

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

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2013  
(The figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31-Dec-13 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31-Dec-12 RM'000	CURRENT YEAR TODATE 31-Dec-13 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-Dec-12 RM'000
1 a Revenue	2,876	2,225	7,788	6,573
b Cost of Sales	(757)	(760)	(2,223)	(2,010)
c Other Operating Expenses	(1,346)	(1,146)	(3,563)	(3,666)
d Other Operating Income	69	83	218	1,518
e Profit from Operations	842	402	2,220	2,415
f Finance Costs	(72)	(58)	(171)	(187)
g Share of loss of Associate	(42)	(800)	(1,343)	(768)
h Profit/(Loss) before Taxation	728	(456)	706	1,460
i Taxation	(23)	(10)	3	(34)
j Profit/(Loss) after Taxation	705	(466)	709	1,426
Attributable to:				
k Equity Holders of the Company	118	(671)	(540)	526
l Non-Controlling Interest	587	205	1,249	900
m Profit/(Loss) after Taxation	705	(466)	709	1,426
2 Earnings per share (EPS) attributable to Equity Holders of the Company (sen):				
a Basic EPS	0.26	(1.50)	(1.21)	1.17
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 2013

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2013  
(The figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31-Dec-13 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31-Dec-12 RM'000	CURRENT YEAR TODATE 31-Dec-13 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-Dec-12 RM'000
3 a Profit/(Loss) after Taxation	705	(466)	709	1,426
b Other Comprehensive Loss :				
Currency translation differences of foreign subsidiaries	718	83	876	(70)
<b>Total Comprehensive Income/(Loss)</b>	<b>1,423</b>	<b>(383)</b>	<b>1,585</b>	<b>1,356</b>
Attributable to :				
c Equity Holders of the Company	165	(545)	424	499
d Non-controlling Interest	1,258	162	1,161	857
<b>Total Comprehensive Income/(Loss)</b>	<b>1,423</b>	<b>(383)</b>	<b>1,585</b>	<b>1,356</b>

The above Consolidated Statement of Comprehensive Income should be read  
in conjunction with the Audited Financial Statements for the year ended 31 March 2013

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2013  
(The figures have not been audited)

	<----- Attributable to Equity Holders of the Company ----->						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	Non - Controlling Interest RM'000	
At 1 April 2013	44,753	132	(783)	(15,038)	29,064	41	29,105
Total Comprehensive Income for the period	-	-	964	(540)	424	1,161	1,585
At 31 December 2013	<u>44,753</u>	<u>132</u>	<u>181</u>	<u>(15,578)</u>	<u>29,488</u>	<u>1,202</u>	<u>30,690</u>
At 1 April 2012, restated	44,753	132	(212)	(15,854)	28,819	132	28,951
Total Comprehensive Income for the period	-	-	(27)	526	499	857	1,356
At 31 December 2012	<u>44,753</u>	<u>132</u>	<u>(239)</u>	<u>(15,328)</u>	<u>29,318</u>	<u>989</u>	<u>30,307</u>

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 2013

**WIDETECH (MALAYSIA) BERHAD**  
 (Company No. 113939-U)  
 (Incorporated in Malaysia)  
**AND ITS SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2013**

	(Unaudited) As at 31-Dec-13 RM'000	Audited As at 31-Mar-13 RM'000
<b>Fixed assets</b>	12,528	13,141
<b>Current assets</b>		
Inventories	784	783
Receivables ,deposits and prepayments	6,005	5,324
Amount due from Associate	6,849	5,569
Current Tax Assets	59	80
Cash and cash equivalents	11,036	11,141
	24,733	22,897
<b>Current liabilities</b>		
Payables and accruals	2,285	2,452
Bank borrowings	471	471
	2,756	2,923
<b>Net current assets</b>	21,977	19,974
	34,505	33,115
<b>Equity</b>		
Share capital	44,753	44,753
Reserves	-15,265	-15,689
Equity attributable to Equity Holders of the Company	29,488	29,064
Non-controlling interest	1,202	41
	30,690	29,105
<b>Long Term and Deferred Liabilities</b>		
Bank borrowings	3,673	3,868
Deferred tax liabilities	142	142
	34,505	33,115
<b>Net assets per share attributable to Equity Holders of the Company (RM)</b>	0.66	0.65

The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2013

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

CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2013  
(The figures have not been audited)

	CURRENT YEAR TODATE 31-Dec-13 RM'000	PRECEDING YEAR 31-Dec-12 RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before Taxation	706	1,461
Adjustments for:		
Allowance for impairment loss	-	565
Depreciation and amortisation	860	1,185
Interest income	(218)	(521)
Interest expenses	171	187
Gain on disposal of PPE	-	(969)
Share of result of associate	1,343	-
<b>Operating profit before working capital changes</b>	<b>2,863</b>	<b>1,908</b>
Changes in Inventories	(1)	(55)
Changes in receivables, deposits and prepayments	21	540
Changes in amount due from associate	(2,622)	(1,169)
Changes in payables and accruals	(167)	17
<b>Cash generated from operating activities</b>	<b>94</b>	<b>1,241</b>
Tax refund/(Tax paid)	25	(39)
<b>Net cash generated from operating activities</b>	<b>118</b>	<b>1,202</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant & Equipment	(75)	(36)
Proceeds from Disposal of PPE	-	919
Additional Investment in Associated Company	-	(149)
Interest income	218	521
<b>Net cash generated from investing activities</b>	<b>143</b>	<b>1,255</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Bank borrowings	(195)	(188)
Interest paid	(171)	(187)
<b>Net cash used in financing activities</b>	<b>(366)</b>	<b>(375)</b>
Net (decrease)/increase in cash and cash equivalents	(105)	2,082
Cash and cash equivalents at beginning of year	11,141	9,439
<b>Cash and cash equivalents at end of financial period</b>	<b>11,036</b>	<b>11,521</b>

## NOTES

*Cash and cash equivalents*

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

	31-Dec-13 RM'000	31-Dec-12 RM'000
Deposit with licensed banks and financial institutions	9,352	9,787
Cash and bank balances	1,684	1,734
	<b>11,036</b>	<b>11,521</b>

The above Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2013

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

NOTES TO THE QUARTERLY REPORT FOR THE FINANCIAL QUARTER ENDED  
31 DECEMBER 2013

**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.

These interim financial reports should be read in conjunction with the audited financial statements of the Group for the year ended 31 March 2013.

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 2013, except for the adoption of those relevant mandatory new/revised accounting standards for annual financial periods beginning on or after 1 April 2013.

The following MFRS has been issued but not yet effective:

MRFS 9 : Financial Instruments - Classification and measurement of financial assets and financial liabilities  
(effective 1 January 2015)

The adoption of the above MFRS is not expected to have any significant impact to the Group.

**2 Status of Audit Qualification**

The annual financial statements for the year ended 31 March 2013 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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AND ITS SUBSIDIARIES

NOTES TO THE QUARTERLY REPORT FOR THE FINANCIAL QUARTER ENDED  
31 DECEMBER 2013

### 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 2013</b>							
Revenue from external customers	3,501	309	2,621	1,087	270	-	7,788
Inter-segment revenue	-	570	-	-	308	(878)	-
<b>Total Revenue</b>	<b>3,501</b>	<b>879</b>	<b>2,621</b>	<b>1,087</b>	<b>578</b>	<b>(878)</b>	<b>7,788</b>
<b>Segment Result</b>	<b>394</b>	<b>(325)</b>	<b>7,363</b>	<b>(143)</b>	<b>998</b>	<b>(6,285)</b>	<b>2,002</b>
Interest income							218
Finance costs							(171)
Share of Loss of Associate							(1,343)
<b>Loss before Tax</b>							<b>706</b>
<b>Segment Assets</b>	<b>2,492</b>	<b>3,466</b>	<b>8,983</b>	<b>3,213</b>	<b>9,697</b>		<b>27,851</b>
Unallocated assets							9,410
							<b>37,261</b>
<b>Segment Liabilities</b>	<b>359</b>	<b>1,440</b>	<b>100</b>	<b>119</b>	<b>409</b>		<b>2,427</b>
Unallocated liabilities							4,144
							<b>6,571</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) A wholly-owned dormant subsidiary, EPA Automation Pte Ltd incorporated in Singapore, had been successfully struck off the register of the Accounting and Corporate Regulatory Authority in the 1st Quarter ended 30 June 2013.
- ii) A subsidiary, Ace Unicorn Limited, incorporated in the British Virgin Islands, had been successfully struck off the register of the Registrar of Corporate Affairs in the 3rd Quarter ended 31 December 2013.

### 11 Contingent liabilities

Saved as disclosed below, the Group did not have any material contingent liabilities as at 21 February 2014 (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 latest audited financial statements, a third party commenced an action against Rich Lee Holdings Sdn. Bhd. ("RLHSB"), a wholly owned subsidiary, in respect of a loan amounting to RM1.335 million purportedly given to RLHSB in 2007. RLHSB was acquired on 10 June 2009 and based on available records of RLHSB, there is no indication of the existence of such a loan. RLHSB is disputing the claim. On 21 June 2013, the Court had dismissed the third party's action against RLHSB. On 8 July 2013, the third party filed an appeal against the Court's decision but the appeal had been dismissed by the Court of Appeal on 10 October 2013. Subsequent to this, the third party filed an appeal to the Federal Court whereby the hearing date has been fixed on 10 April 2014.

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 AND ITS SUBSIDIARIES

NOTES TO THE QUARTERLY REPORT FOR THE FINANCIAL QUARTER ENDED  
 31 DECEMBER 2013

**12 Capital Commitments**

The Group did not have any material capital commitment as at 21 February 2014 (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 31-Dec-13 RM'000
Management fees receivable	225
Rental receivable	83
	83

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

	As at 31-Dec-13 RM'000
Rental receivable	206
	206



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AND ITS SUBSIDIARIES

NOTES TO THE QUARTERLY REPORT FOR THE FINANCIAL QUARTER ENDED  
31 DECEMBER 2013

**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 RM7.788 million and a pre-tax profit of RM0.706 million for the financial period ended 31 December 2013 against the preceding year's corresponding period turnover of RM6.573 million and a pre-tax profit of RM1.460 million.

The gaming operations registered a higher revenue of RM2.621 million but a lower pre-tax profit of RM2.152 million against a revenue of RM1.701 million and a pre-tax profit of RM2.525 million in the preceding year's corresponding period. The Vietnam operations posted a higher pre-tax profit of RM2.411 million against a pre-tax profit of RM1.893 million in the preceding year's corresponding period.

Generally, the Cambodia operations recorded a lower profit whereby the higher preceding year's corresponding period pre-tax profit was partly due to a gain on disposal of its gaming machines of approximately RM0.267 million.

The manufacturing division posted an improved revenue of RM3.501 million and a pre-tax profit of RM0.691 million, against a revenue of RM2.953 million and a pre-tax profit of RM0.438 million in the preceding year's corresponding period.

As expected, the consumer financing business continue to record a lower profit with a declining revenue of RM0.309 million and a pre-tax loss of RM0.034 million due to a declining loan base as the Company had ceased this business.

The hotel operation in Laos remained loss-making, with a 6% decrease in revenue to RM1.087 million, whilst its pre-tax loss increased by 10% to RM0.151 million.

Our associated company which operates a casino in Kathmandu, Nepal, contributed to a higher share of loss of RM1.343 million against a share of loss of RM0.768 million in the preceding year's corresponding period. As highlighted in the previous quarter, the Management has suspended its casino operations in Nepal at the end of September 2013 due to unfavourable new casino regulations imposed by the Nepal government. The Nepalese election took place in November 2013 and the formation of the cabinet is not finalised as at todate. Thus, there is no changes in the government policies. The Company will continue to closely monitor and evaluate its position over the next few months for any favourable revision of the new regulations by the new government to provide a more conducive environment for gaming operations.

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

For the 3rd quarter ended 31 December 2013, the Group achieved a turnover of RM2.876 million and generated a pre-tax profit of RM0.728 million as compared to a revenue of RM2.590 million and pre-tax profit of RM0.233 million in the preceding quarter ended 30 June 2013.

The profits in the current quarter was mainly attributed to the following factor :-

- i) The Vietnam operations registered a higher pre-tax profit of RM1.084 million against a pre-tax profit of RM0.850 million in the preceding quarter.
- ii) Our associate contributed to a lower share of loss of RM0.042 million against a share of loss of RM0.468 million in the preceding quarter.

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NOTES TO THE QUARTERLY REPORT FOR THE FINANCIAL QUARTER ENDED  
31 DECEMBER 2013

**3 Realised and Unrealised Profits/Losses**

	As at 31-Dec-13 RM'000	As at 31-Mar-13 RM'000
Total accumulated losses of the Group :		
Realised	(35,216)	(40,778)
Unrealised	142	142
	<u>(35,074)</u>	<u>(40,636)</u>
Total accumulated losses from the associate :		
Realised	(1,343)	(765)
	<u>(36,417)</u>	<u>(41,401)</u>
Consol adjustments	20,839	26,363
Total accumulated losses	<u>(15,578)</u>	<u>(15,038)</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 a 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 Management is presently monitoring and evaluating the situation in Nepal pursuant to the recently introduced new gaming regulations governing casinos. The Management will take the necessary steps to mitigate any financial impact on our investment in Nepal.

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

Not Applicable as no profit forecast was published.

**6 Taxation**

	As at 31-Dec-13 RM'000
Current year taxation	59
(Over)/Under provision in prior year	-56
Total	<u>3</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.

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NOTES TO THE QUARTERLY REPORT FOR THE FINANCIAL QUARTER ENDED  
31 DECEMBER 2013

**7 Status of corporate proposals**

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

**8 Group Borrowings and Debt Securities**

The Group borrowings and debt securities as at 31 December 2013 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	3,647
Hire purchase obligation	26
	3,673

**9 Material pending litigation**

The Group was not engaged in any material / material pending litigation as at 21 February 2014 (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 period.

**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 31 December 2013 have been seen and approved by the Board of Directors of Widetech (Malaysia) Berhad on 25 February 2014 for release to the Bursa Securities.

BY ORDER OF THE BOARD

Anna Lee Ai Leng

Company Secretaries

Dated this 25th day of February 2014