

## News Release

### **ANOTHER PROFITABLE QUARTER FOR REDTONE**

*3QFY15 pre-tax profit stood at RM3.74 million while revenue was RM39.52 million*

**Kuala Lumpur, Thursday (April 30, 2015)** – REDtone International Bhd (REDtone) has posted another profitable quarter in 3Q ended February 28 FY15 with a pre-tax profit of RM3.74 million that was largely contributed by its data services.

Revenue for the same period was RM39.52 million.

The group's pre-tax profit for 3Q FY15 decreased by RM2.66 million from the preceding year's corresponding quarter of RM6.4 million while revenue was RM1.4 million less than the RM40.92 million for the same period.

Even though the 3<sup>rd</sup> quarter is historically a slow period due to the year end, Christmas and Chinese New Year, there was an increase in data revenue from the corporate and SME segments but it was not sufficient to support the drop from major data projects. This coupled with higher operating costs due to new initiatives and projects has resulted in a higher percentage drop in pre-tax profit compared to the percentage decrease in revenue for the same period.

Year-to-date, REDtone's pre-tax profit stood at RM14.28 million while its revenue was RM118.49 million.

REDtone CEO Lau Bik Soon said in a statement today that the group has a healthy project order book and the drop in revenue from major data projects was only temporary due to a delay in billing some of these projects.

"REDtone's order book includes the RM88.57 million Time 3e Phase 1 programme and other mid to long-term projects where the revenue will be recognized in the quarters to come.

"Data and broadband services will continue to be catalysts for the group's growth. We have strong recurring revenue streams from this core business and we are also seeing good uptake of these

services from the corporate segment all of which will contribute to the group's performance," Lau said.

He added that group revenue moving ahead will continue to be largely driven by data and broadband services with an expected 60% to 70% contribution. In FY14, data revenue was RM86.62 million compared to RM75.94 million in FY13.

REDtone's other core business of managed value-added services is also gaining traction. It recently inked a MoU (Memorandum of Understanding) with PT Sigma Cipta Caraka (TelkomSigma) to provide managed value-added services in Indonesia. Both parties are currently looking into teleradiology services as the first initiative under the MoU.

In addition to teleradiology services, the other managed value-added services offered by REDtone are data centre services, cloud services and application solutions and Internet-of-Things (IOT) services. The group is actively making all the necessary preparations as it gears up to roll out IOT services this year.

#### **About REDtone International Bhd**

REDtone International Bhd is an integrated telecommunications solutions provider catering to niche market segments. It is listed on Bursa Malaysia. A well respected home-grown brand founded in 1996, REDtone has evolved from a voice provider to one that offers an extensive range of services under four main categories: (i) **telecommunications services** – it offers data and voice services to government, enterprises and SMEs. REDtone is the only service provider in the industry to provide infrastructure integration expertise. Its access to a unique suite of last mile technologies also enables it to offer broadband-on-demand. (ii) **managed telecommunications network services** – this includes building, maintaining and operating large scale WiFi hotspots, base stations and fiber infrastructure. (iii) **managed value-added services** – it offers data centre services, cloud services and applications and healthcare solutions to enterprises, government and healthcare industry. (iv) **mobile services**.

Beyond Malaysia, REDtone operates in Shanghai, China under REDtone Asia Inc, a US OTC Bulletin Board-listed company. Its China business is discounted call services and mobile reload.

REDtone's strong commitment in R & D has yielded technological innovations that have won the Multimedia Super Corridor (MSC) status company over 22 awards in Malaysia and abroad. It currently has eight patents pending for its technological breakthroughs. For more information, please visit [www.redtone.com](http://www.redtone.com).

**RED**tone

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