

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2015

	(Unaudited) As at 31-Dec-15 RM'000	Audited As at 31-Mar-15 RM'000
Fixed assets	11,535	11,779
Deferred Tax Assets	463	463
Current assets		
Inventories	821	805
Receivables, deposits and prepayments	4,299	4,363
Amount due from Associate	4,258	2,466
Current Tax Assets	51	18
Cash and cash equivalents	17,382	16,533
	26,811	24,185
Current liabilities		
Payables and accruals	3,154	3,619
Bank borrowings	270	286
	3,424	3,905
Net current assets	23,387	20,280
	35,385	32,522
Equity		
Share capital	44,753	44,753
Reserves	-12,324	-15,607
Equity attributable to Equity Holders of the Company	32,429	29,146
Non-controlling interest	-370	-151
	32,059	28,995
Long Term and Deferred Liabilities		
Bank borrowings	3,326	3,527
	35,385	32,522
Net assets per share attributable to Equity Holders of the Company (RM)	0.72	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 2015

WIDETECH (MALAYSIA) BERHAD
(Company No. 113939-U)
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CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2015
(The figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31-Dec-15 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31-Dec-14 RM'000	CURRENT YEAR TODATE 31-Dec-15 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-Dec-14 RM'000
1 a Revenue	1,512	2,609	6,050	7,943
b Cost of Sales	-633	-704	-2,074	-2,005
c Other Operating Expenses	-996	-1,060	-3,221	-3,550
d Other Operating Income	139	103	417	280
e Profit from Operations	22	948	1,172	2,668
f Finance Costs	-52	-56	-145	-163
g Share of profit on Associate	128	263	380	182
h Profit before Taxation	98	1,155	1,408	2,687
i Taxation	0	-4	-5	-54
j Profit after Taxation	98	1,151	1,402	2,633
Attributable to:				
k Equity Holders of the Company	138	713	859	3,057
l Non-Controlling Interest	-40	438	543	-424
m Profit after Taxation	98	1,151	1,402	2,633
2 Earnings per share (EPS) attributable to Equity Holders of the Company (sen):				
a Basic EPS	0.31	1.59	1.92	6.83
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 2015

WIDETECH (MALAYSIA) BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2015
(The figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31-Dec-15 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31-Dec-14 RM'000	CURRENT YEAR TODATE 31-Dec-15 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-Dec-14 RM'000
3 a Profit after Taxation	98	1,151	1,402	2,633
b Other Comprehensive Income : Currency translation differences of foreign subsidiaries	3	883	2,316	1,266
Total Comprehensive Income	101	2,034	3,718	3,899
Attributable to :				
c Equity Holders of the Company	145	1,149	3,283	4,314
d Non-controlling Interest	-44	885	435	-415
Total Comprehensive Income	101	2,034	3,718	3,899

The above Consolidated Statement of Comprehensive Income should be read
in conjunction with the Audited Financial Statements for the year ended 31 March 2015

WIDETECH (MALAYSIA) BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2015
(The figures have not been audited)

	<----- Attributable to Equity Holders of the Company ----->				Sub-Total RM'000	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			
At 1 April 2015	44,753	132	2,265	-18,004	29,146	-151	28,995
Total Comprehensive Income for the period	-	-	2,424	859	3,283	435	3,718
Distributions paid to Non Controlling Interest	-	-	-	-	-	-654	-654
At 31 December 2015	44,753	132	4,689	-17,145	32,429	-370	32,059
At 1 April 2014	44,753	132	283	-21,153	24,015	1,880	25,895
Total Comprehensive Income for the period	-	-	1,257	3,057	4,314	-415	3,899
At 31 December 2014	44,753	132	1,540	-18,096	28,329	1,465	29,794

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 2015

WIDETECH (MALAYSIA) BERHAD
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CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2015
(The figures have not been audited)

	CURRENT YEAR TODATE 31-Dec-15 RM'000	PRECEDING YEAR 31-Dec-14 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Taxation	1,407	2,687
Adjustments for:		
Depreciation and amortisation	742	747
Interest income	-368	-274
Interest expenses	145	163
Gain on disposal of PPE	-6	-15
Share of result of associate	-380	-182
Operating profit before working capital changes	1,540	3,126
Changes in Inventories	-16	6
Changes in receivables, deposits and prepayments	1,982	202
Changes in amount due from associate	-1,412	-602
Changes in payables and accruals	-472	-21
Cash generated from operating activities	1,622	2,711
Tax (paid)/refund	-31	-74
Net cash generated from operating activities	1,591	2,637
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment	-101	-53
Proceeds from Disposal of PPE	6	-
Interest income	368	274
Net cash generated from investing activities	273	221
CASH FLOWS FROM FINANCING ACTIVITIES		
Distribution to Non Controlling Interests	-654	-
Bank borrowings	-217	-198
Interest paid	-145	-163
Net cash used in financing activities	-1,016	-361
Net increase in cash and cash equivalents	848	2,497
Cash and cash equivalents at beginning of year	16,534	13,043
Cash and cash equivalents at end of financial period	17,382	15,540

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-15 RM'000	31-Dec-14 RM'000
Deposit with licensed banks and financial institutions	14,328	12,383
Cash and bank balances	3,054	3,157
	17,382	15,540

The above Condensed Consolidated Cash Flow Statement should be read in conjunction
with the Audited Financial Statements for the year ended 31 March 2015

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NOTES TO THE QUARTERLY REPORT FOR THE FINANCIAL QUARTER ENDED
31 DECEMBER 2015

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 2015.

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 2015, except for the adoption of the following new/revised accounting standards that have been issued by the Malaysian Accounting Standards Board but are not yet effective for the Group:

<u>MFSR and Amendments to MFRSs</u>	<u>Effective Date</u>
Amendments to MFRS 119: Defined Benefit Plan - Employee Contributions	1 July 2014
Annual Improvements to MFRSs 2010-2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011-2013 Cycle	1 July 2014
Annual Improvements to MFRSs 2012-2014 Cycle	1 January 2016
Amendments to MFRS 10 and MFRS 128: Sale or contribution of assets between an investor and its associates or joint-venture	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128: Investment Entities - Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 101: Presentation of Financial Statements - Disclosure Initiative	1 January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of acceptable methods of depreciation and amortisation	1 January 2016
Amendments to MFRS 127: Consolidated and Separate Financial Statements - Equity Method in Separate Financial Statements	1 January 2016
MFRS 15: Revenue from Contracts with Customers	1 January 2017
MFRS 9: Financial Instruments (IFRS 9 Issued by IASB in July 2014)	1 January 2018

Other than MFRS 9 and MFRS 15, the initial adoption of the above MFRS is not expected to have any significant impact to the Group. The Group is currently assessing the financial impact of adopting MFRS 9 and MFRS 15.

2 Status of Audit Qualification

The annual financial statements for the year ended 31 March 2015 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.

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31 DECEMBER 2015

7 Dividend Paid

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

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
As at 31 December 2015							
Revenue from external customers	2,845	158	1,697	1,080	270	-	6,050
Inter-segment revenue	-	246	-	-	225	-471	-
Total Revenue	2,845	404	1,697	1,080	495	-471	6,050
Segment Result	-196	-149	2,220	-379	3,578	-4,270	804
Interest income							368
Finance costs							-145
Share of Profit on Associate							380
Profit before Tax							1,407
Segment Assets	2,067	2,775	5,951	3,331	9,843		23,967
Unallocated assets							14,842
							38,809
Segment Liabilities	342	1,611	346	277	578		3,154
Unallocated liabilities							3,596
							6,750

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

There were no changes in the composition of the Group for the financial period under review.

11 Contingent liabilities

Saved as disclosed below, the Group did not have any material contingent liabilities as at 27 January 2016 (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.

On 25 November 2015, the Court approved our bankruptcy proceedings initiated against the third party. Subsequent to this, we had filed our Proof of Debt claims to the Insolvency Department.

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 31 DECEMBER 2015

12 Capital Commitments

The Group did not have any material capital commitment as at 27 January 2016 (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-15 RM'000
Management fees receivable	<u>225</u>

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

	As at 31-Dec-15 RM'000
Rental receivable	<u>151</u>

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31 DECEMBER 2015

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 RM6.050 million and a pre-tax profit of RM1.407 million for the financial period ended 31 December 2015 against the preceding year's corresponding period turnover of RM7.943 million and a pre-tax profit of RM2.687 million.

The gaming operations in Vietnam achieved a revenue of RM1.322 million and a pre-tax profit of RM1.281 million against a revenue of RM3.087 million and a pre-tax profit of RM2.553 million in the preceding year's corresponding period. We had ceased operations on 15 April 2015 upon expiry of our Lease Agreement with the Hotel as we were unable to renew the said lease. Upon closure of our operations, the net surplus cash available was distributed and recognised as profit.

The gaming operations in Cambodia continue to contribute positively with a revenue of RM0.375 million and a pre-tax profit of RM0.285 million.

Our associated company contributed to a share of profit of RM0.380 million against a share of profit of RM0.182 million in the preceding year's corresponding period as the electronic gaming outlets in Nepal were closed from April 2014 to July 2014 due to unfavourable annual royalty fee imposed by the Nepal government. The clubs were subsequently re-opened in August 2014.

The manufacturing division registered a revenue of RM2.845 million and a pre-tax profit of RM0.105 million against a revenue of RM3.099 million and a pre-tax profit of RM0.465 million in the preceding year's corresponding period. The declined profit is mainly due to reduced sales order from a major overseas customer.

As expected, the consumer financing business continue to record a lower profit with a declining revenue of RM0.158 million and a pre-tax profit of RM0.140 million due to a declining loan base as the Company had ceased this business.

The hotel operation in Laos remained loss-making, with a revenue of RM1.080 million (USD0.270 million) and a pre-tax loss of RM0.385 million (USD0.096 million), as compared to a revenue of RM0.985 million (USD0.291 million) and a pre-tax loss of RM0.202 million (USD0.060 million) in the preceding year's corresponding period. Despite its loss position, the cash flow of the hotel remained positive as its loss was mainly due to its depreciation charge.

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

For the 3rd quarter ended 31 December 2015, the Group achieved a turnover of RM1.512 million and generated a pre-tax profit of RM0.098 million as compared to a revenue of RM1.760 million and pre-tax profit of RM0.106 million in the preceding quarter ended 30 September 2015.

There were no material changes in the pre-tax profit for the current quarter, as compared to the preceding quarter.

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3 Realised and Unrealised Profits/Losses

	As at 31-Dec-15 RM'000	As at 31-Mar-15 RM'000
Total accumulated losses of the Group :		
Realised	-31,717	-33,017
Unrealised	-463	-414
	<u>-32,180</u>	<u>-33,431</u>
Total accumulated losses from the associate :		
Realised	380	80
	<u>-31,800</u>	<u>-33,351</u>
Consol adjustments	14,655	15,347
Total accumulated losses	<u><u>-17,145</u></u>	<u><u>-18,004</u></u>

4 Prospects

- i) Contribution from the consumer finance business to the earnings of the Group is on a reducing scale due to a declining interest income resulting from loan redemption.
- ii) Amidst stiff competition in the market and escalating raw material costs from the weakening of the ringgit, 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) 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.
Pursuant to the said club closure in Vietnam, the overall gaming division is expected to continue to contribute positively to the long term earnings of the Group albeit on a lower scale.
- iv) 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.
- v) The electronic gaming outlets in Nepal are expected to contribute positively to the earnings of the Group.
- vi) Moving forward, the Board will remain cautious and be on the look out for any new investment opportunities to further enhance the earnings of the Group.

5 Variance of Actual Profit from Forecast Profit

Not Applicable as no profit forecast was published.

6 Taxation

	As at 31-Dec-15 RM'000
<u>Current tax expenses</u>	
Current year	<u><u>5</u></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 31 December 2015 are as follows:-

	RM'000
A Short Term Borrowings	
Secured	
Term loan	266
Hire purchase obligation	4
	270
	270
B Long Term Borrowings	
Secured	
Term loan	3,326
Hire purchase obligation	-
	3,326
	3,326

9 Material pending litigation

The Group was not engaged in any material / material pending litigation as at 27 January 2016 (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 2015 have been seen and approved by the Board of Directors of Widetech (Malaysia) Berhad on 2 February 2016 for release to the Bursa Securities.

BY ORDER OF THE BOARD

Lim Seck Wah
Tang Chi Hoe (Kevin)
Company Secretaries

Dated this 2nd day of February 2016