

WIDETECH (MALAYSIA) BERHAD  
 (Company No. 113939-U)  
 (Incorporated in Malaysia)  
 AND ITS SUBSIDIARIES  
 CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2014

	(Unaudited) As at 30-Jun-14 RM'000	Audited As at 31-Mar-14 RM'000
<b>Fixed assets</b>	12,092	12,344
<b>Deferred Tax Assets</b>	491	491
<b>Current assets</b>		
Inventories	919	862
Receivables ,deposits and prepayments	6,023	5,069
Amount due from Associate	1,007	986
Current Tax Assets	5	4
Cash and cash equivalents	13,325	13,043
	21,279	19,964
<b>Current liabilities</b>		
Payables and accruals	2,768	2,802
Bank borrowings	232	277
Provision for taxation	12	25
	3,013	3,104
<b>Net current assets</b>	18,266	16,860
	30,849	29,695
<b>Equity</b>		
Share capital	44,753	44,753
Reserves	-18,356	-20,738
Equity attributable to Equity Holders of the Company	26,397	24,015
Non-controlling interest	676	1,880
	27,073	25,895
<b>Long Term and Deferred Liabilities</b>		
Bank borrowings	3,776	3,800
Deferred tax liabilities	-	-
	30,849	29,695
<b>Net assets per share attributable to Equity Holders of the Company (RM)</b>	0.59	0.54

The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2014

WIDETECH (MALAYSIA) BERHAD  
(Company No. 113939-U)  
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CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2014  
(The figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30-Jun-14 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30-Jun-13 RM'000	CURRENT YEAR TODATE 30-Jun-14 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30-Jun-13 RM'000
1 a Revenue	3,183	2,321	3,183	2,321
b Cost of Sales	(769)	(640)	(769)	(640)
c Other Operating Expenses	(1,432)	(1,123)	(1,432)	(1,123)
d Other Operating Income	82	77	82	77
e Profit from Operations	1,064	635	1,064	635
f Finance Costs	(53)	(59)	(53)	(59)
g Share of loss of Associate	(134)	(832)	(134)	(832)
h Profit/(Loss) before Taxation	877	(256)	877	(256)
i Taxation	(24)	38	(24)	38
j Profit/(Loss) after Taxation	853	(218)	853	(218)
Attributable to:				
k Equity Holders of the Company	2,061	(479)	2,061	(479)
l Non-Controlling Interest	(1,208)	261	(1,208)	261
m Profit/(Loss) after Taxation	853	(218)	853	(218)
2 Earnings per share (EPS) attributable to Equity Holders of the Company (sen):				
a Basic EPS	4.61	(1.07)	4.61	(1.07)
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 2014

WIDETECH (MALAYSIA) BERHAD  
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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2014  
(The figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30-Jun-14 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30-Jun-13 RM'000	CURRENT YEAR TODATE 30-Jun-14 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30-Jun-13 RM'000
3 a Profit/(Loss) after Taxation	853	(218)	853	(218)
b Other Comprehensive Loss :				
Currency translation differences of foreign subsidiaries	325	(89)	325	(89)
<b>Total Comprehensive Income/(Loss)</b>	<b>1,178</b>	<b>(307)</b>	<b>1,178</b>	<b>(307)</b>
Attributable to :				
c Equity Holders of the Company	3,590	(688)	2,382	(688)
d Non-controlling Interest	(2,412)	381	(1,204)	381
<b>Total Comprehensive Income/(Loss)</b>	<b>1,178</b>	<b>(307)</b>	<b>1,178</b>	<b>(307)</b>

The above Consolidated Statement of Comprehensive Income should be read  
in conjunction with the Audited Financial Statements for the year ended 31 March 2014

WIDETECH (MALAYSIA) BERHAD  
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 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 2014	44,753	132	283	(21,153)	24,015	1,880	25,895
Total Comprehensive Income for the period	-	-	321	2,061	2,382	(1,204)	1,178
At 30 June 2014	<u>44,753</u>	<u>132</u>	<u>604</u>	<u>(19,092)</u>	<u>26,397</u>	<u>676</u>	<u>27,073</u>
At 1 April 2013	44,753	132	(784)	(15,038)	29,063	41	29,104
Total Comprehensive Loss for the period	-	-	53	(479)	(426)	120	(306)
At 30 June 2013	<u>44,753</u>	<u>132</u>	<u>(731)</u>	<u>(15,517)</u>	<u>28,637</u>	<u>161</u>	<u>28,798</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 2014

WIDETECH (MALAYSIA) BERHAD  
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CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2014  
(The figures have not been audited)

	CURRENT YEAR TODATE 30-Jun-14 RM'000	PRECEDING YEAR 30-Jun-13 RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before Taxation	877	(256)
Adjustments for:		
Depreciation and amortisation	225	309
Interest income	(79)	(77)
Interest expenses	53	59
Share of result of associate	134	832
<b>Operating profit before working capital changes</b>	<b>1,209</b>	<b>867</b>
Changes in Inventories	(58)	(110)
Changes in receivables, deposits and prepayments	(574)	416
Changes in amount due from associate	(155)	(768)
Changes in payables and accruals	(47)	(138)
<b>Cash generated from operating activities</b>	<b>375</b>	<b>267</b>
Tax (paid)/refund	(25)	36
<b>Net cash generated from operating activities</b>	<b>350</b>	<b>303</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant & Equipment	(27)	(1)
Interest income	79	77
<b>Net cash generated from investing activities</b>	<b>51</b>	<b>76</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Bank borrowings	(68)	(63)
Interest paid	(53)	(59)
<b>Net cash used in financing activities</b>	<b>(121)</b>	<b>(122)</b>
Net increase in cash and cash equivalents	281	257
Cash and cash equivalents at beginning of year	13,043	11,141
<b>Cash and cash equivalents at end of financial period</b>	<b>13,325</b>	<b>11,398</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 :

	30-Jun-14 RM'000	30-Jun-13 RM'000
Deposit with licensed banks and financial institutions	10,797	9,792
Cash and bank balances	2,528	1,606
	<b>13,325</b>	<b>11,398</b>

The above Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2014

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NOTES TO THE QUARTERLY REPORT FOR THE FINANCIAL QUARTER ENDED  
30 JUNE 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 2014.

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 2014, except for the adoption of those relevant mandatory new/revised accounting standards for annual financial periods beginning on or after 1 April 2014.

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 2014 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 31 March 2014</b>							
Revenue from external customers	1,186	83	1,475	349	90	-	3,183
Inter-segment revenue	-	175	-	-	103	(278)	-
<b>Total Revenue</b>	<b>1,186</b>	<b>258</b>	<b>1,475</b>	<b>349</b>	<b>193</b>	<b>(278)</b>	<b>3,183</b>
<b>Segment Result</b>	<b>106</b>	<b>(107)</b>	<b>1,415</b>	<b>(39)</b>	<b>(379)</b>	<b>(11)</b>	<b>985</b>
Interest income							79
Finance costs							(53)
Share of Loss of Associate							(134)
<b>Profit before Tax</b>							<b>877</b>
<b>Segment Assets</b>	<b>2,403</b>	<b>3,244</b>	<b>4,273</b>	<b>3,195</b>	<b>9,454</b>		<b>22,569</b>
Unallocated assets							11,293
							<b>33,862</b>
<b>Segment Liabilities</b>	<b>386</b>	<b>1,630</b>	<b>142</b>	<b>208</b>	<b>402</b>		<b>2,768</b>
Unallocated liabilities							4,021
							<b>6,789</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 subsidiary, Enselini International Limited incorporated in the British Virgin Islands, had been successfully struck off the register of the Registrar of Corporate Affairs in the current Quarter ended 30 June 2014.

### 11 Contingent liabilities

Saved as disclosed below, the Group did not have any material contingent liabilities as at 22 August 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's application for leave to appeal to the Federal Court had been dismissed by the Court on 24 June 2014.

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 30 JUNE 2014

**12 Capital Commitments**

The Group did not have any material capital commitment as at 22 August 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 30-Jun-14 RM'000
Management fees receivable	75
Rental receivable	<u>28</u>

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

	As at 30-Jun-14 RM'000
Rental receivable	<u>69</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 RM3.183 million and a pre-tax profit of RM0.877 million for the financial period ended 30 June 2014 against the preceding year's corresponding period turnover of RM2.321 million and a pre-tax loss of RM0.256 million.

The gaming operations in Vietnam and Cambodia achieved a higher revenue of RM1.475 million and a pre-tax profit of RM0.996 million against a revenue of RM0.587 million and a pre-tax profit of RM0.494 million in the preceding year's corresponding period. Despite an improved revenue in 2014, the elimination of inter-company debts and provisions arising from the strike off of a subsidiary in this quarter has reduced this division's pre-tax profit by RM0.419 million.

The casino in Nepal operated by our Associate continues to be suspended since September 2013. Our share of loss on associate amounted to RM0.134 million against RM0.832 in the preceding year's corresponding period. The Company will continue to closely monitor and evaluate its position for any favourable revision of the new regulations by the government to provide a more conducive environment for gaming operations.

The manufacturing division registered a revenue of RM1.186 million and a pre-tax profit of RM0.206 million, against a revenue of RM1.163 million and a pre-tax profit of RM0.313 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 RM0.083 million and a pre-tax loss of RM0.005 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 RM0.349 million, whilst its pre-tax loss of RM0.040 million is slightly higher as compared to RM0.023 million last year.

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

For the 1st quarter ended 30 June 2014, the Group achieved a turnover of RM3.183 million and generated a pre-tax profit of RM0.877 million as compared to a revenue of RM2.852 million and pre-tax loss of RM3.747 million in the preceding quarter ended 31 March 2014.

The significant losses in the preceding quarter was mainly due to one-off impairment and provisions made on the Nepal operations in view of the suspension of our casino since September 2013.

The turnaround of our result in the current quarter was mainly attributed to the significant reduction in our share of loss on associate of RM0.134 million as compared to RM3.215 million in the preceding quarter. In addition, in the preceding quarter, an additional impairment and provision of RM1.229 million have been made in respect of our investment in Nepal.

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**3 Realised and Unrealised Profits/Losses**

	As at 30-Jun-14 RM'000	As at 31-Mar-14 RM'000
Total accumulated losses of the Group :		
Realised	(39,557)	(37,640)
Unrealised	(635)	(635)
	<u>(40,192)</u>	<u>(38,275)</u>
Total accumulated losses from the associate :		
Realised	(134)	(4,558)
	<u>(40,326)</u>	<u>(42,833)</u>
Consol adjustments	21,234	21,681
Total accumulated losses	<u>(19,092)</u>	<u>(21,152)</u>

**4 Prospects**

- i) The consumer finance business will continue to contribute positively to the 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 ensure the competitiveness of its products.
- 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 remains vigilant with close monitoring and evaluation of its situation in Nepal pursuant to the unfavourable new gaming regulations governing casinos introduced in July 2013. The Management will take the necessary steps to further 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 30-Jun-14 RM'000
<b><u>Current tax expenses</u></b>	
Current year	24
(Over)/Under provision in prior years	-
Total	<u>24</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 period under review.

**8 Group Borrowings and Debt Securities**

The Group borrowings and debt securities as at 30 June 2014 are as follows:-

	RM'000
<b>A Short Term Borrowings</b>	
<b>Secured</b>	
Term loan	210
Hire purchase obligation	22
	232
<b>B Long Term Borrowings</b>	
<b>Secured</b>	
Term loan	3,762
Hire purchase obligation	14
	3,776

**9 Material pending litigation**

The Group was not engaged in any material / material pending litigation as at 22 August 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 30 June 2014 have been seen and approved by the Board of Directors of Widetech (Malaysia) Berhad on 26 August 2014 for release to the Bursa Securities.

BY ORDER OF THE BOARD

Lim Seck Wah  
Tang Chi Hoe (Kevin)  
Company Secretaries

Dated this 26th day of August 2014