

WIDETECH (MALAYSIA) BERHAD  
(Company No. 113939-U)  
(Incorporated in Malaysia)  
AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2012  
(The figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30-Sep-12 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30-Sep-11 RM'000	CURRENT YEAR TODATE 30-Sep-12 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30-Sep-11 RM'000
1 a Revenue	1,800	2,137	4,348	4,669
b Cost of Sales	-526	-620	-1,250	-1,483
c Other Operating Expenses	-1,331	-1,337	-2,520	-2,697
d Other Operating Income	730	1,159	1,434	1,279
e Profit from Operations	673	1,339	2,012	1,768
f Finance Costs	-58	-70	-128	-135
g Share of profit/(loss) of Associate	83	-592	33	-2,066
h Profit/(Loss) before Taxation	698	677	1,917	-433
i Taxation	-6	-22	-26	-76
j Profit/(Loss) for the period	692	655	1,891	-509
Attributable to:				
k Equity Holders of the Company	464	570	1,196	-733
l Non-Controlling Interest	228	85	695	224
m Profit/(Loss) for the period	692	655	1,891	-509
2 Earnings per share (EPS) attributable to Equity Holders of the Company (sen):				
a Basic EPS	1.04	1.27	2.67	-1.64
b Diluted EPS	N/A	N/A	N/A	N/A

The above Consolidated Income Statement should be read  
in conjunction with the Audited Financial Statements for the year ended 31 March 2012

WIDETECH (MALAYSIA) BERHAD  
(Company No. 113939-U)  
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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2012  
(The figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30-Sep-12 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30-Sep-11 RM'000	CURRENT YEAR TODATE 30-Sep-12 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30-Sep-11 RM'000
3 a Profit/(Loss) for the period	692	655	1,891	-509
b Other Comprehensive Income/(Loss) :				
Currency translation differences of foreign subsidiaries	30	-143	-154	-379
<b>Total Comprehensive Income</b>	<b>722</b>	<b>512</b>	<b>1,737</b>	<b>-888</b>
Attributable to :				
c Equity Holders of the Company	551	398	1,099	-1,143
d Non-controlling Interest	171	114	638	255
<b>Total Comprehensive Income</b>	<b>722</b>	<b>512</b>	<b>1,737</b>	<b>-888</b>

The above Consolidated Statement of Comprehensive Income should be read  
in conjunction with the Audited Financial Statements for the year ended 31. March 2012.

WIDETECH (MALAYSIA) BERHAD  
(Company No. 113939-U)  
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 SEPTEMBER 2012

	(Unaudited) As at 30-Sep-12 RM'000	Audited As at 31-Mar-12 RM'000
<b>Fixed assets</b>	13,846	14,561
<b>Non current assets classified as held-for-sale</b>	-	500
<b>Current assets</b>		
Inventories	963	851
Receivables ,deposits and prepayments	6,352	7,265
Amount due from Associate	4,808	3,222
Current Tax Assets	62	48
Cash and cash equivalents	11,323	9,439
	23,509	20,825
<b>Current liabilities</b>		
Payables and accruals	2,103	2,248
Bank borrowings	471	470
Provision for taxation	-	-
	2,574	2,718
<b>Net current assets</b>	20,934	18,107
	34,780	33,168
<b>Equity</b>		
Share capital	44,753	44,753
Reserves	-14,835	-15,934
Equity attributable to Equity Holders of the Company	29,918	28,819
Non-controlling interest	770	132
	30,688	28,951
<b>Long Term and Deferred Liabilities</b>		
Bank borrowings	3,997	4,122
Deferred tax liabilities	95	95
	34,780	33,168
<b>Net assets per share attributable to Equity Holders of the Company (RM)</b>	0.67	0.64

The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2012

WIDETECH (MALAYSIA) BERHAD  
(Company No. 113939-U)  
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2012  
(The figures have not been audited)

	<----- Attributable to Equity Holders of the Company ----->					Non - Controlling Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium Reserve RM'000	Exchange Fluctuation Reserve RM'000	Accumulated Losses RM'000	Sub-Total RM'000		
At 1 April 2012	44,753	132	-894	-15,172	28,819	132	28,951
MFRS adjustment	-	-	-126	126	-	-	-
As restated	44,753	132	-1,020	-15,046	28,819	132	28,951
Total Comprehensive Income for the period	-	-	-97	1,196	1,099	638	1,737
At 30 September 2012	44,753	132	-1,117	-13,850	29,918	770	30,688
At 1 April 2011	44,753	132	-683	-13,795	30,407	778	31,185
MFRS adjustment	-	-	-126	126	-	-	-
As restated	44,753	132	-809	-13,669	30,407	778	31,185
Total Comprehensive Loss for the period	-	-	-410	-733	-1,143	255	-888
At 30 September 2011	44,753	132	-1,219	-14,402	29,264	1,033	30,297

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2012

WIDETECH (MALAYSIA) BERHAD  
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CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2012  
(The figures have not been audited)

	CURRENT YEAR TODATE 30-Sep-12 RM'000	PRECEDING YEAR 30-Sep-11 RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before tax	1,917	-433
Adjustments for:		
Allowance for impairment loss	566	-
Depreciation and amortisation	798	1,029
Interest income	-444	-132
Interest expenses	129	135
Gain on Disposal of PPE	-969	-
<b>Operating profit before working capital changes</b>	<u>1,997</u>	<u>599</u>
Changes in Inventories	-112	-189
Changes in receivables, deposits and prepayments	702	1,468
Changes in amount due from associate	-1,437	539
Changes in payables and accruals	-145	-1,067
<b>Cash generated from operating activities</b>	<u>1,005</u>	<u>1,350</u>
Tax paid/Tax refund	-39	-48
<b>Net cash generated from operating activities</b>	<u>966</u>	<u>1,302</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property , Plant & Equipment	-43	-44
Proceeds from Disposal of PPE	920	-
Additional Investment in Associated Company	-149	-1,856
Interest income	444	132
<b>Net cash generated from/(used in) investing activities</b>	<u>1,172</u>	<u>-1,767</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Bank borrowings	-125	-145
Interest paid	-129	-135
<b>Net cash used in financing activities</b>	<u>-254</u>	<u>-280</u>
Net increase in cash and cash equivalents	1,884	-745
Cash and cash equivalents at beginning of year	9,439	9,755
<b>Cash and cash equivalents at end of financial period</b>	<u>11,323</u>	<u>9,010</u>

## NOTES

*Cash and cash equivalents*

Cash and cash equivalents included in the condensed consolidated cash flow statement comprise the following consolidated balance sheet amounts :

	30-Sep-12 RM'000	30-Sep-11 RM'000
Deposit with licensed banks and financial institutions	8,590	8,130
Cash and bank balances	2,733	880
	<u>11,323</u>	<u>9,010</u>

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NOTES TO THE QUARTERLY REPORT FOR THE FINANCIAL QUARTER ENDED  
30 SEPTEMBER 2012

**A EXPLANATORY NOTES PURSUANT TO FRS 134**

**1 Basis of Preparation**

These interim financial reports of the Group have been prepared in accordance with MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial reports also complies with IAS 34 : Interim Financial Reporting issued by the International Accounting Standards Board.

These interim financial reports should be read in conjunction with the audited financial statements of the Group for the year ended 31 March 2012. For the periods up to and including year ended 31 March 2012, the Group prepared its financial statements in accordance with Financial Reporting Standards (FRS).

The accounting policies, method of computation and basis of consolidation adopted by the Group in these interim financial reports are consistent with those adopted in the audited financial statements for the year ended 31 March 2012, except for the adoption of MFRS which are mandatory for annual financial periods beginning on or after 1 January 2012.

**1.1 Application of MFRS 1**

These interim financial reports are the Group's first Malaysian Financial Reporting Standards ("MFRS") compliant interim financial reports and hence, MFRS 1 : First Time Adoption of Malaysian Financial Reporting Standards has been applied.

**Exemption for business combinations**

MFRS 1 provides the option to apply MFRS 3 : Business Combinations prospectively from the date of transition or from a specific date prior to the date of transition. This provides relief from full retrospective application of MFRS 3 that would require restatement of all business combinations prior to the transition date.

The Group elected to apply MFRS 3 prospectively to business combinations after transition date. Business combinations that was acquired prior to transition date have not been restated.

**Foreign currency translation reserve**

Under FRS, the Group recognised translation differences on foreign operations as a separate component of equity. Cumulative foreign currency translation differences for all foreign operations are deemed to be Nil as at the transition date to MFRS.

Accordingly, at the transition date to MFRS, the cumulative foreign currency translation differences of RM126,155 (30 September 2011 : RM126,155; 31 March 2012 : RM126,155) were adjusted to retained earnings.

The reconciliations of equity for comparative periods and of equity at transition date reported under FRS to those reported for those periods and at the transition date under MFRS are provided below:

Reconciliation of equity as at 1 January 2011

RM'000	FRS		MFRS
	As at 01-Jan-11	Reclassifications	As at 01-Jan-11
<b>Equity</b>			
Foreign currency translation reserve	126	-126	-
Accumulated losses	-13,614	126	-13,488

Reconciliation of equity as at 30 September 2011

RM'000	FRS		MFRS
	As at 30-Sep-11	Reclassifications	As at 30-Sep-11
<b>Equity</b>			
Foreign currency translation reserve	-1,093	-126	-1,219
Accumulated losses	-14,528	126	-14,402

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**1.1 Application of MFRS 1 (cont'd)**  
**Foreign currency translation reserve (cont'd)**

Reconciliation of equity as at 31 March 2012

RM'000	FRS As at 31-Mar-12	Reclassifications	MFRS As at 31-Mar-12
<b>Equity</b>			
Foreign currency translation reserve	-894	-126	-1,020
Accumulated losses	-15,172	126	-15,046

Saved as disclosed above, the adoption of MFRS framework is not expected to have any significant impact on the financial statements of the Group and hence, no reconciliation of the transition from FRSs to MFRSs were prepared.

**2 Status of Audit Qualification**

The annual financial statements for the year ended 31 March 2012 were not subject to any qualification.

**3 Comments about Seasonal or Cyclical Factors**

The Group performance is normally not affected by seasonal and cyclical factors for the financial period under review.

**4 Items of unusual in nature, size or incidence**

There were no material unusual items that affect assets, liabilities, equity, net income or cash flows of the Group for the financial period under review.

**5 Changes in Estimates**

There were no material changes in estimates of amounts reported in this interim period of the current financial year or changes in estimates of amounts reported in prior financial years.

**6 Issuance of equity or debts securities etc.**

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, share held as treasury shares and resale of treasury shares for the financial period under review.

**7 Dividend Paid**

No dividend has been paid for the financial period under review.

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### 8 Segmental reporting

Segment information is presented in respect of the Group's business segments as follows:-

	Manufacturing RM'000	Supply RM'000	Gaming RM'000	Hotel RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
<b>As at 30 September 2012</b>							
Revenue from external customers	1,857	345	1,265	702	179	-	4,348
Inter-segment revenue	-	380	-	-	206	-586	-
<b>Total Revenue</b>	<b>1,857</b>	<b>725</b>	<b>1,265</b>	<b>702</b>	<b>384</b>	<b>-586</b>	<b>4,348</b>
<b>Segment Result</b>	<b>20</b>	<b>-136</b>	<b>1,911</b>	<b>-130</b>	<b>119</b>	<b>-215</b>	<b>1,569</b>
Interest income							443
Finance costs							-128
Share of Loss of Associate							33
<b>Loss before Tax</b>							<b>1,917</b>
<b>Segment Assets</b>	<b>2,471</b>	<b>4,695</b>	<b>6,203</b>	<b>3,671</b>	<b>11,663</b>		<b>28,703</b>
Unallocated assets							8,652
							<b>37,355</b>
<b>Segment Liabilities</b>	<b>315</b>	<b>982</b>	<b>354</b>	<b>160</b>	<b>387</b>		<b>2,198</b>
Unallocated liabilities							4,468
							<b>6,666</b>

### 9 Subsequent Events

There were no material events subsequent to the end of the current financial period-to date that have not been reflected in the financial statements for the said period as at the date of this report.

### 10 Changes in the composition of the Group

Saved as disclosed below, there were no changes in the composition of the Group for the financial period under review:-

- i) On 2 November 2011, the Company applied to strike off its wholly owned subsidiary, GW Capital Sdn Bhd, which has ceased operation since 30 September 2009. The Companies Commission of Malaysia ("CCM") has indicated that they have no objection to the said strike off. To date, the Company has yet to receive a final confirmation letter from CCM pertaining to the official strike-off of the Company.

### 11 Contingent liabilities

Saved as disclosed below, the Group did not have any material contingent liabilities as at 23 November 2012 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report):-

- i) As disclosed in the audited financial statements for the year ended 31 March 2012, a third party commenced an action against Rich Lee Holdings Sdn. Bhd. ("RLHSB"), a wholly owned subsidiary, in respect of a friendly loan amounting to RM1,335,000 purportedly given to RLHSB in 2007. RLHSB was acquired on 10 June 2009 and based on the available records of RLHSB, there is no indication of the existence of such a loan. RLHSB is disputing the claim and the legal suit is fixed for trial on 5 March 2013. As at the date of this report, the Directors are unable to assess the outcome of the action and will assess the legal position once the third party fully discloses his evidence. The Directors are of the view that presently the legal action is unlikely to have a material effect on the Group's financial position.



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 30 SEPTEMBER 2012

**12 Capital Commitments**

The Group did not have any material capital commitment as at 23 November 2012 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

**13 Related Party Transactions**

Significant transactions are as follows :-

i) Transactions between the Company and its subsidiaries :-

	As at 30-Sep-12 RM'000
Management fees receivable	150
Rental receivable	<u>56</u>

ii) Transactions with companies in which a Director is deemed to have substantial financial interest :-

	As at 30-Sep-12 RM'000
Rental receivable	<u>138</u>

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**B EXPLANATORY NOTES PURSUANT TO THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**1 Review of the performance of the Company and its Principal Subsidiaries.**

The Group recorded a turnover of RM4.348 million and a pre-tax profit of RM1.917 million for the financial period ended 30 September 2012 as compared to the preceding year's corresponding period turnover of RM4.669 million and a pre-tax profit loss of RM0.433 million.

The gaming operations registered a higher revenue of RM1.265 million and a pre-tax profit of RM2.196 million against a revenue of RM0.914 million and a pre-tax profit of RM0.898 million in the preceding year's corresponding period. The Vietnam operations registered a higher pre-tax profit of RM1.509 million as compared to RM0.519 million in the preceding year's corresponding period. This is mainly due to a gain on disposal of a subsidiary's freehold land of RM0.700 million, which was earlier foreclosed by the Bank before our acquisition of the subsidiary in 2009, for the settlement of the outstanding balance for banking facilities granted to a former director of the subsidiary. In addition, the Cambodia operations recorded a gain on disposal of its gaming machines of approximately RM0.264 million in the current financial period.

Amidst stiff competition in the market, the manufacturing division posted a lower revenue of RM1.857 million and a pre-tax profit of RM0.218 million, as compared to a revenue of RM2.499 million and a pre-tax profit of RM0.493 million in the preceding year's corresponding period.

As expected, the consumer financing business continue to record a lower profit with its revenue and pre-tax profit declining by 35% to RM0.345 million and 82% to RM0.46 million respectively due to a lower loan base as the company had ceased this business.

Although the hotel operation in Laos remained loss-making, its revenue increased by 29% to RM0.702 million and pre-tax loss reduced by 75% to RM0.126 million. The lower losses were mainly attributed to a lower depreciation charges of RM0.338 million.

Our investment in an associate which operates a casino in Kathmandu, Nepal, contributed to a share of profit of RM0.033 million, as compared to share of loss of RM2.066 million in the preceding year's corresponding period.

**2 Material changes in the Quarterly Results compared to the results of the Preceding Quarter**

For the 2nd quarter ended 30 September 2012, the Group achieved a turnover of RM1.800 million and generated a pre-tax profit of RM0.698 million as compared to a revenue of RM2.548 million and pre-tax profit of RM1.218 million in the preceding quarter ended 30 June 2012.

The declined result in the current quarter was mainly attributed to the gaming operations :-

- i) Pre-tax profit from the Vietnam operations declined by approximately RM0.570 million as compared to the preceding quarter. However, the declined profit has been partially offset by the gain on disposal of a subsidiary's freehold land of RM0.700 million, as highlighted in Item 1 of Part B above.
- ii) Generally revenue from the Cambodia operations has decreased in the current quarter. The pre-tax profit of the preceding quarter was mainly due to a gain on disposal of its gaming machines of approximately RM0.264 million.

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**3 Realised and Unrealised Profits/Losses**

	As at 30-Sep-12 RM'000	As at 31-Mar-12 RM'000
Total accumulated losses of the Group :		
Realised	-43,469	-45,234
Unrealised	204	-105
	<u>-43,265</u>	<u>-45,339</u>
Total accumulated losses from the associate :		
Realised	-3,102	-3,135
	<u>-46,367</u>	<u>-48,474</u>
Consol adjustments	32,517	33,428
Total accumulated losses	<u>-13,850</u>	<u>-15,046</u>

**4 Prospects**

- i) The consumer finance business will continue to contribute positively to the long term earnings of the Group albeit on a reducing scale due to a declining interest income resulting from loan redemption.
- ii) Amidst stiff competition in the market, the manufacturing division will strive to remain resilient and continue to embark on improvement in production and operational efficiencies to deliver satisfactory operational performance.
- iii) Management fees derived from provision of equipment, operation and management services for e-gaming club in Nha Trang, Vietnam is expected to contribute positively to the long term earnings of the Group.
- iv) Our gaming operations on a revenue sharing basis with the casino in Cambodia is expected to contribute positively to the long term earnings of the Group.
- vi) The Board is currently looking into improving the business of our hotel in Lao PDR and at the same time considering disposal of the hotel.
- vii) The newly renovated casino operated by our associate company in Kathmandu, Nepal is expected to contribute positively to the long term earnings of the Group.

**5 Variance of Actual Profit from Forecast Profit**

Not Applicable as no profit forecast was published.

**6 Taxation**

	As at 30-Sep-12 RM'000
Current year taxation	26
Total	<u>26</u>

The tax charges is not reflective of the Group's performance. This is mainly due to the profit of subsidiaries incorporated overseas are not subject to taxation.

**7 Status of corporate proposals**

There were no corporate proposals announced for the financial period under review.

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**8 Group Borrowings and Debt Securities**

The Group borrowings and debt securities as at 30 September 2012 are as follows:-

	RM'000
<b>A Short Term Borrowings</b>	
<b>Secured</b>	
Term loan	449
Hire purchase obligation	22
	471
<b>B Long Term Borrowings</b>	
<b>Secured</b>	
Term loan	3,943
Hire purchase obligation	53
	3,997

**9 Material pending litigation**

The Group was not engaged in any material / material pending litigation as at 23 November 2012 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

**10 Dividends**

No dividend has been paid, declared or proposed since the end of previous financial year.

**11 Earnings per ordinary share**

**a) Basic earnings per ordinary share**

The basic earnings per ordinary share has been calculated based on the net loss attributable to shareholders and on the weighted average 44,753,400 ordinary shares issued.

**b) Fully diluted earnings per ordinary share**

Not applicable

**12 Authorisation**

This Quarterly Results for the financial period ended 30 September 2012 have been seen and approved by the Board of Directors of Widetech (Malaysia) Berhad on 27 November 2012 for release to the Bursa Securities.

BY ORDER OF THE BOARD

**Chia Siew Chin**  
**Pang Chia Tyng**  
Company Secretaries

Dated this 27th day of November 2012