comprehensive income attributable to :-</u>					
Owners of the Company		(3,606)	(7,143)	(4,245)	N/A
Non-controlling interests		(664)	(593)	(1,747)	N/A
		<u>(4,270)</u>	<u>(7,736)</u>	<u>(5,992)</u>	<u>N/A</u>
<u>Loss per share (sen)</u>					
	A16				
- Basic, for the period from continuing operations		(0.46)	(0.42)	(0.80)	N/A
- Basic, for the period from discontinued operations		-	(0.49)	(0.14)	N/A
- Basic, for the period		<u>(0.46)</u>	<u>(0.92)</u>	<u>(0.94)</u>	<u>N/A</u>

N/A denotes Not Applicable

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 period ended 30 April 2016.

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 for the 9 months ended 31 January 2017 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 THIRD QUARTER ENDED 31 JANUARY 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 2016	75,728	(5,631)	2,513	71,572	(3,580)	418	(5,849)	135,171	10,525	145,696
Loss after taxation	-	-	-	-	-	-	(7,409)	(7,409)	(1,942)	(9,351)
Other comprehensive income, net of tax										
- Foreign currency translation	-	-	-	-	702	-	-	702	195	897
- Foreign currency translation arising from disposal of subsidiary company	-	-	-	-	2,228	-	-	2,228	-	2,228
- Revaluation of investment property	-	-	-	-	-	234	-	234	-	234
Total comprehensive income	-	-	-	-	2,930	234	(7,409)	(4,245)	(1,747)	(5,992)
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 company	-	-	-	-	-	-	-	-	(5,375)	(5,375)
Transfer pursuant to S 618(2) of CA 2016 *	71,572	-	-	(71,572)	-	-	-	-	-	-
Total transactions with owners	71,580	(22)	(8)	(71,572)	-	-	-	(22)	(5,365)	(5,387)
At 31 January 2017	147,308	(5,653)	2,505	-	(650)	652	(13,258)	130,904	3,413	134,317

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 period ended 30 April 2016.

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 for the 9 months ended 31 January 2017 due to the change of financial year end.

* Pursuant to Section 618(2) of the Companies Act 2016 ("CA 2016"), any outstanding share premium and capital redemption reserve accounts shall become part of share capital.

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 THIRD QUARTER ENDED 31 JANUARY 2017
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	9 months ended	
	31/01/17	31/01/16
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from operations	104,211	N/A
Payment for operating expenses (including taxes)	(146,257)	N/A
Other receipts	5,563	N/A
Net cash used in operating activities	<u>(36,483)</u>	<u>N/A</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Disposal of investment in subsidiary company	18,034	N/A
Acquisition of property, plant and equipment	(1,474)	N/A
Purchase of intangible assets	(1,373)	N/A
Interest received	875	N/A
Net cash flow generated from investing activities	<u>16,062</u>	<u>N/A</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of share capital to non-controlling interest of subsidiary company	10	N/A
Drawdown of bank and other borrowings	55,227	N/A
Repayment of borrowings and loan	(42,384)	N/A
Repayment of hire purchase/lease liabilities	(369)	N/A
Interest paid	(1,670)	N/A
Purchase of treasury shares	(22)	N/A
Net cash flow generated from financing activities	<u>10,792</u>	<u>N/A</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(9,629)	N/A
EFFECT OF EXCHANGE RATE CHANGES	(501)	N/A
OPENING CASH AND CASH EQUIVALENTS	4,658	N/A
CLOSING CASH AND CASH EQUIVALENTS	<u>(5,472)</u>	<u>N/A</u>
Cash and cash equivalent comprise of:		
- Cash on hands and at banks	2,359	N/A
- Deposits with licensed banks	43,193	N/A
Total cash and bank balances	<u>45,552</u>	<u>N/A</u>
Less:		
- Deposits pledged	(43,192)	N/A
- Bank overdrafts	(7,832)	N/A
Total cash and cash equivalents	<u>(5,472)</u>	<u>N/A</u>

N/A denotes Not Applicable

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the period ended 30 April 2016.

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 for the 9 months ended 31 January 2017 due to the change of financial year end.

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

A. NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 JANUARY 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 31 January 2017 in Malaysia.

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

A2. Changes in accounting policies

The Group has not 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 1 May 2016.

The initial application of the FRSs, Amendments to FRSs 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 except for the following:

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

	<u>3 months ended</u> <u>31/01/17</u> <u>RM'000</u>	<u>9 months ended</u> <u>31/01/17</u> <u>RM'000</u>
Allowance for doubtful debts on non-trade receivable	2,059	2,059
Gain on disposal of subsidiary company	-	6,369

A5. Changes in estimates

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

A6. Changes in the composition of the group

There were no changes in the composition of the Group during the period under review except for the following:

- (a) On 28 October 2016, the Company announced the completion of the disposal of its entire 92.31% stake in Redtone Asia Inc. ("RTAS") for a total sales consideration of RM22,158,908.
- (b) REDtone had on 3 August 2016, incorporated a new wholly owned subsidiary company under the name of Ansar Mobile Sdn Bhd ("AMSB") with an issued and paid-up share capital of RM10.

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 January 2017 except for the following:

(a) Share capital

	Number of Ordinary shares	RM
Share capital - issued and fully paid up as at 1 May 2016	757,279,392	75,727,939
Arising from conversion of ICULS	84,000	8,400
Share capital as at 31 January 2017	757,363,392	75,736,339
Transfer pursuant to S618(2) of CA 2016	-	71,571,740
	<u>757,363,392</u>	<u>147,308,079</u>

The outstanding balance of share premium account amounted to RM71,571,740 is now included as part of the company's share capital with effect from 31 January 2017 pursuant to Section 618(2) of the Companies Act 2016.

(b) Share buy-back

Month	Price per share (RM)			Number of shares	Total consideration RM'000
	Lowest	Highest	Average		
May 2016	0.52	0.53	0.528	40,000	21
July 2016	0.40	0.40	0.400	1,000	1
December 2016	0.30	0.30	0.295	1,000	-
			0.524	42,000	22

(c) The number of treasury shares held in hand as at 31 January 2017 are as follows:

	Average price per share RM	Number of shares	Amount RM'000
Balance as at 1 May 2016	0.595	9,460,000	5,631
Increase in treasury shares	0.524	42,000	22
Total treasury shares as at 31 January 2017	0.595	9,502,000	5,653

As at 31 January 2017, the number of outstanding shares in issue and fully paid up with voting rights was 747,861,392 (30 April 2016: 747,819,392) ordinary shares.

A9. Contingent liability

Bank guarantees of the Group are as follows:

	As at 31 January 2017 RM'000	As at 30 April 2016 RM'000
Performance bonds in favour of various customers	<u>15,756</u>	<u>25,705</u>

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 January 2017 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

A12. Segment information

A) The segment information for the reportable segments by country for the 9 months ended 31 January 2017 are as follows:-

	<u>Continuing Operations</u>		<u>Discontinued Operations</u>	<u>Total</u> RM'000
	<u>Malaysia</u> RM'000	<u>Singapore</u> RM'000	<u>The People's Republic Of</u> <u>China</u> RM'000	
For the 9 months ended 31 January 2017				
Revenue	109,153	-	5,982	115,135
Cost of sales	(83,362)	-	(4,016)	(87,378)
Gross profit	25,791	-	1,966	27,757
Finance income	861	-	14	875
Investment related income	6,710	-	(36)	6,674
Investment related expense	(2,059)	-	-	(2,059)
General and administrative expenses	(32,792)	(41)	(2,522)	(35,355)
Loss before interest, tax, depreciation and amortisation	(1,489)	(41)	(578)	(2,108)
Finance costs	(1,670)	-	-	(1,670)
Depreciation and amortisation	(4,031)	-	(638)	(4,669)
Loss before tax	(7,190)	(41)	(1,216)	(8,447)
Taxation	(730)	-	(174)	(904)
Loss after tax	(7,920)	(41)	(1,390)	(9,351)

B) The segment information for the reportable segments by line of business for the 9 months ended 31 January 2017 are as follows:-

	<u>3 months ended</u>		<u>9 months ended</u>	
	<u>31/01/17</u> RM'000	<u>31/01/16</u> RM'000	<u>31/01/17</u> RM'000	<u>31/01/16</u> RM'000
<u>Revenue by line of business:-</u>				
Telecommunication services	20,422	23,251	64,787	N/A
Managed telecommunication network services	16,865	15,166	49,590	N/A
Industry digital services	145	266	758	N/A
	<u>37,432</u>	<u>38,683</u>	<u>115,135</u>	<u>N/A</u>
Less: Revenue from discontinued operations	-	(6,341)	(5,982)	N/A
Revenue from continuing operations	<u>37,432</u>	<u>32,342</u>	<u>109,153</u>	<u>N/A</u>
	<u>3 months ended</u>		<u>9 months ended</u>	
	<u>31/01/17</u> RM'000	<u>31/01/16</u> RM'000	<u>31/01/17</u> RM'000	<u>31/01/16</u> RM'000
<u>Gross profit/(loss) by line of business:-</u>				
Telecommunication services	9,836	7,911	29,068	N/A
Managed telecommunication network services	(122)	983	(1,151)	N/A
Industry digital services	(76)	46	(160)	N/A
	<u>9,638</u>	<u>8,940</u>	<u>27,757</u>	<u>N/A</u>
Less: Gross profit from discontinued operations	-	(1,831)	(1,966)	N/A
Gross profit from continuing operations	<u>9,638</u>	<u>7,109</u>	<u>25,791</u>	<u>N/A</u>

A13. Finance costs

	3 months ended		9 months ended	
	31/01/17 RM'000	31/01/16 RM'000	31/01/17 RM'000	31/01/16 RM'000
Interest expense on:				
- bank overdrafts	51	63	141	N/A
- bankers' acceptance	(25)	38	43	N/A
- finance lease	5	5	15	N/A
- ICULS	43	43	129	N/A
- term loans	105	168	426	N/A
- short term financing	161	-	651	N/A
Others	65	77	265	N/A
	<u>405</u>	<u>394</u>	<u>1,670</u>	<u>N/A</u>

A14. Loss before tax

	3 months ended		9 months ended	
	31/01/17 RM'000	31/01/16 RM'000	31/01/17 RM'000	31/01/16 RM'000
Loss before tax is arrived at after charging/(crediting):-				
Audit fee - Statutory audit	96	40	296	N/A
- continuing operations	96	39	253	N/A
- discontinued operations	-	1	43	N/A
Audit fee - Other services	10	75	70	N/A
- continuing operations	10	75	70	N/A
- discontinued operations	-	-	-	N/A
Amortisation of development cost	118	400	642	N/A
- continuing operations	118	198	325	N/A
- discontinued operations	-	202	317	N/A
Depreciation of property, plant and equipment	1,105	1,466	4,027	N/A
- continuing operations	1,105	507	3,706	N/A
- discontinued operations	-	959	321	N/A
Loss/(gain) on foreign exchange:				
- realised	155	(74)	3,262	N/A
- continuing operations	155	(74)	3,261	N/A
- discontinued operations	-	-	1	N/A
- unrealised	4	1,464	52	N/A
- continuing operations	4	1,464	52	N/A
- discontinued operations	-	-	-	N/A
Allowance for doubtful debts on:				
- Trade receivables	62	9	101	N/A
- continuing operations	62	9	101	N/A
- discontinued operations	-	-	-	N/A
- Non-trade receivable	2,059	-	2,059	N/A
- continuing operations	-	-	-	N/A
- discontinued operations	-	2,562	-	N/A
Impairment of goodwill	-	-	-	N/A
- continuing operations	-	-	-	N/A
- discontinued operations	-	2,562	-	N/A
Rental of computer	92	108	307	N/A
- continuing operations	92	108	307	N/A
- discontinued operations	-	-	-	N/A
Rental of office	198	226	732	N/A
- continuing operations	198	122	609	N/A
- discontinued operations	-	104	123	N/A
Staff cost:				
- Salaries, bonus, wages and allowances	5,810	5,442	17,209	N/A
- continuing operations	5,810	4,883	16,494	N/A
- discontinued operations	-	559	715	N/A
- Defined contribution plan	647	598	2,161	N/A
- continuing operations	647	506	2,021	N/A
- discontinued operations	-	92	140	N/A
Interest income	(302)	(192)	(875)	N/A
- continuing operations	(302)	(146)	(861)	N/A
- discontinued operations	-	(46)	(14)	N/A

A15 Taxation

	3 months ended		9 months ended	
	31/01/17 RM'000	31/01/16 RM'000	31/01/17 RM'000	31/01/16 RM'000
Current income tax:				
Provision in current period				
- Malaysian income tax from continuing operations	(686)	305	(838)	N/A
- Foreign income tax	-	(112)	(174)	N/A
- continuing operations	-	-	-	N/A
- discontinued operations	-	(112)	(174)	N/A
Over provision in respect of previous years	147	-	147	N/A
- continuing operations	147	-	147	N/A
- discontinued operations	-	-	-	N/A
	(539)	193	(865)	N/A
Deferred tax				
- Origination and reversal of temporary differences	(7)	183	(39)	N/A
- continuing operations	(7)	5	(39)	N/A
- discontinued operations	-	178	-	N/A
	(546)	376	(904)	N/A

A16. Loss per share

Basic loss per share is calculated as follows:

	3 months ended		9 months ended	
	31/01/17 RM'000	31/01/16 RM'000	31/01/17 RM'000	31/01/16 RM'000
Loss attributable to owners of the Company from continuing operations	(3,618)	(3,346)	(6,316)	N/A
Impact on income statement upon conversion of ICULS	43	43	129	N/A
	(3,575)	(3,303)	(6,187)	N/A
Loss attributable to owners of the Company from discontinued operations	-	(3,850)	(1,093)	N/A
Adjusted net loss attributable to owners of the Company	(3,575)	(7,153)	(7,280)	N/A
Weighted average number of ordinary shares in issue with voting rights ('000)	747,855	753,298	747,855	N/A
Weighted average number of shares to be issued upon conversion of mandatorily convertible ICULS ('000)	25,099	25,204	25,099	N/A
Number of shares used in the calculation of basic loss per share ('000)	772,954	778,502	772,954	N/A
Basic loss per share (sen)				
- From continuing operations	(0.46)	(0.42)	(0.80)	N/A
- From discontinued operations	-	(0.49)	(0.14)	N/A
	(0.46)	(0.92)	(0.94)	N/A

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

A17. Available-for-sale investments

	As at 31 January 2017 RM'000	As at 30 April 2016 RM'000
At Cost:		
Non-current		
Unquoted shares in Malaysia	50	50

A18. Trade receivables

Trade receivables are mainly due from progress billings for major government projects under Managed Telecommunications Network Services as well as corporate voice and data services.

A19. Loans and borrowings

Loans and borrowings of the Group were as follows:

	As at 31 January 2017 RM'000	As at 30 April 2016 RM'000
Current		
<u>Secured</u>		
Term loan facilities, which are denominated in Ringgit Malaysia	1,756	1,756
Term loan facility, which is denominated in US dollar	-	10,560
- Foreign currency amount: Nil (30 April 2016: USD 2,716,000)		
Trade financing, which are denominated in Ringgit Malaysia	22,571	4,700
Bank overdrafts, which are denominated in Ringgit Malaysia	7,832	1,191
<u>Unsecured</u>		
Finance lease facilities, which are denominated in Ringgit Malaysia	122	486
Hire purchase, which is denominated in Ringgit Malaysia	30	-
	<u>32,311</u>	<u>18,693</u>
Non current		
<u>Secured</u>		
Term loan facilities, which are denominated in Ringgit Malaysia	1,944	3,216
<u>Unsecured</u>		
Finance lease facilities, which are denominated in Ringgit Malaysia	420	415
Hire purchase, which is denominated in Ringgit Malaysia	123	-
	<u>2,487</u>	<u>3,631</u>
Total	<u>34,798</u>	<u>22,324</u>

A20. Trade and other payables

Payables of the Group are as follows:

	As at 31 January 2017 RM'000	As at 30 April 2016 RM'000
Trade payables	44,265	42,470
Sundry payables	1,284	2,509
Provision for Universal Service Fund Contribution ("USOF")	6,673	5,972
Accruals	6,257	4,896
Deposits payable	2,063	1,805
Deferred income	2,531	2,510
Other payables and accruals	18,808	17,692
Total	<u>63,073</u>	<u>60,162</u>

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

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

B1. Review of group performance for the third quarter ended 31 January 2017

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 31 January 2016 which consisted of only 8 months results, was not comparable.

For the quarter ended 31 January 2017

The group reported a revenue of RM37.4 million for the current quarter under review, which is 3.2% lower than the RM38.7 million registered in Quarter 3, 2016. The year-on-year decrease was mainly due to lower revenue reported by Telecommunication Services resulting from the disposal of RTAS group. The group's RM37.4 million revenue for current quarter consisted wholly of revenue from continuing operations, which was 15.7% higher than the RM32.3 million reported for continuing operations in Quarter 3, 2016, mainly due to growth in data services and LTE sharing income.

The Group posted a lower loss before tax for the current quarter under review of RM3.74 million from continuing operations, which is 53% lower than the RM7.89 million loss before tax reported in Quarter 3, 2016, which comprised of RM3.97 million loss from continuing operations and RM3.92 million loss from discontinued operations. The higher losses registered in Quarter 3, 2016 was mainly due to impairment on goodwill for RTAS group and losses contributed by discontinued operations.

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

In Quarter 3, 2017, the Group reported a higher loss before tax of RM3.74 million as compared to loss before tax of RM3 million (comprised of RM2.21 million loss from continuing operations and RM0.79 million loss from discontinued operations) in the preceding quarter. The higher loss from continuing operations reported in the current quarter was mainly due to an allowance for doubtful debts on non-trade receivable from an associate company.

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 for the remaining quarter 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/(loss)

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

	As at 31 January 2017 RM'000	As at 30 April 2016 RM'000
Total retained profits/(loss) of the Company and its subsidiaries:		
Realised	(55,879)	(34,383)
Unrealised	4,538	4,590
	<u>(51,341)</u>	<u>(29,793)</u>
<u>Total share of retained profits of associates:</u>		
Realised	-	-
Unrealised	-	-
	<u>-</u>	<u>-</u>
	<u>(51,341)</u>	<u>(29,793)</u>
Less: Consolidation adjustments	38,083	23,944
	<u>(13,258)</u>	<u>(5,849)</u>