

WIDETECH (MALAYSIA) BERHAD
(Company No. 113939-U)
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2018

	(Unaudited) As at 31-Mar-18 RM'000	Audited As at 31-Mar-17 RM'000
Fixed assets	10,449	11,214
Trade Debtors	-	139
Deferred Tax Assets	300	359
Current assets		
Inventories	1,127	878
Receivables ,deposits and prepayments	1,395	1,310
Amount due from Associate	2,163	2,622
Current Tax Assets	125	65
Cash and cash equivalents	22,698	21,729
	27,508	26,604
Current liabilities		
Payables and accruals	1,343	1,567
Bank borrowings	353	340
	1,696	1,907
Net current assets	25,812	24,697
	36,561	36,409
Equity		
Share capital	44,885	44,885
Reserves	-10,517	-11,048
Equity attributable to Equity Holders of the Company	34,368	33,837
Non-controlling interest	-513	-486
	33,855	33,351
Long Term and Deferred Liabilities		
Bank borrowings	2,706	3,058
	36,561	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
(Company No. 113939-U)
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CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2018
(The figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31-Mar-18 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31-Mar-17 RM'000	CURRENT YEAR TODATE 31-Mar-18 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-Mar-17 RM'000
1 a Revenue	1,853	1,403	7,417	6,622
b Cost of Sales	-1,326	-942	-3,680	-2,913
c Other Operating Expenses	-885	-1,048	-4,283	-4,224
d Other Operating Income	670	223	1,221	679
e Profit from Operations	312	-364	675	164
f Finance Costs	-42	-45	-175	-193
g Share of profit on Associate	211	277	1,422	941
h Profit before Taxation	481	-132	1,922	912
i Taxation	-29	-8	-59	-68
j Profit/(Loss) after Taxation	452	-140	1,863	844
Attributable to:				
k Equity Holders of the Company	465	-85	1,995	968
l Non-Controlling Interest	-13	-55	-132	-124
m Profit/(Loss) after Taxation	452	-140	1,863	844
2	Earnings per share (EPS) attributable to Equity Holders of the Company (sen):			
a Basic EPS	1.04	-0.19	4.46	2.16
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
(Company No. 113939-U)
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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-Mar-18 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31-Mar-17 RM'000	CURRENT YEAR TODATE 31-Mar-18 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-Mar-17 RM'000
3 a Profit/(Loss) after Taxation	452	-140	1,863	844
b Other Comprehensive (Loss)/Income :				
Currency translation differences of foreign subsidiaries	-600	-167	-1,359	1,463
Total Comprehensive Income	-148	-307	504	2,307
Attributable to :				
c Equity Holders of the Company	-164	-261	531	2,535
d Non-controlling Interest	16	-46	-27	-228
Total Comprehensive Income	-148	-307	504	2,307

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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NOTES TO THE QUARTERLY REPORT FOR THE FINANCIAL QUARTER ENDED
31 MARCH 2018

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 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.

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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 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 2018							
Revenue from external customers	5,095	45	627	1,291	359	-	7,417
Inter-segment revenue	-	78	-	-	300	-378	-
Total Revenue	5,095	123	627	1,291	659	-378	7,417
Segment Result	1	-45	695	-469	-1,228	1,018	-28
Interest income							703
Finance costs							-175
Share of Profit on Associate							1,422
Profit before Tax							1,922
Segment Assets	3,385	197	3,129	1,852	9,128		17,691
Unallocated assets							20,566
							38,257
Segment Liabilities	482	22	99	325	415		1,343
Unallocated liabilities							3,059
							4,402

9 Subsequent Events

There were no material events subsequent to the end of the current quarter ended 31 March 2018 that have not been reflected in this quarterly report as at the date of this report.

10 Changes in the composition of the Group

Saved as below, there were no changes in the composition of the Group for the financial year under review:

- i) A subsidiary, Remarkable Group Limited, incorporated in the British Virgin Islands, had been successfully struck off the register of the Registrar of Corporate Affairs during the financial year and its investment in its dormant subsidiary, Rich Lee Holdings Sdn Bhd ("RLHSB"), had been written off. RLHSB had also submitted an application for striking off from the Register to the Companies Commission of Malaysia.

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31 MARCH 2018

11 Contingent liabilities

The Group did not have any material contingent liability as at 25 May 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 25 May 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-Mar-18 RM'000
Management fees receivable	<u>300</u>

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

	As at 31-Mar-18 RM'000
Rental receivable	<u>159</u>

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31 MARCH 2018

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	
	31/03/18 RM'000	31/03/17 RM'000	Amount RM'000	%	31/03/18 RM'000	31/03/17 RM'000	Amount RM'000	%
Revenue	1,853	1,403	450	32%	7,417	6,622	795	12%
Operating Profit	312	-364	676	186%	675	164	511	312%
Profit before Interest, Share of Profit on Associate and Tax	312	-364	676	186%	675	164	511	312%
Profit before Tax	481	-132	613	465%	1,922	912	1,009	111%
Profit After Tax	452	-140	592	423%	1,863	844	1,018	121%
Profit attributable to Equity Holders of the Parent	465	-85	550	647%	1,995	968	1,027	106%

The Group recorded a turnover of RM7.417million and a pre-tax profit of RM1.922 million for the financial year ended 31 March 2018 against the preceding year's turnover of RM6.622 million and a pre-tax profit of RM0.912 million.

The gaming operations in Cambodia continue to contribute positively with a revenue of RM0.627 million and a pre-tax profit of RM0.474 million.

Our associated company contributed to a share of profit of RM1.422 million against a share of profit of RM0.941 million in the preceding year.

In addition to higher operating costs arising from depreciation of new machineries and increased manpower in 2018, China's pollution crackdown on manufacturers has pushed up raw material costs and hence, a lower profit margin registered. 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 RM0.045 million and a pre-tax profit of RM0.221 million, as opposed to revenue of 0.96 million and a pre-tax profit of RM0.154 million in the preceding year. The Company had ceased this business and all outstanding loan has been fully collected during the financial year under review. 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 RM1.291 million (USD0.311 million) and a pre-tax loss of RM0.477 million (USD0.115 million), as compared to a revenue of RM1.592 million (USD0.382 million) and a pre-tax loss of RM0.339 million (USD0.081 million) in the preceding year. 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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NOTES TO THE QUARTERLY REPORT FOR THE FINANCIAL QUARTER ENDED
31 MARCH 2018

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

	Current Quarter	Immediate Preceding Quarter	Changes	
	31/03/18 RM'000	31/12/17 RM'000	Amount RM'000	%
Revenue	1,853	1,964	-111	-6%
Operating Profit	312	210	102	48%
Profit before Interest, Share of Profit on Associate and Tax	312	210	102	48%
Profit before Tax	481	483	-2	0%
Profit After Tax	452	477	-25	-5%
Profit attributable to Equity Holders of the Parent	465	523	-58	-11%

For the 4th quarter ended 31 March 2018, the Group achieved a turnover of RM1.853 million and generated a pre-tax profit of RM0.481 million as compared to a revenue of RM1.964 million and pre-tax loss of RM0.483 million in the preceding quarter ended 31 December 2017.

The lower revenue in the current quarter was mainly attributable to the manufacturing division registering a decrease in revenue of approximately RM0.100 million.

There is no material changes in the pre-tax profit, as compared to the preceding quarter ended 31 December 2017.

3 Realised and Unrealised Profits/Losses

	As at 31-Mar-18 RM'000	As at 31-Mar-17 RM'000
Total accumulated losses of the Group :		
Realised	-31,726	-31,069
Unrealised	-300	-379
	<u>-32,026</u>	<u>-31,448</u>
Total accumulated losses from the associate :		
Realised	-5,373	-6,795
	<u>-37,399</u>	<u>-38,243</u>
Consol adjustments	23,437	22,287
Total accumulated losses	<u><u>-13,961</u></u>	<u><u>-15,956</u></u>

4 Prospects

- i) Other than interest income generated from tax exempted fund placement with financial institution, there will be no more business income contribution from the consumer finance business to the earnings of the Group as it has fully collected its outstanding loan during the financial year under review.
- 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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31 MARCH 2018

5 Variance of Actual Profit from Forecast Profit

Not Applicable as no profit forecast was published.

6 Taxation

	As at 31-Mar-18 RM'000	As at 31-Mar-17 RM'000
<u>Current tax</u>		
Current year	-	-
(Over)/Under provision in prior years	-	-
Total	-	-
<u>Deferred Tax</u>		
Current year	59	64
(Over)/Under provision in prior years	-	4
Total deferred tax	59	68
Total tax expense recognised	59	68

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 year under review.

8 Group Borrowings and Debt Securities

The Group borrowings and debt securities as at 31 March 2018 are as follows

	As at 31-Mar-18 RM'000	As at 31-Mar-17 RM'000
A Short Term Borrowings		
Secured		
Term loan	301	256
Hire purchase obligation	52	50
	<u>353</u>	<u>306</u>
B Long Term Borrowings		
Secured		
Term loan	2,688	3,091
Hire purchase obligation	18	85
	<u>2,706</u>	<u>3,176</u>
Total Borrowings	<u>3,059</u>	<u>3,482</u>

9 Material pending litigation

The Group was not engaged in any material / material pending litigation as at 25 May 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 year.

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NOTES TO THE QUARTERLY REPORT FOR THE FINANCIAL QUARTER ENDED
31 MARCH 2018

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 2018 have been seen and approved by the Board of Directors of Widetech (Malaysia) Berhad on 30 May 2018 for release to the Bursa Securities.

BY ORDER OF THE BOARD

Lim Seck Wah
Tang Chi Hoe (Kevin)
Company Secretaries

Dated this 30th day of May 2018

WIDETECH (MALAYSIA) BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2018
(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	-	-	-1,464	1,995	531	-27	504
At 31 March 2018	44,885	-	3,444	-13,961	34,368	-513	33,855
At 1 April 2016	44,753	132	3,342	-16,925	31,302	-258	31,044
Total Comprehensive Income for the period	-	-	1,566	969	2,535	-228	2,307
At 31 March 2017	44,753	132	4,908	-15,956	33,837	-486	33,351

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 MARCH 2018
(The figures have not been audited)

	CURRENT YEAR TODATE 31-Mar-18 RM'000	PRECEDING YEAR 31-Mar-17 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Taxation	1,922	912
Adjustments for:		
Allowance for obsolete inventories	20	9
Bad debts written off	-	133
Depreciation and amortisation	1,005	1,034
Fair value adjustment on trade receivables recognised in profit or loss	-15	-48
Interest income	-703	-623
Interest expenses	175	195
Gain on disposal of PPE	-1	-73
Unrealised gain on foreign exchange	-18	20
Share of result of associate	-1,422	-941
Operating profit before working capital changes	<u>963</u>	<u>618</u>
Changes in Inventories	-269	-200
Changes in receivables, deposits and prepayments	-1,079	3,718
Changes in amount due from associate	1,881	397
Changes in payables and accruals	-224	-1,328
Cash generated from operating activities	<u>1,272</u>	<u>3,205</u>
Tax refund/(paid)	-60	-36
Net cash generated from operating activities	<u>1,212</u>	<u>3,169</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment	-451	-782
Proceeds from Disposal of PPE	1	74
Interest income	703	623
Net cash generated from/(used in) investing activities	<u>253</u>	<u>-85</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank borrowings	-339	-304
Interest paid	-175	-195
Net cash used in financing activities	<u>-514</u>	<u>-499</u>
Net increase in cash and cash equivalents	951	2,585
Cash and cash equivalents at beginning of year	21,729	19,164
Effects of exchange differences on cash and cash equivalents	18	-20
Cash and cash equivalents at end of financial period	<u>22,698</u>	<u>21,729</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-18 RM'000	31-Mar-17 RM'000
Deposit with licensed banks and financial institutions	20,140	18,946
Cash and bank balances	2,558	2,783
	<u>22,698</u>	<u>21,729</u>

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