

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

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2014  
(The figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31-Mar-14 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31-Mar-13 RM'000	CURRENT YEAR TODATE 31-Mar-14 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-Mar-13 RM'000
1 a Revenue	2,707	2,859	10,494	9,432
b Cost of Sales	(780)	(835)	(3,003)	(2,845)
c Other Operating Expenses	(5,608)	(2,248)	(9,171)	(5,914)
d Other Operating Income	3,200	1,112	3,417	2,630
e (Loss)/Profit from Operations	(481)	888	1,737	3,303
f Finance Costs	(50)	(54)	(221)	(241)
g Share of loss of Associate	(3,216)	3	(4,558)	(765)
h (Loss)/Profit before Taxation	(3,747)	837	(3,042)	2,297
i Taxation	563	(4)	566	(38)
j (Loss)/Profit after Taxation	(3,184)	833	(2,476)	2,259
Attributable to:				
k Equity Holders of the Company	(5,573)	290	(6,114)	816
l Non-Controlling Interest	2,389	543	3,638	1,443
m (Loss)/Profit after Taxation	(3,184)	833	(2,476)	2,259
2 Earnings per share (EPS) attributable to Equity Holders of the Company (sen):				
a Basic EPS	(12.45)	0.65	(13.66)	1.82
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

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2014  
(The figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31-Mar-14 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31-Mar-13 RM'000	CURRENT YEAR TODATE 31-Mar-14 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-Mar-13 RM'000
3 a (Loss)/Profit after Taxation	(3,184)	833	(2,476)	2,259
b Other Comprehensive Loss : Currency translation differences of foreign subsidiaries	54	(508)	930	(579)
<b>Total Comprehensive (Loss)/Income</b>	<b>(3,130)</b>	<b>325</b>	<b>(1,546)</b>	<b>1,680</b>
Attributable to :				
c Equity Holders of the Company	(7,862)	(254)	(5,049)	244
d Non-controlling Interest	4,732	579	3,503	1,436
<b>Total Comprehensive (Loss)/Income</b>	<b>(3,130)</b>	<b>325</b>	<b>(1,546)</b>	<b>1,680</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  
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2014  
(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 2013	44,753	132	(783)	(15,038)	29,064	41	29,105
Total Comprehensive Loss for the year	-	-	1,065	(6,114)	(5,049)	3,503	(1,546)
Distributions paid to Non Controlling Interest	-	-	-	-	-	(1,664)	(1,664)
At 31 March 2014	44,753	132	282	(21,152)	24,015	1,880	25,895
At 1 April 2012, restated	44,753	132	(212)	(15,854)	28,819	132	28,951
Total Comprehensive Income for the year	-	-	(572)	816	244	1,436	1,680
Distributions paid to Non Controlling Interest	-	-	-	-	-	(1,526)	(1,526)
At 31 March 2013	44,753	132	(784)	(15,038)	29,063	42	29,105

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

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2014

	(Unaudited) As at 31-Mar-14 RM'000	Audited As at 31-Mar-13 RM'000
<b>Fixed assets</b>	12,344	13,141
<b>Trade Debtors</b>	1,812	2,561
<b>Deferred Tax Assets</b>	492	-
<b>Current assets</b>		
Inventories	861	783
Receivables ,deposits and prepayments	2,466	2,763
Amount due from Associate	3,336	5,569
Current Tax Assets	4	80
Cash and cash equivalents	11,303	11,141
	17,969	20,336
<b>Current liabilities</b>		
Payables and accruals	2,621	2,452
Bank borrowings	277	471
Provision for taxation	25	-
	2,923	2,923
<b>Net current assets</b>	15,047	17,413
	29,695	33,115
<b>Equity</b>		
Share capital	44,753	44,753
Reserves	-20,738	-15,689
Equity attributable to Equity Holders of the Company	24,015	29,064
Non-controlling interest	1,880	41
	25,895	29,105
<b>Long Term and Deferred Liabilities</b>		
Bank borrowings	3,800	3,868
Deferred tax liabilities	-	142
	29,695	33,115
<b>Net assets per share attributable to Equity Holders of the Company (RM)</b>	0.54	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  
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CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2014  
(The figures have not been audited)

	CURRENT YEAR TODATE 31-Mar-14 RM'000	PRECEDING YEAR 31-Mar-13 RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
(Loss)/Profit before Taxation	(3,042)	2,297
Adjustments for:		
Allowance for impairment loss	1,067	574
Inventories write-down	9	19
Bad debts written off	2,712	1
Depreciation and amortisation	1,091	1,509
Interest income	(288)	(597)
Interest expenses	221	241
Property, plant and equipment written off	2	5
Gain on disposal of PPE	-	(938)
Reversal of impairment loss	(2,520)	(68)
Waiver of debts	-	(78)
Share of result of associate	4,558	765
<b>Operating profit before working capital changes</b>	<u>3,810</u>	<u>3,730</u>
Changes in Inventories	(88)	128
Changes in receivables, deposits and prepayments	1,617	819
Changes in amount due from associate	(3,392)	(2,964)
Changes in payables and accruals	169	204
<b>Cash generated from operating activities</b>	<u>2,116</u>	<u>1,917</u>
Tax refund/(Tax paid)	34	(22)
<b>Net cash generated from operating activities</b>	<u>2,150</u>	<u>1,895</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant & Equipment	(128)	(75)
Proceeds from Disposal of PPE	-	1,454
Additional Investment in Associated Company	-	(149)
Interest income	288	597
<b>Net cash generated from investing activities</b>	<u>160</u>	<u>1,827</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Distribution to Non Controlling Interests	(1,664)	(1,526)
Bank borrowings	(263)	(253)
Interest paid	(221)	(241)
<b>Net cash used in financing activities</b>	<u>(2,148)</u>	<u>(2,020)</u>
Net increase in cash and cash equivalents	162	1,702
Cash and cash equivalents at beginning of year	11,141	9,439
<b>Cash and cash equivalents at end of financial period</b>	<u>11,303</u>	<u>11,141</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 :

	31-Mar-14 RM'000	31-Mar-13 RM'000
Deposit with licensed banks and financial institutions	9,198	9,858
Cash and bank balances	2,105	1,283
	<u>11,303</u>	<u>11,141</u>

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NOTES TO THE QUARTERLY REPORT FOR THE FINANCIAL QUARTER ENDED  
31 MARCH 2014

**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 year 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 year 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 year under review.

**7 Dividend Paid**

No dividend has been paid for the financial year 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 31 March 2014</b>							
Revenue from external customers	4,661	248	3,685	1,541	359	-	10,494
Inter-segment revenue	-	700	-	-	411	(1,111)	-
<b>Total Revenue</b>	<b>4,661</b>	<b>948</b>	<b>3,685</b>	<b>1,541</b>	<b>770</b>	<b>(1,111)</b>	<b>10,494</b>
<b>Segment Result</b>	<b>425</b>	<b>(637)</b>	<b>10,586</b>	<b>(65)</b>	<b>(5,806)</b>	<b>(3,054)</b>	<b>1,449</b>
Interest income							288
Finance costs							(221)
Share of Loss of Associate							(4,558)
<b>Loss before Tax</b>							<b>(3,042)</b>
<b>Segment Assets</b>	<b>2,609</b>	<b>3,426</b>	<b>3,929</b>	<b>3,392</b>	<b>9,568</b>		<b>22,924</b>
Unallocated assets							9,694
							<b>32,618</b>
<b>Segment Liabilities</b>	<b>404</b>	<b>1,461</b>	<b>129</b>	<b>231</b>	<b>395</b>		<b>2,621</b>
Unallocated liabilities							4,102
							<b>6,723</b>

### 9 Subsequent Events

There were no material events subsequent to the end of the current financial year-to date that have not been reflected in the financial statements for the said year 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 year 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 23 May 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 has filed an application for leave to appeal to the Federal Court whereby the hearing date for the said application has been postponed to 10 June 2014.

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**12 Capital Commitments**

The Group did not have any material capital commitment as at 23 May 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-Mar-14
	RM'000
Management fees receivable	300
Rental receivable	<u>111</u>

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

	As at
	31-Mar-14
	RM'000
Rental receivable	<u>275</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 RM10.494 million and a pre-tax loss of RM3.042 million for the financial year ended 31 March 2013 against the preceding year's corresponding year turnover of RM9.432 million and a pre-tax profit of RM2.297million.

The gaming operations registered a higher revenue of RM3.685 million but a lower pre-tax profit of RM1.837 million against a revenue of RM2.734 million and a pre-tax profit of RM3.477 million in the preceding year's corresponding year. An impairment on the amount due from associated company of RM1.067 million has been made as the casino operations in Nepal has been suspended in September 2013.

The Vietnam operations posted a higher pre-tax profit of RM3.331 million against a pre-tax profit of RM2.796 million in the preceding year's corresponding year.

Generally, the Cambodia operations recorded a lower profit whereby the higher preceding year's corresponding year 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 RM4.661 million and a pre-tax profit of RM0.826 million, against a revenue of RM4.132 million and a pre-tax profit of RM0.533 million in the preceding year's corresponding year.

As expected, the consumer financing business continue to record a lower profit with a declining revenue of RM0.248 million and a pre-tax loss of RM0.252 million due to a declining loan base as the Company had ceased this business.

The hotel operation in Laos remained loss-making, with a 3% decrease in revenue to RM1.541 million, whilst its pre-tax loss of RM0.074 million was the same as last year.

Our associated company which operates a casino in Kathmandu, Nepal, contributed to a higher share of loss of RM4.558 million against a share of loss of RM0.765 million in the preceding year's corresponding year.

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, which affected the entire gaming industry in Nepal.

The Company will continue to closely monitor and evaluate its position in the coming Nepal's Budget in June 2014 for any favourable revision of the new regulations by the government to provide a more conducive environment for gaming operations. In view of the uncertainty in Nepal, assets impairment and provision for debts has been made in the Associate's accounts, which resulted in a significantly higher share of loss this year.

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

For the 4th quarter ended 31 March 2014, the Group achieved a turnover of RM2.707 million and generated a pre-tax loss of RM3.748million as compared to a revenue of RM2.876 million and pre-tax profit of RM0.728 million in the preceding quarter ended 31 December 2013.

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

- i) The Vietnam operations registered a lower pre-tax profit of RM0.920 million against a pre-tax profit of RM1.084 million in the preceding quarter.
- ii) Our associate contributed to a higher share of loss of RM3.216 million against a share of loss of RM0.042 million in the preceding quarter. As highlighted in Note B1 above, impairment on the casino operations in Nepal has been made in the current quarter in view of the uncertainty in the continuity of Nepal operations.
- iii) Furthermore, a provision for debts of RM1.067 million has been made on the amount owing by our associated company, as highlighted in Note B1 above.

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**3 Realised and Unrealised Profits/Losses**

	As at 31-Mar-14 RM'000	As at 31-Mar-13 RM'000
Total accumulated losses of the Group :		
Realised	(41,112)	(40,778)
Unrealised	(492)	142
	<u>(41,604)</u>	<u>(40,636)</u>
Total accumulated losses from the associate :		
Realised	(4,558)	(765)
	<u>(46,162)</u>	<u>(41,401)</u>
Consol adjustments	25,010	26,363
Total accumulated losses	<u>(21,152)</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 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-Mar-14 RM'000
<b><u>Current tax expenses</u></b>	
Current year	117
(Over)/Under provision in prior years	<u>(50)</u>
Total	<u>67</u>
<b><u>Deferred Tax expense</u></b>	
Current year	-
(Over)/Under provision in prior years	<u>(633)</u>
Total	<u>(633)</u>
Total tax expense	<u>(566)</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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**7 Status of corporate proposals**

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

**8 Group Borrowings and Debt Securities**

The Group borrowings and debt securities as at 31 March 2014 are as follows:-

	RM'000
<b>A Short Term Borrowings</b>	
<b>Secured</b>	
Term loan	254
Hire purchase obligation	22
	277
<b>B Long Term Borrowings</b>	
<b>Secured</b>	
Term loan	3,780
Hire purchase obligation	20
	3,800

**9 Material pending litigation**

The Group was not engaged in any material / material pending litigation as at 23 May 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 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 31 March 2014 have been seen and approved by the Board of Directors of Widetech (Malaysia) Berhad on 28 May 2014 for release to the Bursa Securities.

BY ORDER OF THE BOARD

**Lim Lee Kuan**  
**Anna Lee Ai Leng**  
Company Secretaries

Dated this 28th day of May 2014