REDtone

REDTONE INTERNATIONAL BERHAD

(596364-U)

ANNUAL REPORT

2013

CONTENTS

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the **Eleventh Annual General Meeting** of the Company will be held at Langkawi Room, Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur on **Tuesday, 26 November 2013** at **11.00 a.m.** for the following purposes:

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 May 2013 of the Company and Group together with the Directors' and Auditors' Report thereon. — Ordinary Resolution 1

2. To approve the payment of Directors' fees amounting to RM358,375 in respect of the financial year ended 31 May 2013 (2012: RM353,917) — Ordinary Resolution 2

3. To re-elect the following Directors, who are retiring pursuant to Article 85 of the Company's Articles of Association and, being eligible, have offered themselves for re-election:-
   (i) Datuk Seri Syed Ali Bin Tan Sri Syed Abbas Al Habshee — Ordinary Resolution 3
   (ii) Jagdish Singh Dhaliwal — Ordinary Resolution 4

4. To re-appoint Messrs Crowe Horwath as Auditors of the Company and to authorise the Directors to fix their remuneration. — Ordinary Resolution 5

AS SPECIAL BUSINESS:

To consider and if thought fit, to pass the following resolutions with or without modifications:

6. Ordinary Resolutions

(i) To retain Mathew Thomas A/L Vargis Mathews as Independent Non-Executive Director pursuant to the Malaysian Code on Corporate Governance 2012 — Ordinary Resolution 6

"THAT Mathew Thomas A/L Vargis Mathews who has served the Board as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years be and is hereby retained as an Independent Non-Executive Director of the Company."

(ii) Authority to Issue Shares Pursuant to Section 132D of the Companies Act, 1965 — Ordinary Resolution 7

"THAT subject always to the Act and the approvals of the regulatory authorities, the Directors be and are hereby empowered pursuant to Section 132D of the Companies Act, 1965 to issue shares in the Company, at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the nominal value of the issued and paid-up capital (excluding treasury shares) of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad ("Bursa Securities") and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

(iii) Proposed Renewal Of Authority To Purchase Its Own Shares By The Company ("Proposed Renewal of Share Buy-Back Authority") — Ordinary Resolution 8

"THAT subject to the Companies Act, 1965 ("the Act"), rules, regulations and orders made pursuant to the Act, provisions of the Company's Memorandum and Articles of Association and Bursa Malaysia Securities Berhad ACE Market Listing Requirements ("ACE Market Listing Requirements") for the time being in force and any other relevant authorities, the Directors of the Company be hereby unconditionally and generally authorised to make purchases of ordinary shares of RM0.10 each in the Company's issued and paid-up share capital through Bursa Securities at anytime and upon such terms and conditions and for such purposes as the Directors may, in their discretion deem fit, subject further to the following:

(i) the maximum number of ordinary shares which may be purchased and/or held by the Company as treasury shares shall not exceed ten per centum (10%) of the issued and paid-up share capital of the Company for the time being ("REDtone Shares");

Notice of Annual General Meeting

(ii) the maximum fund to be allocated by the Company for the purpose of purchasing the REDtone Shares shall not exceed the aggregate of the retained profits and the share premium account of the Company. As of 31 May 2013, the audited retained profit and share premium of the Company were RM17.36 million and RM11.77 million, respectively;

(iii) the authority conferred by this resolution shall commence immediately upon the passing of this ordinary resolution and will continue to be in force until the conclusion of the next Annual General Meeting ("AGM") of the Company at which such resolution was passed (at which time it will lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions), or unless earlier revoked or varied by ordinary resolution of the shareholders of the Company in general meeting or the expiration of the period within which the next AGM is required by law to be held, whichever occurs first.

THAT in respect of each purchase of REDtone Shares, the Directors of the Company shall have the absolute discretion to decide whether such shares purchased are to be cancelled and/or retained as treasury shares for distribution of dividend to the shareholders and/or resale on the ACE Market of Bursa Securities and/or retained part as treasury shares and cancel the remainder.

AND THAT the Directors of the Company be hereby authorised to take all such steps to give effect to the Proposed Renewal of Share Buy-Back Authority and to do all such acts and things as the Directors of the Company may deem fit and expedient in the best interest of the Company."

7. To transact any other business of which due notice shall have been given in accordance with Companies Act, 1965 and the Company's Articles of Association.

8. <u>**Special Resolution**</u>

Proposed Amendments to the Articles of Association of the Company Special Resolution 1

"THAT the proposed amendments to the Company's Articles of Association as set out in Part B of the Share Buy-Back Statement dated 4 November 2013 be and are hereby approved and adopted ("Proposed Amendments")

AND THAT the Directors of the Company, be and are hereby authorised to give effect to the Proposed Amendments with full power to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed by any relevant authorities and to take all such steps as they may deem necessary or expedient in order to implement, finalise and give full effect to the Proposed Amendments."

BY ORDER OF THE BOARD
REDTONE INTERNATIONAL BERHAD

Yeap Kok Leong (MAICSA No. 0862549)
Wong Wai Foong (MAICSA No. 7001358)
Company Secretaries

Kuala Lumpur

Dated: 4 November 2013

Notice of Annual General Meeting

Notes:

I) A member of the Company entitled to attend and vote at the above meeting is entitled to appoint not more than two (2) proxies to attend and vote at the same meeting and the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.

II) A proxy may but need not be a Member of the Company, an advocate, an approved company auditor or a person approved by the Registrar of Companies, and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.

III) The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney authorised in writing or, if the appointer is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised.

IV) Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.

V) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

VI) The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a duly notarised certified copy of that power or authority, shall be deposited at the Share Registrar of the Company at Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the meeting or any adjourned meeting at which the person named in the instrument proposes to vote, and in the case of a poll, not less than forty-eight (48) hours before the time appointed for the taking of the poll, and in default, the instrument of proxy shall not be treated as valid.

VII) For the purpose of determining a member who shall be entitled to attend the Eleventh Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Article 61 of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositors as at 19 November 2013. Only a depositor whose name appears therein shall be entitled to attend the said meeting or appoint a proxy to attend and/or vote on his stead.

Explanatory Notes on Special Business:-

(a) Ordinary Resolution 6 – To retain Mathew Thomas A/L Vargis Mathews as Independent Non-Executive Director of the Company pursuant to the Malaysian Code on Corporate Governance 2012

Mathew Thomas A/L Vargis Mathews has served the Board as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years since 15 November 2003. The Board recommends that he should be retained as an Independent Non-Executive Director due to the following reasons:

(i) Mathew Thomas A/L Vargis Mathews is a Fellow of the Chartered Association of Certified Accountants, United Kingdom. He has 26 years of working experience in the audit and accounting practices and is currently the Managing Partner of Mathew & Partners, Chartered Accountants. He fulfills the criteria of an Independent Director as defined in Chapter 1 of the ACE Market Listing Requirements.

(ii) He has performed his duty diligently and in the best interest of the Company and has provided independent judgement and broader views and balanced assessments to the proposals from the Management with his diverse experience and expertise.

(iii) He actively participated in Board's and Board Committees' discussion and provided an independent view to the Board.

(iv) He has calibre, qualifications, experiences and personal qualities to consistently challenge management in an effective and constructive manner.

Notice of Annual General Meeting

(b) Ordinary Resolution 7 - Section 132D of the Act

Proposed Resolution 7 is a renewal of Section 132D mandate obtained from the Shareholders of the Company at the previous AGM and, if passed, will give the Directors of the Company, from the date of the above Meeting, authority to issue ordinary shares in the Company up to an amount not exceeding in total 10% of the nominal value of the issued and paid-up share capital (excluding treasury shares) of the Company for purpose of funding current and/or future investment projects, working capital, repayment of bank borrowings, acquisitions and/or for such other purposes as the Directors consider would be in the interest of the Company. This authority will, unless revoked or varied by the Company in General Meeting, expire at the next AGM.

Since the previous AGM, there was no issuance of new ordinary shares by the Company pursuant to the Section 132D mandate and the Directors do not intend to utilise Section 132D mandate from the date of issuance of this Annual Report up to the expiry date of the existing mandate.

(c) Ordinary Resolution 8 - Proposed Renewal of Share Buy-Back Authority

Please refer to the Share Buy-Back Statement dated 4 November 2013 accompanying the Company's Annual Report 2013, for information pertaining to Ordinary Resolution 8.

(d) Special Resolution 1 - Proposed Amendments to the Articles of Association of the Company

The proposed amendments to the Articles of Association are in compliance with the enhancements issued by Bursa Securities amending certain provisions of the ACE Market Listing Requirements.

Please refer to Part B of the Share Buy-Back Statement dated 4 November 2013 accompanying the Company's Annual Report 2013 for further information on Special Resolution 1.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Pursuant to Rule 8.29 of the ACE Market Listing Requirements

Director standing for election

There is no Director standing for election at the Eleventh Annual General Meeting of the Company.

Corporate Information

BOARD OF DIRECTORS

Datuk Seri Syed Ali Bin Tan Sri Syed Abbas Al Habshee
(Chairman / Non-Independent Non-Executive Director)

Dato' Wei Chuan Beng
(Managing Director)

Lau Bik Soon
(Group Chief Executive Director)

Dato' Ismail bin Osman
(Senior Executive Director)

Mathew Thomas A/L Vargis Mathews
(Senior Independent Non-Executive Director)

Jagdish Singh Dhaliwal
(Independent Non-Executive Director)

Dato' Mohd. Zaini bin Hassan
(Independent Non-Executive Director)

AUDIT COMMITTEE

Mathew Thomas A/L Vargis Mathews
(Chairman / Senior Independent Non-Executive Director)

Jagdish Singh Dhaliwal
(Member / Independent Non-Executive Director)

Dato' Mohd. Zaini bin Hassan
(Member / Independent Non-Executive Director)

COMPANY SECRETARIES

Yeap Kok Leong (MAICSA No. 0862549)
Wong Wai Foong (MAICSA No. 7001358)

REGISTERED OFFICE

Level 18, The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Telephone no.: 03-2264 8888
Facsimile no.: 03-2282 2733

AUDITORS

Crowe Horwath (AF 1018)
Chartered Accountants

HEAD OFFICE

Suite 22-30, 5th Floor
IOI Business Park
47100 Puchong
Selangor Darul Ehsan
Telephone no.: 03-8073 2288
Facsimile no.: 03-8073 7940
Website: www.redtone.com
E-mail: info@redtone.com

REGISTRAR

Tricor Investor Services Sdn Bhd
Level 17, The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Telephone no.: 03-2264 3883
Facsimile no.: 03-2282 1886

PRINCIPAL BANKERS

HSBC Bank Malaysia Berhad

NOMINATION COMMITTEE

Mathew Thomas A/L Vargis Mathews
(Chairman / Senior Independent Non-Executive Director)

Jagdish Singh Dhaliwal
(Member / Independent Non-Executive Director)

Dato' Mohd. Zaini bin Hassan
(Member / Independent Non-Executive Director)

REMUNERATION COMMITTEE

Jagdish Singh Dhaliwal
(Chairman / Senior Independent Non-Executive Director)

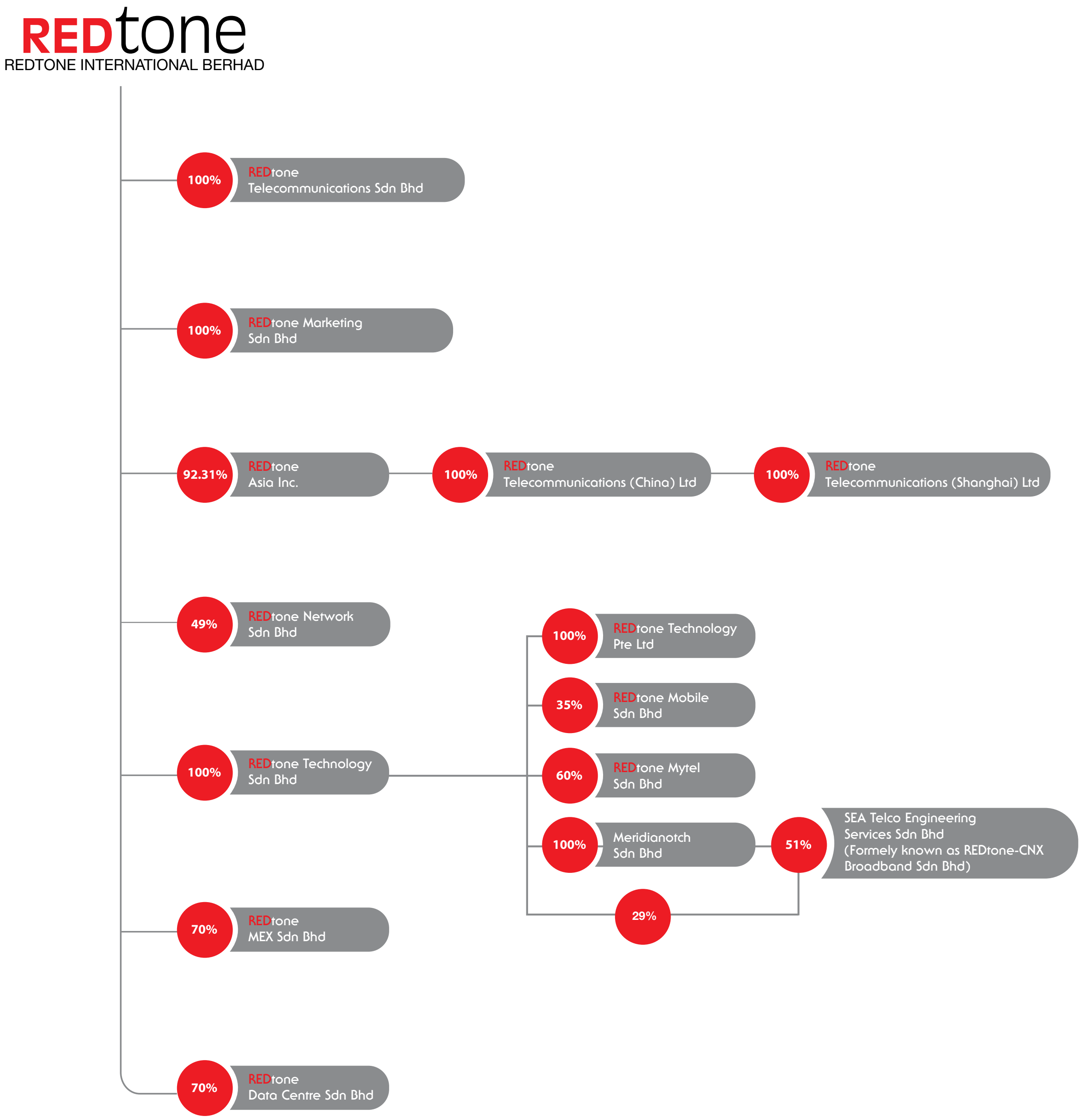
Dato' Wei Chuan Beng
(Member / Managing Director)

Mathew Thomas A/L Vargis Mathews
(Member / Senior Independent Non-Executive Director)

STOCK EXCHANGE LISTING

ACE Market of the **Bursa Malaysia Securities Bhd**
Stock Name : **REDTONE**
Stock Code : **0032**

Corporate Structure



Board of Directors' Profile

DATUK SERI SYED ALI BIN TAN SRI SYED ABBAS AL HABSHEE
(Chairman/Non-Independent Non-Executive Director)

Datuk Seri Syed Ali bin Tan Sri Syed Abbas Al Habshee, aged 51, a Malaysian, was appointed to the Board of Directors of the Company on 28 July 2011. He obtained his Professional Diploma in Leadership and Management by the New Zealand Institute of Management, New Zealand in 2003.

Datuk Seri has great knowledge and executive experience in leading private, public and government controlled organisations from a broad range of industries. Datuk Seri ventured into business in the early 1980s and currently sits on the board of several private and public corporations involved in a diverse range of businesses such as Asia Media Group Berhad, Tanjung Offshore Berhad, UZMA Berhad and Bright Packaging Industry Berhad. He also holds Chairmanships in Composites Technology Research Malaysia Sdn Bhd, a company which is controlled by the Ministry of Finance, and Yayasan Pendidikan Cheras, Kuala Lumpur. He was appointed as a member of the Malaysian Senate (Dewan Negara) on 21 April 2003 until April 2009.

He attended four of the five Board Meetings held during the financial year ended 31 May 2013.

DATO' WEI CHUAN BENG
(Managing Director)

Dato' Wei Chuan Beng, aged 47, was appointed to the Board of Directors of the Company on 15 November 2003. He is the Group Managing Director of REDtone and also manages the business in China which is operating under REDtone Asia Inc, a company listed on the US OTC Bulletin Board. He obtained his Bachelor's Degree (Honors) in Electrical Engineering from University Technology Malaysia in 1989 and Diploma in Management (Gold Medalist Award Winner) from Malaysia Institute of Management (MIM) in 1995. He also completed an Entrepreneur Development Program from the renowned MIT Sloan School of Management in USA in 2006.

Dato' Wei began his career with Hewlett Packard Sales Malaysia Sdn Bhd in 1989 as Customer Engineer responsible for information technology (IT) technical support and customer relations before taking up a role as Major Account Manager managing sales for large and strategic global customers such as Motorola, Nortel, Intel and Alcatel, among others. Having gained wide exposure in the IT, electronics and telecommunications industries, he focused his attention to become an entrepreneur. He started REDtone Telecommunications Sdn Bhd in 1996 with two partners.

As one of the founding members of the REDtone Group, Dato' Wei is instrumental in shaping the Group's strategic directions, business relations and policies to grow the business locally and internationally.

Dato' Wei is known as a passionate ICT leader among industry players. He was appointed member of the National IT Council chaired by Malaysia's Prime Minister (2010-2011). He sat on the board of PIKOM's (Association of the Computer and Multimedia Industry of Malaysia) council for 10 years and was the association's Chairman from 2010-2011. Dato' Wei is currently an advisor for PIKOM. He is also a past Chapter Chair of YPO Malaysia (Young Presidents' Organisation, a global organisation for CEOs with about 20,000 members in 120 countries) and has taken a role in the South East Asia based YPO SEA Dragon Chapter. Dato' Wei is member of the Royal Kuala Lumpur Rotary Club. He is a regular speaker at industry conferences and institutions of higher learning.

Dato' Wei is also a member of the Remuneration Committee of the Company.

He attended all five Board Meetings held during the financial year ended 31 May 2013.

Board of Directors' Profile

LAU BIK SOON
(Group Chief Executive Officer)

Mr. Lau Bik Soon, aged 42, a Malaysian, was appointed to the Board of Directors of the Company on 13 August 2008. He was subsequently appointed as its Group Chief Executive Officer on 8 July 2011, and will continue to lead the charge to take the company to newer levels of growth following its successful transformation from a voice to data and broadband provider. He has a First Class Honours Degree in Electrical Engineering from University Technology Malaysia.

During his six years with REDtone, Lau played a key role in building the company's data business. He was also instrumental in facilitating the company's transition to its present positioning. With over 19 years of experience in the ICT and telecommunications industry, he has held numerous key positions with international organizations such as Cisco Systems, Sun Microsystems, Compaq Computer, TQC Consultant (IT Division) Sdn Bhd and Motorola. While with those companies, he won various sales management excellence awards and accolades.

Prior to joining REDtone, he was the Country Manager for Hitachi Data Systems Malaysia.

He attended all five Board Meetings held during the financial year ended 31 May 2013.

DATO' ISMAIL BIN OSMAN
(Senior Executive Director)

Dato' Ismail bin Osman, aged 63, a Malaysian, was appointed to the Board of Directors of the Company on 5 September 2011. He obtained his Master of Science in Microwave Semiconductor Electronics from the University of Kent, United Kingdom.

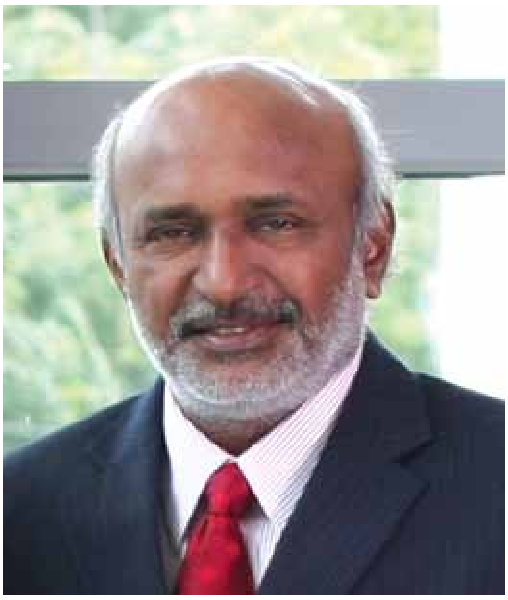
Dato' Ismail Bin Osman began his career in the telecommunications industry when he joined the Jabatan Telekom Malaysia (then known as JT) in 1976 after graduating in 1975 from UiTM. He then moved to the newly established telecommunications regulatory department called Jabatan Telekomunikasi Malaysia (JTM) in January, 1987 when JT migrated from government department to a corporation (called then STMB, now TM) established under the Companies Act, 1965. He held the position of Director of Spectrum Management in JTM until 1994 when he was promoted to Deputy Director General. In January 1999, he was promoted to the Director General of Telecommunications. Due to changes of regulatory regime from the Telecommunications Act, 1950 to the Communication Multimedia Act, 1998, JTM ceased its functions and regulatory functions were handed over to the Communications and Multimedia Commission from April 1999. He retired as the last Director General of Telecommunications on 1 April 1999.

Since his retirement from the government service, he has been actively involved directly in the private sector involving telecommunications industry in particular and others in general. He sat on various boards of public and private companies, including DiGi.Com Berhad, Cosway Berhad, Berjaya Group Berhad, MOLACCESS Bhd and Asiaspace Sdn. Bhd.

He is currently the Chairman of Malaysian Technical Standard Forum Bhd (MTSFB), a forum designated by Malaysian Communications and Multimedia Commission (MCMC). He is also nominated by the Chairman of MCMC to lead the Entry Point Project (EPP) # 9 called Smart Network.

He attended all five Board Meetings held during the financial year ended 31 May 2013.

Board of Directors' Profile



MATHEW THOMAS A/L VARGIS MATHEWS
(Senior Independent Non-Executive Director)

Mr. Mathew Thomas A/L Vargis Mathews, aged 58, a Malaysian, was appointed to the Board of Directors of the Company on 15 November 2003. He obtained his Chartered Association of Certified Accountants (UK) qualification from London in 1985. He is currently a Fellow of the Chartered Association of Certified Accountants, UK. He began his career in a small audit practice and after qualifying, joined one of the big four accounting firms in 1987. In 1990, he left to start up his own audit and accounting practice and is currently the Managing Partner of Mathew & Partners, Chartered Accountants. He is an approved Company Auditor licensed by the Ministry of Finance. Currently, he sits on the boards of several private limited companies in Malaysia including Mathew & Partners Consulting Sdn Bhd, Westar Corporation Sdn Bhd and Ultimate Class Sdn Bhd. He is also a member of the Malaysian Institute of Accountants (MIA) and the Malaysian Institute of Taxation.

Mr. Mathew Thomas is the Chairman of the Audit Committee and Nomination Committee. He is also a member of Remuneration Committee of the Company.

He attended all five Board Meetings held during the financial year ended 31 May 2013.

JAGDISH SINGH DHALIWAL
(Independent Non-Executive Director)

Mr. Jagdish Singh Dhaliwal, aged 61, a Malaysian, was appointed to the Board of Directors of the Company on 1 May 2010. He is a Fellow of the Association of Chartered Certified Accountants and a member of the Malaysian Institute of Accountants. He began his career as a Managing Director at Nebpalm Ltd in 1975. From 1977 to 1978, he worked in various industries till 1979 when he was appointed as an Accountant/Chief Accountant in Malaysian Rubber Research & Development Board where he served till 1996. He was Financial Controller in Multimedia Development Corporation (MDec) from 1996 to 1999 and Vice President of MDec from 1999 to 2008.

Mr. Jagdish is the Chairman of the Remuneration Committee and also a member of the Audit Committee and Nomination Committee of the Company.

He attended all five Board Meetings held during the financial year ended 31 May 2013.

Board of Directors' Profile

DATO' MOHD ZAINI BIN HASSAN
(Independent Non-Executive Director)

Dato' Mohd. Zaini Hassan, aged 49, a Malaysian, was appointed to the Board of Directors of the Company on 23 April 2012. He obtained his Master of Science (MSc.) in Media Management from University of Stirling, United Kingdom in 1995. He has also successfully completed his Bachelor of Mass Communication (Journalism) from Universiti Teknologi MARA (UiTM) in 1988. He began his career as a Cadet Reporter with Utusan Melayu (Malaysia) Berhad in 1989, had continuously climbed the corporate ladder, and is the Assistant Editor-in-Chief with Utusan Melayu (Malaysia) Berhad since 2008.

Dato' Mohd Zaini is a member of the Audit Committee and Nomination Committee of the Company.

He attended four of the five Board Meetings held during the financial year ended 31 May 2013.

Chairman and Managing Director's Letter to Shareholders

"We achieved record profit in 2013 following a business repositioning in 2009. Our focus now is to build on the turnaround so that we can continue to see strong earnings and good growth momentum in the coming years."

Dear Shareholders,

2013. Where do we start? Actually, in 2009, when we first put into action a plan that would allow us to reposition the company, divest unprofitable ventures and build on our competencies. Our goal was clear: to return to profitability as well as to rebuild our business in the light of a seriously declining Voice business.

Much was done in the years since, and in FY'12 we reported a return to profit. This year, we are very pleased to have achieved an even better set of results including a record profit after tax.

More importantly, we believe that we have made tremendous progress and REDtone is now a much stronger company. We are today leaner, focused and a preferred data and broadband solutions provider for the corporate, SME and government segments. We have also emerged as the country's largest WiFi network builder and a reliable technical partner to Tier 1 telcos by providing quality support services.

How Our Company Performed Financially

Simply put, REDtone has performed admirably well. Building on our turnaround performance of FY'12, we improved revenue this year by 32% to RM142 million from RM107 million previously. We also achieved a record profit after tax of RM25 million. This is our best profit since 2008 and is an impressive 1,253% jump from the RM1.86 million last year.

On an equally happy note, the board of directors has approved a dividend payout of RM7.58 million. This is approximately 30% of REDtone's net profit, and 5% more than the group's policy of distributing a minimum 25% of its net profit to shareholders.

Business Developments

Our business thrust in FY'13 was centred around expanding our ***data and broadband*** services where we have been seeing strong growth since FY'12. We also took the opportunity to divest non-core and non-profitable businesses. These two factors, though not the only ones, were key to our much-improved financial performance.

Our revenue and profit from data and broadband (which includes WiFi) continued to climb considerably with the corporate segment taking the lead. We also increased the number of WiFi hotspots and made further inroads into major government data projects to push data revenue up by 205% to RM75.33 million from RM24.65 million, with a 974% jump in pre-tax profit to RM17.97 million from RM1.67 million in FY'12.

We secured a major contract worth RM82.5 million in November 2012 to build, operate and maintain radio access network (RAN) infrastructure in the rural areas of Sabah under the Malaysian Communications and Multimedia Commission's (MCMC) Time 3 programme. This 3-year project is the largest government project REDtone has undertaken since we entered the government sector two years ago. We also submitted bids for other government projects where typically, such contracts range from three to five years.

As our data and broadband business gains traction, so has our reputation for being able to deliver quality service and customized solutions in a timely manner.

Recently, we opened a new, high-tech data centre in Cyberjaya (in addition to the existing centre in Kuala Lumpur) to provide a higher level of service to our data/broadband clients and to cater for expected growth in our data business.

We are also reaping the benefits of being involved in major WiFi projects throughout the country, including on-going projects for Tier 1 telcos. These projects are expected to continue to generate revenue for REDtone in the years ahead.

Since our last report, REDtone inked a wholesale Ethernet deal with Telekom Malaysia (TM). This is a significant collaboration as it provides REDtone access to all TM's Metro-E infrastructure nationwide. This means a wider coverage for our data and broadband services and the opportunity to further grow the number of corporate and SME/SMI customers who are our core data customers.

Chairman and Managing Director's Letter to Shareholders

Our ***Voice*** business remains profitable with consistent returns despite being in a highly competitive market. Our capex is minimal and this business generates solid cash flow.

We also collaborated with Huawei, Media Broadcast GmbH and PwC and submitted a tender for the building, operating and management of the only Digital Terrestrial TV Broadcast (DTTB) network in the country. This is a major undertaking and our three partners in this bid are recognised global experts in the various facets of DTTB. If we are successful in our bid, this will bode well for the future.

In ***Sabah and Sarawak***, we continue to be at the forefront in offering 4G/WIMAX services to SMEs and to rural regions. Our ability to deliver in difficult geographical conditions has bided us well and this is one of the reasons we were awarded the Time 3 contract by MCMC.

In Shanghai, ***China***, our pre-paid Voice and paperless reload (e-load) business continues to return profits and the operations are self-sustaining.

To help the company achieve long-term sustainable growth, we have in FY'13 set in motion several initiatives. Two of these initiatives are designed to improve our internal processes within R&D, operations and customer care as well as our effectiveness in service delivery capabilities.

The third initiative is the recruitment of approximately 100 direct sales staff in addition to hundreds of resellers. They will function as account managers and support staff and will back our drive for higher sales in FY'14 and beyond.

Where Do We Go From Here?

Data, broadband and WiFi is now our main income and profit generator and we expect growth in this segment to drive our business in the years ahead. We are presently ready to undertake nationwide rollouts covering locations such as the Klang Valley, Penang, Johor, Kuching and Kota Kinabalu. We have a presence in the smaller towns and are looking to expand the staff force there to support projects that are becoming more nationwide in nature.

As mentioned above, we have already recruited and trained personnel as well as invested in a new data centre to drive and cater for this growth. In addition, the Wholesale Ethernet agreement with TM will allow us to support further growth of our data business while solidifying our position as the leading broadband solutions provider for organisations. In June this year, we launched REDtone Fibre+, a dedicated business broadband service designed specifically for SMEs and enterprises. This service will enable heavy users avoid disruptive data traffic congestion issues.

In support of a higher demand for data/broadband, REDtone is also looking at offering value added services such as Google apps. Such apps and services will allow us to cut across market segments. We will also offer "vertical solutions" for large organisations and the government sector. This will enable our clients to subscribe to a whole range of data, broadband, voice and mobile solutions.

Our company is strong in Sabah and Sarawak where we have a high capability in delivering service to rural areas through our experience in rolling out community broadband centres, Time 3 base stations, RAN infrastructure sharing and "Kampung Tanpa Wayar" project. In executing these projects, we have developed and sharpened our telco engineering service capability. We can now offer this service to telcos and the broadcasting industry where the latter is going digital, opening up a new revenue stream for REDtone.

We will maintain our Voice business and footprint in China as both do not require further capex but will continue to generate cash for the company.

Riding on our 10-year infrastructure and spectrum sharing deal with Maxis signed in 2012, we hope to launch mobile broadband services soon. We are also receiving income as a result of the Network Sharing and Alliance Agreement with Maxis based on its number of 4G subscribers.

We have always said REDtone is capex-light. Moving ahead, we intend to maintain our balance sheet asset-light and we will not waver from the path of building on our turnaround to stay ahead of the curve.

Chairman and Managing Director's Letter to Shareholders

Corporate Responsibility

We continued to sponsor broadband access for students and teachers at Kolej Teknologi YPC-iTWEB in Cheras, a project we initiated in 2012. REDtone also provided broadband access and notebook facilities at the BN Youth Job Fair 2012 as well as cash contribution to Majlis Sumbangan Bantuan Hari Raya 2012 at Cheras Recreational Centre, Kuala Lumpur. We were also the title sponsor for the REDtone KL International Junior Open Squash Championships 2012 which drew 480 players from Malaysia, Singapore, Japan, Iran, India and Papua New Guinea.

People we need to thank

REDtone has achieved much throughout the transformative years and we owe our successes to our team of dedicated employees for their commitment and contributions. Now that the company is back on a profit path, we are confident their enthusiasm and team spirit will remain just as strong.

To our business partners, loyal customers and stakeholders, REDtone is committed to deliver top notch service and continuously improve the reliability and relevance of our product offerings.

And to our valued shareholders, thank you for your support and confidence in REDtone.

Datuk Seri Syed Ali bin Tan Sri Syed Abbas Al Habshee
Chairman

Dato' Wei Chuan Beng
Managing Director

Corporate Governance Statement

The Board of Directors ("Board") of REDtone International Berhad recognises the importance of upholding good corporate governance in the discharge of its duties and responsibilities to protect and enhance shareholders' value and raise the performance of the Group.

The Board is pleased to present this Statement on Corporate Governance which outlines an overview of the extent and manner of compliance with the principles and recommendations as set out in the Malaysian Code on Corporate Governance 2012 ("MCCG 2012") and the governance standards prescribed in the ACE Market Listing Requirements. This Statement also highlights the areas the Group has made good progress in adhering MCCG 2012's principles as well as the areas where more work needs to be undertaken.

A. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

1. Clear Functions of the Board and Management

The Board is responsible for the leadership, oversight and the long-term success of the Group. The Board fully understands their collective responsibilities in guiding the business activities of the Group in reaching an optimum balance of a sound and sustainable business operation in order to safeguard shareholders' value.

The Board has reserved certain items for its review including the approval of Group strategic plans, financial statements, dividend policy, risk management, significant acquisitions and disposals, investments in significant joint ventures, significant property transactions, significant capital expenditure, and board appointments.

The Board recognises that a strong independent element of the Board is essential to ensure a balance of power and authority. The roles and responsibilities of the Chairman and Managing Director are clearly segregated to further enhance and preserve a balance of authority and accountability. The Chairman provides overall leadership to the Board, without comprising the principle of collective responsibility for Board's decisions while the Managing Director focuses primarily on formulation and implementation of business strategies, oversees the implementation of the Board's decision and policies, as well as supervises the day to day management and running of the Group.

Beyond matters reserved for the Board's decision, the Board has delegated the authority to achieving the corporate objective to the Managing Director supported by the management team. The Managing Director remains accountable to the Board for the authority that is delegated to him and for the performance of the Group.

The Board has also delegated certain responsibilities to other Board Committees, which operate within clearly defined terms of reference. Standing committees of the Board include the Audit Committee, Nomination Committee and Remuneration Committee. The Board receives reports at its meetings from the Chairman of each committee on current activities and it is the general policy of the Company that all major decisions be considered by the Board as a whole.

2. Clear Roles and Responsibilities

During the financial year ended 31 May 2013, the Board reviewed the sustainability, effectiveness and implementation of the strategic plans for the year and provided guidance and input to the management. To ensure the effective discharge of its function and duties, the principal responsibilities of the Board include the following specific areas:-

- Strategic business plan and direction for the Group
- Investment and divestment proposals
- Approval of financial results
- Reviewing the adequacy and integrity of the Group's internal control systems
- Implementing an effective public communications and investor relations policies and programmes

Corporate Governance Statement

A. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES (CONT'D)

3. Code of Conduct

The Board would formalise ethical standards through a code of conduct and to ensure the implementation of appropriate internal systems by the Management to support, promote and ensure its compliance. The Board would also ensure that the code of conduct would be reviewed and updated regularly to meet the Company's needs and to address the changing conditions of its business environment.

4. Strategies Promoting Sustainability

The Group recognises the importance of its corporate and social responsibility whilst pursuing its corporate goals. The Group continues to invest in its staff through continuous training to develop in-house capability and also a united workforce that assists in the Group realising its goals and objectives.

The Group also promotes protection of the environment within the work environment, preventing wastages, recycling initiatives and conserving energy.

5. Access to Information and Advice

In ensuring the effective functioning of the Board, all Directors have individual and independent access to the advice and support services of the Company Secretary and External Auditors and, may seek advice from the Management on issues under their respective purview. The Directors may also interact directly with, or request further explanation, information or updates, on any aspect of the Company's business concerns from the Management to enable the Board to discharge its duties in relation to the matters being deliberated.

The Chairman of the Audit Committee would brief the Board on any salient matters raised at the Audit Committee meetings and which require the Board's notice or direction.

The Directors, whether as a full board or in their individual capacity, may seek independent professional advice at the Company's expense on specific issues and gain access to relevant information whenever required to enable the Board to discharge its duties in connection with specific matters.

6. Company Secretary

The appointment and removal of the Company Secretary is a matter for the Board. All directors have access to the advice and services of the Company Secretary, who is responsible for ensuring that board procedures are followed and that applicable rules and regulations are complied with.

The Board is satisfied with the support rendered by the Company Secretary to the Board in discharge of its roles and responsibility. The Company Secretary plays an advisory role to the Board on the Board's policies and procedures and compliance with the relevant regulatory requirements, codes or guidance and legislations. Also, the Company Secretary ensures that the deliberations at the Board meetings are well captured and minuted.

7. Board Charter

In discharging its duties, the Board is constantly mindful of the need to safeguard the interests of the Group's stakeholders. In order to facilitate the effective discharge of its duties and to ensure that all Board members acting on the Group's behalf are aware of their expanding roles and responsibilities, the Board will be establishing the Board Charter as a source of reference to the Board in the fulfilment of its roles, duties and responsibilities and which will be in line with the Recommendation of MCCG 2012 and provide insights to the prospective Board member.

The Board will update the Board Charter from time to time to reflect changes to the Company's policies, procedures and processes as well as the latest relevant legislation and regulation. The finalised Board Charter will be uploaded onto the Company's website.

B. STRENGTHEN COMPOSITION

The Board has formally constituted various committees which operate within defined terms of reference to assist in discharging its duties and responsibilities.

1. Audit Committee

The membership and Terms of Reference of the Audit Committee is stated in the Audit Committee Report of this Annual Report. A summary of activities of the Audit Committee during the year is set out in the Audit Committee Report on pages 25 to 29 of this Annual Report.

2. Nomination Committee

The Nomination Committee comprises exclusively of three (3) Independent and Non-Executive Directors and their attendance at meetings is as follows:-

NAME OF COMMITTEE MEMBERS	Designation	No. of Nomination Committee Meetings attended/ held in the financial year under review
Mr. Mathew Thomas a/l Vargis Mathews	Chairman	1/1
Mr. Jagdish Singh Dhaliwal	Member	1/1
Dato' Mohd Zaini bin Hassan	Member	0/1

The duties and responsibilities of the Nomination Committee are as follows:-

1. To nominate and recommend to the Board, suitable candidates for directorships;
2. To nominate and recommend to the Board, the nominees to fill seats on Board committees;
3. To assist the Board in its annual review of its required mix of skills and experience and other qualities, including core competencies which non-executive directors should bring to the Board;
4. To review annually the independence of the Independent Directors; and
5. To assist the Board in implementing an assessment program to assess the effectiveness of the Board as a whole, the committees of the Board and the individual director on an annual basis.

3. Remuneration Committee

The Remuneration Committee is responsible for recommending the remuneration framework for executive directors. In formulating the recommended framework and levels of remuneration, the Remuneration Committee has considered information prepared by management and survey data on the remuneration practices of comparable companies.

The current members of the Remuneration Committee and their attendance at meeting are as follows:

NAME OF COMMITTEE MEMBERS	Designation	No. of Remuneration Committee Meetings attended/ held in the financial year under review
Mr. Jagdish Singh Dhaliwal	Chairman	1/1
Dato' Wei Chuan Beng	Member	1/1
Mr. Mathew Thomas a/l Vargis Mathews	Member	1/1

B. STRENGTHEN COMPOSITION (CONT'D)

3. Remuneration Committee (Cont'd)

The Board, as a whole, determines the remuneration of non-executive directors, with each Director concerned abstaining from any decision as regards his remuneration. Taking into account the performance of the Group and the responsibilities and performance of the Directors, Directors' fees are set in accordance with a remuneration framework comprising responsibility fees and attendance fees. The Company pays its Directors an annual fee which is approved annually by shareholders.

Details of the nature and amount of each major element of the remuneration of directors of the Company, during the financial year, are as follows:

	Fees (RM)	Value of Remuneration and Others (RM)	Total (RM)
Executive Directors	–	1,465,092	1,465,092
Non-executive Directors	358,375	–	358,375

The number of directors whose remuneration fell within the respective bands is as follows:

Range of Remuneration (RM)	Number of Executive Directors	Number of Non-Executive Directors
50,000 and below	–	3
50,001 to 100,000	–	1*
100,001 to 150,000	–	1
150,001 to 200,000	–	–
200,001 to 250,000	1	–
250,001 to 300,000	–	–
300,001 and above	2	–

Notes:

* *Included Director who retired during the year*

C. REINFORCE INDEPENDENCE

1. ANNUAL ASSESSMENT OF INDEPENDENCE

The Nomination Committee had undertaken a review and assessment of the level of independence of the Independent Directors of the Board and based on the assessment, the Board is satisfied with the level of independence demonstrated by the Independent Directors, i.e. they are independent of management and free from any business dealing or other relationship with the Group that could reasonably be perceived to materially interfere with their exercise of unfettered and independent judgment.

C. REINFORCE INDEPENDENCE (CONT'D)

2. TENURE OF INDEPENDENT DIRECTORS

The Company does not have term limits for Independent Directors as the Board believes there are significant advantages to be gained from the long-serving Directors who possess tremendous insight and in-depth knowledge of the Company's business and affairs coupled with his calibre, qualifications, experience and personal qualities.

Recommendation 3.2 of MCCG 2012 states that the tenure of an independent director should not exceed a cumulative term of nine (9) years.

Mr. Mathew Thomas a/l Vargis Mathews has served on the Board for more than nine (9) years. However, the Nomination Committee and the Board have duly assessed, determined and resolved that Mr. Mathew Thomas a/l Vargis Mathews, who had served the Board for more than nine (9) years, remains objective and independent in expressing his views and in participating in deliberation and discussion of the Board and Board Committees. The length of his service on the Board does not in any way interfere with his exercise of independent judgement and ability to act in the best interest of the Group. Mr. Mathew Thomas a/l Vargis Mathews has demonstrated independence in carrying out his roles as a member of the Board and Board Committees, notably in fulfilling his role as Chairman of the Audit Committee and Nomination Committee.

The Board will recommend and seek the shareholders approval at the forthcoming AGM to retain Mr. Mathew Thomas a/l Vargis Mathews as an Independent and Non-Executive Director of the Company.

3. Board Composition and Balance

There are currently seven (7) Directors, comprising three (3) Executive Directors and one (1) Non-Independent Non-Executive Director and three (3) Independent Non-Executive Directors.

The Board acknowledges and takes cognisance of Recommendation 3.5 of the MCCG 2012, which recommends that the Board should comprise a majority of independent directors where the chairman is not an independent director.

However, the Chairman is a Non-Independent Non-Executive Director and he does not participate in the day-to-day management of the Group and there is no business or other relationship with the Group which could be perceived to materially interfere with his exercise of independent judgment. The Group's Independent Non-Executive Directors remain in a position to fulfill their responsibility to provide check and balance to the Board. The Board is of the opinion that this deviation from the recommendation of the MCCG 2012 will not significantly impair the corporate governance framework of the Company, and will maintain close monitoring to ensure balance of power and authority and the Board's decisions are made with adequate independent supervision. Also, Directors are required to abstain from deliberations and voting on decisions concerning transactions which are related to them or of which they have interests in.

The profiles of the directors are set out on pages 8 to11 of this Annual Report.

The Board is cognisant of the gender diversity recommendation promoted by the MCCG 2012. However, currently there is no female representation on the Board. The Board is satisfied with the current mix of skills, experiences, and industry-specific knowledge gained to-date by the respective Directors. Nevertheless, the Board will remain mindful of the gender diversity guideline when considering future changes to the Board's composition.

The Board will, from time to time continue to review its composition and size to ensure its effectiveness in its pivotal role in the stewardship of its strategic business direction and ultimately in the enhancement of its long-term shareholder value.

The Articles of Association of the Company provide that at every Annual General Meeting of the Company, one-third (1/3) of the directors shall retire from office and being eligible offer themselves for re-election. New directors appointed by the Board are subject to election by the shareholders at the next Annual General Meeting following their appointments.

Corporate Governance Statement

D. FOSTER COMMITMENT

1. Time Commitment

The Board requires its members to devote sufficient time to the workings of the Board, to effectively discharge their duties as Directors of the Company, and to use their best endeavours to attend meetings.

Board meetings for the ensuing financial year are scheduled in advance before the end of the current financial year so that the Directors are able to plan ahead.

During the financial year ended 31 May 2013, the Board met five (5) times, deliberating upon and considering a variety of matters including the Group's financial results, major investments, strategic decisions and the overall direction of the Group.

Agenda and matters for discussion are prepared and circulated in advance of each meeting. All proceedings from Board meetings are recorded and the minutes maintained by the Company Secretary. Details of the Directors' attendance during the financial year under review are summarised below:

NAME OF DIRECTORS	No. of Board of Directors' Meetings attended/ held in the financial year under review
Datuk Seri Syed Ali bin Tan Sri Syed Abbas Al Habshee	4/5
Dato' Wei Chuan Beng	5/5
Mr. Mathew Thomas a/l Vargis Mathews	5/5
Mr. Lau Bik Soon	5/5
Dato' Ismail bin Osman	5/5
Mr. Jagdish Singh Dhaliwal	5/5
Dato' Mohd Zaini bin Hassan	4/5
Dato' Ibrahim bin Che Mat[1]	3/3

Notes:

[1.] *Retired at the AGM held on 28 November 2012*

2. Directors' Training

The Board places great emphasis on continuous education for Directors. All Directors have successfully completed the Mandatory Accreditation Programme. In addition, the Directors undergo continuous training to ensure that they are kept abreast on various issues facing the changing business environment within which the Group operates.

Some of the courses, seminars, conferences and talks attended by the Directors were in the following areas:

- Business Value Creation & Exit Success
- Copycat Innovation
- The Exponential Function – A Catalyst for Leadership Insight
- Talent Management – Fonterra Experience
- Walking with Tigers
- Employee Engagement to the Power of 3

Corporate Governance Statement

E. UPHOLD INTEGRITY IN FINANCIAL REPORTING

1. Compliance with Applicable Financial Reporting Standards

The Company's audited financial statements are prepared in accordance with the requirements of the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

The Board aims to provide a balanced, clear and meaningful assessment of the Group's financial performance and prospects at the end of the financial year, primarily through the annual financial statements, quarterly announcements of results and the Chairman's Statement in the Annual Report. The Board is assisted by the Audit Committee in overseeing the Group's financial reporting to ensure compliance, completeness, adequacy and accuracy of its financial reporting. This assessment is provided in this Annual Report through the Statement by Directors pursuant to Section 169(15) of the Companies Act, 1965 as set out on page 41 of this Annual Report.

2. Suitability and Independence of external auditors

The Company has established a transparent arrangement with the auditors to meet their professional requirement.

The Company's External Auditors play an essential role by enhancing the reliability of the Company's financial statements and giving assurance of that reliability to users of these financial statements. The relationship between the Company and its External Auditors is primarily maintained through the Audit Committee and the Board.

The Audit Committee has explicit authority to communicate directly with the External Auditors. The Audit Committee meets the External Auditors without the presence of the Executive Directors and Management to discuss any concerns including management's cooperation in the audit process, quality and competency in the financial reporting function, sharing of information and audit issues in relation to appropriate accounting treatment.

The Audit Committee gave the External Auditors direct access at all times to highlight to the Audit Committee and the Board any issues of concern, significant defects in the Company's system of control and compliance.

F. RECOGNISE AND MANAGE RISK

1. Risk Management and Internal Control

The Board acknowledges its overall responsibility for continuous maintenance of a sound system of internal control as well as implementing a suitable Risk Management Framework to safeguard shareholders' investment and the Group's assets. The Company is planning to improve its risk management by investing in an Enterprise Risk Management system.

2. Internal Audit Function

The Company has outsourced its internal audit function to independent professional consulting firms as part of its effort to provide adequate and effective internal control system.

The internal auditors report independently and directly to the Audit Committee in respect of the Internal Audit function. The internal audit function is carried out in accordance with the annual internal audit plan as approved by the Audit Committee and all audit findings arising therefrom are reported to the Audit Committee on a quarterly basis.

The Statement on Risk Management and Internal Control furnished on pages 30 to 32 of this Annual Report provides an overview of the internal control framework within the Group during the financial year under review.

Corporate Governance Statement

G. ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

1. Corporate Disclosure Policy

The Company recognises the value of transparent and coherent communications with investment community consistent with commercial confidentiality and regulatory considerations.

The Board is mindful that information which is expected to be material must be announced immediately to Bursa Securities.

The Company is committed to ensuring that communications to the investing public regarding the business, operations and financial performance of the Company are accurate, timely, factual, informative, consistent, broadly disseminated and where necessary, information filed with regulators is in accordance with applicable legal and regulatory requirements.

2. Leverage on Information Technology for Effective Dissemination of Information

The Company maintains a website at www.redtone.com to facilitate access on pertinent information concerning the Group and its operations by the shareholders, consumers and general public. The Company's website includes all announcements, annual reports and financial results made by the Company to Bursa Securities

Through the Company's website, the stakeholders are also able to direct queries to the Company.

H. STRENGHTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

1. Encourage Shareholders' Participation at General Meetings

The AGM is the principal forum for dialogue with shareholders.

The Company values feedback from its shareholders and encourages them to actively participate in discussion and deliberations. AGM is held yearly to consider the ordinary business of the Company and any other special businesses. Each item of special business included in the notice is accompanied by a full explanation of the effects of the proposed resolution. During the annual and other general meetings, shareholders have direct access to Board members who are on hand to answer their questions, either on specific resolutions or on the Company generally. The Chairman ensures that a reasonable time is provided to the shareholders for discussion at the meeting before each resolution is proposed.

2. Encourage Poll Voting

The Board takes note of the Recommendation 8.2 of the MCCG 2012 that the Board should encourage poll voting. In line with this recommendation, the Chairman will inform the shareholders of their right to demand for poll at the commencement of the general meeting.

3. Effective Communication and Proactive Engagement

Notice of the AGM and annual reports are sent out to shareholders at least twenty one (21) days before the date of the meeting together with the financial statements and agenda for meeting to enable shareholders sufficient time to peruse the annual report and circulars supporting the resolutions proposed. The shareholders are encouraged to raise questions both about the Group's financial results and operations in general during the AGM.

Additional Compliance Information

Options, Warrants or Convertible Securities

During the financial year ended 31 May 2013, a total of 19,969,500 options were granted and 3,485,500 options were exercised pursuant to the Employees' Share Option Scheme.

During the financial year, the total number of Irredeemable Convertible Unsecured Loan Stocks ("ICULS") converted to ordinary shares are as follows:

No. of ICULS converted	9,622,150
No. of Ordinary Shares issued	3,848,860

During the financial year, 4,000 Warrants were exercised and converted into 4,000 ordinary shares.

Utilisation of Proceeds Raised from Corporate Proposals

There was no corporate proposal carried out during the financial year.

Non-Audit Fees

The amount of non-audit fees paid to the external auditors by the Company for the year ended 31 May 2013 was RM6,500. (2012: RM 5,400)

Recurrent Related Party Transactions ("RRPT")

The details of RRPT for the financial year under review are disclosed in Note 36 of the financial statements. The above related party transactions are of revenue or trading in nature and are entered into in the ordinary course of business and no shareholder's mandate was required as the amount involved is below the threshold requiring the shareholder's approval.

Share Buy-Back

During the financial year under review, the share buy-back transactions were as follows:

Month	No. of REDtone shares purchased and retained as Treasury Shares	Average purchase price per Share (RM)	Total consideration paid (RM)
July 2012	50,000	0.37	18,636
January 2013	283,400	0.40	113,848
February 2013	2,594,000	0.39	1,026,364
March 2013	819,500	0.39	324,377
April 2013	28,000	0.41	11,423
May 2013	512,000	0.41	211,216
	4,286,900		1,705,864

Additional Compliance Information

Share Buy-Back (Cont'd)

Details of the resale of treasury shares were as follows:-

Month	No. of REDtone shares resold	Average Purchase price per Share (RM)	Total Consideration Received (RM)
October 2012	489,000	0.39	190,212

Imposition of Sanctions and/or Penalties

In the financial year ended 31 May 2013, there were no sanctions and / or penalties imposed on the Company and its subsidiaries, directors or management by any regulatory body.

Variation of Results

There were no significant variances noted between the reported results and the unaudited results announced. The Company did not make any release on the profit estimates, forecasts or projections for the financial year ended 31 May 2013.

Profit Guarantee

There were no profit guarantees given by the Company during the financial year ended 31 May 2013.

Material Contract Involving Directors and Major Shareholders

There was no material contract entered into by the Group involving the interest of Directors and Major Shareholders, either still subsisting as at the end of the financial year or entered into since the end of the previous financial year.

Depository Receipt Programme

During the financial year ended 31 May 2013, the Company did not sponsor any Depository Receipt Programme.

Audit Committee Report

The Board of Directors of REDtone International Berhad is pleased to present the Audit Committee Report for the financial year ended 31 May 2013.

OBJECTIVE

The Audit Committee was established to act as a Committee of the Board of Directors to fulfill its fiduciary responsibilities in accordance to the Audit Committee Charter of REDtone International Berhad and to assist the Board to review the adequacy and integrity of the Group's financial administration and reporting and internal control.

TERMS OF REFERENCE

1.0 COMPOSITION

(a) The Committee shall fulfill the following requirements :

- The Committee must be composed of not less than three members;
- All members of the Committee shall be non-executive directors with a majority of them being independent directors; and
- At least one member of the Committee:
  - must be a member of the Malaysian Institute of Accountants ("MIA"); or
  - if he is not a member of MIA, he must have the relevant qualification and experience as specified by the ACE Market Listing Requirement of Bursa Malaysia Securities Berhad ("ACE Market Listing Requirements").

(b) Members of the Committee shall elect from among them a Chairman who shall be an independent non-executive director.

(c) The Committee shall have the authority to:

- investigate any activity of the Company and its subsidiaries.
- seek any information relevant to its activities from any employee.
- have full and unrestricted access to any information and documents pertaining to the Company and its subsidiaries
- convene meeting with the internal auditors and external auditors without the presence of the Executive Directors and Management staff

(d) Where the Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the ACE Market Listing Requirements, the Committee shall promptly report such matter to Bursa Malaysia Securities Berhad.

2.0 MEMBERSHIP

The current members of the Audit Committee are as follows:

Mr. Mathew Thomas a/l Vargis Mathews (Chairman, Independent Non-Executive Director)
Mr. Jagdish Singh Dhaliwal (Member, Independent Non-Executive Director)
Dato' Mohd Zaini bin Hassan (Member, Independent Non-Executive Director)

Audit Committee Report

3.0 ATTENDANCE OF MEETINGS

(a) A quorum shall consist of a majority of independent directors. In the absence of the Chairman, the members present shall elect a Chairman for the meeting from amongst the members present.

(b) The Committee may require the members of management, the internal auditors and representatives of the external auditors to attend any of its meetings as it determines.

(c) Other Directors and employees may attend any particular meeting only at the Committee's invitation, specific to the relevant meeting.

(d) The Company Secretary shall be the Secretary of the Committee or in his absence, another person authorized by the Chairman of the Committee

4.0 FREQUENCY OF MEETINGS

(a) Meeting shall be held at least four (4) times annually, or more frequently if circumstances so require the Committee to do so.

(b) The Committee should meet with the External Auditors without Executive Directors present at least once a year.

The details of attendance of each member at the Audit Committee meetings held during the financial year ended 31 May 2013 are as follows:

NAME OF COMMITTEE MEMBERS	Designation	No. of Audit Committee Meetings attended/ held in the financial year under review
Mr. Mathew Thomas a/l Vargis Mathews	Chairman	5/5
Mr. Jagdish Singh Dhaliwal	Member	5/5
Dato' Mohd Zaini bin Hassan	Member	2/5

The Company Secretary was present at all meetings.

5.0 AUTHORITY

(a) The Committee shall have explicit authority to investigate any matter within its Terms of Reference.

(b) The Committee have full access to any information pertaining to the Company and Group and unrestricted access to the senior management of the Company and Group.

(c) The Committee have direct communication channels with the external auditor and person(s) carrying out the internal audit function or activity.

(d) The Committee may with the approval of the Board, obtain independent professional or other advice in the performance of its duties.

6.0 DUTIES AND RESPONSIBILITIES

The Committee shall, amongst others, discharge the following functions:

(a) Financial Reporting

To review the quarterly result and year-end financial statements, prior to the approval by the Board of Directors, focusing particularly on

- the going concern assumption;
- changes in or implementation of major accounting policy;
- significant and unusual events; and
- compliance with accounting standards and other legal requirements.

(b) Related Party Transactions

To monitor and review any related party transaction that may arise within the Company or Group.

(c) Audit Reports

- To review internal and external audit reports to ensure that management has taken adequate and appropriate remedial actions on weaknesses identified.
- To discuss problems and reservations arising from the interim and final audits and any matter the auditors wish to discuss (in the absence of management, where necessary).

(d) External Audit

- To consider the performance of the external auditors and make recommendations to the Board of Directors on their appointment and the external auditors audit fee.
- To review the external auditors' audit plan, nature and scope of audit.

(e) Internal Audit

- to review the adequacy of the scope, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its work.
- to review the internal audit plan, processes, the results of the internal audit program, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function.
- to approve the appointment of the Internal Auditor.

(f) Other Matters

To carry out such other function as may be agreed to by the Audit Committee and the Board of Directors.

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE DURING THE FINANCIAL YEAR UNDER REVIEW

1. Reviewed the unaudited quarterly financial results of the Group before recommending to the Board of Directors for their approval and release of the Group's financial results to Bursa Securities.

2. Reviewed the Audit Planning Memorandum of the Group for the financial year ended 31 May 2013 with the external auditors.

3. Reviewed the annual audited financial statements of the Group, the issues arising from the audit, their resolutions and the external audit report with the external auditors prior to submission to the Board of Directors for their approval.

Audit Committee Report

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE DURING THE FINANCIAL YEAR UNDER REVIEW (CONT'D)

4. Reviewed the performance of the external auditors and make recommendations to the Board of Directors on their appointment and remuneration.

5. Reviewed the role and management of the internal audit function and the continued option to outsource the internal audit function.

6. Reviewed the annual internal audit plan to ensure adequate scope coverage over the activities of the Group.

7. Reviewed the internal audit findings and recommendations presented on the state of internal control of the Group.

8. Reviewed other pertinent issues of the Group, which has significant impact on the results of the Group and the statutory audits.

9. Met with the External Auditors without the presence of Management and Secretary.

INTERNAL AUDIT FUNCTION

The Committee is supported by the Internal Auditors in the discharge of its duties and responsibilities. It is the responsibility of the Internal Auditors to provide the Audit Committee with independent and objective reports on the state of internal control of the various operating units within the Group and the extent of compliance of the units with the Group's established policies and procedures.

To this end the functions of the Internal Auditors are to:

1. Perform audit work in accordance with the pre-approved internal audit plan
2. Carry out reviews on the systems of internal control of the Group
3. Review and comment on the effectiveness and adequacy of the existing control policies and procedures
4. Provide recommendations, if any, for the improvement of the control policies and procedures.

The Audit Committee and Board of Directors are satisfied with the performance of the Internal Auditors and have in the interest of greater independence and continuity in the Internal Audit function, taken the decision to continue with the outsource of the Internal Audit function.

In compliance with the decision of the Audit Committee in the financial year under review, the operational compliance reviews were as follows:

- Inventory Management
- Sabah Branch Operational Cash Management
- Sarawak Branch Operational Cash Management
- Johor Bahru Branch Operations Management
- Sales Order Process Management
- Fixed Assets Management
- Human Resource Management
- Financial Statement Close Processes
- Customer Service Management

At the request of the Audit Committee the internal audit reports and recommendations issued in the financial year ended 31 May 2013 were reviewed and reported upon to determine management compliance to the same.

The fees incurred during the financial year ended 31 May 2013 in relation to the internal audit function for the Group was RM140,070.

Audit Committee Report

STATEMENT ON EMPLOYEE SHARE OPTION SCHEME BY THE COMMITTEE

The bye-laws governing the Company's Employee Share Option Scheme ("ESOS") was approved on 30 November, 2010 for a duration of five (5) years commencing 14 January 2011. The Board of Directors and the Options Committee may extend the ESOS for another five (5) years upon expiry of the current validity period.

The Audit Committee confirms that the allocation of options offered by the Company to the eligible employees of the Group complies with the By-Laws of the Company's ESOS.

The breakdown of the option held by the Non-Executive Directors pursuant to the Company's ESOS in respect the financial year ended 31 May 2013 is as follows:

	Number of Share Options Over Ordinary Shares of RM0.10 Each			
Name of Directors	**At 1 June 2012**	**Granted**	**Exercised**	**At 31 May 2013**
Mr Mathew Thomas a/l Vargis Mathews	200,000	100,000	200,000	100,000
Mr Jagdish Singh Dhaliwal	50,000	100,000	50,000	100,000
Dato' Mohd Zaini bin Hassan	–	50,000	–	50,000

Statement on Risk Management and Internal Control

1. INTRODUCTION

The Board of Directors ("Board") of REDtone International Berhad recognises the importance of good corporate governance practices and is committed to maintaining a sound risk management and internal control system to safeguard shareholders' investment and the Group's assets.

The Board is pleased to set out below the Board's Statement on Risk Management and Internal Control ("Statement") which is prepared in accordance with Rule 15.26(b) of the ACE Market Listing Requirements, Malaysian Code on Corporate Governance 2012 and as guided by the Statement on Risk Management and Internal Control: Guidance for Directors of Listed Issuers.

2. BOARD RESPONSIBILITY

The Board affirms its overall responsibility for the Group's system of internal control and for reviewing the adequacy and integrity of the system. It should also be appreciated that the whole system of internal control is designed to manage and control risks appropriately rather than a definitive system designed for the total avoidance of risks or for eliminating the risk of failure.

The regular reviews and evaluations of the internal control system, is an ongoing process, to identify, evaluate and manage the significant risks faced or potentially faced by the Group, in pursuing its business objectives. These processes are in place throughout the financial year under review and up to the date of approval of this Annual Report.

The Board has delegated to the Executive Committee the implementation of the system of internal controls within an established framework throughout the Group.

3. RISK MANAGEMENT FRAMEWORK

The Board regards the management of core risks as an integral and critical part of the day-to-day operations of the Group. The experience, knowledge and expertise to identify and manage such risks throughout the financial year under review enables the Group to make cautious, mindful and well-informed decisions through formulation and implementation of requisite action plans and monitoring regime which are imperative in ensuring the accomplishment of the Group's objectives.

The Company is in the process of improving the risk management by investing in an Enterprise Risk Management system. Meanwhile, there is an on-going process of identifying the major risks that could potentially and significantly impact on the Group's business objectives and the Company has assigned the respective Heads of Department to manage the risks within their departments. Significant risks identified and the corresponding internal controls implemented are discussed at periodic management meetings.

The Board of Directors and Management also recognise and acknowledge that the development of an effective internal control system is an ongoing process and to this end maintains a continuous commitment to strengthen the existing internal control environment of the Group.

4. KEY INTERNAL CONTROL ELEMENTS

The key elements of the Group's Internal Control System include:

- Clearly defined terms of reference, authorities and responsibilities of the various committees which include the Audit Committee, Nomination Committee and Remuneration Committee.

- Well defined organisational structure with clear lines for the segregation of duties, accountability and the delegation of responsibilities to senior management and the respective division heads including appropriate authority limits to ensure accountability and approval responsibility.

- The Company's performance is monitored on a monthly basis and the business objectives and plans are reviewed in the monthly management meetings attended by division and business unit heads. The Managing Director and Executive Directors meet regularly with senior management to consider the Group's financial performance, business initiatives and other management and corporate issues.

- There are regular Board meetings and Board papers are distributed in advance to all Board members who are entitled to receive and access all necessary and relevant information. Decisions of the Board are only made after the required information is made available and deliberated on by the Board. The Board maintains complete and effective control over the strategies and direction of the Group.

- The Audit Committee reviews the effectiveness of the Group's system of internal control on behalf of the Board. The Audit Committee comprises of non-executive members of the Board, who are independent directors. The Audit Committee is not restricted in any way in the conduct of its duties and has unrestricted access to the internal and external auditors of the Company and to all employees of the Group. The Audit Committee is also entitled to seek such other third party independent professional advice deemed necessary in the performance of its responsibility.

- Review by the Audit Committee of internal control issues identified by the external and internal auditors and action taken by management in respect of the findings arising therefrom. The Internal Audit function reports directly to the Audit Committee. Findings communicated to management and the Audit Committee with recommendations for improvements and follow up to confirm all agreed recommendations are implemented. The Internal Audit plan is structured on a risk based approach and is reviewed and approved by the Audit Committee.

- Review of all proposals for material capital and investment opportunities by the Executive Committee and approval for the same by the Board prior to expenditure being committed.

- There are sufficient reports generated in respect of the business and operating units to enable proper review of the operational, financials and regulatory environment. Management accounts are prepared timely and on a monthly basis and is reviewed by the Managing Director, Executive Directors and senior management.

- The professionalism and competency of staff are enhanced through a structured training and development program. A performance management system is in place with established key performance indicators to measure and review staff performance on an annual basis.

- The decision of the Board of Directors to outsource its internal audit function to independent professional consulting firms for greater independence and accountability in the Internal Audit function.

Statement on Risk Management and Internal Control

5. INTERNAL AUDIT FUNCTION

In a desire to maintain total independence in the management of the internal control environment and remain in compliance with the ACE Market Listing Requirements, the Company has outsourced its internal audit function to independent professional consulting firms as part of its effort to provide adequate and effective internal control system.

The internal auditors report independently and directly to the Audit Committee in respect of the internal audit function. The internal audit function is carried out in accordance with the annual internal audit plan as approved by the Audit Committee and all audit findings arising therefrom are reported to the Audit Committee on a quarterly basis.

The internal auditors are allowed complete and unrestricted access to all documents and records of the Group deemed necessary in the performance of its function and independently reviews the risk identification procedures and control processes implemented by Management. It also reviews the internal controls in the key activities of the Group's business based on the risk profiles of the business units in the Group. In addition, the internal auditors carry out periodic assignments to ensure the policies and procedures established by the Board are complied with by Management. All reports and findings arising from these reviews are discussed primarily with the respective process custodians prior to a formal report being presented to the Audit Committee.

As an additional function to the Group, the internal auditor also provide business improvement recommendations for the consideration of Management and the Board to assist in the continuous development of a more efficient and comprehensive internal control environment.

6. REVIEW BY EXTERNAL AUDITORS

Pursuant to Rule 15.23 of the ACE Market Listing Requirements, the External Auditors have reviewed the Statement for inclusion in the Annual Report, and reported to the Board that nothing has come to their attention that causes them to believe that the Statement is inconsistent with their understanding of the processes adopted by the Board in reviewing the adequacy and integrity of the system of internal control.

7. CONCLUSION

The Board has received assurance form the Chief Executive Officer and Financial Controller that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group.

For the year under review, the Board has reviewed the risk management and internal control system and is of the view that the system is adequate and effective and no material weakness and/or reported shortfall in the risk management framework and internal control system has resulted and/or give rise to any material loss, contingency and/or uncertainty during the financial year under review. The Board will continue to review and take measures to strengthen the risk management processes and internal control environment.

This Statement is made in accordance with the resolution of the Board of Directors dated 22 October 2013.

Statement of Directors' Interests

in the Company and related corporation as at 11 October 2013

Name of Director	Direct	%	Indirect	%
	No. of Ordinary Shares Held			
Datuk Seri Syed Ali Bin Tan Sri Syed Abbas Al Habshee	–	–	156,300,000 (1)	30.90
Dato' Wei Chuan Beng	23,614,456	4.67	4,000,000 (2)	0.79
Lau Bik Soon	5,216,600	1.03	–	–
Dato' Ismail bin Osman	–	–	–	–
Mathew Thomas A/L Vargis Mathews	515,000	0.10	–	–
Jagdish Singh Dhaliwal	350,000	0.07	–	–
Dato' Mohd Zaini bin Hassan	–	–	–	–

Name of Director	Direct	%	Indirect	%
	No. of Irredeemable Convertible Unsecured Loan Stocks 2010/2020 Held			
Datuk Seri Syed Ali Bin Tan Sri Syed Abbas Al Habshee	–	–	53,602,291 (1)	25.24
Dato' Wei Chuan Beng	283,000	0.13	–	–
Lau Bik Soon	511,900	0.24	–	–
Dato' Ismail bin Osman	–	–	–	–
Mathew Thomas A/L Vargis Mathews	–	–	–	–
Jagdish Singh Dhaliwal	–	–	–	–
Dato' Mohd Zaini bin Hassan	–	–	–	–

Name of Director	Direct	%	Indirect	%
	No. of Warrants Held			
Datuk Wira Syed Ali Bin Tan Sri Syed Abbas Al Habshee	–	–	41,407,931 (1)	26.11
Dato' Wei Chuan Beng	–	–	–	–
Lau Bik Soon	–	–	–	–
Dato' Ismail bin Osman	–	–	–	–
Mathew Thomas A/L Vargis Mathews	–	–	–	–
Jagdish Singh Dhaliwal	–	–	–	–
Dato' Mohd Zaini bin Hassan	–	–	–	–

Note:

1. Deemed interested by virtue of his interest in Indah Pusaka Sdn Bhd via Tema Juara Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.

2. Deemed interested by virtue of the interest held by his spouse.

Directors' Responsibility Statement

The Companies Act 1965 ("Act") requires the Directors to present the financial statements of the Company and the Group in accordance with the Act and approved accounting standards and that they give a true and fair view of the results of the business and the state of affairs of the Group and the Company at the end of the financial year.

The Directors have placed reliance on the system of internal control within the Company and the Group to form a basis of reasonable grounds that the accounting systems and records maintained by the Company and the Group provide a true and fair view of the current state of affairs of the Company and the Group.

The Directors have a further responsibility of ensuring that accounting records are kept with reasonable accuracy which enables the Company to provide a true and fair view of the financial results. In addition, the annual audited financial statements have been prepared based on relevant and appropriate accounting policies and with usage of reasonable and prudent judgment and estimates.

The Directors have also a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

In compliance with the several responsibilities of the Directors, the Directors present the financial statements of the Company and the Group for the financial year ended 31 May 2013 as set out on pages 44 to 111 of this Annual Report.

Directors' Report

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 May 2013.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and the provision of management services to its subsidiaries. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	The Group RM	The Company RM
Profit after taxation for the financial year	25,162,364	28,141,694
Attributable to:-		
Owners of the Company	25,091,413	28,141,694
Non-controlling interests	70,951	–
	25,162,364	28,141,694

DIVIDENDS

The Directors declared and approved on 30 July 2013, an interim tax exempt dividend of 1.5 sen per ordinary share payable on 31 October 2013 in respect of financial year ended 31 May 2013. The financial statements for the current financial year do not reflect this interim tax exempt dividend. Such dividend will be accounted for in the shareholders' equity as an appropriation of retained profits in the next financial year ending 31 May 2014.

RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year are disclosed in the financial statements.

ISSUES OF SHARES AND DEBENTURES

During the financial year,

(a) there were no changes in the authorised share capital of the Company;

(b) the Company increased its issued and paid-up ordinary share capital from RM47,564,057 to RM48,297,893 by:-

(i) the issuance of 3,848,860 new ordinary shares of RM0.10 each resulting from the conversion of 2.75% Irredeemable Convertible Unsecured Loan Stocks ("ICULS") at the rate of ten RM0.10 nominal amount of ICULS into four fully paid-up ordinary shares of RM0.10 each in the Company;

(ii) the issuance of 3,485,500 new ordinary shares of RM0.10 each at prices ranging from RM0.145 to RM0.23 per share pursuant to the Employees' Share Option Scheme of the Company; and

(iii) the issuance of 4,000 new ordinary shares of RM0.10 each resulting from the conversion of warrants at the rate of one RM0.10 nominal amount of warrant into one fully paid-up ordinary share of RM0.10 each in the Company.

The entire new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company; and

(c) there were no debentures issued by the Company.

Directors' Report

TREASURY SHARES

During the financial year, the Company repurchased a total of 4,286,900 of its issued ordinary shares from the open market for RM1,705,864 including transaction costs. The average price paid for the shares repurchased was approximately RM0.39 per share. The shares purchased are held as treasury shares in accordance with Section 67A of the Companies Act, 1965 and are presented as a deduction from total equity.

The Company disposed of 489,000 treasury shares for a total consideration of RM190,212.

Of the total 482,978,925 (2012 - 475,640,565) issued and fully paid-up ordinary shares as at the end of the reporting period, 5,452,800 (2012 - 1,654,900) ordinary shares are held as treasury shares by the Company amounting to RM1,950,489 (2012 - RM349,347). Relevant details on the treasury shares are disclosed in Note 19 to the financial statements.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company except for the share options granted pursuant to the Employees' Share Option Scheme.

EMPLOYEES' SHARE OPTION SCHEME

The Employees' Share Option Scheme of the Company ("ESOS") is governed by the ESOS By-Laws and was approved by shareholders on 30 November 2010. The ESOS is to be in force for a period of 5 years effective from 14 January 2011.

The salient features, other terms of the ESOS and details of the share options granted during the financial year are disclosed in Note 20(f) to the financial statements.

During the financial year, the Company granted 19,969,500 share options under the ESOS. These options expire on 13 January 2016. For the financial year ended 2013, only 3,129,500 share option can be exercisable.

The option prices and the details in the movement of the options granted are as follows:-

		NUMBER OF SHARE OPTIONS OVER ORDINARY SHARES OF RM0.10 EACH			
DATE OF OFFER	EXERCISE PRICE	AT 1 JUNE 2012	GRANTED*	EXERCISED	AT 31 MAY 2013
4 March 2011	RM0.165	9,600,000	–	1,600,000	8,000,000
11 August 2011	RM0.145	7,346,000	3,089,500	1,795,500	8,640,000
29 December 2011	RM0.230	50,000	50,000	90,000	10,000
7 June 2012	RM0.220	–	150,000	–	150,000
5 July 2012	RM0.250	–	14,050,000	–	14,050,000
25 September 2012	RM0.300	–	180,000	–	180,000
21 February 2013	RM0.340	–	2,450,000	–	2,450,000
		16,996,000	19,969,500	3,485,500	33,480,000

* During the financial year, the Company granted 19,969,500 share options under the ESOS. These options expire on 13 January 2016.

EMPLOYEES' SHARE OPTION SCHEME (CONT'D)

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose in this report the names of holders to whom options have been granted to subscribe for less than 300,000 ordinary shares of RM0.10 each. The names of option holders granted options to subscribe for 300,000 or more ordinary shares of RM0.10 each during the financial year, other than directors whose details are disclosed in the section on Directors' Interests in this report, are as follows:-

Name	Grant Date	Expiry Date	Exercise Price	Granted during the financial year
Ng Hui Nooi	5 July 2012	13 January 2016	RM0.25	2,000,000
Syed Taufik Bin Taha	21 February 2013	13 January 2016	RM0.34	1,000,000
Leng Kah Hui	5 July 2012	13 January 2016	RM0.25	500,000
Ng Kok Hing	5 July 2012	13 January 2016	RM0.25	500,000
Ong Cheok Seong	5 July 2012	13 January 2016	RM0.25	500,000
Tan Kee Ann	5 July 2012	13 January 2016	RM0.25	500,000
Cheong Jau Jiunn	5 July 2012	13 January 2016	RM0.25	300,000
Amrul Halim Gan Bin Abdullah	5 July 2012	13 January 2016	RM0.25	300,000
Leslie David Nalliah	5 July 2012	13 January 2016	RM0.25	300,000
Kok Soon Huat	21 February 2013	13 January 2016	RM0.34	300,000

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables, and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the further writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that any current assets other than debts, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

Directors' Report

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

The contingent liability is disclosed in Note 40 to the financial statements. At the date of this report, there does not exist:-

(i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year.

DIRECTORS

The directors who served since the date of the last report are as follows:-

Dato' Ibrahim Bin Che Mat
(Retired as Director, Independent and Non Executive Chairman on 28 November 2012)
Datuk Seri Syed Ali Bin Tan Sri Syed Abbas Al Habshee
(Redesignated to Non Independent and Non Executive Chairman on 28 November 2012)
Dato' Wei Chuan Beng
Lau Bik Soon
Dato' Ismail Bin Osman
Mathew Thomas A/L Vargis Mathews
Jagdish Singh Dhaliwal
Dato' Mohd Zaini Bin Hassan

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares in the Company and its related corporations during the financial year are as follows:-

	Number Of Ordinary Shares Of RM0.10 Each			
	At 1.6.2012	**Bought**	**Sold**	**At 31.5.2013**
Direct Interests				
Dato' Wei Chuan Beng	15,648,076	4,484,300	1,861,400	18,270,976
Mathew Thomas A/L Vargis Mathews	225,000	290,000	–	515,000
Lau Bik Soon	1,696,600	20,000	500,000	1,216,600
Jagdish Singh Dhaliwal	50,000	250,000	–	300,000
Indirect Interest				
Datuk Seri Syed Ali Bin Tan Sri Syed Abbas Al Habshee #	130,000,000	26,300,000	–	156,300,000

	Number Of ICULS Of RM0.10 Each			
	At 1.6.2012	**Bought**	**Sold**	**At 31.5.2013**
Direct Interests				
Dato' Wei Chuan Beng	21,283,000	760,900	50,000	21,993,900
Mathew Thomas A/L Vargis Mathews	225,000	–	–	225,000
Lau Bik Soon	511,900	–	–	511,900
Indirect Interest				
Datuk Seri Syed Ali Bin Tan Sri Syed Abbas Al Habshee #	93,602,291	2,791,200	42,791,200	53,602,291

	Number Of Warrants			
	At 1.6.2012	**Bought**	**Sold**	**At 31.5.2013**
Direct Interests				
Dato' Wei Chuan Beng	–	1,650,000	1,450,000	200,000
Mathew Thomas A/L Vargis Mathews	90,000	–	90,000	–
Indirect Interest				
Datuk Seri Syed Ali Bin Tan Sri Syed Abbas Al Habshee #	37,440,916	3,967,015	–	41,407,931

Note:

\# *Deemed interested by virtue of his interest in Indah Pusaka Sdn Bhd via Tema Juara Sdn Bhd.*

Directors' Report

DIRECTORS' INTERESTS (CONT'D)

	Number Of Share Options Over Ordinary Shares Of RM0.10 Each			
	At 1.6.2012	Granted	Exercised	At 31.5.2013
Share Options Of The Company				
Dato' Wei Chuan Beng	10,000,000	1,000,000	-	11,000,000
Mathew Thomas A/L Vargis Mathews	200,000	100,000	200,000	100,000
Lau Bik Soon	5,000,000	1,000,000	-	6,000,000
Jagdish Singh Dhaliwal	50,000	100,000	50,000	100,000
Dato' Ismail bin Osman	-	500,000	-	500,000
Dato' Mohd Zaini bin Hassan	-	50,000	-	50,000

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors as shown in the financial statements, or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions as disclosed in Note 36 to the financial statements.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate other than the options granted to certain directors pursuant to the ESOS of the Company.

SIGNIFICANT EVENTS DURING THE REPORTING PERIOD

The significant events during the financial year are disclosed in Note 42 to the financial statements.

SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

The significant events occurring after the reporting period are disclosed in Note 43 to the financial statements.

AUDITORS

The auditors, Messrs. Crowe Horwath, have expressed their willingness to continue in office.

Signed in accordance with a resolution of the directors dated 30 September 2013

Dato' Wei Chuan Beng

Lau Bik Soon

Statement by Directors

We, Dato' Wei Chuan Beng and Lau Bik Soon, being two of the directors of REDtone International Berhad, state that, in the opinion of the directors, the financial statements set out on pages 15 to 116 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirement of the Companies Act 1965 in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company at 31 May 2013 and of their results and cash flows for the financial year ended on that date.

The supplementary information set out in Note 44, which is not part of the financial statements, is prepared in all material respects, in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS
DATED 30 SEPTEMBER 2013

Dato' Wei Chuan Beng

Lau Bik Soon

Statutory Declaration

I, Ng Hui Nooi, being the officer primarily responsible for the financial management of REDtone International Berhad, do solemnly and sincerely declare that the financial statements set out on pages 15 to 116 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by
Ng Hui Nooi,
at Kuala Lumpur in the Federal Territory
on this 30 September 2013

Ng Hui Nooi

Before me

YAP LEE CHIN (NO. W - 591)
Commissioner for Oaths
Kuala Lumpur

Independent Auditors' Report

to the Members of REDtone International Berhad

Report on the Financial Statements

We have audited the financial statements of REDtone International Berhad, which comprise the statements of financial position as at 31 May 2013 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 15 to 116.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 May 2013 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:-

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' reports of the subsidiaries of which we have not acted as auditors, which are indicated in Note 5 to the financial statements.

(c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Independent Auditors' Report

to the Members of REDtone International Berhad

The supplementary information set out in Note 44 to the financial statements is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

1. As stated in Note 3.1 to the financial statements, REDtone International Berhad adopted Malaysian Financial Reporting Standards on 1 June 2012 with a transition date of 1 June 2011. These standards were applied retrospectively by directors to the comparative information in these financial statements, including the statements of financial position as at 31 May 2012 and 1 June 2011, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the financial year ended 31 May 2012 and related disclosures. We were not engaged to report on the comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Group and of the Company for the financial year ended 31 May 2013 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 June 2012 do not contain misstatements that materially affect the financial position as of 31 May 2013 and financial performance and cash flows for the financial year then ended.

2. This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Horwath
Firm No: AF 1018
Chartered Accountants

James Chan Kuan Chee
Approval No: 2271/10/13 (J)
Chartered Accountant

30 September 2013

Kuala Lumpur

Statements of Financial Position

at 31 May 2013

	Note	The Group 31.5.2013 RM	The Group 31.5.2012 RM	The Group 1.6.2011 RM	The Company 31.5.2013 RM	The Company 31.5.2012 RM	The Company 1.6.2011 RM
ASSETS							
NON-CURRENT ASSETS							
Investments in subsidiaries	5	–	–	–	84,701,864	84,532,007	82,798,262
Investments in associates	6	22,957,636	20,235,161	16,501,984	–	20	–
Investment in joint controlled entity	7	–	–	–	–	–	–
Property, plant and equipment	8	29,306,931	32,636,807	34,278,996	106	197	288
Investment properties	9	1,138,100	1,128,938	1,038,600	–	–	–
Deferred tax assets	10	3,060,402	3,943,366	4,667,592	782,063	893,919	1,138,721
Other investment	11	50,000	50,000	10,000	–	–	–
Goodwill	12	6,755,891	8,005,891	9,020,434	–	–	–
Development costs	13	9,477,482	10,566,534	15,751,704	–	–	–
Other receivables	16	14,174,472	14,586,042	–	14,174,472	14,586,042	–
		86,920,914	91,152,739	81,269,310	99,658,505	100,012,185	83,937,271
CURRENT ASSETS							
Inventories	14	1,075,863	671,776	2,308,102	–	–	–
Trade receivables	15	65,277,769	13,287,776	14,196,528	–	–	–
Other receivables, deposits and prepayments	16	13,036,673	12,905,332	7,544,031	20,913,028	30,358,926	52,787,560
Tax recoverable		10,423	–	385,871	–	–	200
Other investment	11	1,472	998,837	933,891	–	–	–
Deposits with licensed banks	17	31,512,643	17,524,058	10,040,831	–	–	–
Cash and bank balances		5,085,244	4,065,764	17,886,076	554,278	255,996	3,653,532
		116,000,087	49,453,543	53,295,330	21,467,306	30,614,922	56,441,292
TOTAL ASSETS		202,921,001	140,606,282	134,564,640	121,125,811	130,627,107	140,378,563

The annexed notes form an integral part of the financial statements

Statements of Financial Position

at 31 May 2013 (Cont'd)

	Note	The Group 31.5.2013 RM	The Group 31.5.2012 RM	The Group 1.6.2011 RM	The Company 31.5.2013 RM	The Company 31.5.2012 RM	The Company 1.6.2011 RM
EQUITY AND LIABILITIES							
EQUITY							
Share capital	18	48,297,893	47,564,057	44,777,903	48,297,893	47,564,057	44,777,903
Treasury shares	19	(1,950,489)	(349,347)	(311,163)	(1,950,489)	(349,347)	(311,163)
Reserves	20	59,318,081	32,887,377	29,933,022	61,445,796	32,011,477	40,533,327
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		105,665,485	80,102,087	74,399,762	107,793,200	79,226,187	85,000,067
NON-CONTROLLING INTERESTS		7,394,107	7,816,530	7,012,769	–	–	–
TOTAL EQUITY		113,059,592	87,918,617	81,412,531	107,793,200	79,226,187	85,000,067
NON-CURRENT LIABILITIES							
Irredeemable convertible unsecured loan stocks ("ICULS")	20(e)	3,128,254	3,575,677	4,554,884	3,128,254	3,575,677	4,554,884
Finance lease payables	21	299,948	402,788	573,874	–	–	–
Hire purchase payables	22	–	42,378	69,143	–	–	–
Term loans	23	1,890,122	1,900,274	1,865,396	–	–	–
Deferred taxation	10	60,727	106,291	147,470	–	–	–
		5,379,051	6,027,408	7,210,767	3,128,254	3,575,677	4,554,884
CURRENT LIABILITIES							
Deferred income	24	6,449,755	7,621,742	7,968,058	–	–	–
Trade payables	25	25,943,059	17,162,504	16,492,659	–	–	–
Other payables and accruals	26	42,876,631	17,279,859	15,551,866	10,204,357	47,825,243	50,823,612
Finance lease payables	21	102,839	428,392	1,956,871	–	–	–
Hire purchase payables	22	–	26,739	26,739	–	–	–
Term loans	23	61,873	108,902	108,902	–	–	–
Provision for taxation		5,755,480	1,590,634	613,743	–	–	–
Bank overdraft	27	3,292,721	2,441,485	3,222,504	–	–	–
		84,482,358	46,660,257	45,941,342	10,204,357	47,825,243	50,823,612
TOTAL LIABILITIES		89,861,409	52,687,665	53,152,109	13,332,611	51,400,920	55,378,496
TOTAL EQUITY AND LIABILITIES		202,921,001	140,606,282	134,564,640	121,125,811	130,627,107	140,378,563

The annexed notes form an integral part of the financial statements

Statements of Comprehensive Income

for the financial year ended 31 May 2013

	Note	The Group 2013 RM	The Group 2012 RM	The Company 2013 RM	The Company 2012 RM
REVENUE	28	142,047,656	106,975,930	32,833,745	–
COST OF SALES		(73,353,673)	(75,340,128)	–	–
GROSS PROFIT		68,693,983	31,635,802	32,833,745	–
OTHER INCOME		4,813,570	14,341,306	495,129	895,178
		73,507,553	45,977,108	33,328,874	895,178
GENERAL AND ADMINISTRATIVE EXPENSES		(38,824,947)	(41,399,440)	(4,605,767)	(8,830,420)
FINANCE COSTS		(1,018,867)	(1,343,567)	(668,842)	(669,630)
PROFIT/(LOSS) BEFORE TAXATION	29	33,663,739	3,234,101	28,054,265	(8,604,872)
INCOME TAX (EXPENSE)/INCOME	30	(8,501,375)	(1,374,214)	87,429	(244,802)
PROFIT/(LOSS) AFTER TAXATION		25,162,364	1,859,887	28,141,694	(8,849,674)
OTHER COMPREHENSIVE INCOME, NET OF TAX					
- Revaluation of investment properties		418,205	–	–	–
- Foreign currency translation		(391,904)	1,256,092	–	–
TOTAL COMPREHENSIVE INCOME/(EXPENSES) FOR THE FINANCIAL YEAR		25,188,665	3,115,979	28,141,694	(8,849,674)
PROFIT/(LOSS) AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		25,091,413	2,148,274	28,141,694	(8,849,674)
Non-controlling interests		70,951	(288,387)	–	–
		25,162,364	1,859,887	28,141,694	(8,849,674)
TOTAL COMPREHENSIVE INCOME/(EXPENSES) ATTRIBUTABLE TO:-					
Owners of the Company		25,138,079	2,969,685	28,141,694	(8,849,674)
Non-controlling interests		50,586	146,294	–	–
		25,188,665	3,115,979	28,141,694	(8,849,674)
EARNINGS PER SHARE (SEN)					
Basic	31	5.23	0.45		
Diluted	31	Not applicable	Not applicable		

The annexed notes form an integral part of the financial statements

Statements of Changes in Equity

for the financial year ended 31 May 2013

THE GROUP	NOTE	SHARE CAPITAL RM	TREASURY SHARES RM	SHARE PREMIUM RM	FOREIGN EXCHANGE TRANSLATION RESERVE RM	OTHER RESERVES RM	ICULS RM	EMPLOYEE SHARE OPTION RESERVE RM	DISTRIBUTABLE RETAINED PROFIT/ (ACCUMULATED LOSSES) RM	ATTRIBUTABLE TO OWNERS OF THE COMPANY RM	NON-CONTROLLING INTERESTS RM	TOTAL EQUITY RM
		<-------	-------	-------	NON-DISTRIBUTABLE	-------	-------	------->				
Balance at 1.6.2011		44,777,903	(311,163)	9,402,960	(1,877,365)	19,674,292	12,007,424	1,721,187	(10,995,476)	74,399,762	7,012,769	81,412,531
Arising from disposal of a subsidiary		–	–	–	–	(343,154)	–	–	–	(343,154)	657,467	314,313
Profit after taxation for the financial year		–	–	–	–	–	–	–	2,148,274	2,148,274	(288,387)	1,859,887
Other comprehensive income for the financial year, net of tax:												
- Foreign currency translation		–	–	–	821,411	–	–	–	–	821,411	434,681	1,256,092
Total comprehensive income for the financial year		–	–	–	821,411	–	–	–	2,148,274	2,969,685	146,294	3,115,979
Issuance of shares pursuant to conversion of ICULS	18 & 20	1,995,704	-	(67,982)	–	–	(1,927,722)	–	–	–	–	–
Treasury shares acquired	19	–	(38,184)	–	–	–	–	–	–	(38,184)	–	(38,184)
Employees' share options:												
- granted	20	–	–	–	–	–	–	1,901,283	–	1,901,283	–	1,901,283
- exercised	20	790,450	–	1,627,295	–	–	–	(1,205,050)	–	1,212,695	–	1,212,695
Balance at 31.5.2012		47,564,057	(349,347)	10,962,273	(1,055,954)	19,331,138	10,079,702	2,417,420	(8,847,202)	80,102,087	7,816,530	87,918,617
Balance at 1.6.2012		47,564,057	(349,347)	10,962,273	(1,055,954)	19,331,138	10,079,702	2,417,420	(8,847,202)	80,102,087	7,816,530	87,918,617
Arising from disposal of a subsidiary		–	–	–	–	–	–	–	–	–	(473,009)	(473,009)
Profit after taxation for the financial year		–	–	–	–	–	–	–	25,091,413	25,091,413	70,951	25,162,364
Other comprehensive income for the financial year, net of tax:												
- Revaluation of investment properties		–	–	–	–	418,205	–	–	–	418,205	–	418,205
- Foreign currency translation		–	–	–	(371,539)	–	–	–	–	(371,539)	(20,365)	(391,904)
Total comprehensive income for the financial year		–	–	–	(371,539)	418,205	–	–	25,091,413	25,138,079	50,586	25,188,665
Issuance of shares pursuant to conversion of ICULS	18 & 20	384,886	–	(713)	–	–	(384,173)	–	–	–	–	–
Exercise of warrants	20	400	–	1,075	–	(475)	–	–	–	1,000	–	1,000
Treasury shares:	19											
- acquired		–	(1,705,864)	–	–	–	–	–	–	(1,705,864)	–	(1,705,864)
- disposed of		–	104,722	85,490	–	–	–	–	–	190,212	–	190,212
Employees' share options:	20											
- granted		–	–	–	–	–	–	1,412,054	–	1,412,054	–	1,412,054
- exercised		348,550	–	717,958	–	–	–	(538,591)	–	527,917	–	527,917
Balance at 31.5.2013		48,297,893	(1,950,489)	11,766,083	(1,427,493)	19,748,868	9,695,529	3,290,883	16,244,211	105,665,485	7,394,107	113,059,592

The annexed notes form an integral part of the financial statements

Statements of Changes in Equity

for the financial year ended 31 May 2013 (Cont'd)

		<-----NON-DISTRIBUTABLE			----->		DISTRIBUTABLE	
	NOTE	SHARE CAPITAL RM	TREASURY SHARES RM	SHARE PREMIUM RM	ICULS RM	OTHER RESERVES RM	ACCUMULATED LOSSES RM	TOTAL EQUITY RM
THE COMPANY								
Balance at 1.6.2011		44,777,903	(311,163)	9,402,960	12,007,424	21,052,325	(1,929,382)	85,000,067
Loss after taxation/ Total comprehensive expenses for the financial year		–	–	–	–	–	(8,849,674)	(8,849,674)
Issuance of shares, pursuant to conversion of ICULS	18 & 20	1,995,704	–	(67,982)	(1,927,722)	–	–	–
Treasury shares acquired	19	–	(38,184)	–	–	–	–	(38,184)
Employees' share options:								
- granted	20	–	–	–	–	1,901,283	–	1,901,283
- exercised	20	790,450		1,627,295	–	(1,205,050)	–	1,212,695
Balance at 31.5.2012/1.6.2012		47,564,057	(349,347)	10,962,273	10,079,702	21,748,558	(10,779,056)	79,226,187
Profit after taxation/ Total comprehensive income for the financial year		–	–	–	–	–	28,141,694	28,141,694
Issuance of shares pursuant to conversion of ICULS	18 & 20	384,886	–	(713)	(384,173)	–	–	–
Exercise of warrants	20	400	–	1,075	–	(475)	–	1,000
Treasury shares:	19							
- acquired		–	(1,705,864)	–	–	–	–	(1,705,864)
- disposed of		–	104,722	85,490	–	–	–	190,212
Employees' share options:								
- granted	20	–	–	–	–	1,412,054	–	1,412,054
- exercised	20	348,550	–	717,958	–	(538,591)	–	527,917
Balance at 31.5.2013		48,297,893	(1,950,489)	11,766,083	9,695,529	22,621,546	17,362,638	107,793,200

The annexed notes form an integral part of the financial statements

Statements of Cash Flows

for the financial year ended 31 May 2013

	Note	The Group 2013 RM	The Group 2012 RM	The Company 2013 RM	The Company 2012 RM
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES					
Profit/(Loss) before taxation		33,663,739	3,234,101	28,054,265	(8,604,872)
Adjustments for:-					
Amortisation of development costs	13	1,865,641	2,994,844	–	–
Bad debts written off	29	66,784	50,192	–	5,500,000
Depreciation of property, plant and equipment	8	5,239,425	5,331,173	91	91
Dividend income	29	–	–	(32,833,745)	–
Fair value gain on investment properties	29	(161,730)	(90,338)	–	–
Loss/(Gain) on disposal of:-					
- property, plant and equipment	29	25,857	(10,876)	–	–
- subsidiaries	29	(1,806,789)	(10,879,717)	45,546	100,076
- associates	29	(1)	–	19	–
Impairment loss on:-					
- associate	29	841,275	–	841,275	–
- goodwill	29	1,250,000	–	–	–
- non-trade receivables	29	2,230,520	2,312,477	1,500,000	2,312,477
- trade receivables	29	1,036,814	767,861	–	–
Interest expense	29	1,018,868	1,342,667	668,842	669,630
Interest income	29	(778,539)	(761,044)	(16,481)	(16,047)
Inventories written down	29	18,692	364,543	–	–
Inventories written off	29	–	88,690	–	–
Share-based payments	29	1,412,054	1,901,283	40,375	–
Net gain on ICULS conversion		(135,730)	(714,882)	(135,730)	(714,882)
Property, plant and equipment written off	29	12,212	125,363	–	–
Provision for annual leave		4,615	(189,540)	–	–
Provision of Universal Service Fund Contribution ("USP fund")		505,869	651,048	–	–
Unrealised (gain)/loss on foreign exchange	29	(139,818)	(283,449)	388,608	(224,772)
Writeback of impairment losses on other investment	29	(66,460)	–	–	–
Writeback of impairment losses on trade receivables	29	(101,209)	(266,028)	–	–
Writeback of impairment losses on other receivables	29	(31,222)	–	(31,222)	–
Operating profit/(loss) before working capital changes		45,970,867	5,968,368	(1,478,157)	(978,299)
(Increase)/Decrease in inventories		(224,972)	117,770	–	–
(Increase)/Decrease in receivables		(57,494,277)	(48,706,408)	40,833,827	55,276
Increase/(Decrease) in payables		32,562,508	46,554,277	(37,932,580)	(3,707,552)
CASH FROM/(FOR) OPERATIONS		20,814,126	3,934,007	1,423,090	(4,630,575)
Interest paid		(1,018,868)	(581,675)	(668,842)	–
Tax paid		(3,729,202)	(942,736)	–	–
Tax refunded		199,285	–	199,285	–
NET CASH FROM/(FOR) OPERATING ACTIVITIES/CARRIED FORWARD		16,265,341	2,409,596	953,533	(4,630,575)

The annexed notes form an integral part of the financial statements

Statements of Cash Flows

for the financial year ended 31 May 2013 (Cont'd)

		The Group		The Company	
		2013	2012	2013	2012
	Note	RM	RM	RM	RM
BROUGHT FORWARD		16,265,341	2,409,596	953,533	(4,630,575)
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Disposal of subsidiaries,					
- net of cash and cash equivalents disposed	32	313,635	(107,921)	–	–
Purchase of other investment		-	(104,946)	–	–
Interest income received		778,539	761,044	16,481	16,047
Purchase of property, plant and equipment	33	(1,651,232)	(6,757,278)	–	–
Proceeds from disposal of property, plant and equipment		53,815	278,155	–	–
Proceeds from disposal of subsidiaries		–	–	–	4
Proceeds from disposal of associates		1	–	1	–
Proceeds from uplift of structured investment fund		1,063,517	–	–	–
Development costs paid		(947,438)	(1,005,208)	–	–
NET CASH (FOR)/FROM INVESTING ACTIVITIES		(389,163)	(6,936,154)	16,482	16,051
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES					
Proceeds from exercise of employees' share options		527,918	1,212,695	842,919	1,255,172
Purchase of treasury shares		(1,705,864)	(38,184)	(1,705,864)	(38,184)
Proceeds from disposed of treasury shares		190,212	–	190,212	–
Proceeds from exercise of warrants		1,000	–	1,000	–
Repayment of finance lease payables		(428,393)	(2,213,762)	–	–
Repayment of hire purchase payables		(69,117)	(26,765)	–	–
Repayment of term loans		(57,181)	(56,484)	–	–
NET CASH (FOR)/FROM FINANCING ACTIVITIES		(1,541,425)	(1,122,500)	(671,733)	1,216,988
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS/ BALANCE CARRIED FORWARD		14,334,753	(5,649,058)	298,282	(3,397,536)

The annexed notes form an integral part of the financial statements

Statements of Cash Flows

for the financial year ended 31 May 2013 (Cont'd)

		The Group		The Company	
	Note	2013 RM	2012 RM	2013 RM	2012 RM
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS/ BALANCE BROUGHT FORWARD		14,334,753	(5,649,058)	298,282	(3,397,536)
EFFECTS OF EXCHANGE RATE CHANGES		(177,924)	92,992	–	–
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		19,148,337	24,704,403	255,996	3,653,532
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	34	33,305,166	19,148,337	554,278	255,996

The annexed notes form an integral part of the financial statements

Notes to the Financial Statements

for the financial year ended 31 May 2013

1. GENERAL INFORMATION

The Company is a public company limited by shares, incorporated and domiciled in Malaysia, and listed on the ACE Market of Bursa Malaysia Securities Berhad. The registered office and principal place of business are as follows:-

Registered office	:	Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur.
Principal place of business	:	Suite 22-30, 5th Floor, IOI Business Park, 47100 Puchong, Selangor Darul Ehsan.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 30 September 2013.

2. PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and the provision of management services to its subsidiaries. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

3.1 These are the Group's first set of financial statements prepared in accordance with MFRSs, which are also in line with International Financial Reporting Standards as issued by the International Accounting Standards Board.

In the previous financial year, the financial statements of the Group were prepared in accordance with Financial Reporting Standards ("FRSs"). There were no material financial impacts on the transition from FRSs to MFRSs.

3. BASIS OF PREPARATION (CONT'D)

3.2 The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

MFRSs and IC Interpretations (including the Consequential Amendments)	Effective Date
MFRS 9 Financial Instruments	1 January 2015
MFRS 10 Consolidated Financial Statements	1 January 2013
MFRS 11 Joint Arrangements	1 January 2013
MFRS 12 Disclosure of Interests in Other Entities	1 January 2013
MFRS 13 Fair Value Measurements	1 January 2013
MFRS 119 Employee Benefits	1 January 2013
MFRS 127 Separate Financial Statements	1 January 2013
MFRS 128 Investments in Associates and Joint Ventures	1 January 2013
Amendments to MFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 9: Mandatory Effective Date of MFRS 9 and Transition Disclosures	1 January 2015
Amendments to MFRS 10, MFRS 11 and MFRS 12: Transition Guidance	1 January 2013
Amendments to MFRS 10, MFRS 12 and MFRS 127: Investment Entities	1 January 2014
Amendments to MFRS 101 : Presentation of Items of Other Comprehensive Income	1 July 2012
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Annual Improvements to MFRSs 2009 – 2011 Cycle	1 January 2013

The above accounting standards and interpretations (including the consequential amendments) are not relevant to the Group's operations except as follows:-

MFRS 9 & Amendments to MFRS 9: Mandatory Effective Date of MFRS 9 and Transition Disclosures

MFRS 9 replaces the parts of MFRS 139 that relate to the classification and measurement of financial instruments. MFRS 9 divides all financial assets into 2 categories – those measured at amortised cost and those measured at fair value, based on the entity's business model for managing its financial assets and the contractual cash flow characteristics of the instruments. For financial liabilities, the standard retains most of the MFRS 139 requirement. An entity choosing to measure a financial liability at fair value will present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income rather than within profit or loss. Accordingly, there will be no financial impact on the financial statements of the Group upon its initial application but may impact its future disclosures.

MFRS 10 & Amendments to MFRS 10: Transition Guidance

MFRS 10 replaces the consolidation guidance in MFRS 127 and IC Interpretation 112. Under MFRS 10, there is only one basis for consolidation, which is control. Extensive guidance has been provided in the standard to assist in the determination of control. Accordingly, there will be no financial impact on the financial statements of the Group upon its initial application but may impact its future disclosures.

MFRS 11 & Amendments to MFRS 11: Transition Guidance

MFRS 11 replaces MFRS 131 and introduces new accounting requirements for joint arrangements. MFRS 11 eliminates jointly controlled assets and only differentiates between joint operations and joint ventures, depending on the rights and obligations of the parties to the arrangements. In addition, the option to apply the proportional consolidation method when accounting for jointly controlled entities is removed. Accordingly, there will be no financial impact on the financial statements of the Group upon its initial application but may impact its future disclosures.

Notes to the Financial Statements

for the financial year ended 31 May 2013

3. BASIS OF PREPARATION (CONT'D)

3.2 The above accounting standards and interpretations (including the consequential amendments) are not relevant to the Group's operations except as follows:- (Cont'd)

MFRS 12 & Amendments to MFRS 12: Transition Guidance

MFRS 12 is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. MFRS 12 is a disclosure standard and the disclosure requirements in this standard are more extensive than those in the current standards. Accordingly, there will be no financial impact on the financial statements of the Group upon its initial application but may impact its future disclosures.

MFRS 13

MFRS 13 defines fair value, provides guidance on how to determine fair value and requires disclosures about fair value measurements. The scope of MFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other MFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in MFRS 13 are more extensive than those required in the current standards and therefore there will be no financial impact on the financial statements of the Group upon its initial application but may impact its future disclosures.

Amendments to MFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities

The amendments to MFRS 7 (Disclosures – Offsetting Financial Assets and Financial Liabilities) require disclosures that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. Accordingly, there will be no financial impact on the financial statements of the Group upon its initial application but may impact its future disclosures.

Amendments to MFRS 101: Presentation of Items of Other Comprehensive Income

The amendments to MFRS 101 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. In addition, items presented in other comprehensive income section are to be grouped based on whether they are potentially re-classifiable to profit or loss subsequently i.e. those that might be reclassified and those that will not be reclassified. Income tax on items of other comprehensive income is required to be allocated on the same basis. There will be no financial impact on the financial statements of the Group upon its initial application other than the presentation format of the statements of profit or loss and other comprehensive income.

Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities

The amendments to MFRS 132 provide the application guidance for criteria to offset financial assets and financial liabilities. These amendments are expected to have no material impact on the financial statements of the Group upon their initial application.

Annual Improvements to MFRSs 2009 – 2011 Cycle

The Annual Improvements to MFRSs 2009 – 2011 Cycle contain amendments to MFRS 1, MFRS 101, MFRS 116, MFRS 132 and MFRS 134. These amendments are expected to have no material impact on the financial statements of the Group upon their initial application.

4. SIGNIFICANT ACCOUNTING POLICIES

(a) Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:-

(i) *Depreciation of Property, Plant and Equipment*

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(ii) *Impairment of Property, Plant and Equipment, Intangible Assets (Other Than Goodwill) and Other Investments*

The Group assesses impairment of the assets mentioned above whenever the events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable i.e. the carrying amount of the asset is more than the recoverable amount. Recoverable amount is measure at the higher of the fair value less cost to sell for the asset and its value-in-use. The value-in-use is the net present value of the projected future cash flow derived from the asset discounted at an appropriate discount rate.

Projected future cash flows are based on Group's estimates calculated based on historical, sector and industry trends, general market and economic conditions, changes in technology and other available information.

(iii) *Income Taxes*

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

(iv) *Deferred Tax Assets*

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and provisions to the extent that it is probable that taxable profit will be available against which the losses, capital allowances and provisions can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

(v) *Amortisation of Development Costs*

Changes in the expected level of usage and technological development could impact the economic useful lives and therefore, future amortisation charges could be revised.

Notes to the Financial Statements

for the financial year ended 31 May 2013

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Critical Accounting Estimates and Judgements (Cont'd)

(vi) Write-down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

(vii) Classification between Investment Properties and Owner Occupied Properties

The Group determines whether a property qualifies as an investment property, and has developed a criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independent of the other assets held by the Group.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

(viii) Impairment of Trade and Other Receivables

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. Management specifically reviews its loans and receivables financial assets and analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment terms when making a judgment to evaluate the adequacy of the allowance for impairment losses. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables.

(ix) Impairment of Available-for-sale Financial Assets

The Group reviews its available-for-sale financial assets at the end of each reporting period to assess whether they are impaired. The Group also records impairment loss on available-for-sale equity investments when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is "significant' or "prolonged" requires judgement. In making this judgement, the Group evaluates, among other factors, historical share price movements and the duration and extent to which the fair value of an investment is less than its cost.

(x) Impairment of Goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires management to estimate the expected future cash flows of the cash-generating unit to which goodwill is allocated and to apply a suitable discount rate in order to determine the present value of those cash flows. The future cash flows are most sensitive to budgeted gross margins, growth rates estimated and discount rate used. If the expectation is different from the estimation, such difference will impact the carrying value of goodwill.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Critical Accounting Estimates and Judgements (Cont'd)

(xi) Share-based Payments

The Group measures the cost of equity settled transactions with employees by reference to the fair value of the equity investments at the date at which they are granted. The estimating of the fair value requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant. This also requires determining the most appropriate inputs to the valuation model including the expected life of the option volatility and dividend yield and making assumptions about them.

(xii) Fair Value Estimates for Investment Properties

The Group carries investment properties at fair value, which requires extensive use of accounting estimates and judgements. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Group uses different valuation methodologies. Any changes in fair value of these investment properties would affect profit and equity.

(b) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

A subsidiary is defined as a company in which the parent company has the power, directly or indirectly, to exercise control over its financial and operating policies so as to obtain benefits from its activities.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

(i) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Basis of Consolidation (Cont'd)

(ii) Non-controlling Interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Transactions with non-controlling interests are accounted for as transactions with owners and are recognised directly in equity. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

At the end of each reporting period, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

(iii) Acquisitions of Non-controlling Interests

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity and attributed to owners of the parent.

(iv) Loss of Control

Upon loss of control of a subsidiary, the profit or loss on disposal is calculated as the difference between:-

(i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and

(ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained profits) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 139 or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

(c) Goodwill

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests recognised and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

Where the latter amount exceeds the former, after reassessment, the excess represents a bargain purchase gain and is recognised as a gain in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Functional and Foreign Currencies

(i) Functional and Presentation Currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

(ii) Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

(iii) Foreign Operations

Assets and liabilities of foreign operations are translated to RM at the rates of exchange ruling at the end of the reporting period. Revenues and expenses of foreign operations are translated at exchange rates ruling at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity under translation reserve. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income relating to that particular foreign operation is reclassified from equity to profit or loss.

Goodwill and fair value adjustments arising from the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the end of the reporting period.

(e) Financial Instruments

Financial instruments are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Financial Instruments (Cont'd)

(i) Financial Assets

On initial recognition, financial assets are classified as either financial assets at fair value through profit or loss, loans and receivables financial assets, held-to-maturity investments, or available-for-sale financial assets, as appropriate.

- *Financial Assets at Fair Value Through Profit or Loss*

  Financial assets are classified as financial assets at fair value through profit or loss when the financial asset is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

  Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. Dividend income from this category of financial assets is recognised in profit or loss when the Company's right to receive payment is established.

- *Held-to-maturity Investments*

  Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the management has the positive intention and ability to hold to maturity. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment loss, with revenue recognised on an effective yield basis.

- *Loans and Receivables Financial Assets*

  Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

- *Available-for-sale Financial Assets*

  Available-for-sale financial assets are non-derivative financial assets that are designated in this category or are not classified in any of the other categories.

  After initial recognition, available-for-sale financial assets are remeasured to their fair values at the end of each reporting period. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the fair value reserve, with the exception of impairment losses. On derecognition, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity into profit or loss.

  Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established.

  Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less accumulated impairment losses, if any.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Financial Instruments (Cont'd)

(ii) Financial Liabilities

All financial liabilities are initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

(iii) Equity Instruments

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(iv) Treasury Shares

When the Company's own shares recognised as equity are bought back, the amount of the consideration paid, including all costs directly attributable, are recognised as a deduction from equity. Own shares purchased that are not subsequently cancelled are classified as treasury shares and are presented as a deduction from total equity.

Where such shares are subsequently sold or reissued, any consideration received, net of any direct costs, is included in equity.

(v) Irredeemable Convertible Unsecured Loan Stocks ("ICULS")

The ICULS are regarded as compound instruments, consisting of a liability component and an equity component. The component of ICULS that exhibits characteristics of a liability is recognised as a financial liability in the statements of financial position, net of transaction costs. The interests on ICULS are recognised as interest expense in the profit or loss using the effective interest rate method.

Transaction costs are apportioned between the liability and equity components of the ICULS based on the allocation of proceeds to the liability and equity components when the instruments were first recognised.

(vi) Warrants Reserve

Proceeds from the issuance of warrants, net of issue costs, are credited to warrants reserve which is non-distributable. Warrants reserve is transferred to the share premium account upon the exercise of warrants and the warrant reserve in relation to the unexercised warrants at the expiry of the warrants will be transferred to retained earnings.

Notes to the Financial Statements

for the financial year ended 31 May 2013

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Investments in Subsidiaries

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

(g) Investments in Associates

An associate is an entity in which the Group and the Company have a long term equity interest and where it exercises significant influence over the financial and operating policies.

Investments in associates are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable.

The investment in an associate is accounted for under the equity method, based on the financial statements of the associate made up to 31 May 2013. The Group's share of the post acquisition profits of the associate is included in the consolidated statement of comprehensive income and the Group's interest in the associate is carried in the consolidated statement of financial position at cost plus the Group's share of the post acquisition retained profits and reserves.

Unrealised gains on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. Unrealised losses are eliminated unless cost cannot be recovered.

On the disposal of the investments in associates, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

(h) Investment in Joint Controlled Entity

The Group has an interest in a joint venture which is a jointly controlled entity. A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, and a jointly controlled entity is a joint venture that involves the establishment of a separate entity in which each venture has an interest.

Investment in jointly controlled entities are accounted for in the consolidated financial statements using the equity method of accounting as described in Note 4(g) to the financial statements.

In the Company's separate financial statements, investments in jointly controlled entities are stated at cost less any impairment losses.

On the disposal of such investments, the difference between the net disposal proceeds and their carrying amounts is included in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Property, Plant and Equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Subsequent to initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is calculated under the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Freehold office lots	2%
Computers and software	10%
Furniture, fittings and office equipment	10%
Equipment, plant and machinery	10% - 20%
Office renovation	10%
Motor vehicles	20%

The assets in progress are stated at cost and will be transferred to the relevant category of long-term assets and depreciated accordingly when the assets are completed and ready for their intended use.

The depreciation method, useful life and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset is recognised in profit or loss.

(j) Investment Properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both. Initially investment properties are measured at cost including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Gains or losses arising from changes in the fair values of investment properties are recognised in profit or loss in the year in which they arise.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal.

On the derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

Notes to the Financial Statements

for the financial year ended 31 May 2013

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Intangible Assets

(i) Research and Development Expenditure

Research expenditure is recognised as an expense when it is incurred.

Development expenditure is recognised as an expense except that costs incurred on development projects are capitalised as long-term assets to the extent that such expenditure is expected to generate future economic benefits. Development expenditure is capitalised if, and only if an entity can demonstrate all of the following:-

(i) its ability to measure reliably the expenditure attributable to the asset under development;

(ii) the product or process is technically and commercially feasible;

(iii) its future economic benefits are probable;

(iv) its ability to use or sell the developed asset; and

(v) the availability of adequate technical, financial and other resources to complete the asset under development.

Capitalised development expenditure is measured at cost less accumulated amortisation and impairment losses, if any. Development expenditure initially recognised as an expense is not recognised as assets in the subsequent period.

The development expenditure is amortised on a straight-line method over a period of 1 to 5 years when the products are ready for sale or use. In the event that the expected future economic benefits are no longer probable of being recovered, the development expenditure is written down to its recoverable amount.

(ii) Other Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination represents their fair values as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives if intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised on a straight-line basis over the estimated economic useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Intangible assets with definite useful lives are not amortised but tested for impairment annually or more frequently if the events are changes in circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. The useful life of an intangible asset with an indefinite life is also reviewed annually to determine whether the useful life assessment continues to be supportable.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Impairment

(i) Impairment of Financial Assets

All financial assets (other than those categorised at fair value through profit or loss), are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. For an equity instrument, a significant or prolonged decline in the fair value below its cost is considered to be objective evidence of impairment.

An impairment loss in respect of held-to-maturity investments and loans and receivables financial assets is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the fair value reserve. In addition, the cumulative loss recognised in other comprehensive income and accumulated in equity under fair value reserve, is reclassified from equity to profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. In respect of available-for-sale equity instruments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss made is recognised in other comprehensive income.

(ii) Impairment of Non-Financial Assets

The carrying values of assets, other than those to which MFRS 136 Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value in use, which is measured by reference to discounted future cash flow.

An impairment loss is recognised in profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately, unless the asset is carried at its revalued amount. A reversal of an impairment loss on a revalued asset is credited to other comprehensive income. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the statements of comprehensive income, a reversal of that impairment loss is recognised as income in the statements of comprehensive income.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Assets under Finance Lease and Hire Purchase

Leases of plant and equipment where substantially all the benefits and risks of ownership are transferred to the Company are classified as finance leases.

Plant and equipment acquired under finance lease and hire purchase are capitalised in the financial statements.

Each lease or hire purchase payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding outstanding obligations due under the finance lease and hire purchase after deducting finance charges are included as liabilities in the financial statements.

Finance charges are recognised in profit or loss over the period of the respective lease and hire purchase agreements.

Plant and equipment acquired under finance leases and hire purchase are depreciated over the useful lives of the assets in accordance with the policy set out in Note 4(i).

(n) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method.

Net realisable value represents the estimated selling price less the estimated costs necessary to make the sale.

Where necessary, due allowance is made for all damaged, obsolete and slow-moving items. The Group writes down its obsolete or slow moving inventories based on assessment of the condition and the future demand for the inventories. These inventories are written down when events or changes in circumstances indicate that the carrying amounts may not be recovered.

(o) Income Taxes

Income tax for the year comprises current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Income Taxes (Cont'd)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Where investment properties are carried at their fair value, the amount of deferred tax recognised is measured using the tax rates that would apply on the sale of those assets.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from a business combination is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs.

(p) Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, deposits pledged with financial institutions, bank overdrafts and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(q) Provisions

Provisions are recognised when the Group has a present obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation.

(r) Employee Benefits

(i) Short-term Benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are recognised in profit or loss and included in the development costs, where appropriate, in the period in which the associated services are rendered by employees of the Group.

(ii) Defined Contribution Plans

The Group's contributions to defined contribution plans are recognised in profit or loss and included in the development costs, where appropriate, in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

(iii) Share-based Payment Transactions

At grant date, the fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the options. The amount recognised as an expense is adjusted to reflect the actual number of share options that are expected to vest.

Notes to the Financial Statements
for the financial year ended 31 May 2013

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) Related Parties

A party is related to an entity (referred to as the 'reporting entity') if:-

(a) A person or a close member of that person's family is related to a reporting entity if that person:-

(i) has control or joint control over the reporting entity;
(ii) has significant influence over the reporting entity; or
(iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies:-

(i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
(iii) Both entities are joint ventures of the same third party.
(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
(v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
(vi) The entity is controlled or jointly controlled by a person identified in (a) above.
(vii) A person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(t) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(u) Income and Other Income Recognition

Income is recognised to the extent that is probable that the economic benefits will flow to the Group and the revenue can be measured reliably. The following specific recognition criteria must also be met before income is recognised.

(i) Sale of Call Bandwidth

Revenue from sale of mobile telephony, fixed services, interconnection revenue and other network based services are recognised based on actual traffic volume net of rebates/discounts.

(ii) Sale of Telecommunication Software and Goods

Revenue relating to sale of telecommunication software and goods are recognised net of services tax and discounts upon the transfer of risks and rewards.

(iii) Rental Income

Rental income from investment property is recognised on a straight-line basis over the term of the lease.

(iv) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

(v) Maintenance Income

Revenue from maintenance income is recognised when the outcome can be reliably estimated.

(vi) Dividend Income

Dividend income is recognised when the Group's right to receive payment is established.

(vii) Commission Income

Revenue from technical support services and commission from distribution of IP call services are recognised when services have been rendered.

(v) Operating Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

(w) Borrowing Costs

Borrowing costs, directly attributable to the acquisition and construction of property, plant and equipment are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

All other borrowing costs are recognised in profit or loss as expenses in the period in which they incurred.

Notes to the Financial Statements
for the financial year ended 31 May 2013

5. INVESTMENTS IN SUBSIDIARIES

	The Company 2013 RM	The Company 2012 RM
Unquoted shares, at cost - in Malaysia	9,275,638	9,105,781
Quoted shares, at cost - outside Malaysia	75,426,226	75,426,226
	84,701,864	84,532,007

The details of the subsidiaries are as follows:-

Name of Company	Country of Incorporation	Effective Equity Interest 2013 %	Effective Equity Interest 2012 %	Principal Activities
REDtone Telecommunications Sdn Bhd	Malaysia	100	100	Research, development, manufacturing and marketing of computer-telephony integration products, provision of communication services and investment holding.
REDtone Technology Sdn Bhd ("RTT")	Malaysia	100	100	Provider of total solutions in business communication and telecommunication,provision of services and investment holding.
REDtone Network Sdn Bhd ("RN") ^^	Malaysia	–	70	Research and development and marketing of communication applications.
REDtone Marketing Sdn Bhd ("RM")	Malaysia	100	100	Research and development, manufacturing and marketing of telecommunication and multimedia solutions.
REDtone Asia Inc. ("RTA") ^	United States of America	92.31	92.31	Investment holding.
Held through RTT				
REDtone Mytel Sdn Bhd	Malaysia	60	60	Provision of telecommunication services.
REDtone Technology Pte Ltd ("RTPLS") ^	Singapore	100	100	Provision of telecommunication related products and services.
Held through RTA				
RT Communication Ltd ("RTCL") ^	British Virgin Islands	92.31	92.31	Investment holding.

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of Company	Country of Incorporation	Effective Equity Interest 2013 %	2012 %	Principal Activities
Held through RTCL				
VMS Technology Ltd ^	Hong Kong SAR	92.31	92.31	Provides system design, maintenance services and distance call services.
REDtone Telecommunications (China) Limited ("RTCC") ^	Hong Kong SAR	92.31	92.31	Investment holding.
Held through RTCC				
REDtone Telecommunications (Shanghai) Ltd ("RTShanghai") ^	The People's Republic of China	92.31	92.31	Provide technical support services.
Shanghai Huitong Telecommunication Company Ltd ^*	The People's Republic of China	92.31	92.31	Marketing and distribution of IP call and discounted call services.
Held through RTShanghai				
Shanghai Hongsheng Net Communication Company Ltd ("Hongsheng") ^*	The People's Republic of China	92.31	92.31	Marketing and distribution of discounted call services on consumer products.
Held through Hongsheng				
Nantong Jiatong Investment Consultant Co., Ltd ^*	The People's Republic of China	92.31	92.31	Investment holding.
Shanghai Jia Mao E-commerce Company Ltd ^*	The People's Republic of China	92.31	92.31	Marketing and distribution of products on the internet.
Shanghai Qian Yue Business Administration Co., Ltd ^*	The People's Republic of China	92.31	92.31	Provide prepaid shopping card and services.

^ *These subsidiaries were audited by other firms of chartered accountants.*

* *Being nominee companies which are controlled by RTCC through controlling agreements as RTCC provides funding for the shareholders of the nominee companies.*

^^ *During the financial year, the Group's equity interest in REDtone Network Sdn Bhd was diluted as a result of divestment of the shares, as disclosed in Note 32(a) to the financial statements. Consequently, the subsidiary became an associate of the Group.*

Notes to the Financial Statements

for the financial year ended 31 May 2013

6. INVESTMENTS IN ASSOCIATES

	The Group 2013 RM	The Group 2012 RM	The Company 2013 RM	The Company 2012 RM
Unquoted shares in Malaysia, at cost	2,097,570	1,256,315	841,275	20
Share of post-acquisition losses	(2,097,570)	(1,256,315)	(841,275)	–
	–	–	–	20
Quasi loans	22,957,636	20,235,161	–	–
	22,957,636	20,235,161	–	20

(a) Quasi loans represent advances and payments made on behalf of which the settlement is neither planned nor likely to occur in the foreseeable future. These amounts are in substance, a part of the Company's net investment in the associates. The quasi loans are stated at cost less accumulated impairment losses, if any.

(b) The details of the associates are as follows:-

Name of Company	Country of Incorporation	Effective Equity Interest 2013 %	Effective Equity Interest 2012 %	Principal Activities
RN	Malaysia	49	70	Research and development and marketing of communication applications.
RT Multimedia Sdn Bhd (formerly known as REDtone Multimedia Sdn Bhd) ("RMM")	Malaysia	- ^^	20	Investment holding.
Held through RTT				
REDtone Mobile Sdn Bhd	Malaysia	35	35	Operation on a mobile virtual network and research, design, develop and commercialisation of VOIP Customer Premise Equipment.
REDtone-CNX Broadband Sdn Bhd**	Malaysia	54.5	54.5	Provision of broadband and information technology services.
Held through RMM				
ETV Holding Sdn Bhd ("ETVH") (formerly known as DE Multimedia Holding Sdn Bhd) ^	Malaysia	- ^^	20	Investment holding.
Held through ETVH				
ETV Multimedia Sdn Bhd ("ETVM") (formerly known as DE Multimedia Sdn Bhd) ^	Malaysia	- ^^	18	Engaged in research, development, provision and commercialisation of digital television related technology services.

6. INVESTMENTS IN ASSOCIATES

(b) The details of the associates are as follows:- (Cont'd)

Name of Company	Country of Incorporation	Effective Equity Interest 2013 %	2012 %	Principal Activities
Held through ETVM				
ETV Marketing Sdn Bhd (formerly known as ETV Content Sdn Bhd) ^	Malaysia	- ^^	18	Engage in research, development and provision of contents for digital television related services.

** *The Group does not have control as it only has minority representation in the composition of the Board of Directors in the associate.*

^ *These companies were audited by other firms of chartered accountants.*

^^ *During the financial year, the Group disposed of its equity interests in these companies.*

(c) The summarised unaudited financial information of the associates is as follows:-

	The Group 2013 RM	2012 RM
Assets and liabilities		
Total assets	8,424,208	37,765,332
Total liabilities	10,290,552	54,821,250
Results		
Revenue	11,932,038	10,169,828
Loss after taxation	(4,911,379)	(4,666,981)

7. INVESTMENT IN JOINT CONTROLLED ENTITY

	The Group 2013 RM	2012 RM
Unquoted shares, at cost	1,491,641	1,491,641
Share of post-acquisition reserves	(1,491,641)	(1,491,641)
	–	–

(a) The details of the joint controlled entity are as follows:-

Name of Company	Country of Incorporation	Effective Equity Interest 2013 %	2012 %	Principal Activities
Held through RTT				
Meridianotch Sdn Bhd	Malaysia	50	50	Investment holding.

8. PROPERTY, PLANT AND EQUIPMENT

The Group	At 1.6.2012 RM	Additions RM	Depreciation Charge RM	Disposals RM	Written Off RM	Reclassi-fication RM	Revaluation of Investment Properties transferred RM	Transferred from Investment Properties (Note 9) RM	Transfer to Inventories RM	Exchange Difference RM	At 31.5.2013 RM
Net Book Value											
Freehold office lots	4,658,942	–	(122,902)	–	–	–	418,205	152,568	–	–	5,106,813
Computers and software	3,457,921	391,575	(1,029,119)	–	(4,252)	–	–	–	–	(2,955)	2,813,170
Furniture, fittings and office equipment	744,282	37,720	(266,954)	(21,867)	(5,111)	–	–	–	–	(1,015)	487,055
Equipment, plant and machinery *	21,804,130	896,672	(3,590,202)	–	–	280,838	–	–	(197,807)	(18,783)	19,174,848
Other assets **	1,971,532	325,265	(230,248)	(57,805)	(2,849)	(280,838)	–	–	–	(12)	1,725,045
	32,636,807	1,651,232	(5,239,425)	(79,672)	(12,212)	–	418,205	152,568	(197,807)	(22,765)	29,306,931

The Group	At 1.6.2011 RM	Additions RM	Depreciation Charge RM	Disposals RM	Written Off RM	Reclassi-fication RM	Disposal Of Subsidiaries RM	Exchange Difference RM	At 31.5.2012 RM
Net Book Value									
Freehold office lots	4,768,442	–	(109,500)	–	–	–	–	–	4,658,942
Computers and software	5,136,633	2,334,599	(1,203,195)	–	(28,901)	(1,958)	(2,787,109)	7,852	3,457,921
Furniture, fittings and office equipment	1,775,310	55,569	(217,136)	–	(93,479)	(3,206)	(663,371)	(109,405)	744,282
Equipment, plant and machinery *	19,976,255	4,576,949	(3,568,158)	(267,279)	–	653,391	(304,482)	737,454	21,804,130
Other assets **	2,622,356	304,358	(233,184)	–	(2,983)	(648,227)	–	(70,788)	1,971,532
	34,278,996	7,271,475	(5,331,173)	(267,279)	(125,363)	–	(3,754,962)	565,113	32,636,807

8. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group	At Cost RM	Accumulated Depreciation RM	Net Book Value RM
At 31.5.2013			
Freehold office lots	5,953,578	(846,765)	5,106,813
Computers and software	9,468,869	(6,655,699)	2,813,170
Furniture, fittings and office equipment	1,717,750	(1,230,695)	487,055
Equipment, plant and machinery *	53,163,507	(33,988,659)	19,174,848
Other assets **	7,104,999	(5,379,954)	1,725,045
	77,408,703	(48,101,772)	29,306,931

	At Cost RM	Accumulated Depreciation RM	Net Book Value RM
At 31.5.2012			
Freehold office lots	5,474,977	(816,035)	4,658,942
Computers and software	9,110,408	(5,652,487)	3,457,921
Furniture, fittings and office equipment	1,735,107	(990,825)	744,282
Equipment, plant and machinery *	52,202,587	(30,398,457)	21,804,130
Other assets **	7,235,432	(5,263,900)	1,971,532
	75,758,511	(43,121,704)	32,636,807

* Equipment consists of laboratory equipment, auto dialers, gateway equipment, travelfon, payphones and Wimax equipment.

** Other assets consist of renovation, motor vehicles and assets in progress.

The Company	At 1.6.2012 RM	Depreciation Charge RM	At 31.5.2013 RM
Net Book Value			
Furniture and fittings	197	(91)	106

	At 1.6.2011 RM	Depreciation Charge RM	At 31.5.2012 RM
Net Book Value			
Furniture and fittings	288	(91)	197

Notes to the Financial Statements

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8. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Company	At Cost RM	Accumulated Depreciation RM	Net Book Value RM
At 31.5.2013			
Furniture and fittings	910	(804)	106
At 31.5.2012			
Furniture and fittings	910	(713)	197

(a) Included in the assets of the Group at the end of the reporting period were motor vehicles with a total net book value of RM Nil (2012 - RM76,156), which were acquired under hire purchase terms.

(b) Included in the assets of the Group at the end of the reporting period were equipment with a total net book value of RM418,881 (2012 - RM465,858) acquired under finance lease terms.

(c) The freehold office lots of the Group have been pledged to licensed banks as security for banking facilities granted to the Group.

9. INVESTMENT PROPERTIES

	The Group 2013 RM	2012 RM
Leasehold land and buildings, at fair value		
At 1 June	1,128,938	1,038,600
Fair value adjustment	161,730	90,338
Net amount transferred to property, plant and equipment (Note 8)	(152,568)	–
At 31 May	1,138,100	1,128,938

(a) The leasehold land and buildings have been pledged to a licensed bank as security for banking facilities granted to the Group.

(b) Investment properties are stated at fair value, which have been determined based on directors' valuation at the end of the reporting period. The directors estimated the fair values of the investment properties to be RM1,138,100 (2012 - RM1,128,938) based on the recent selling prices of similar properties at locations adjacent to the Group's investment properties.

10. DEFERRED TAXATION

	The Group		The Company	
	2013 RM	2012 RM	2013 RM	2012 RM
At 1 June	3,837,075	4,520,122	893,919	1,138,721
Disposal of subsidiaries	–	(479,425)	–	–
Recognised in profit or loss (Note 30)	(837,723)	(205,769)	(111,856)	(244,802)
Exchange differences	323	2,147	–	–
At 31 May	2,999,675	3,837,075	782,063	893,919

Presented after appropriate offsetting as follows:

	The Group		The Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Deferred tax assets	3,060,402	3,943,366	782,063	893,919
Deferred tax liabilities	(60,727)	(106,291)	–	–
At 31 May	2,999,675	3,837,075	782,063	893,919

(i) Key assumptions used in recognition calculation

The recoverable amount of the deferred tax assets are determined based on value-in-use calculations using cash flow projections based on financial forecasts approved by management covering a 5-year period. The discount rate applied to cash flow projections is the Group's weighted average cost of capital beyond the 5-year period extrapolated assuming a 9% growth rate.

Key assumptions and management's approach to determine the values assigned to each key assumption are as follows:

Financial budget period	2014 - 2018
Average budgeted EBITDA margin	23.19%
Average growth rate	9.34%
Discount rate	15.60%

The key assumptions represent management's assessment of future trends in the regional telecommunication industry and are based on both external sources and internal sources.

Management has determined the budgeted EBITDA margin and weighted average growth rates based on past performance and its expectations of market development. The discount rates used are computed based on the weighted average cost of capital of the industry that the Group operates in.

Sensitivity to Changes in Assumptions

The management believes that no reasonably possible changes in any of the above key assumptions would cause the carrying value of the deferred taxation to be materially higher than its recoverable amount.

Notes to the Financial Statements

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10. DEFERRED TAXATION (CONT'D)

THE GROUP	Unutilised tax losses and unabsorbed capital allowances RM	Provision RM	Property, plant and equipment RM	ICULS RM	Others RM	Total RM
At 1 June 2011	4,176,783	3,767,594	(4,586,794)	1,138,721	23,818	4,520,122
Disposal of subsidiaries	(494,036)	(25,440)	56,897	–	(16,846)	(479,425)
Exchange differences	–	–	–	–	2,147	2,147
Recognised in profit or loss (Note 30)	1,513,078	(1,450,883)	(31,403)	(244,802)	8,241	(205,769)
At 31 May 2012/1 June 2012	5,195,825	2,291,271	(4,561,300)	893,919	17,360	3,837,075
Exchange differences	–	–	–	–	323	323
Recognised in profit or loss (Note 30)	(771,108)	–	–	(111,856)	45,241	(837,723)
At 31 May 2013	4,424,717	2,291,271	(4,561,300)	782,063	62,924	2,999,675
The Company						
At 1 June 2011	–	–	–	1,138,721	–	1,138,721
Recognised in profit or loss (Note 30)	–	–	–	(244,802)	–	(244,802)
At 31 May 2012/1 June 2012	–	–	–	893,919	–	893,919
Recognised in profit or loss (Note 30)	–	–	–	(111,856)	–	(111,856)
At 31 May 2013	–	–	–	782,063	–	782,063

Deferred tax assets have not been recognised in respect of the following items:-

	The Group 2013 RM	2012 RM
Unutilised tax losses and unabsorbed capital allowances	12,774,000	23,233,000

The above items are available for offsetting against future taxable profit subject to no substantial change in shareholdings as provided in the Income Tax Act, 1967 and guidelines issued by the tax authority.

11. OTHER INVESTMENTS

	The Group 2013 RM	2012 RM
At Cost:		
Non-Current		
Unquoted shares in Malaysia	50,000	50,000
Current		
Unquoted shares inside Malaysia	1,472	–
Unquoted shares outside Malaysia	–	998,837
	51,472	1,048,837

Investments in unquoted shares of the Group, designated as available-for-sale financial assets, are stated at cost as their fair values cannot be reliably measured using valuation techniques due to the lack of marketability of the shares.

12. GOODWILL

	The Group 2013 RM	2012 RM
At 1 June	9,914,844	10,929,387
Disposal of subsidiaries	–	(1,014,543)
	9,914,844	9,914,844
Allowance for impairment losses	(3,158,953)	(1,908,953)
At 31 May	6,755,891	8,005,891
Allowance for impairment losses:-		
At 1 June	(1,908,953)	(1,908,953)
Addition during the financial year	(1,250,000)	–
At 31 May	(3,158,953)	(1,908,953)

(a) The carrying amounts of goodwill allocated to each cash-generating unit are as follows:-

	The Group 2013 RM	2012 RM
REDtone Asia Inc. and its subsidiaries ("RTA Group")	5,956,212	7,206,212
Others	799,679	799,679
	6,755,891	8,005,891

12. GOODWILL (CONT'D)

(b) The Group assessed the recoverable amounts of goodwill allocated and determined that no further additional impairment is required. The recoverable amounts of the cash-generating units are determined using the value-in-use approach, and this is derived from the present value of the future cash flows from the operating segments computed based on the projections of financial budgets approved by management covering a period of 5 years. The key assumptions used in the determination of the recoverable amounts are as follows:-

	Average Budgeted EBITDA Margin 2014 – 2018	Average Growth Rate 2014 – 2018	Discount Rate 2014 – 2018
RTA Group	31%	9%	15.6%
Others	22%	9%	15.6%

The key assumptions represent management's assessment of future trends in the regional telecommunication industry and are based on both external sources and internal sources.

Management has determined the average budgeted EBITDA margin and weighted average growth rate based on past performance and its expectation of market development. The discount rates used are computed based on the weighted average cost of capital of the industry that the Group operates in.

Sensitivity to Changes in Assumptions

The management believes that no reasonably possible changes in any of the above key assumptions would cause the carrying value of the goodwill to be materially higher than its recoverable amount.

13. DEVELOPMENT COSTS

	The Group 2013 RM	2012 RM
At Cost:-		
At 1 June	21,334,286	23,590,788
Additions during the financial year	947,438	1,005,208
Disposal of subsidiaries	–	(3,491,193)
Exchange differences	(225,062)	229,483
At 31 May	22,056,662	21,334,286
Accumulated amortisation:-		
At 1 June	(10,767,752)	(7,839,084)
Amortisation for the financial year	(1,865,641)	(2,994,844)
Disposal of subsidiaries	–	132,352
Exchange differences	54,213	(66,176)
At 31 May	(12,579,180)	(10,767,752)
Net carrying amount	9,477,482	10,566,534

13. DEVELOPMENT COSTS (CONT'D)

The development costs included the following expenses:-

	The Group	
	2013 RM	2012 RM
Purchase of equipment	–	14,580
Staff costs	947,438	990,628
	947,438	1,005,208

14. INVENTORIES

	The Group	
	2013 RM	2012 RM
At Cost:-		
Finished goods	1,075,863	671,776

None of the inventories are carried at net realisable value.

15. TRADE RECEIVABLES

	The Group	
	2013 RM	2012 RM
Trade receivables:		
- Third parties	69,948,025	17,022,427
Allowance for impairment losses	(4,670,256)	(3,734,651)
	65,277,769	13,287,776
Allowance for impairment losses:-		
At 1 June	(3,734,651)	(3,252,242)
Addition during the financial year	(1,036,814)	(767,861)
Written back during the financial year	101,209	266,028
Written off during the financial year	–	19,424
At 31 May	(4,670,256)	(3,734,651)

The Group's normal trade credit terms range from 30 to 90 days. Other credit terms are assessed and approved on a case-by-case basis.

Notes to the Financial Statements
for the financial year ended 31 May 2013

16. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group 2013 RM	The Group 2012 RM	The Company 2013 RM	The Company 2012 RM
Current	13,036,673	12,905,332	20,913,028	30,358,926
Non-current	14,174,472	14,586,042	14,174,472	14,586,042
	27,211,145	27,491,374	35,087,500	44,944,968

	Note	The Group 2013 RM	The Group 2012 RM	The Company 2013 RM	The Company 2012 RM
Represented by:-					
Other receivables:					
- Third parties	16(a)	21,826,966	5,594,228	18,692,034	–
- Associates	16(b)	3,025,245	18,007,957	1,081,508	18,007,957
- Subsidiaries	16(c)	–	–	19,063,821	29,181,429
		24,852,211	23,602,185	38,837,363	47,189,386
Deposits		652,283	590,645	–	–
Prepayments		2,788,243	2,272,905	31,392	68,059
Sundry receivables	16(d)	3,430,183	3,338,116	–	–
		31,722,920	29,803,851	38,868,755	47,257,445
Allowance for impairment losses:					
At 1 June		(2,312,477)	–	(2,312,477)	–
Addition during the financial year		(2,230,520)	(2,312,477)	(1,500,000)	(2,312,477)
Written back during the financial year		31,222	–	31,222	–
At 31 May	16(e)	(4,511,775)	(2,312,477)	(3,781,255)	(2,312,477)
Net carrying amount		27,211,145	27,491,374	35,087,500	44,944,968

(a)

	The Group 2013 RM	The Group 2012 RM	The Company 2013 RM	The Company 2012 RM
Current	4,544,100	5,594,228	1,409,168	–
Non-current	17,282,866	–	17,282,866	–
	21,826,966	5,594,228	18,692,034	–

Included in other receivables is an amount of RM18,007,957 (2012 - RM18,007,957) owing by former associates which is non-trade in nature, interest-free, unsecured and expected to be repaid within a period of 10 years.

16. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

(b)

	The Group		The Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Current	2,424,921	1,133,844	481,184	1,133,844
Non-current	600,324	16,874,113	600,324	16,874,113
	3,025,245	18,007,957	1,081,508	18,007,957

The amount owing by associates is non-trade in nature, interest-free, unsecured and expected repaid within a period of 3 years.

(c) The amount owing by subsidiaries is non-trade in nature, interest-free, unsecured and repayable on demand.

(d) Included in sundry receivables is an amount of RM2,644,802 (2012 - RM2,548,426) paid to a third party as part of advances for purchases and the security deposit of RM789,690 (2012 - RM789,690) placed in accordance with the requirements of an agreement with a telecommunication company.

(e)

	The Group		The Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Current	(803,057)	(24,406)	(72,537)	(24,406)
Non-current	(3,708,718)	(2,288,071)	(3,708,718)	(2,288,071)
	(4,511,775)	(2,312,477)	(3,781,255)	(2,312,477)

17. DEPOSITS WITH LICENSED BANKS

(a) The deposits with licensed banks of the Group at the end of the reporting period bore effective interest rates ranging from 2.95% to 3.25% (2012 - 2.95% to 5.70%) per annum. The deposits have maturity periods ranging from 30 to 365 days (2012 - 30 to 365 days).

(b) The deposits with licensed banks of the Group at the end of the reporting period have been pledged to a licensed bank as security for banking facilities granted to the Group.

18. SHARE CAPITAL

The movements in the authorised and paid-up share capital of the Company are as follows:-

	The Company			
	2013	2012	2013	2012
	Number Of Shares		RM	RM
Authorised				
Ordinary shares of RM0.10 each	1,000,000,000	1,000,000,000	100,000,000	100,000,000

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18. SHARE CAPITAL (CONT'D)

The movements in the authorised and paid-up share capital of the Company are as follows:- (Cont'd)

	The Company			
	2013	2012	2013	2012
	Number Of Shares		RM	RM
Issued And Fully Paid-up				
Ordinary shares of RM0.10 each				
At 1 June	475,640,565	447,779,025	47,564,057	44,777,903
Issuance of shares pursuant to conversion of ICULS	3,848,860	19,957,040	384,886	1,995,704
Issuance of shares pursuant to exercise of warrants	4,000	–	400	–
New shares issued under the employees' share option scheme	3,485,500	7,904,500	348,550	790,450
At 31 May	482,978,925	475,640,565	48,297,893	47,564,057

19. TREASURY SHARES

During the financial year, the Company repurchased a total of 4,286,900 of its issued ordinary shares from the open market for RM1,705,864 including transaction costs, The average price paid for the shares repurchased was approximately RM0.39 per share. The shares purchased are held as treasury shares in accordance with Section 67A of the Companies Act, 1965 and are presented as a deduction from total equity.

The Company disposed of 489,000 treasury shares for a total consideration of RM190,212.

Of the total 482,978,925 (2012 - 475,640,565) issued and fully paid-up ordinary shares as at the end of the reporting period, 5,452,800 (2012 - 1,654,900) ordinary shares are held as treasury shares by the Company amounting to RM1,950,489 (2012 - RM349,347).

Details of the shares repurchased and retained as treasury shares were as follows:-

Month	No. of shares bought back RM	Highest price per share RM	Lowest price per share RM	Average price per share RM	Total consideration RM
July 2012	50,000	0.37	0.37	0.37	18,636
January 2013	283,400	0.40	0.40	0.40	113,848
February 2013	2,594,000	0.40	0.38	0.39	1,026,364
March 2013	819,500	0.41	0.38	0.39	324,377
April 2013	28,000	0.41	0.41	0.41	11,423
May 2013	512,000	0.42	0.39	0.41	211,216
	4,286,900				1,705,864

19. TREASURY SHARES (CONT'D)

Details of the disposed of treasury shares were as follows:-

Month	No.of shares resold RM	Highest price per share RM	Lowest price per share RM	Average price per share RM	Total consideration RM
October 2012	489,000	0.39	0.39	0.39	190,212

20. RESERVES

	The Group 2013 RM	The Group 2012 RM	The Company 2013 RM	The Company 2012 RM
Share premium	11,766,083	10,962,273	11,766,083	10,962,273
Foreign currency translation reserve	(1,427,493)	(1,055,954)	–	–
Revaluation reserve	418,205	–	–	–
Warrants reserve	19,330,663	19,331,138	19,330,663	19,331,138
Irredeemable convertible unsecured loan stocks	9,695,529	10,079,702	9,695,529	10,079,702
Employees' share option reserve	3,290,883	2,417,420	3,290,883	2,417,420
Retained profits/(Accumulated losses)	16,244,211	(8,847,202)	17,362,638	(10,779,056)
Total	59,318,081	32,887,377	61,445,796	32,011,477

(a) Share Premium

The movements in the share premium of the Group and the Company are as follows:-

	The Group/The Company 2013 RM	The Group/The Company 2012 RM
At 1 June	10,962,273	9,402,960
Ordinary shares issued pursuant to conversion of ICULS	(713)	(67,982)
Ordinary shares issued pursuant to exercise of ESOS	717,958	1,627,295
Ordinary shares issued pursuant to exercise of warrants	1,075	–
Treasury shares	85,490	–
At 31 May	11,766,083	10,962,273

The share premium is not distributable by way of dividends and may be utilised in the manner set out in Section 60(3) of the Companies Act 1965.

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20. RESERVES (CONT'D)

(b) Foreign Exchange Translation Reserve

The foreign exchange translation reserve arose from the translation of the financial statements of foreign subsidiaries and is not distributable by way of dividends.

	The Group	
	2013	2012
	RM	RM
At 1 June	(1,055,954)	(1,877,365)
Foreign currency translation	(371,539)	821,411
At 31 May	(1,427,493)	(1,055,954)

(c) Revaluation Reserve

	The Group	
	2013	2012
	RM	RM
At 1 June	–	–
Arising from transfer of investment properties to property, plant and equipment	418,205	–
At 31 May	418,205	–

(d) Warrants Reserve

	The Group/The Company	
	2013	2012
	RM	RM
At 1 June	19,331,138	19,331,138
Exercise of warrants	(475)	–
At 31 May	19,330,663	19,331,138

Each warrant entitles the registered holder to subscribe for one new ordinary share in the Company at any time on or after 4 March 2010 up to the date of expiry on 4 March 2015, at an exercise price of RM0.25 per share or such adjusted price in accordance with the provisions in the Deed Poll. The warrants were listed on the ACE Market of Bursa Malaysia Securities Berhad with effect from 4 March 2010.

4,000 warrants were exercised during the financial year ended 31 May 2013.

As at the end of the reporting period, 162,442,534 warrants remain unexercised.

20. RESERVES (CONT'D)

(d) Warrants Reserve (Cont'd)

The fair value of the warrants is estimated using the Trinomial American model, taking into account the terms and conditions upon which the warrants are acquired. The fair value of the warrants measured at issuance date and the assumptions are as follows:-

Valuation model	Trinomial
Exercise type	American
Tenure	5 years
5-day volume weighted average price of REDtone share at 29.12.2009	RM0.29
Conversion price	RM0.25
Volatility rate	29.817%
Period of volatility assessment	The average of the following market days: 29.12.2009; 30.09.2009,30.6.2009; 31.3.2009; and 31.12.2008

(e) Irredeemable Convertible Unsecured Loan Stocks ("ICULS")

	The Group/The Company	
	2013	2012
Equity	RM	RM
At 1 June	10,079,702	12,007,424
Converted during the financial year	(384,173)	(1,927,722)
At 31 May	9,695,529	10,079,702

	The Group/The Company	
	2013	2012
Non-current liabilities	RM	RM
At 1 June	3,575,677	4,554,884
Converted during the financial year	(135,730)	(714,882)
Amortisation charge during the financial year	(311,693)	(264,325)
At 31 May	3,128,254	3,575,677

The ICULS represent the unconverted portion of the original RM40,611,634 nominal value of 10-year 2.75% ICULS issued and allotted at 100% of the nominal value, net of deferred tax and the amount allocated to the warrant reserve.

The ICULS have a tenure of ten years from the date of issue and will not be redeemable in cash. All outstanding ICULS will be mandatorily converted by the Company into new ordinary shares at the conversion price applicable on the maturity date. The ICULS are convertible into fully paid ordinary shares of RM0.10 each at any time during the tenure of the ICULS from 4 March 2010 to the maturity date on 4 March 2020, at the rate of ten RM0.10 nominal amount of ICULS for four fully paid up ordinary shares of RM0.10 each in the Company.

Upon conversion of the ICULS into new ordinary shares, such shares would rank pari passu in all material respects with the existing ordinary shares of the Company in issue at the date of allotment of the new ordinary shares except that the newly converted ordinary shares shall not be entitled to any rights, allotments of dividends, and/or other distribution if the dividend entitlement date is on or before the relevant conversion date.

The interest on the ICULS is at the rate of 2.75% per annum on the nominal value of the ICULS commencing March 2010 and is payable annually in arrears on March each year.

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20. RESERVES (CONT'D)

(f) Employees' Share Option Reserve

The employees' share option reserve represents the equity-settled share options granted to employees. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options, and is reduced by the expiry or exercise of the share options.

The Employees' Share Option Scheme of the Company ("ESOS") is governed by the ESOS By-Laws and was approved by shareholders on 30 November 2010. The ESOS is to be in force for a period of 5 years effective from 14 January 2011.

The main features of the ESOS are as follows:-

(i) Eligible persons are employees and/or directors of the Group, save for companies which are dormant, who have been confirmed in the employment of the Group and have served for at least for a continuous 6 months (which shall include any probation period) before the date of the offer.

(ii) The maximum number of new shares of the Company, which may be available under the scheme, shall not exceed in aggregate 10%, or any such amount or percentage as may be permitted by the relevant authorities of the issued and paid-up share capital of the Company at any one time during the existence of the ESOS.

(iii) The option price shall be determined by the Option Committee based on the 5-day weighted average market price of shares of the Company immediately preceding the offer date of the option, with a discount of not more than 10%, or at the par value of shares of the Company, whichever is higher.

(iv) The option may be exercised by the grantee by notice in writing to the Company in the prescribed form during the option period in respect of all or any part of the new shares of the Company comprised in the ESOS.

(v) All new ordinary shares issued upon exercise of the options granted under the ESOS will rank pari passu in all respects with the existing ordinary shares of the Company, provided always that new ordinary shares so allotted and issued, will not be entitled to any dividends, rights, allotments and/or other distributions declared, where the entitlement date of which is prior to date of allotment and issuance of the new shares.

The option prices and the details in the movement of the options granted are as follows:-

		Number Of Options over Ordinary Shares Of RM0.10 Each			
Date of Offer	**Exercise Price**	**At 1 June 2012**	**Granted ***	**Exercised**	**At 31 May 2013**
4 March 2011	RM0.165	9,600,000	–	1,600,000	8,000,000
11 August 2011	RM0.145	7,346,000	3,089,500	1,795,500	8,640,000
29 December 2011	RM0.230	50,000	50,000	90,000	10,000
7 June 2012	RM0.220	–	150,000	–	150,000
5 July 2012	RM0.250	–	14,050,000	–	14,050,000
25 September 2012	RM0.300	–	180,000	–	180,000
21 February 2013	RM0.340	–	2,450,000	–	2,450,000
		16,996,000	19,969,500	3,485,500	33,480,000

* During the financial year, the Company granted 19,969,500 share options under the ESOS. These options expire on 13 January 2016.

20. RESERVES (CONT'D)

(f) Employees' Share Option Reserve (Cont'd)

The fair values of the share options granted were estimated using a trinomial model, taking into account the terms and conditions upon which the options were granted. The fair values of the share options measured at grant date and the assumptions used are as follows:-

	2013	2012	2011
Fair value of share options at the grant date (RM)			
- 4 March 2011	N/A	N/A	0.1252
- 11 August 2011	N/A	0.1713	N/A
- 29 December 2011	N/A	0.1508	N/A
- 7 June 2012	0.1181	N/A	N/A
- 5 July 2012	0.1465	N/A	N/A
- 25 September 2012	0.1520	N/A	N/A
- 21 February 2013	0.1615	N/A	N/A
Weighted average share price (RM)	0.243-0.376	0.159 - 0.255	0.183
Exercise price (RM)	0.22-0.34	0.145 - 0.230	0.165
Expected volatility (%)	55.42-60.62	61.23 - 61.99	85.22
Expected life (years)	0.271-0.415	0.30 - 0.316	0.22
Risk free rate (%)	3.15-3.29	3.22 - 3.37	3.86
Expected dividend yield (%)	0	0	0

21. FINANCE LEASE PAYABLES

	The Group 2013 RM	2012 RM
Future minimum lease payments:		
- not later than one year	123,221	486,954
- later than one year and not later than five years	359,395	482,617
	482,616	969,571
Less: Future finance charges	(79,829)	(138,391)
Present value of finance lease payables	402,787	831,180
Current portion:		
- not later than one year	102,839	428,392
Non-current portion:		
- later than one year and not later than five years	299,948	402,788
	402,787	831,180

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22. HIRE PURCHASE PAYABLES

	The Group 2013 RM	The Group 2012 RM
Minimum hire purchase payments:		
- not later than one year	–	30,780
- later than one year and not later than five years	–	48,735
	–	79,515
Less: Future finance charges	–	(10,398)
Present value of hire purchase payables	–	69,117
Current portion:		
- not later than one year	–	26,739
Non-current portion:		
- later than one year and not later than five years	–	42,378
	–	69,117

23. TERM LOANS

	The Group 2013 RM	The Group 2012 RM
Current portion:		
- not later than one year	61,873	108,902
Non-current portion:		
- later than one year and not later than two years	65,004	108,902
- later than two years and not later than five years	215,436	217,802
- later than five years	1,609,682	1,573,570
	1,890,122	1,900,274
	1,951,995	2,009,176

The term loans are secured by a first party legal charge over the Group's freehold office lots, buildings and a corporate guarantee provided by the Company.

23. TERM LOANS (CONT'D)

The repayment terms of the term loans are as follows:-

Fixed loan 1 at bore effective interest rate 4.95% per annum	Repayable in 240 monthly instalments of RM1,881, effective from June 2009.
Fixed loan 2 at bore effective interest rate 4.95% per annum	Repayable in 240 monthly instalments of RM4,428, effective from June 2009.
Refinancing loan 1 at bore effective interest rate 4.95% per annum	Repayable in 240 monthly instalments of RM1,538, effective from September 2009.
Refinancing loan 2 at bore effective interest rate 4.95% per annum	Repayable in 240 monthly instalments of RM3,635, effective from September 2009.
Refinancing loan 3 at bore effective interest rate 4.95% per annum	Repayable in 240 monthly instalments of RM1,604, effective from September 2009.

24. DEFERRED INCOME

	The Group	
	2013 RM	2012 RM
At 1 June	7,621,742	7,968,058
Net utilisation during the financial year	(1,171,987)	(346,316)
At 31 May	6,449,755	7,621,742

Deferred income consists of prepaid products sold to customers which are yet to be utilised.

25. TRADE PAYABLES

	The Group	
	2013 RM	2012 RM
Third parties	25,943,059	17,162,504

The normal trade credit term granted to the Group and the Company is 60 days. Other credit terms are assessed and approved on a case-by-case basis.

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26. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Other payables:				
- Third parties	29,158,839	5,861,079	22,547	247,041
- Associates	–	404	–	404
- Subsidiaries	–	–	9,932,855	47,248,141
	29,158,839	5,861,483	9,955,402	47,495,586
Provision of Universal Service Fund Contribution ("USP fund")	8,035,059	7,576,615	–	–
Accruals	5,682,733	3,841,761	248,955	329,657
	42,876,631	17,279,859	10,204,357	47,825,243

The amounts owing to the subsidiaries and associates represent unsecured interest-free advances granted to the Company. The amount is repayable on demand.

27. BANK OVERDRAFT

The bank overdraft of the Group bore an effective interest rate of 7.1% (2012 - 7.1%) per annum and is secured by a Deed of Assignment executed by the Group, assigning all the rights and titles, interests and benefits in respect of the properties with a total net book value of RM5,106,813 (2012 - RM4,658,942) and deposits with licensed banks as disclosed in Notes 8 and 17 respectively to the financial statements.

28. REVENUE

	The Group		The Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Commission income	22,378,359	26,160,421	–	–
Digital television services	–	327,258	–	–
Dividend income	–	–	32,833,745	–
Sale of bandwidth	112,399,995	78,383,675	–	–
Sale of telecommunication software, goods and installation charges	7,269,302	2,104,576	–	–
	142,047,656	106,975,930	32,833,745	–

29. PROFIT/(LOSS) BEFORE TAXATION

	The Group 2013 RM	The Group 2012 RM	The Company 2013 RM	The Company 2012 RM
Profit/(Loss) before taxation is arrived at after charging/ (crediting):-				
Amortisation of development costs	1,865,641	2,994,844	–	–
Audit fee:-				
- statutory audits	318,520	355,740	75,000	75,000
- (over)/underprovision in the previous financial year	(4,216)	20,000	(1,720)	20,000
- other services	142,915	305,851	142,915	135,070
Bad debts written off	66,784	50,192	–	5,500,000
Depreciation of property, plant and equipment	5,239,425	5,331,173	91	91
Directors' remuneration:-				
- fees	318,000	353,917	318,000	353,917
- non-fee emoluments	1,218,994	1,128,684	210,180	–
Dividend income	–	–	(32,833,745)	–
Fair value gain on investment properties	(161,730)	(90,338)	–	–
Loss/(Gain) on foreign exchange:				
- realised	46,079	68,183	(2)	–
- unrealised	(139,818)	(283,449)	388,608	(224,772)
(Gain)/Loss on disposal of				
- subsidiaries	(1,806,789)	(10,879,717)	45,546	100,076
- associates	(1)	–	19	–
Impairment loss on :-				
- associate	841,275	–	841,275	–
- goodwill	1,250,000	–	–	–
- non-trade receivables	2,230,520	2,312,477	1,500,000	2,312,477
- other investment	–	98,464	–	–
- trade receivables	1,036,814	767,861	–	–
Interest expense:				
- bank overdraft	184,360	194,815	–	–
- finance lease	58,562	283,197	–	–
- hire purchase	7,252	4,015	–	–
- ICULS	668,842	669,630	668,842	669,630
- term loans:-				
(i) current financial year	99,852	99,648	–	–
(ii) underprovision in the previous financial year	–	91,362	–	–
Interest income for deposits	(778,539)	(761,044)	(16,481)	(16,047)
Inventories written down	18,692	364,543	–	–
Inventories written off	–	88,690	–	–
Loss/(Gain) on disposal of property, plant and equipment	25,857	(10,876)	–	–
Property, plant and equipment written off	12,212	125,363	–	–
Rental of computer	231,059	336,551	–	–
Rental of office	577,792	904,160	–	–
Share-based payments	1,412,054	1,901,283	40,375	–
Staff costs:				
- salaries, wages, bonuses and allowances	11,072,710	14,722,912	279,603	339,137
- defined contribution plan	1,224,446	1,566,642	34,118	30,929
Writeback on:-				
- impairment losses on trade receivables	(101,209)	(266,028)	–	–
- impairment losses on other receivables	(31,222)	–	(31,222)	–
- other investment	(66,460)	–	–	–

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30. INCOME TAX EXPENSE

	The Group 2013 RM	The Group 2012 RM	The Company 2013 RM	The Company 2012 RM
Income tax:				
- Malaysia tax	6,727,862	60,000	–	–
- Foreign tax	1,135,075	1,063,758	–	–
- (Over)/Underprovision in the previous financial year	(199,285)	44,687	(199,285)	–
	7,663,652	1,168,445	(199,285)	–
Deferred taxation (Note 10):				
- relating to originating and recognition of temporary differences	837,723	205,769	111,856	244,802
	8,501,375	1,374,214	(87,429)	244,802

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

A subsidiary, REDtone Technology Sdn. Bhd. has been granted MSC Malaysia status, which qualifies the subsidiary for the Pioneer Status incentive under the Promotion of Investments Act 1986. The subsidiary will enjoy full exemption from income tax on its statutory income from pioneer activities for a period of 5 years, from 17 September 2007 to 18 September 2012. The Pioneer Status incentive expired on 18 September 2012.

A reconciliation of income tax expense applicable to the profit/(loss) before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and the Company is as follows:-

	The Group 2013 RM	The Group 2012 RM	The Company 2013 RM	The Company 2012 RM
Profit/(Loss) before taxation	33,663,739	3,234,101	28,054,265	(8,604,872)
Tax at the statutory tax rate of 25%	8,415,935	808,526	7,013,566	(2,151,218)
Tax effects of:-				
Non-taxable income	(8,208,436)	(2,775,972)	(8,208,436)	(56,193)
Non-deductible expenses	11,032,126	2,057,739	1,306,726	2,039,728
Deferred tax assets not recognised during the financial year	–	2,117,733	–	412,485
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	(2,614,750)	(792,378)	–	–
(Over)/Underprovision of income tax in the previous financial year	(199,285)	44,687	(199,285)	–
Differential in tax rates	75,785	(86,121)	–	–
Income tax expense/(refund) for the financial year	8,501,375	1,374,214	(87,429)	244,802

31. EARNINGS PER SHARE (SEN)

(a) Basic

Basic earnings per share is calculated by dividing the profit for the financial year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

	The Group	
	2013	2012
	RM	RM
Profit attributable to owners of the Company (RM)	25,091,413	2,148,274
Total weighted average number of ordinary shares in issue	479,376,055	476,449,603
Basic earnings per share (Sen)	5.23	0.45

(b) Diluted

The diluted earnings per share was not applicable as there were no dilutive potential ordinary shares outstanding at the end of the reporting period.

32. DISPOSAL OF SUBSIDIARIES

During the financial year, the Group disposed of its equity interests in RN and RMM as follows:-

(a) REDtone Network Sdn Bhd ("RN")

On 29 May 2013, the Group entered into a Share Sale Agreement with D.Y.M.M. Sultan Ibrahim Ismail Ibni Almarhum Sultan Mahmud Iskandar Al-Haj ("D.Y.M.M. Sultan Ibrahim") for the divestment of 315,000 ordinary shares of RM1.00 each, representing 21% of the total paid-up capital of its subsidiary, REDtone Network Sdn Bhd ("RN"), to D.Y.M.M. Sultan Ibrahim for a total cash consideration of RM315,000 ("Divestment").

Upon completion of the divestment, RN became a 49% associated company of the Group.

(b) RT Multimedia Sdn Bhd (formerly known as REDtone Multimedia Sdn Bhd)("RMM")

On 7 June 2012, the Company had disposed of the entire balance of 20 ordinary shares of RM1.00 each, representing 20% of the total paid up capital of RMM to CCSB Consulting Sdn Bhd for a total consideration of RM1.

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32. DISPOSAL OF SUBSIDIARIES (CONT'D)

The fair values of the identifiable assets and liabilities of the abovementioned subsidiaries as at the date of disposal were:-

	At Date Of Disposal Carrying Amount RM	Fair Value Recognised RM
Non-current assets		
Current assets	1,842	1,842
Current liabilities	(652,356)	(652,356)
Fair value of net liabilities disposed	(650,514)	(650,514)
Share of results		(841,275)
Gain on disposal of subsidiaries		1,806,789
Less: Cash and cash equivalents of subsidiaries disposed		(1,365)
Net cash inflow for disposal of subsidiaries		313,635

The effects of the disposal of the subsidiaries on the financial results of the Group for the financial year are as follows:-

	The Group 2013 RM
Revenue	–
Loss after taxation	(1,754,203)

33. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	The Group 2013 RM	2012 RM
Cash of property, plant and equipment purchased	1,651,232	7,271,475
Amount financed through finance lease	–	(514,197)
Cash disbursed for purchase of property, plant and equipment	1,651,232	6,757,278

34. CASH AND CASH EQUIVALENTS

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following:-

	The Group 2013 RM	2012 RM	The Company 2013 RM	2012 RM
Deposits with licensed Banks (Note 17)	31,512,643	17,524,058	–	–
Cash and bank balances	5,085,244	4,065,764	554,278	255,996
Bank overdraft	(3,292,721)	(2,441,485)	–	–
	33,305,166	19,148,337	554,278	255,996

35. DIRECTORS' REMUNERATION

(a) The aggregate amounts of emoluments received and receivable by directors of the Group and the Company during the financial year are as follows:-

	The Group		The Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Executive directors:				
- non-fee emoluments	1,218,994	1,128,684	210,180	147,767
- share-based payments	246,098	–	–	–
Non-executive directors:				
- fee	318,000	353,917	318,000	353,917
- share-based payments	40,375	–	40,375	–
	1,823,467	1,482,601	568,555	501,684

(b) Details of directors' emoluments of the Company received/receivable for the financial year in bands of RM50,000 are as follows:-

	The Company	
	2013 RM	2012 RM
Executive directors:-		
RM100,001 – RM150,000	–	1
RM150,001 – RM200,000	1	1
RM200,001 – RM250,000	–	–
RM250,001 – RM300,000	–	–
Above RM300,000	–	2
Non-executive directors:-		
Below RM50,000	3	4
Above RM50,000	2	2
	6	10

36. SIGNIFICANT RELATED PARTY DISCLOSURES

(a) Identities of related parties

The Group has related party relationships with its directors, key management personnel and entities within the same group of companies.

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36. SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D)

(b) In addition to the information detailed elsewhere in the financial statements, the Group and the Company carried out the following significant transactions with the related parties during the financial year:-

	The Group		The Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Dividend from subsidiaries	–	–	32,833,745	–
Associates:				
(a) Sale of goods to:				
- REDtone Mobile Sdn. Bhd.	37,393	39,885	–	–
- REDtone-CNX Broadband Sdn Bhd	266,983	905,786	–	–
(b) Rental expenses paid to Endless Revenue Sdn. Bhd., a company in which a director, Dato' Wei Chuan Beng's spouse is director and major shareholder	144,049	141,206	–	–
Key management personnel compensation:				
- short-term employee benefits	2,290,133	2,190,746	528,180	501,684
- share-based payments	419,667	–	40,375	–

37. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Group Executive Committee as its chief operating decision maker in order to allocate resources to segments and to assess their performance. For management purposes, the Group is organised into business units based on their products and services provided.

The primary segment reporting format is determined to be geographical segment as the Group's risks and rates of return are affected predominantly by the differences in the countries operated.

As the Group operates primarily in the telecommunication business segment, no segment information is prepared in respect of business segments.

37. OPERATING SEGMENTS (CONT'D)

Geographical Information

	Malaysia RM	The Republic of Singapore RM	The People's Republic of China RM	Group RM
2013				
Revenue				
External revenue	119,665,496	3,802	22,378,358	142,047,656
Inter-segment revenue	23,534,838	–	–	23,534,838
	143,200,334	3,802	22,378,358	165,582,494
Adjustments and eliminations				(23,534,838)
Consolidated revenue				142,047,656
Interest income	457,108	-	321,431	778,539
Other material items of income	3,917,749	-	117,282	4,035,031
Depreciation of property, plant and equipment	(4,037,327)	-	(1,202,098)	(5,239,425)
Other material items of expenses	(79,810,798)	(105,801)	(19,453,621)	(99,370,220)
Other non-cash expenses	(7,259,345)	866	(310,496)	(7,568,975)
				34,682,606
Finance costs				(1,018,867)
Income tax expense				(8,501,375)
Consolidated profit after taxation				25,162,364
Assets				
Segment assets	136,005,331	17,638	40,879,994	176,902,963
Investment in associates				22,957,636
Deferred tax assets				3,060,402
Consolidated total assets				202,921,001
Liabilities				
Segment liabilities	70,606,609	137,048	19,057,025	89,800,682
Deferred taxation				60,727
Consolidated total liabilities				89,861,409
Other segment items				
Additions to non-current assets other than financial instruments:-				
- investment in associates - quasi loan	2,722,475	–	–	2,722,475
- property, plant and equipment	1,201,749	–	449,483	1,651,232
- development costs	947,438	–	–	947,438
Amortisation of development costs	1,488,717	–	376,924	1,865,641

37. OPERATING SEGMENTS (CONT'D)

Geographical Information (Cont'd)

	Malaysia RM	The Republic of Singapore RM	The People's Republic of China RM	Group RM
2012				
Revenue				
External revenue	80,802,043	13,466	26,160,421	106,975,930
Inter-segment revenue	17,556,712	–	–	17,556,712
	98,358,755	13,466	26,160,421	124,532,642
Adjustments and eliminations				(17,556,712)
Consolidated revenue				106,975,930
Interest income	276,576	–	484,468	761,044
Other material items of income	11,076,192	–	191,593	11,267,785
Depreciation of property, plant and equipment	(4,135,864)	(450)	(1,194,859)	(5,331,173)
Other material items of expenses	(78,597,345)	(132,956)	(23,521,715)	(102,252,016)
Other non-cash expenses	(6,354,318)	(6,372)	(483,212)	(6,843,902)
				4,577,668
Finance costs				(1,343,567)
Income tax expense				(1,374,214)
Consolidated profit after taxation				1,859,887
Assets				
Segment assets	83,091,748	55,891	33,280,116	116,427,755
Investment in associates				20,235,161
Deferred tax assets				3,943,366
Consolidated total assets				140,606,282
Liabilities				
Segment liabilities	41,460,130	213,855	10,907,389	52,581,374
Deferred taxation				106,291
Consolidated total liabilities				52,687,665
Other segment items				
Additions to non-current assets other than financial instruments:-				
- investment in associates - quasi loan	3,733,177	–	–	3,733,177
- property, plant and equipment	7,228,138	–	43,337	7,271,475
- development costs	1,005,208	–	–	1,005,208
Amortisation of development costs	2,617,078	–	377,766	2,994,844

38. CAPITAL COMMITMENTS

	The Group	
	2013 RM	2012 RM
Approved and contracted for:-		
Purchase of property, plant and equipment	87,415	4,086,590

39. OPERATING LEASE COMMITMENTS

The future minimum lease payments under the non-cancellable operating leases are as follows:-

	The Group	
	2013 RM	2012 RM
Not more than one year	192,240	320,751
Later than one year and not later than five years	48,552	70,717
	240,792	391,468

40. CONTINGENT LIABILITY

	The Group	
	2013 RM	2012 RM
Corporate guarantees given by subsidiaries to third parties	16,184,839	5,890,011

41. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risks (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Financial Risk Management Policies

The Group's policies in respect of the major areas of treasury activity are as follows:-

(i) Market Risk

(i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than Ringgit Malaysia. The currencies giving rise to this risk are primarily United States Dollar and Chinese Renminbi. Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

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41. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(i) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

The Group's exposure to foreign currency is as follows:-

The Group	United States Dollar RM	Hong Kong Dollar RM	Singapore Dollar RM	Euro RM	Sterling Pound RM	Chinese Renminbi RM	Ringgit Malaysia RM	Total RM
2013								
Financial assets								
Other investments	–	–	–	–	–	–	51,472	51,472
Trade receivables	88,538	17,439	–	–	5,340	7,361,687	57,804,765	65,277,769
Other receivables and deposits	2,859,441	463,973	147,121	639,948	–	872,525	19,439,894	24,422,902
Deposits with licensed banks	–	–	–	–	–	13,513,989	17,998,654	31,512,643
Cash and bank balances	125,084	16,635	7,073	–	–	3,208,516	1,727,936	5,085,244
	3,073,063	498,047	154,194	639,948	5,340	24,956,717	97,022,721	126,350,030
Financial liabilities								
Finance lease payables	–	–	–	–	–	–	402,787	402,787
Term loans	–	–	–	–	–	–	1,951,995	1,951,995
Trade payables	2,821,096	64,341	36,459	–	–	11,415,499	11,605,664	25,943,059
Other payables and accruals	811,343	203,471	32,845	–	–	1,296,178	40,532,794	42,876,631
Bank overdraft	–	–	–	–	–	–	3,292,721	3,292,721
	3,632,439	267,812	69,304	–	–	12,711,677	57,785,961	74,467,193
Net financial (liabilities)/assets	(559,376)	230,235	84,890	639,948	5,340	12,245,040	39,236,760	51,882,837
Less: Net financial (assets)/ liabilities denominated in the respective entities' functional currencies	207,181	(232,107)	101	–	–	(12,245,040)	(39,235,659)	(51,505,524)
Currency exposure	(352,195)	(1,872)	84,991	639,948	5,340	–	1,101	377,313

41. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(i) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

The Group's exposure to foreign currency is as follows:-

The Group	United States Dollar RM	Hong Kong Dollar RM	Singapore Dollar RM	Thai Baht RM	Sterling Pound RM	Chinese Renminbi RM	Ringgit Malaysia RM	Total RM
2012								
Financial assets								
Other investments	–	–	–	–	–	998,837	50,000	1,048,837
Trade receivables	1,030,568	–	–	5,639	–	1,826,397	10,425,172	13,287,776
Other receivables and deposits	3,052,324	279,639	15,180	14,784	–	927,030	20,929,512	25,218,469
Deposits with licensed banks	–	–	–	–	–	8,387,714	9,136,344	17,524,058
Cash and bank balances	59,009	37,045	41,129	–	108,921	2,577,746	1,241,914	4,065,764
	4,141,901	316,684	56,309	20,423	108,921	14,717,724	41,782,942	61,144,904
Financial liabilities								
Finance lease payables	–	–	–	–	–	–	831,180	831,180
Hire purchase payables	–	–	–	–	–	–	69,117	69,117
Term loans	–	–	–	–	–	–	2,009,176	2,009,176
Trade payables	3,300,676	1,383	68,783	688	–	2,197,147	11,593,827	17,162,504
Other payables and accruals	613,432	186,752	20,665	–	–	1,477,917	14,981,093	17,279,859
Bank overdraft	–	–	–	–	–	–	2,441,485	2,441,485
	3,914,108	188,135	89,448	688	–	3,675,064	31,925,878	39,793,321
Net financial assets/(liabilities)	227,793	128,549	(33,139)	19,735	108,921	11,042,660	9,857,064	21,351,583
Less: Net financial (assets)/ liabilities denominated in the respective entities' functional currencies	(227,793)	(128,549)	33,139	–	(108,921)	(11,042,660)	(9,857,064)	(21,331,848)
Currency exposure	–	–	–	19,735	–	–	–	19,735

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41. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(i) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign currency risk sensitivity analysis

A 5% strengthening or weakening would have had immaterial effect on the profit after taxation and equity of the Group. This assumes that all other variables remain constant.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from interest-bearing financial assets and liabilities. The Group's policy is to obtain the most favourable interest rates available. Any surplus funds of the Group will be placed with licensed financial institutions to generate interest income.

Information relating to the Group's exposure to the interest rate risk of the financial liabilities is disclosed in Note 41(a)(iii) to the financial statements.

Interest rate risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates as at the end of the reporting period, with all other variables held constant:-

	The Group	
	2013 (Decrease)/ Increase RM	2012 (Decrease)/ Increase RM
Effects on profit/(loss) after taxation		
Increase of 100 basis points (bp)	(32,927)	(24,415)
Decrease of 100 bp	32,927	24,415
Effects on equity		
Increase of 100 bp	(32,927)	(24,415)
Decrease of 100 bp	32,927	24,415

(iii) Equity Price Risk

The Group does not have any quoted investments and hence, it is not exposed to equity price risk.

41. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(ii) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including quoted investments, cash and bank balances and derivatives), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of the trade and other receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. Impairment is estimated by management based on prior experience and the current economic environment.

Credit risk concentration profile

The Group does not have any major concentration of credit risk related to any individual customer or counterparty.

Exposure to credit risk

As the Group does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets as at the end of the reporting period.

The exposure of credit risk for trade receivables by geographical region is as follows:-

	The Group	
	2013 RM	2012 RM
China	7,379,127	1,826,397
Malaysia	57,898,642	11,461,379
	65,277,769	13,287,776

Ageing analysis

The ageing analysis of the Group's trade receivables is as follows:-

The Group	Gross Amount RM	Individual Impairment RM	Collective Impairment RM	Carrying Value RM
2013				
Not past due	55,766,312	–	–	55,766,312
Past due:-				
- less than 3 months	7,510,355	–	–	7,510,355
- 3 to 6 months	345,509	–	–	345,509
- over 6 months	6,325,849	(4,670,256)	–	1,655,593
	69,948,025	(4,670,256)	–	65,277,769

41. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(ii) Credit Risk (Cont'd)

Ageing analysis (Cont'd)

The Group	Gross Amount RM	Individual Impairment RM	Collective Impairment RM	Carrying Value RM
2012				
Not past due	5,017,662	–	–	5,017,662
Past due:-				
- less than 3 months	5,357,468	–	–	5,357,468
- 3 to 6 months	751,775	–	–	751,775
- over 6 months	5,895,522	(3,314,223)	(420,428)	2,160,871
	17,022,427	(3,314,223)	(420,428)	13,287,776

At the end of the reporting period, trade receivables that are individually impaired were those in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancement.

The collective impairment allowance is determined based on estimated irrecoverable amounts from the sale of goods, determined by reference to past default experience.

Trade receivables that are past due but not impaired

The Group believes that no impairment allowance is necessary in respect of these trade receivables. They are substantially companies with good collection track record and no recent history of default.

Trade receivables that are neither past due nor impaired

A significant portion of trade receivables that are neither past due nor impaired are regular customers that have been transacting with the Group. The Groups uses ageing analysis to monitor the credit quality of the trade receivables. Any receivables having significant balances past due, which are deemed to have higher credit risk, are monitored individually.

(iii) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

41. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(iii) Liquidity Risk (Cont'd)

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

The Group	Weighted Average Effective Rate %	Carrying Amount Rm	Contractual Undiscounted Cash Flows Rm	Within 1 Year Rm	1 – 5 Years Rm	Over 5 Years Rm
2013						
Finance lease payables	3.9	402,787	482,617	123,221	359,396	–
Hire purchase payables	3.0	–	–	–	–	–
Term loans	4.95	1,951,995	2,532,843	157,032	628,128	1,747,683
Trade payables	–	25,943,059	25,943,059	25,943,059	–	–
Other payables and accruals	–	42,876,631	42,876,631	42,876,631	–	–
Bank overdraft	7.1	3,292,721	3,292,721	3,292,721	–	–
		74,467,193	75,127,871	72,392,664	987,524	1,747,683
2012						
Finance lease payables	3.9	831,180	969,571	486,954	482,617	–
Hire purchase payables	3.0	69,117	79,505	30,780	48,725	–
Term loans	4.95	2,009,176	2,689,464	157,008	628,032	1,904,424
Trade payables	–	17,162,504	17,162,504	17,162,504	–	–
Other payables and accruals	–	17,279,859	17,279,859	17,279,859	–	–
Bank overdraft	7.1	2,441,485	2,441,485	2,441,485	–	–
		39,793,321	40,622,388	37,558,590	1,159,374	1,904,424
The Company						
2013						
Other payables and accruals	–	10,204,357	10,204,357	10,204,357	–	–
2012						
Other payables and accruals	–	47,825,243	47,825,243	47,825,243	–	–

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41. FINANCIAL INSTRUMENTS (CONT'D)

(b) Capital Risk Management

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders' value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio. The Group's strategies were unchanged from the previous financial year. The debt-to-equity ratio is calculated as net debt divided by total equity. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents.

The debt-to-equity ratio of the Group as at the end of the reporting period was as follows:-

	The Group	
	2013	**2012**
	RM	**RM**
Hire purchase payables	–	69,117
Finance lease payables	402,787	831,180
Term loans	1,951,995	2,009,176
Trade payables	25,943,059	17,162,504
Other payables and accruals	42,876,631	17,279,859
Bank overdraft	3,292,721	2,441,485
	74,467,193	39,793,321
Less: Deposits with licensed banks	(31,512,643)	(17,524,058)
Less: Cash and bank balances	(5,085,244)	(4,065,764)
Net debt	37,869,306	18,203,499
Total equity	113,059,592	87,918,617
Debt-to-equity ratio	0.335	0.207

Under the requirement of Bursa Malaysia Guidance Note No. 3/2006, the Company is required to maintain its shareholders' equity equal to or not less than the 25% of the issued and paid-up share capital (excluding treasury shares) of the Company. The Company has complied with this requirement.

41. FINANCIAL INSTRUMENTS (CONT'D)

(c) Classification Of Financial Instruments

	The Group 2013 RM	The Group 2012 RM	The Company 2013 RM	The Company 2012 RM
Financial assets				
Available-for-sale financial assets				
Other investments	51,472	1,048,837	–	–
Loans and receivables financial assets				
Trade receivables	65,277,769	13,287,776	–	–
Other receivables and deposits	24,422,902	25,218,469	35,056,108	44,876,909
Deposits with licensed banks	31,512,643	17,524,058	–	–
Cash and bank balances	5,085,244	4,065,764	554,278	255,996
	126,298,558	60,096,067	35,610,386	45,132,905
Financial liabilities				
Other financial liabilities				
Finance lease payables	402,787	831,180	–	–
Hire purchase payables	–	69,117	–	–
Term loans	1,951,995	2,009,176	–	–
Trade payables	25,943,059	17,162,504	–	–
Other payables and accruals	42,876,631	17,279,859	10,204,357	47,825,243
Bank overdraft	3,292,721	2,441,485	–	–
	74,467,193	39,793,321	10,204,357	47,825,243

(d) Fair Values Of Financial Instruments

The carrying amounts of the financial assets and financial liabilities reported in the financial statements approximated their fair values except for the following:-

	2013 Carrying Amount RM	2013 Fair Value RM	2012 Carrying Amount RM	2012 Fair Value RM
The Group				
Other investments - unquoted shares	50,000	*	50,000	*

* The fair value cannot be reliably measured using valuation techniques due to the lack of marketability of the shares.

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41. FINANCIAL INSTRUMENTS (CONT'D)

(d) Fair Values Of Financial Instruments (Cont'd)

The following summarises the methods used to determine the fair values of the financial instruments:-

(i) The financial assets and financial liabilities maturing within the next 12 months approximated their fair values due to the relatively short-term maturity of the financial instruments.

(ii) The fair values of the finance lease payables and hire purchase payables are determined by discounting the relevant cash flows using current interest rates for similar instruments as at the end of the reporting period.

(iii) The carrying amounts of the term loans approximated their fair values as these instruments bear interest at variable rates.

(e) Fair Value Hierarchy

As at 31 May 2013, there were no financial instruments carried at fair values.

42. SIGNIFICANT EVENTS DURING THE REPORTING PERIOD

The significant events during the financial year are as follows:-

a) On 7 June 2012, the Company sold the remaining 20 ordinary shares of RM1.00 each, representing 20% of the total paid up capital of RMM to CCSB Consulting Sdn Bhd for a total consideration of RM1.00.

b) On 12 June 2012, the Company announced that its wholly owned subsidiary, RTT and Mobile Money International Sdn Bhd ("Mobile Money") executed a Supplemental Letter of Agreement ("SAA") to revise the terms of the consideration payable by Mobile Money to RTT, for the assignment by RTT of its intellectual property rights, in respect of the Licensed Software as stated in the assignment agreement dated 28 March 2006. The SAA is conditional upon a resolution being passed by the shareholders.

c) On 13 July 2012, the Company announced that its wholly owned subsidiary, RM had entered into a Network Sharing and Alliance Agreement with Maxis Broadband Sdn Bhd ("Maxis") in relation to infrastructure sharing and alliance on the 2600Mhz spectrum ("LTE Spectrum"). This alliance is in line with the Government's call to maximise the usage of scarce spectrum resource by combining the respective block of LTE Spectrum to roll out the fastest mobile broadband service using the latest LTE technology. Maxis will also provide to RM certain mobile telecommunication service traffic capacity on a wholesale basis.

d) On 9 November 2012, the Company announced that its wholly owned subsidiary, RM received a letter of award from Malaysia Communications and Multimedia Commission ("MCMC") dated 8 November 2012 to build, operate and maintain Radio Access Network infrastructure in the rural areas of Sabah as part of MCMC's Time 3 program.

e) On 16 November 2012, the Company announced that its wholly owned subsidiary, RTT revised the 28 March 2006 assignment consideration of its intellectual property rights of the licensed software to Mobile Money International Sdn Bhd to RM3,500,000.00.

f) On 6 December 2012, the Company announced that its wholly-owned subsidiary, RM received a letter from MCMC dated 5 December 2012 informing RM that the Frequency Division Duplex spectrum band from 2500 MHz to 2510 MHz paired with 2620 MHz to 2630 MHz has been allocated to RM for the purpose of providing Mobile Broadband Wireless Access services.

g) On 29 May 2013, the Company entered into a Share Sale Agreement with D.Y.M.M Sultan Ibrahim Ismail Ibni Almarhum Sultan Mahmud Iskandar Al-Haj ("D.Y.M.M. Sultan Ibrahim") for the divestment of 315,000 ordinary shares of RM1.00 each, representing 21% of the total paid-up capital of its subsidiary, REDtone Network Sdn Bhd ("RN"), to D.Y.M.M. Sultan Ibrahim for a total cash consideration of RM315,000.00 ("Divestment"). Upon completion of the divestment, RN became a 49% associated company of the Group.

43. SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

The significant events occurring after the reporting period are as follows:-

a) On 29 July 2013, the Company acquired the remaining 50% of the issued and paid-up share capital of Meridianotch Sdn Bhd ("MSD") from TSM Global Berhad. Upon completion of the acquisition, MSD became a wholly owned subsidiary of the Company.

b) The Directors declared and approved on 30 July 2013, an interim tax exempt dividend of 1.5 sen per ordinary share payable on 31 October 2013 in respect of financial year ended 31 May 2013. The financial statements for the current financial year do not reflect this interim tax exempt dividend. Such dividend will be accounted for in the shareholders' equity as an appropriation of retained profits in the next financial year ending 31 May 2014.

44. SUPPLEMENTARY INFORMATION – DISCLOSURE OF REALISED AND UNREALISED PROFITS/(LOSSES)

The breakdown of the retained profits/(accumulated losses) of the Group and of the Company as at the end of the reporting period into realised and unrealised profits/(losses) are presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants, as follows:-

	The Group		The Company	
	2013 RM	**2012 RM**	**2013 RM**	**2012 RM**
Total retained profits/(accumulated losses):				
- realised	67,808,304	59,855,398	17,362,638	(10,779,056)
- unrealised	(3,429,259)	(3,860,633)	–	–
	64,379,045	55,994,765	17,362,638	(10,779,056)
Total share of accumulated losses of associates:				
- realised	(2,097,570)	(1,256,315)	–	–
	62,281,475	54,738,450	17,362,638	(10,779,056)
Less: Consolidation adjustments	(46,037,264)	(63,585,652)	–	–
	16,244,211	(8,847,202)	17,362,638	(10,779,056)

List of Properties

Beneficial owner/ Location	Description/ Existing Use	Land/ Built-Up Area (sq. meters)	Tenure Leasehold/ Freehold	Approx. Age of Building (Yrs)	Fair Value as at 31 May 2013	Date of Valuation/ Effective Year of Purchase
RTC/ Unit No: T18/6F/BC6A (12), Storey: 6th, Plaza KLH Business Centre comprised in HS(M) 24969 PT 35937, Mukim and District of Petaling, State of Selangor	Office/ Vacant	N/A/ 89.37 square meters	Leasehold 99 years expiring on 22.11.2094	14	RM 115,060.38	N/A/ 10 Feb 1999
RTC/ Unit No: T19/6F/BC6B (13), Storey: 6th, Plaza KLH Business Centre comprised in HS(M) 24969 PT 35937, Mukim and District of Petaling, State of Selangor	Office/ Vacant	N/A/ 93.92 square meters	Leasehold 99 years expiring on 22.11.2094	14	RM 120,920.93	N/A/ 10 Feb 1999
RTC/ Unit No: T27/6F/BC6C (14), Storey: 6th, Plaza KLH Business Centre comprised in HS(M) 24969 PT 35937, Mukim and District of Petaling, State of Selangor	Office/ Vacant	N/A/ 113.90 square meters	Leasehold 99 years expiring on 22.11.2094	14	RM 146,639.30	N/A/ 10 Feb 1999
RTC/ Unit No: T32/6F/BC7A (16), Storey: 6th, Plaza KLH Business Centre comprised in HS(M) 24969 PT 35937, Mukim and District of Petaling, State of Selangor	Office/ Vacant	N/A/ 116.78 square meters	Leasehold 99 years expiring on 22.11.2094	14	RM 149,029.40	N/A/ 10 Feb 1999
RTC/ Unit No: 26 Storey: 2nd, Pusat Perdagangan IOI Bandar Puchong Jaya, Puchong, Selangor Darul Ehsan	Office/ Occupied	N/A/ 136.29 square meters	Freehold	15	RM 296,457.12	N/A/ 1 Mar 2005
RTC/ Unit No: 27 Storey: 2nd, Pusat Perdagangan IOI Bandar Puchong Jaya, Puchong, Selangor Darul Ehsan	Office/ Occupied	N/A/ 321.63 square meters	Freehold	15	RM 870,000	30 April 2009/ 1 Mar 2005

List of Properties

Beneficial owner/ Location	Description/ Existing Use	Land/ Built-Up Area (sq. meters)	Tenure Leasehold/ Freehold	Approx. Age of Building (Yrs)	Fair Value as at 31 May 2012	Date of Valuation/ Effective Year of Purchase
RTC/ Unit No: 26 & 27 Storey: 3rd, Pusat Perdagangan IOI Bandar Puchong Jaya, Puchong, Selangor Darul Ehsan	Office/ Occupied	N/A/ 457.92 square meters	Freehold	15	RM 1,209,345.67	N/A/ 16 Feb 2009
RTC/ Unit No: 23 Storey: 4th, Pusat Perdagangan IOI Bandar Puchong Jaya, Puchong, Selangor Darul Ehsan	Office/ Occupied	N/A/ 119.66 square meters	Freehold	15	RM 228,139.08	N/A/ 28 Mar 2005
RTC/ Unit No: 24 Storey: 4th, Pusat Perdagangan IOI Bandar Puchong Jaya, Puchong, Selangor Darul Ehsan	Office/ Occupied	N/A/ 145.49 square meters	Freehold	15	RM 287,010	N/A/ 21 Jun 2005
RTC/ Unit No: 24, 25, 26, 27, 28, 29 & 30 Storey: 5th, Pusat Perdagangan IOI Bandar Puchong Jaya, Puchong, Selangor Darul Ehsan	Office/ Occupied	N/A/ 1,143 square meters	Freehold	15	RM 2,037,619.50	N/A/ 29 Mar 2004
RTC/ Unit No: 28 Storey: 6th, Pusat Perdagangan IOI Bandar Puchong Jaya, Puchong, Selangor Darul Ehsan	Office/ Occupied	N/A/ 142.14 square meters	Freehold	15	RM 287,721.83	N/A/ 7 July 2005

Analysis of Shareholdings

as at 11 October 2013

Authorised share capital	:	RM100,000,000.00
Issued and paid-up share capital	:	RM 50,578,672.50 (excluding 10,000 Treasury Shares of RM0.10 each)
Class of Shares	:	Ordinary shares of RM0.10 each
Voting rights	:	One (1) vote per ordinary share

Size of shareholdings	No. of Shareholders	% of Total Shareholders	No. of Shares Held	% of Issued Capital
1 – 99 shares	158	3.239	6,713	0.001
100 – 1,000 shares	245	5.022	151,026	0.030
1,001 – 10,000 shares	2,568	52.644	14,026,426	2.773
10,001 – 100,000 shares	1,651	33.846	53,164,915	10.511
100,001 – 25,289,335 shares	253	5.187	257,637,645	50.938
25,289,336 and above of shares	3	0.062	180,800,000	35.747
TOTAL	4.878	100.000	505,786,725#	100.000

\# less 10,000 shares bought back and retained as treasury shares

THIRTY (30) LARGEST SHAREHOLDERS
(without aggregating securities from different securities accounts belonging to the same person)

No.	Name	No. of Shares Held	% of Issued Capital
1	INTER-PACIFIC EQUITY NOMINEES (TEMPATAN) SDN BHD INTER-PACIFIC MANAGEMENT SDN BHD FOR INDAH PUSAKA SDN BHD	93,602,291	18.506
2	INTER-PACIFIC EQUITY NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR INDAH PUSAKA SDN BHD	49,397,709	9.766
3	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WARISAN JUTAMAS SDN. BHD.	37,800,000	7.473
4	SELAT MAKMUR SDN BHD	19,200,000	3.796
5	BERJAYA SOMPO INSURANCE BERHAD	19,175,800	3.791
6	INTER-PACIFIC EQUITY NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LYE EK SEANG	18,000,000	3.558
7	INTER-PACIFIC EQUITY NOMINEES (ASING) SDN BHD BERJAYA PHILIPPINES INC	17,300,000	3.420
8	INTER-PACIFIC EQUITY NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WEI CHUAN BENG	15,201,456	3.005
9	INTER-PACIFIC EQUITY NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ARSAM BIN DAMIS	15,000,000	2.965
10	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR INDAH PUSAKA SDN BHD	13,300,000	2.629
11	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WEI CHUAN BENG	8,130,000	1.607

Analysis of Shareholdings

as at 11 October 2013

THIRTY (30) LARGEST SHAREHOLDERS (CONT'D)

(without aggregating securities from different securities accounts belonging to the same person)

No.	Name	No. of Shares Held	% of Issued Capital
12	VINCENT TAN CHEE YIOUN	7,000,000	1.383
13	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR THE BANK OF NEW YORK MELLON SA/NV	6,500,000	1.285
14	CIMSEC NOMINEES (ASING) SDN BHD BANK OF SINGAPORE LTD FOR GLOBAL HEIGHTS GROUP LTD	6,100,000	1.206
15	HSBC NOMINEES (ASING) SDN BHD HSBC-FS FOR NTASIAN DISCOVERY MASTER FUND	6,000,000	1.186
16	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR PHANG MIOW SIN	5,630,000	1.113
17	LAU BIK SOON	5,216,600	1.031
18	CHOO YEH FUNG	4,000,000	0.790
19	UOBM NOMINEES (ASING) SDN BHD EXEMPT AN FOR SOCIETE GENERALE BANK & TRUST,SINGAPORE BRANCH	3,817,700	0.754
20	INTER-PACIFIC EQUITY NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR FABULOUS CHANNEL SDN BHD	3,300,000	0.652
21	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR PRIME CREDIT LEASING SDN BHD	3,000,000	0.593
22	INTER-PACIFIC EQUITY NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR JUARA SEJATI SDN BHD	3,000,000	0.593
23	CIMSEC NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NOBLE PLAN SDN BHD	2,500,000	0.494
24	TIEW MING CHING	2,462,341	0.486
25	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MAH LILY	2,190,300	0.433
26	LEE ENG HOCK & CO. SENDIRIAN BERHAD	2,100,000	0.415
27	HLIB NOMINEES (TEMPATAN) SDN BHD HONG LEONG BANK BHD FOR NG KAM LOONG	1,888,900	0.373
28	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD FOR TA GROWTH FUND	1,832,200	0.362
29	SYED ALWI BIN SYED ABBAS AL-HABSHEE	1,527,000	0.301
30	TAY KOO HUI	1,220,000	0.241

Analysis of Shareholdings

as at 11 October 2013

SUBSTANTIAL SHAREHOLDERS

No	Name	No. of Shares Held Direct	%	Indirect	%
1	Indah Pusaka Sdn Bhd	156,300,000	30.9	–	–
2	Tema Juara Sdn Bhd	–	–	156,300,000 (1)	30.9
3	Datuk Seri Syed Ali Bin Tan Sri Syed Abbas Al Habshee	–	–	156,300,000 (2)	30.9
4	Zurainah Binti Musa	–	–	156,300,000 (2)	30.9
5	Warisan Jutamas Sdn Bhd	37,800,000	7.47	–	–
6	Mohamed Shah bin Kadir	–	–	37,800,000 (3)	7.47
7	Abdul Karim bin Abdul Kadir	–	–	37,800,000 (3)	7.47
8	Dato' Wei Chuan Beng	23,614,456	4.67	4,000,000 (4)	0.79
9	Juara Sejati Sdn Bhd	3,825,000	0.76	58,675,800 (5)	11.6
10	Teras Mewah Sdn Bhd	–	–	36,500,000 (6)	7.22
11	Berjaya Land Berhad	–	–	36,500,000 (7)	7.22
12	Berjaya Group Berhad	–	–	62,500,800 (8)	12.36
13	Berjaya Corporation Berhad	–	–	62,500,800 (9)	12.36
14	Tan Sri Dato' Seri Vincent Tan Chee Yioun	7,000,000	1.38	62,500,800(10)	12.36

Notes:

1. *Deemed interested by virtue of its interest in Indah Pusaka Sdn. Bhd pursuant to Section 6A of the Companies Act, 1965 ("the Act")*
2. *Deemed interested by virtue of their interest in Indah Pusaka Sdn Bhd via Tema Juara Sdn Bhd pursuant to Section 6A of the Act.*
3. *Deemed interested by virtue of their interest in Warisan Jutamas Sdn Bhd pursuant to Section 6A of the Act.*
4. *Deemed interested by virtue of interest held by his spouse.*
5. *Deemed interested by virtue of its (i) deemed interest in Berjaya Capital Berhad, the holding company of Berjaya Sompo Insurance Berhad and Prime Credit Leasing Sdn Bhd; and (ii) interest in Berjaya Land Berhad, the holding company of Selat Makmur Sdn Bhd and intermediate holding company of Berjaya Philippines Inc.*
6. *Deemed interested by virtue of its interest in Selat Makmur Sdn Bhd and Berjaya Land Berhad, the intermediate holding company of Berjaya Philippines Inc..*
7. *Deemed interested by virtue of its interest in Selat Makmur Sdn Bhd and Berjaya Sports Toto Berhad, the holding company of Berjaya Philippines Inc..*
8. *Deemed interested by virtue of its interest in (i) Juara Sejati Sdn Bhd, Berjaya Sompo Insurance Berhad and Prime Credit Leasing Sdn. Bhd;.and (ii) deemed interest in Berjaya Land Berhad, the holding company of Selat Makmur Sdn. Bhd and intermediate holding company of Berjaya Philippines Inc.*
9. *Deemed interested by virtue of its interest in Berjaya Group Berhad*
10. *Deemed interested by virtue of his interest in Berjaya Corporation Berhad.*

Analysis Of 2.75% 10-Year Irredeemable Convertible Unsecured Loan Stocks 2010/2020 (ICULS) Holdings

as at 11 October 2013

Nominal Amount of ICULS	:	RM21,237,203.50
Conversion Price	:	RM0.25 per ordinary share of RM0.10 each
Conversion Period	:	4 March 2010 to 4 March 2020
Redeemability	:	Not redeemable for cash. All outstanding ICULS will be mandatorily converted into new ordinary shares of RM0.10 each on the Maturity Date at the Conversion Price
Coupon Rate	:	2.75% per annum calculated on the nominal value of the ICULS payable annually in arrears during the 10 years on the ICULS remaining outstanding. The last coupon payment shall be made on the Maturity Date.
ICULS converted during the year ended 31 May 2013	:	9,622,150

Size of ICULS holdings	No. of ICULS Holders	% of Total ICULS Holders	No. of ICULS	% of ICULS
1 – 99 ICULS	22	2.261	953	0.001
100 – 1,000 ICULS	32	3.289	13,149	0.006
1,001 – 10,000 ICULS	452	46.454	2,424,792	1.142
10,001 – 100,000 ICULS	411	42.240	13,398,650	6.309
100,001 – 10,618,600 of ICULS	51	5.242	23,176,400	10.913
10,618,601 and above of ICULS	5	0.514	173,358,091	81.629
TOTAL	973	100.00	212,372,035	100.00

THIRTY (30) LARGEST ICULS HOLDERS
(As per Record of Depositors)

No.	Name	No. of ICULS Held	% of ICULS
1	INTER-PACIFIC EQUITY NOMINEES (ASING) SDN BHD BERJAYA PHILIPPINES INC	81,330,000	38.296
2	INTER-PACIFIC EQUITY NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR INDAH PUSAKA SDN BHD	30,000,000	14.126
3	INTER-PACIFIC EQUITY NOMINEES (TEMPATAN) SDN BHD INTER-PACIFIC MANAGEMENT SDN BHD FOR INDAH PUSAKA SDN BHD	23,602,291	11.113
4	BERJAYA SOMPO INSURANCE BERHAD	19,225,800	9.052
5	SELAT MAKMUR SDN BHD	19,200,000	9.040
6	JUARA SEJATI SDN BHD	3,825,000	1.801
7	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR PRIME CREDIT LEASING SDN BHD	3,000,000	1.412
8	LEE ENG HOCK & CO. SENDIRIAN BERHAD	2,900,000	1.365
9	OOI SOW TECK @ OOI SOON TEIK	1,552,000	0.730
10	INTER-PACIFIC EQUITY NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR FABULOUS CHANNEL SDN BHD	1,500,000	0.706
11	LIM CHOONG KONG	750,000	0.353

Analysis Of 2.75% 10-Year Irredeemable Convertible Unsecured Loan Stocks 2010/2020 (ICULS) Holdings

as at 11 October 2013

THIRTY (30) LARGEST ICULS HOLDERS (CONT'D)
(As per Record of Depositors)

No.	Name	No. of ICULS Held	% of ICULS
12	INTER-PACIFIC EQUITY NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LYE EK SEANG	550,000	0.258
13	LAU BIK SOON	511,900	0.241
14	YEO KHEE HUAT	500,000	0.235
15	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR WONG KING HU	436,000	0.205
16	CIMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM PENG @ LIM PANG TUN	340,000	0.160
17	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR JANICE LOW SU-LYN	300,000	0.141
18	CHEONG KAI KEE	300,000	0.141
19	INTER-PACIFIC EQUITY NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ARSAM BIN DAMIS	300,000	0.141
20	K.B. LOH SDN BHD	300,000	0.141
21	T C HOLDINGS SENDIRIAN BERHAD	300,000	0.141
22	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WEI CHUAN BENG	283,000	0.133
23	WONG SIEW FOON	271,700	0.127
24	TAN AH WENG @ TANG AH BAH	250,000	0.117
25	WONG KAM CHAU	250,000	0.117
26	PEH SEW CHONG	233,700	0.110
27	AFFIN NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE HENG CHAN	207,500	0.097
28	LEONG MEE WAH	200,000	0.094
29	LIW KHIW @ LIEW SEE KIEW	200,000	0.094
30	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM THEAN SHIANG	200,000	0.094

Analysis of Warrant Holdings

as at 11 October 2013

No. of Warrant 2010/2015	:	158,601,434
Exercise Price	:	RM0.25 per ordinary share of RM0.10 each
Exercise Rights	:	Each Warrant entitles the holder to subscribe for one new ordinary share of RM0.10 each
Exercise Period	:	4 March 2010 to 4 March 2015
No. of Warrants exercised during the year ended 31 May 2013	:	4,000

Size of Warrant holdings	No. of Warrant Holders	% of Total Warrant Holders	No of Warrants	% of Warrants
1 – 99 Warrants	228	11.597	10,721	0.007
100 – 1,000 Warrants	84	4.273	54,112	0.034
1,001 – 10,000 Warrants	784	39.878	4,297,140	2.709
10,001 – 100,000 Warrants	699	35.554	26,377,530	16.631
100,001 7,930,070 Warrants	169	8.596	87,894,916	55.419
7,930,071 and above of Warrants	2	0.102	39,967,015	25.200
TOTAL	1,966	100.00	158,601,434	100.00

THIRTY (30) LARGEST WARRANT HOLDERS

(As per Record of Depositors)

No.	Name	No. of Warrants Held	% of Warrants
1	INTER-PACIFIC EQUITY NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR INDAH PUSAKA SDN BHD	20,000,000	12.610
2	INDAH PUSAKA SDN BHD	19,967,015	12.589
3	BERJAYA SOMPO INSURANCE BERHAD	7,690,320	4.848
4	SELAT MAKMUR SDN BHD	7,680,000	4.842
5	HSBC NOMINEES (ASING) SDN BHD HSBC-FS FOR NTASIAN DISCOVERY MASTER FUND	6,000,000	3.783
6	WARISAN JUTAMAS SDN.BHD	3,900,000	2.458
7	LEONG HON WAH	2,350,000	1.481
8	CHO KAM CHOONG	2,200,000	1.387
9	TAN YEE KONG	1,870,000	1.179
10	LEE KIM SENG	1,840,000	1.160
11	INTER-PACIFIC EQUITY NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LYE EK SEANG	1,800,000	1.134
12	TAN YEE SENG	1,700,000	1.071
13	JUARA SEJATI SDN BHD	1,530,000	0.964

Analysis of Warrant Holdings

as at 11 October 2013

THIRTY (30) LARGEST WARRANT HOLDERS (CONT'D)

(As per Record of Depositors)

No.	Name	No. of Warrants Held	% of Warrants
14	INTER-PACIFIC EQUITY NOMINEES (TEMPATAN) SDN BHD INTER-PACIFIC MANAGEMENT SDN BHD FOR INDAH PUSAKA SDN BHD	1,440,916	0.908
15	YAP TECK LONG	1,323,500	0.834
16	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR PRIME CREDIT LEASING SDN BHD	1,200,000	0.756
17	LEE ENG HOCK & CO. SENDIRIAN BERHAD	1,160,000	0.731
18	CIMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NGIENG SII JI4NG	1,120,000	0.706
19	SAW GUAT NGOH	1,095,000	0.690
20	LIM KAM YOKE	980,000	0.617
21	LAM PUN YING	880,000	0.554
22	CHO CHOOI LAN	810,000	0.510
23	OOI SOW TECK @ OOI SOON TEIK	801,000	0.505
24	ARSAM BIN DAMIS	800,000	0.504
25	YEE TENG FENG	800,000	0.504
26	HLIB NOMINEES (TEMPATAN) SDN BHD HONG LEONG BANK BHD FOR NG KAM LOONG	793,700	0.500
27	TAN KAI YUAN	790,000	0.498
28	MAYBANK NOMINEES (TEMPATAN) SDN BHD YAW CHEE HOU	779,500	0.491
29	TAY HOCK TIAM	700,000	0.441
30	TAY KOO HUI	700,000	0.441

REDtone

REDTONE INTERNATIONAL BERHAD
(Company No. 596364-U)
(Incorporated in Malaysia)

CDS Account No.

No. of Shares held

FORM OF PROXY

(before completing this Form of Proxy, please refer to the notes below)

I/We ....Tel No. ....
(FULL NAME IN BLOCK LETTERS & NRIC NO. & TELEPHONE NO.)

of ....
(FULL ADDRESS)

being a member of **REDtone International Berhad** ("the Company"), hereby appoint ....

....
(FULL NAME IN BLOCK LETTERS & NRIC NO.)

of ....
(FULL ADDRESS)

or failing him/her ....
(FULL NAME IN BLOCK LETTERS & NRIC NO.)

of ....
(FULL ADDRESS)

as my/our proxy to attend and vote for me/us on my/our behalf at the Eleventh Annual General Meeting of the Company to be held at Langkawi Room, Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur on Tuesday, **26 November 2013** at 11.00 a.m. and at any adjournment thereof:

ORDINARY RESOLUTION		FOR	AGAINST
1.	Audited Financial Statements for the financial year ended 31 May 2013 together with the Reports of the Directors and Auditors thereon.		
2.	Payment of Directors' fees.		
3.	To re-elect Datuk Seri Syed Ali Bin Tan Sri Syed Abbas Al Habshee as Director of the Company.		
4.	To re-elect Jagdish Singh Dhaliwal as Director of the Company.		
5.	To re-appoint Messrs Crowe Horwath as Auditors.		
6.	To retain Mathew Thomas A/L Vargis Mathews as an Independent Non-Executive Director of the Company.		
7.	Authority to Issue Shares pursuant to Section 132D of the Companies Act, 1965.		
8.	Proposed Share Buy-Back		
SPECIAL RESOLUTION			
1.	Proposed Amendments to the Articles of Association of the Company		

Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolution. Unless voting instructions are indicated in the space above, your proxy will vote or abstain from voting as he/she thinks fit.

Dated this.....................day of 2013

....
Signature of member/Common Seal

Notes:

I) A member of the Company entitled to attend and vote at the above meeting is entitled to appoint not more than two (2) proxies to attend and vote at the same meeting and the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.

II) A proxy may but need not be a Member of the Company, an advocate, an approved company auditor or a person approved by the Registrar of Companies, and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.

III) The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney authorised in writing or, if the appointer is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised.

IV) Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.

V) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

VI) The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a duly notarised certified copy of that power or authority, shall be deposited at the Share Registrar of the Company at Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the meeting or any adjourned meeting at which the person named in the instrument proposes to vote, and in the case of a poll, not less than forty-eight (48) hours before the time appointed for the taking of the poll, and in default, the instrument of proxy shall not be treated as valid.

VII) For the purpose of determining a member who shall be entitled to attend the Eleventh Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Article 61 of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositor as at 19 November 2013. Only a depositor whose name appears therein shall be entitled to attend the said meeting or appoint a proxy to attend and/or vote on his stead.

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Stamp

Share Registrar
REDtone International Berhad (596364-U)
Level 17, The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

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REDtone

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