

WIDETECH (MALAYSIA) BERHAD  
 (Company No. 113939-U)  
 (Incorporated in Malaysia)  
 AND ITS SUBSIDIARIES  
 CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2017

	(Unaudited) As at 30-Jun-17 RM'000	Audited As at 31-Mar-17 RM'000
<b>Fixed assets</b>	11,113	11,214
<b>Deferred Tax Assets</b>	359	359
<b>Current assets</b>		
Inventories	994	878
Receivables ,deposits and prepayments	1,816	1,449
Amount due from Associate	2,156	2,622
Current Tax Assets	91	65
Cash and cash equivalents	21,604	21,729
	26,661	26,743
<b>Current liabilities</b>		
Payables and accruals	1,476	1,567
Bank borrowings	339	339
Provision for taxation	-	-
	1,815	1,906
<b>Net current assets</b>	24,846	24,837
	36,318	36,410
<b>Equity</b>		
Share capital	44,885	44,886
Reserves	-11,055	-11,048
Equity attributable to Equity Holders of the Company	33,830	33,838
Non-controlling interest	-487	-486
	33,343	33,352
<b>Long Term and Deferred Liabilities</b>		
Bank borrowings	2,975	3,058
	36,318	36,410
<b>Net assets per share attributable to Equity Holders of the Company (RM)</b>	0.75	0.75

The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes attached with the interim financial reports

WIDETECH (MALAYSIA) BERHAD  
(Company No. 113939-U)  
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CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2017  
(The figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30-Jun-17 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30-Jun-16 RM'000	CURRENT YEAR TODATE 30-Jun-17 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30-Jun-16 RM'000
1 a Revenue	1,748	1,641	1,748	1,641
b Cost of Sales	(869)	(687)	(869)	(687)
c Other Operating Expenses	(1,052)	(924)	(1,052)	(924)
d Other Operating Income	187	151	187	151
e Profit from Operations	14	181	14	181
f Finance Costs	(43)	(41)	(43)	(41)
g Share of profit on Associate	338	405	338	405
h Profit before Taxation	309	545	309	545
l Taxation	0	(8)	0	(8)
j Profit after Taxation	309	537	309	537
Attributable to:				
k Equity Holders of the Company	339	568	339	568
l Non-Controlling Interest	(30)	(31)	(30)	(31)
m Profit after Taxation	309	537	309	537
2 Earnings per share (EPS) attributable to Equity Holders of the Company (seen):				
a Basic EPS	0.76	1.27	0.76	1.27
b Diluted EPS	N/A	N/A	N/A	N/A

The above Consolidated Income Statement should be read in conjunction  
with the accompanying explanatory notes attached with the interim financial reports

WIDETECH (MALAYSIA) BERHAD  
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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2017  
 (The figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30-Jun-17 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30-Jun-16 RM'000	CURRENT YEAR TODATE 30-Jun-17 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30-Jun-16 RM'000
3 a Profit after Taxation	309	537	309	537
b Other Comprehensive (Loss)/Income : Currency translation differences of foreign subsidiaries	(317)	411	(317)	411
<b>Total Comprehensive (Loss)/Income</b>	<b>(8)</b>	<b>948</b>	<b>(8)</b>	<b>948</b>
Attributable to :				
c Equity Holders of the Company	(7)	1,003	(7)	1,003
d Non-controlling Interest	(1)	(55)	(1)	(55)
<b>Total Comprehensive (Loss)/Income</b>	<b>(8)</b>	<b>948</b>	<b>(8)</b>	<b>948</b>

The above Consolidated Statement of Comprehensive Income should be read in conjunction  
 with the accompanying explanatory notes attached with the interim financial reports

WIDETECH (MALAYSIA) BERHAD  
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
 FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2017  
 (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 2017	44,885	0	4,908	(15,956)	33,837	(486)	33,351
Total Comprehensive Loss for the period	-	-	(346)	339	(7)	(1)	(8)
At 30 June 2017	44,885	0	4,562	(15,617)	33,830	(487)	33,343
At 1 April 2016	44,753	132	3,342	(16,925)	31,303	(258)	31,044
Total Comprehensive Income for the period	-	-	435	568	1,004	(56)	948
At 30 June 2016	44,753	132	3,777	(16,356)	32,307	(314)	31,992

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes attached with the interim financial reports

WIDETECH (MALAYSIA) BERHAD  
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CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2017  
(The figures have not been audited)

	CURRENT YEAR TODATE 30-Jun-17 RM'000	PRECEDING YEAR 30-Jun-16 RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before Taxation	309	545
Adjustments for:		
Depreciation and amortisation	381	237
Interest income	(180)	(151)
Interest expenses	43	41
Gain on disposal of PPE	-	(70)
Share of result of associate	(338)	(405)
<b>Operating profit before working capital changes</b>	<u>215</u>	<u>197</u>
Changes in Inventories	(116)	(138)
Changes in receivables, deposits and prepayments	(628)	557
Changes in amount due from associate	804	637
Changes in payables and accruals	(91)	131
<b>Cash generated from operating activities</b>	<u>184</u>	<u>1,384</u>
Tax refund/(paid)	(26)	(5)
<b>Net cash generated from operating activities</b>	<u>158</u>	<u>1,379</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant & Equipment	(336)	(170)
Proceeds from Disposal of PPE	-	70
Interest income	180	151
<b>Net cash (used in)/generated from investing activities</b>	<u>(156)</u>	<u>51</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Bank borrowings	(84)	(67)
Interest paid	(43)	(41)
<b>Net cash used in financing activities</b>	<u>(127)</u>	<u>(108)</u>
Net (decrease)/increase in cash and cash equivalents	(125)	1,322
Cash and cash equivalents at beginning of year	21,729	19,164
<b>Cash and cash equivalents at end of financial period</b>	<u>21,604</u>	<u>20,486</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 :

	30-Jun-17 RM'000	30-Jun-16 RM'000
Deposit with licensed banks and financial institutions	19,265	16,139
Cash and bank balances	2,339	4,347
	<u>21,604</u>	<u>20,486</u>

The above Condensed Consolidated Cash Flow Statement should be read in conjunction with the accompanying explanatory notes attached with the interim financial reports

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NOTES TO THE QUARTERLY REPORT FOR THE FINANCIAL QUARTER ENDED  
30 JUNE 2017

**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 2017.

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 2017, 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>MFRSs, Amendments to MFRSs and IC Interpretation</u>	<u>Effective Date</u>
Amendments to MFRS 107 Statement of Cash Flows: Disclosure initiative	1 January 2017
Amendments to MFRS 112 Income Taxes: Recognition of Deferred Tax Assets for Unrealised Loss	1 January 2017
Amendments to MFRS 12 Disclosure of Interests in Other Entities	1 January 2017
MFRS 9: Financial Instruments (IFRS 9 Issued by IASB in July 2014)	1 January 2018
Amendments to MFRS 140 Investment Property : Transfers of Investment Property	1 January 2018
IC Interpretation 22 Foreign Currency: Transactions and Advance Consideration	1 January 2018
MFRS 15: Revenue from Contracts with Customers	1 January 2018
MFRS 16 Leases	1 January 2019

The initial adoption of the above standards, amendments and interpretation are 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 2017 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:-

	Manufacturin RM'000	Supply RM'000	Gaming RM'000	Hotel RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
<b>As at 30 June 2017</b>							
Revenue from external customers	1,190	21	84	363	90	-	1,748
Inter-segment revenue	-	24	-	-	75	(99)	-
<b>Total Revenue</b>	<b>1,190</b>	<b>45</b>	<b>84</b>	<b>363</b>	<b>165</b>	<b>(99)</b>	<b>1,748</b>
<b>Segment Result</b>	(50)	(13)	38	(112)	(659)	630	(166)
Interest income							180
Finance costs							(43)
Share of Profit on Associate							338
<b>Profit before Tax</b>							<b>309</b>
<b>Segment Assets</b>	3,030	497	3,583	2,658	8,650		18,418
Unallocated assets							19,715
							<b>38,133</b>
<b>Segment Liabilities</b>	317	188	241	290	440		1,476
Unallocated liabilities							3,314
							<b>4,791</b>

**9 Subsequent Events**

There were no material events subsequent to the end of the current quarter ended 30 June 2017 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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**11 Contingent liabilities**

The Group did not have any material contingent liability as at 16 August 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 16 August 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 30-Jun-17 RM'000
Management fees receivable	<u>75</u>

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

	As at 30-Jun-17 RM'000
Rental receivable	<u>40</u>



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30 JUNE 2017

**B EXPLANATORY NOTES PURSUANT TO THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHA**

**1 Review of the performance of the Company and its Principal Subsidiaries.**

	3 months quarter		Changes		Cumulative Period		Changes	
	30/6/017 RM'000	30/6/016 RM'000	Amount RM'000	%	30/6/017 RM'000	30/6/016 RM'000	Amount RM'000	%
Revenue	1,748	1,641	107	7%	1,748	1,641	107	7%
Operating Profit	14	181	(166)	-92%	14	181	(166)	-92%
Profit before Interest, Share of Profit on Associate and Tax	14	181	(166)	-92%	14	181	(166)	-92%
Profit before Tax	309	545	(236)	-43%	309	545	(236)	-43%
Profit After Tax	309	537	(228)	-42%	309	537	(228)	-42%
Profit attributable to Equity Holders of the Parent	339	568	(230)	-40%	339	568	(230)	-40%

The Group recorded a turnover of RM1.748 million and a pre-tax profit of RM0.309 million for the financial period ended 30 June 2017 against the preceding year's corresponding period turnover of RM1.641 million and a pre-tax profit of RM0.545 million.

The gaming operations in Cambodia continue to contribute positively with a revenue of RM0.084 million and a pre-tax profit of RM0.038 million.

Our associated company contributed to a share of profit of RM0.338 million against a share of profit of RM0.405 million in the preceding year's corresponding period.

The manufacturing division registered an improved revenue of RM1.190 million and a lower pre-tax profit of RM0.058 million against a revenue of RM1.078 million and a pre-tax profit of RM0.260 million in the preceding year's corresponding period. In addition to higher operating costs arising from new purchase of machinery and increased manpower, the profit margin of this division was lower in 2017 due to higher raw material costs arising from the weakening of the ringgit. The preceding year's pre-tax profit was also partly attributable to a gain on disposal of a motor vehicle of approximately RM70,000.

The consumer financing business recorded revenue of RM0.021 million and a pre-tax profit of RM0.052 million, as opposed to revenue of 0.037 million and a pre-tax profit of RM0.042 million in the preceding year's corresponding period. The loan base of this division is declining as the Company had ceased this business. The improved profit was mainly due to interest income generated from short term fund placements with financial institutions.

The hotel operation in Laos remained loss-making, with a revenue of RM0.363 million (USD0.083 million) and a pre-tax loss of RM0.338 million (USD0.078 million), as compared to a revenue of RM0.332 million (USD0.084 million) and a pre-tax loss of RM0.405 million (USD0.102 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 charges.

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

	Current Quarter	Immediate Preceding Quarter	Changes	
	30/6/017 RM'000	Amount RM'000	Amount RM'000	%
Revenue	1,748	1,403	345	25%
Operating Profit	14	(364)	378	104%
Profit before Interest, Share of Profit on Associate and Tax	14	(364)	378	104%
Profit before Tax	309	(132)	441	335%
Profit After Tax	309	(140)	449	321%
Profit attributable to Equity Holders of the Parent	339	(85)	424	498%

For the 1st quarter ended 30 June 2017, the Group achieved a turnover of RM1.748 million and generated a pre-tax profit of RM0.309 million as compared to a revenue of RM1.403 million and pre-tax loss of RM0.132 million in the preceding quarter ended 31 March 2017.

The improved revenue was mainly attributable to the manufacturing division, whereby its revenue increased by RM0.332 million to RM1.190 million in the current quarter. In tandem with an improved performance, it registered pre-tax profit of RM0.058 million, as opposed to a pre-tax loss of RM0.212 million in the preceding quarter.

**3 Realised and Unrealised Profits/Losses**

	As at 30-Jun-17 RM'000	As at 31-Mar-17 RM'000
Total accumulated losses of the Group :		
Realised	(31,749)	(31,069)
Unrealised	(359)	(379)
	<u>(32,108)</u>	<u>(31,448)</u>
Total accumulated losses from the associate :		
Realised	(6,456)	(6,795)
	<u>(38,564)</u>	<u>(38,243)</u>
Consol adjustments	22,947	22,287
Total accumulated losses	<u>(15,617)</u>	<u>(15,956)</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, 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.

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**5 Variance of Actual Profit from Forecast Profit**

Not Applicable as no profit forecast was published.

**6 Taxation**

	As at 30-Jun-17 RM'000	As at 30-Jun-16 RM'000
<b><u>Current tax</u></b>		
Current year	-	<u>8</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.

**8 Group Borrowings and Debt Securities**

The Group borrowings and debt securities as at 30 June 2017 are as follows

	As at 30-Jun-17 RM'000	As at 30-Jun-16 RM'000
<b>A Short Term Borrowings</b>		
<b>Secured</b>		
Term loan	288	256
Hire purchase obligation	51	33
	<u>339</u>	<u>289</u>
<b>B Long Term Borrowings</b>		
<b>Secured</b>		
Term loan	2,918	3,227
Hire purchase obligation	57	63
	<u>2,975</u>	<u>3,290</u>
<b>Total Borrowings</b>	<u>3,313</u>	<u>3,579</u>

**9 Material pending litigation**

The Group was not engaged in any material / material pending litigation as at 16 August 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

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30 JUNE 2017

**12 Authorisation**

This Quarterly Results for the financial period ended 30 June 2017 have been seen and approved by the Board of Directors of Widetech (Malaysia) Berhad on 21 August 2017 for release to the Bursa Securities.

BY ORDER OF THE BOARD

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

Dated this 21st day of August 2017