

WIDETECH (MALAYSIA) BERHAD  
 (Company No. 113939-U)  
 (Incorporated in Malaysia)  
 AND ITS SUBSIDIARIES  
 CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2016

	(Unaudited) As at 31-Dec-16 RM'000	Audited As at 31-Mar-16 RM'000
<b>Fixed assets</b>	11,298	11,054
<b>Deferred Tax Assets</b>	427	427
<b>Current assets</b>		
Inventories	917	686
Receivables, deposits and prepayments	3,242	4,048
Amount due from Associate	2,914	2,078
Current Tax Assets	32	34
Cash and cash equivalents	21,305	19,164
	28,410	26,010
<b>Current liabilities</b>		
Payables and accruals	2,970	2,895
Bank borrowings	306	256
Provision for taxation	25	5
	3,301	3,156
<b>Net current assets</b>	25,109	22,854
	36,834	34,335
<b>Equity</b>		
Share capital	44,753	44,753
Reserves	-10,655	-13,451
Equity attributable to Equity Holders of the Company	34,098	31,302
Non-controlling interest	-440	-258
	33,658	31,044
<b>Long Term and Deferred Liabilities</b>		
Bank borrowings	3,176	3,291
	36,834	34,335
<b>Net assets per share attributable to Equity Holders of the Company (RM)</b>	0.76	0.70

The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2016

WIDETECH (MALAYSIA) BERHAD  
(Company No. 113939-U)  
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CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2016  
(The figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31-Dec-16 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31-Dec-15 RM'000	CURRENT YEAR TODATE 31-Dec-16 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-Dec-15 RM'000
1 a Revenue	2,036	1,512	5,219	6,050
b Cost of Sales	(676)	(633)	(1,972)	(2,074)
c Other Operating Expenses	(1,240)	(996)	(3,175)	(3,221)
d Other Operating Income	149	139	456	417
e Profit from Operations	269	22	528	1,172
f Finance Costs	(48)	(52)	(148)	(145)
g Share of profit on Associate	(34)	128	664	380
h Profit before Taxation	187	98	1,044	1,407
i Taxation	(45)	-	(60)	(5)
j Profit after Taxation	142	98	984	1,402
Attributable to:				
k Equity Holders of the Company	154	138	1,054	859
l Non-Controlling Interest	(12)	(40)	(70)	543
m Profit after Taxation	142	99	984	1,402
2 Earnings per share (EPS) attributable to Equity Holders of the Company (sen):				
a Basic EPS	0.34	0.31	2.35	1.92
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 2016

WIDETECH (MALAYSIA) BERHAD  
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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2016  
(The figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31-Dec-16 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31-Dec-15 RM'000	CURRENT YEAR TODATE 31-Dec-16 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-Dec-15 RM'000
3 a Profit after Taxation	142	98	984	1,402
b Other Comprehensive Income : Currency translation differences of foreign subsidiaries	934	3	1,630	2,316
<b>Total Comprehensive Income</b>	<b>1,076</b>	<b>101</b>	<b>2,614</b>	<b>3,718</b>
Attributable to :				
c Equity Holders of the Company	1,156	145	2,796	3,283
d Non-controlling Interest	(80)	(44)	(182)	435
<b>Total Comprehensive Income</b>	<b>1,076</b>	<b>101</b>	<b>2,614</b>	<b>3,718</b>

The above Consolidated Statement of Comprehensive Income should be read  
in conjunction with the Audited Financial Statements for the year ended 31 March 2016

WIDETECH (MALAYSIA) BERHAD  
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2016  
(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 2016	44,753	132	3,342	(16,925)	31,302	(258)	31,044
Total Comprehensive Income for the period	-	-	1,742	1,054	2,796	(182)	2,614
At 31 December 2016	44,753	132	5,084	(15,871)	34,098	(440)	33,658
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

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 2016

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

	CURRENT YEAR TODATE 31-Dec-16 RM'000	PRECEDING YEAR 31-Dec-15 RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before Taxation	1,044	1,407
Adjustments for:		
Depreciation and amortisation	771	742
Interest income	(457)	(368)
Interest expenses	148	145
Gain on disposal of PPE	(70)	(6)
Share of result of associate	(664)	(380)
<b>Operating profit before working capital changes</b>	<u>772</u>	<u>1,540</u>
Changes in Inventories	(231)	(16)
Changes in receivables, deposits and prepayments	2,134	1,982
Changes in amount due from associate	(171)	(1,412)
Changes in payables and accruals	63	(472)
<b>Cash generated from operating activities</b>	<u>2,567</u>	<u>1,622</u>
Tax refund/(paid)	(25)	(31)
<b>Net cash generated from operating activities</b>	<u>2,542</u>	<u>1,591</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant & Equipment	(560)	(101)
Proceeds from Disposal of PPE	70	6
Interest income	457	368
<b>Net cash used in investing activities</b>	<u>(33)</u>	<u>273</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Distribution to Non Controlling Interests	-	(654)
Bank borrowings	(220)	(217)
Interest paid	(148)	(145)
<b>Net cash used in financing activities</b>	<u>(368)</u>	<u>(1,016)</u>
Net increase in cash and cash equivalents	2,141	848
Cash and cash equivalents at beginning of year	19,164	16,534
<b>Cash and cash equivalents at end of financial period</b>	<u>21,305</u>	<u>17,382</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-Dec-16 RM'000	31-Dec-15 RM'000
Deposit with licensed banks and financial institutions	18,136	14,328
Cash and bank balances	3,169	3,054
	<u>21,305</u>	<u>17,382</u>

The above Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2016

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NOTES TO THE QUARTERLY REPORT FOR THE FINANCIAL QUARTER ENDED  
31 DECEMBER 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 2016.

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 2016, 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>MFRS and Amendments to MFRSs</u>	<u>Effective Date</u>
MFRS 14 Regulatory Deferral Accounts	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 11: Joint Arrangements: Accounting for acquisitions of interests in joint operations	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
Annual Improvements to MFRSs 2012-2014 Cycle	1 January 2016
Amendments to MFRS 102 Income Taxes: Recognition of Deferred Tax Assets for Unrealised Loss	1 January 2017
Amendments to MFRS 107 Statement of Cash Flows: Disclosure initiative	1 January 2017
MFRS 9: Financial Instruments (IFRS 9 Issued by IASB in July 2014)	1 January 2018
MFRS 15: Revenue from Contracts with Customers	1 January 2018
Amendments to FRS 9 Financial Instruments - Disclosures: Mandatory effective date of MFRS 9 and transitional disclosures.	1 January 2018
MFRS 116 Leases	1 January 2019

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 2016 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.

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**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.

**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 December 2016</b>							
Revenue from external customers	3,418	113	259	1,159	270	-	5,219
Inter-segment revenue	-	107	-	-	255	(362)	-
<b>Total Revenue</b>	<b>3,418</b>	<b>220</b>	<b>259</b>	<b>1,159</b>	<b>525</b>	<b>(362)</b>	<b>5,219</b>
<b>Segment Result</b>	364	(77)	222	(313)	2,918	(3,043)	71
Interest income							457
Finance costs							(148)
Share of Profit on Associate							664
<b>Profit before Tax</b>							<b>1,044</b>
<b>Segment Assets</b>	2,957	2,304	4,066	2,826	9,387		21,540
Unallocated assets							18,595
							<b>40,135</b>
<b>Segment Liabilities</b>	322	1,610	246	301	492		2,971
Unallocated liabilities							3,506
							<b>6,477</b>

**9 Subsequent Events**

There were no material events subsequent to the end of the current quarter ended 31 December 2016 that have not been reflected in this quarterly report 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.

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 31 DECEMBER 2016

**11 Contingent liabilities**

The Group did not have any material contingent liability as at 10 February 2017 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

**12 Capital Commitments**

The Group did not have any material capital commitment as at 10 February 2017 (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-16 RM'000
Management fees receivable	255

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

	As at 31-Dec-16 RM'000
Rental receivable	40



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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 RM5.219 million and a pre-tax profit of RM1.044 million for the financial period ended 31 December 2016 against the preceding year's corresponding period turnover of RM6.050 million and a pre-tax profit of RM1.407 million.

The gaming operations in Cambodia continue to contribute positively with a revenue of RM0.259 million and a pre-tax profit of RM0.138 million.

Our associated company contributed to a share of profit of RM0.664 million against a share of profit of RM0.380 million in the preceding year's corresponding period. The preceding year's result was affected by the devastating earthquake in Nepal.

The manufacturing division registered an improved revenue of RM3.418 million and a pre-tax profit of RM0.712 million against a revenue of RM2.845 million and a pre-tax profit of RM0.105 million in the preceding year's corresponding period. In addition to an improved revenue and profit margin in 2016, the higher profit was partly attributable to a gain on disposal of a motor vehicle of RM70,000.

As expected, the consumer financing business continue to record a lower profit with a declining revenue of RM0.113 million and a pre-tax profit of RM0.099 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 RM1.159 million (USD0.276 million) and a pre-tax loss of RM0.321 million (USD0.077 million), as compared to a revenue of RM1.080 million (USD0.270 million) and a pre-tax loss of RM0.385 million (USD0.096 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 2016, the Group achieved a turnover of RM2.036million and generated a pre-tax profit of RM0.187 million as compared to a revenue of RM1.542 million and pre-tax profit of RM0.313 million in the preceding quarter ended 30 September 2016.

Despite an improved revenue, the Group recorded a lower pre-tax profit in the current quarter. This was mainly due to our associate contributing to a share of loss of RM0.033 million against a share of profit of RM0.292 million in the preceding quarter. The cancellation of the 500 and 1000 rupee notes by the Indian government in November 2016 has affected our Indian players and thus, our current quarter's performance. However, operations returned back to normal in January 2017 upon the completion of the exchange exercise of the old to new Indian rupee notes.

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**3 Realised and Unrealised Profits/Losses**

	As at 31-Dec-16 RM'000	As at 31-Mar-16 RM'000
Total accumulated losses of the Group :		
Realised	(30,285)	(32,487)
Unrealised	(427)	(427)
	(30,712)	(32,914)
Total accumulated losses from the associate :		
Realised	664	643
	(30,048)	(32,271)
Consol adjustments	14,177	15,346
Total accumulated losses	(15,871)	(16,925)

**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, 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.
- 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-16 RM'000
<b><u>Current tax expenses</u></b>	
Current year	60

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 31 December 2016 are as follows:-

	RM'000
A Short Term Borrowings	
<b>Secured</b>	
Term loan	256
Hire purchase obligation	50
	306
	306
B Long Term Borrowings	
<b>Secured</b>	
Term loan	3,091
Hire purchase obligation	85
	3,176
	3,176

**9 Material pending litigation**

The Group was not engaged in any material / material pending litigation as at 10 February 2017 (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 2016 have been seen and approved by the Board of Directors of Widetech (Malaysia) Berhad on 14 February 2017 for release to the Bursa Securities.

BY ORDER OF THE BOARD

**Lim Seck Wah**  
**Tang Chi Hoe (Kevin)**  
Company Secretaries

Dated this 14th day of February 2017