

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2016

	(Unaudited) As at 31-Mar-16 RM'000	Audited As at 31-Mar-15 RM'000
Fixed assets	11,054	11,779
Trade Debtors	583	1,112
Deferred Tax Assets	427	463
Current assets		
Inventories	691	805
Receivables ,deposits and prepayments	3,465	3,251
Amount due from Associate	2,078	2,466
Current Tax Assets	34	18
Cash and cash equivalents	19,164	16,533
	25,432	23,073
Current liabilities		
Payables and accruals	2,895	3,619
Bank borrowings	256	286
Provision for taxation	5	-
	3,156	3,905
Net current assets	22,276	19,168
	34,340	32,522
Equity		
Share capital	44,753	44,753
Reserves	-13,446	-15,607
Equity attributable to Equity Holders of the Company	31,307	29,146
Non-controlling interest	-258	-151
	31,049	28,995
Long Term and Deferred Liabilities		
Bank borrowings	3,291	3,527
	34,340	32,522
Net assets per share attributable to Equity Holders of the Company (RM)	0.70	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 MARCH 2016
(The figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31-Mar-16 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31-Mar-15 RM'000	CURRENT YEAR TODATE 31-Mar-16 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-Mar-15 RM'000
1 a Revenue	1,565	2,262	7,614	10,204
b Cost of Sales	-825	-697	-2,899	-2,702
c Other Operating Expenses	-1,570	-1,292	-4,791	-4,842
d Other Operating Income	827	253	1,244	533
e Profit from Operations	-3	526	1,168	3,193
f Finance Costs	-69	-55	-213	-218
g Share of profit on Associate	263	-102	643	80
h Profit before Taxation	191	369	1,598	3,055
i Taxation	1	-47	-4	-100
j Profit after Taxation	192	322	1,594	2,955
Attributable to:				
k Equity Holders of the Company	225	92	1,084	3,148
l Non-Controlling Interest	-33	230	510	-193
m Profit after Taxation	192	322	1,594	2,955
2 Earnings per share (EPS) attributable to Equity Holders of the Company (sen):				
a Basic EPS	0.50	0.21	2.42	7.03
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 MARCH 2016
(The figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31-Mar-16 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31-Mar-15 RM'000	CURRENT YEAR TODATE 31-Mar-16 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-Mar-15 RM'000
3 a Profit after Taxation	192	322	1,594	2,955
b Other Comprehensive Income : Currency translation differences of foreign subsidiaries	-1,275	647	1,041	1,913
Total Comprehensive Income	-1,083	969	2,635	4,868
Attributable to :				
c Equity Holders of the Company	-1,122	817	2,161	5,131
d Non-controlling Interest	39	152	474	-263
Total Comprehensive Income	-1,083	969	2,635	4,868

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 MARCH 2016
(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 2015	44,753	132	2,265	-18,004	29,146	-151	28,995
Total Comprehensive Income for the period	-	-	1,077	1,084	2,161	474	2,635
Distributions paid to Non Controlling Interest	-	-	-	-	-	-581	-581
At 31 March 2016	<u>44,753</u>	<u>132</u>	<u>3,342</u>	<u>-16,920</u>	<u>31,307</u>	<u>-258</u>	<u>31,049</u>
At 1 April 2014	44,753	132	282	-21,152	24,015	1,880	25,895
Total Comprehensive Income for the period	-	-	1,983	3,148	5,131	-263	4,868
Distributions paid to Non Controlling Interest	-	-	-	-	-	-1,768	-1,768
At 31 March 2015	<u>44,753</u>	<u>132</u>	<u>2,265</u>	<u>-18,004</u>	<u>29,146</u>	<u>-151</u>	<u>28,995</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 2015

WIDETECH (MALAYSIA) BERHAD
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CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2016
(The figures have not been audited)

	CURRENT YEAR TODATE 31-Mar-16 RM'000	PRECEDING YEAR 31-Mar-15 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Taxation	1,598	3,055
Adjustments for:		
Allowance for impairment loss	-	9
Inventories write-down	22	-
Bad debts written off	566	4
Depreciation and amortisation	955	1,000
Fair value adjustment on trade receivables recognised in profit or loss	-58	-22
Interest income	-519	-383
Interest expenses	213	218
Gain on disposal of PPE	-6	-
Reversal of impairment loss	-566	-
Reversal of inventories write-down	-	-29
Unrealised gain on foreign exchange	30	-5
Share of result of associate	-643	-80
Operating profit before working capital changes	<u>1,592</u>	<u>3,767</u>
Changes in Inventories	92	86
Changes in receivables, deposits and prepayments	1,289	2,267
Changes in amount due from associate	1,030	-1,400
Changes in payables and accruals	-768	816
Cash generated from operating activities	<u>3,235</u>	<u>5,536</u>
Tax refund/(paid)	29	-110
Net cash generated from operating activities	<u>3,264</u>	<u>5,426</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment	-98	-69
Proceeds from Disposal of PPE	6	-
Interest income	519	383
Net cash generated from investing activities	<u>427</u>	<u>314</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Distribution to Non Controlling Interests	-581	-1,768
Bank borrowings	-266	-263
Interest paid	-213	-218
Net cash used in financing activities	<u>-1,060</u>	<u>-2,249</u>
Net increase in cash and cash equivalents	2,631	3,491
Cash and cash equivalents at beginning of year	16,533	13,042
Cash and cash equivalents at end of financial period	<u>19,164</u>	<u>16,533</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-16 RM'000	31-Mar-15 RM'000
Deposit with licensed banks and financial institutions	15,414	12,789
Cash and bank balances	3,750	3,744
	<u>19,164</u>	<u>16,533</u>

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 MARCH 2016

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 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.

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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.

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 March 2016							
Revenue from external customers	4,041	193	1,613	1,407	360	-	7,614
Inter-segment revenue	-	300	-	-	300	-600	-
Total Revenue	4,041	493	1,613	1,407	660	-600	7,614
Segment Result	-166	-162	2,384	-389	1,287	-2,305	649
Interest income							519
Finance costs							-213
Share of Profit on Associate							643
Profit before Tax							1,598
Segment Assets	2,196	2,757	4,472	2,952	9,244		21,621
Unallocated assets							15,875
							37,497
Segment Liabilities	296	1,613	236	301	449		2,895
Unallocated liabilities							3,552
							6,447

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 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 year under review.

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11 Contingent liabilities

Saved as disclosed below, the Group did not have any material contingent liabilities as at 20 May 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 RLHSB's bankruptcy proceedings initiated against the third party for non payment of court awarded costs together with interests payable. Subsequent to this, RLHSB had filed its Proof of Debt claims to the Insolvency Department and thereafter, successfully recovered full payment from the third party on 31 March 2016.

12 Capital Commitments

The Group did not have any material capital commitment as at 20 May 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-Mar-16 RM'000
Management fees receivable	300

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

	As at 31-Mar-16 RM'000
Rental receivable	191

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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 RM7.614 million and a pre-tax profit of RM1.598 million for the financial year ended 31 March 2016 against the preceding year's corresponding period turnover of RM10.204 million and a pre-tax profit of RM3.055 million.

The gaming operations in Vietnam achieved a revenue of RM1.245 million and a pre-tax profit of RM1.257 million against a revenue of RM3.604 million and a pre-tax profit of RM3.054 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 RM0.368 million and a pre-tax profit of RM0.231 million.

Our associated company contributed to a share of profit of RM0.643 million against a share of profit of RM0.080 million in the preceding year's corresponding period. In the preceding year, 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 RM4.041 million and a pre-tax profit of RM0.235 million against a revenue of RM4.078 million and a pre-tax profit of RM0.579 million in the preceding year's corresponding period. In addition to reduced sales order from a major overseas customer, the manufacturing division's profit was affected by escalating raw material costs arising from the weakening ringgit in the current financial year..

As expected, the consumer financing business continue to record a lower profit with a declining revenue of RM0.193 million and a pre-tax profit of RM0.190 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 RM1.407 million (USD0.370 million) and a pre-tax loss of RM0.396 million (USD0.104 million), as compared to a revenue of RM1.406 million (USD0.403 million) and a pre-tax loss of RM0.239 million (USD0.068 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 4th quarter ended 31 March 2016, the Group achieved a turnover of RM1.565 million and generated a pre-tax profit of RM0.191 million as compared to a revenue of RM1.512 million and pre-tax profit of RM0.098 million in the preceding quarter ended 31 December 2015.

The higher pre-tax profit in the current quarter was mainly attributable to a higher share of profit contribution of RM0.263 million from the associated company, as compared to a share of profit of RM0.128 million in the preceding quarter.

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3 Realised and Unrealised Profits/Losses

	As at 31-Mar-16 RM'000	As at 31-Mar-15 RM'000
Total accumulated losses of the Group :		
Realised	-33,702	-33,017
Unrealised	-369	-414
	<u>-34,071</u>	<u>-33,431</u>
Total accumulated losses from the associate :		
Realised	643	80
	<u>-33,428</u>	<u>-33,351</u>
Consol adjustments	16,508	15,347
Total accumulated losses	<u><u>-16,920</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-Mar-16 RM'000
<u>Current tax expenses</u>	
Current year	<u><u>4</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.

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31 MARCH 2016

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 2016 are as follows:-

	RM'000
A Short Term Borrowings	
Secured	
Term loan	256
Hire purchase obligation	-
	256
	256
B Long Term Borrowings	
Secured	
Term loan	3,291
Hire purchase obligation	-
	3,291
	3,291

9 Material pending litigation

The Group was not engaged in any material / material pending litigation as at 20 May 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 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 2016 have been seen and approved by the Board of Directors of Widetech (Malaysia) Berhad on 24 May 2016 for release to the Bursa Securities.

BY ORDER OF THE BOARD

Lim Seck Wah
Tang Chi Hoe (Kevin)
Company Secretaries

Dated this 24th day of May 2016