

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

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2017
(The figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31-Dec-17 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31-Dec-16 RM'000	CURRENT YEAR TODATE 31-Dec-17 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-Dec-16 RM'000
1 a Revenue	1,964	2,036	5,564	5,219
b Cost of Sales	-686	-676	-2,353	-1,972
c Other Operating Expenses	-1,289	-1,240	-3,399	-3,175
d Other Operating Income	221	149	551	456
e Profit from Operations	210	269	363	528
f Finance Costs	-44	-48	-133	-148
g Share of profit on Associate	317	-34	1,211	664
h Profit before Taxation	483	187	1,441	1,044
i Taxation	-6	-45	-30	-60
j Profit after Taxation	477	142	1,411	984
Attributable to:				
k Equity Holders of the Company	523	154	1,530	1,054
l Non-Controlling Interest	-46	-12	-119	-70
m Profit after Taxation	477	142	1,411	984
2 Earnings per share (EPS) attributable to Equity Holders of the Company (sen):				
a Basic EPS	1.17	0.34	3.42	2.35
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 31 DECEMBER 2017
(The figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31-Dec-17 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31-Dec-16 RM'000	CURRENT YEAR TODATE 31-Dec-17 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-Dec-16 RM'000
3 a Profit after Taxation	477	142	1,411	984
b Other Comprehensive (Loss)/Income : Currency translation differences of foreign subsidiaries	-276	934	-759	1,630
Total Comprehensive Income	201	1,076	652	2,614
Attributable to :				
c Equity Holders of the Company	217	1,156	695	2,796
d Non-controlling Interest	-16	-80	-43	-182
Total Comprehensive Income	201	1,076	652	2,614

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 FINANCIAL POSITION AT 31 DECEMBER 2017

	(Unaudited) As at 31-Dec-17 RM'000	Audited As at 31-Mar-17 RM'000
Fixed assets	10,604	11,214
Deferred Tax Assets	359	359
Current assets		
Inventories	1,067	878
Receivables ,deposits and prepayments	1,592	1,449
Amount due from Associate	2,304	2,622
Current Tax Assets	96	65
Cash and cash equivalents	22,703	21,729
	27,762	26,743
Current liabilities		
Payables and accruals	1,576	1,567
Bank borrowings	340	340
	1,916	1,907
Net current assets	25,846	24,836
	36,809	36,409
Equity		
Share capital	44,885	44,885
Reserves	-10,353	-11,048
Equity attributable to Equity Holders of the Company	34,532	33,837
Non-controlling interest	-529	-486
	34,003	33,351
Long Term and Deferred Liabilities		
Bank borrowings	2,806	3,058
	36,809	36,409
Net assets per share attributable to Equity Holders of the Company (RM)	0.77	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
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 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	-	4,908	-15,956	33,837	-486	33,351
Total Comprehensive Income for the period	-	-	-835	1,530	695	-43	652
At 31 December 2017	<u>44,885</u>	<u>-</u>	<u>4,073</u>	<u>-14,426</u>	<u>34,532</u>	<u>-529</u>	<u>34,003</u>
At 1 April 2016	44,753	132	3,342	-16,925	31,302	-258	31,044
Total Comprehensive Income for the period	-	-	740	900	1,640	-102	1,538
At 31 December 2016	<u>44,753</u>	<u>132</u>	<u>4,082</u>	<u>-16,025</u>	<u>32,942</u>	<u>-360</u>	<u>32,582</u>

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 31 DECEMBER 2017
(The figures have not been audited)

	CURRENT YEAR TODATE 31-Dec-17 RM'000	PRECEDING YEAR 31-Dec-16 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Taxation	1,441	1,044
Adjustments for:		
Depreciation and amortisation	846	771
Interest income	-523	-457
Interest expenses	133	148
Gain on disposal of PPE	-0	-70
Share of result of associate	-1,211	-664
Operating profit before working capital changes	686	772
Changes in Inventories	-189	-230
Changes in receivables, deposits and prepayments	-763	2,133
Changes in amount due from associate	1,529	-171
Changes in payables and accruals	9	63
Cash generated from operating activities	1,272	2,567
Tax refund/(paid)	-61	-25
Net cash generated from operating activities	1,211	2,542
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment	-377	-560
Proceeds from Disposal of PPE	1	70
Interest income	524	457
Net cash generated from/(used in) investing activities	148	-33
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank borrowings	-252	-220
Interest paid	-133	-148
Net cash used in financing activities	-385	-368
Net increase in cash and cash equivalents	974	2,141
Cash and cash equivalents at beginning of year	21,729	19,164
Cash and cash equivalents at end of financial period	22,703	21,305

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-17 RM'000	31-Dec-16 RM'000
Deposit with licensed banks and financial institutions	19,614	18,136
Cash and bank balances	3,089	3,169
	22,703	21,305

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
31 DECEMBER 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:-

	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 2017							
Revenue from external customers	3,825	38	464	967	270	-	5,564
Inter-segment revenue	-	72	-	-	225	-297	-
Total Revenue	3,825	110	464	967	495	-297	5,564
Segment Result	142	-65	519	-486	-1,626	1,356	-160
Interest income							523
Finance costs							-133
Share of Profit on Associate							1,211
Profit before Tax							1,441
Segment Assets	3,409	500	3,596	2,003	9,149		18,657
Unallocated assets							20,068
							38,725
Segment Liabilities	412	195	229	319	421		1,576
Unallocated liabilities							3,146
							4,722

9 Subsequent Events

There were no material events subsequent to the end of the current quarter ended 31 December 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 2 February 2018 (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 2 February 2018 (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-17 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-17 RM'000
Rental receivable	<u>119</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.

	3 months quarter		Changes		Cumulative Period		Changes	
	31/12/17 RM'000	31/12/16 RM'000	Amount RM'000	%	31/12/17 RM'000	31/12/16 RM'000	Amount RM'000	%
Revenue	1,964	2,036	-72	-4%	5,564	5,219	345	7%
Operating Profit	210	269	-59	-22%	363	528	-165	-31%
Profit before Interest, Share of Profit on Associate and Tax	210	269	-59	-22%	363	528	-165	-31%
Profit before Tax	483	187	296	158%	1,441	1,044	397	38%
Profit After Tax	477	142	335	236%	1,411	984	427	43%
Profit attributable to Equity Holders of the Parent	523	154	369	239%	1,530	1,054	476	45%

The Group recorded a turnover of RM5.564 million and a pre-tax profit of RM1.441 million for the financial period ended 31 December 2017 against the preceding year's corresponding period turnover of RM5.219 million and a pre-tax profit of RM1.044 million.

The gaming operations in Cambodia continue to contribute positively with a revenue of RM0.464 million and a pre-tax profit of RM0.322 million.

Our associated company contributed to a share of profit of RM1.211 million against a share of profit of RM0.664 million in the preceding year's corresponding period.

The manufacturing division registered an improved revenue of RM3.825 million and a lower pre-tax profit of RM0.438 million against a revenue of RM3.418 million and a pre-tax profit of RM0.712 million in the preceding year's corresponding period. In addition to higher operating costs arising from depreciation of new machineries 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 RM0.038 million and a pre-tax profit of RM0.133 million, as opposed to revenue of 0.113 million and a pre-tax profit of RM0.099 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 RM0.967 million (USD0.227 million) and a pre-tax loss of RM0.492 million (USD0.115 million), as compared to a revenue of RM1.159 million (USD0.276 million) and a pre-tax loss of RM0.321 million (USD0.076 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	
	31/12/17 RM'000	30/09/17 RM'000	Amount RM'000	%
Revenue	1,964	1,852	112	6%
Operating Profit	210	139	70	50%
Profit before Interest, Share of Profit on Associate and Tax	210	139	70	50%
Profit before Tax	483	649	-166	-26%
Profit After Tax	477	625	-148	-24%
Profit attributable to Equity Holders of the Parent	523	668	-145	-22%

For the 3rd quarter ended 31 December 2017, the Group achieved a turnover of RM1.964 million and generated a pre-tax profit of RM0.483 million as compared to a revenue of RM1.852 million and pre-tax loss of RM0.649 million in the preceding quarter ended 30 September 2017.

The lower pre-tax profit in the current quarter was mainly attributable to our associated company contributing to a lower share of profit of RM0.317 million, as opposed to RM0.555 million in the preceding quarter ended 30 September 2017. Business slowed down in November 2017 during the election campaign in Nepal.

3 Realised and Unrealised Profits/Losses

	As at 31-Dec-17 RM'000	As at 31-Mar-17 RM'000
Total accumulated losses of the Group :		
Realised	-32,245	-31,069
Unrealised	-359	-379
	<u>-32,604</u>	<u>-31,448</u>
Total accumulated losses from the associate :		
Realised	-5,584	-6,795
	<u>-38,187</u>	<u>-38,243</u>
Consol adjustments	23,761	22,287
Total accumulated losses	<u>-14,426</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 31-Dec-17 RM'000	As at 31-Dec-16 RM'000
<u>Current tax</u>		
Current year	30	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.

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 2017 are as follows

	As at 31-Dec-17 RM'000	As at 31-Dec-16 RM'000
A Short Term Borrowings		
Secured		
Term loan	288	256
Hire purchase obligation	52	50
	340	306
B Long Term Borrowings		
Secured		
Term loan	2,775	3,091
Hire purchase obligation	31	85
	2,806	3,176
Total Borrowings	3,146	3,482

9 Material pending litigation

The Group was not engaged in any material / material pending litigation as at 2 February 2018 (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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31 DECEMBER 2017

12 Authorisation

This Quarterly Results for the financial period ended 31 December 2017 have been seen and approved by the Board of Directors of Widetech (Malaysia) Berhad on 6 February 2018 for release to the Bursa Securities.

BY ORDER OF THE BOARD

Lim Seck Wah
Tang Chi Hoe (Kevin)
Company Secretaries

Dated this 6th day of February 2018

