

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

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2018
(The figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30-Jun-18 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30-Jun-17 RM'000	CURRENT YEAR TODATE 30-Jun-18 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30-Jun-17 RM'000
1 a Revenue	2,067	1,748	2,067	1,748
b Cost of Sales	-1,065	-869	-1,065	-869
c Other Operating Expenses	-878	-1,052	-878	-1,052
d Other Operating Income	194	187	194	187
e Profit from Operations	318	14	318	14
f Finance Costs	-44	-43	-44	-43
g Share of profit on Associate	251	338	251	338
h Profit before Taxation	525	309	525	309
i Taxation	-21	-	-21	-
j Profit after Taxation	504	309	504	309
Attributable to:				
k Equity Holders of the Company	509	339	509	339
l Non-Controlling Interest	-5	-30	-5	-30
m Profit after Taxation	504	309	504	309
2 Earnings per share (EPS) attributable to Equity Holders of the Company (sen):				
a Basic EPS	1.14	0.76	1.14	0.76
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 30 JUNE 2018
(The figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30-Jun-18 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30-Jun-17 RM'000	CURRENT YEAR TODATE 30-Jun-18 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30-Jun-17 RM'000
3 a Profit after Taxation	504	309	504	309
b Other Comprehensive (Loss)/Income : Currency translation differences of foreign subsidiaries	394	-317	394	-317
Total Comprehensive Income	898	-8	898	-8
Attributable to :				
c Equity Holders of the Company	950	-7	950	-7
d Non-controlling Interest	-52	-1	-52	-1
Total Comprehensive Income	898	-8	898	-8

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
(Company No. 113939-U)
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2018

	(Unaudited) As at 30-Jun-18 RM'000	Audited As at 31-Mar-18 RM'000
Fixed assets	10,450	10,449
Deferred Tax Assets	300	300
Current assets		
Inventories	1,085	1,127
Receivables, deposits and prepayments	1,452	1,395
Amount due from Associate	3,360	2,680
Current Tax Assets	57	125
Cash and cash equivalents	22,680	22,698
	28,634	28,025
Current liabilities		
Payables and accruals	1,129	1,343
Bank borrowings	352	353
	1,481	1,696
Net current assets	27,153	26,329
	37,903	37,078
Equity		
Share capital	44,885	44,885
Reserves	-9,049	-10,000
Equity attributable to Equity Holders of the Company	35,836	34,885
Non-controlling interest	-565	-513
	35,271	34,372
Long Term and Deferred Liabilities		
Bank borrowings	2,632	2,706
	37,903	37,078
Net assets per share attributable to Equity Holders of the Company (RM)	0.80	0.78

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 STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2018
(The figures have not been audited)

	<----- Attributable to Equity Holders of the Company ----->					Total Equity RM'000
	Share Capital RM'000	Exchange Fluctuation Reserve RM'000	Accumulated Losses RM'000	Sub-Total RM'000	Non - Controlling Interest RM'000	
At 1 April 2018	44,885	3,961	-13,961	34,885	-512	34,373
Total Comprehensive Income for the period	-	442	509	951	-53	898
At 30 June 2018	44,885	4,403	-13,452	35,836	-565	35,271
At 1 April 2017	44,885	4,908	-15,956	33,837	-486	33,351
Total Comprehensive Income for the period	-	-346	339	-7	-1	-8
At 30 June 2017	44,885	4,562	-15,617	33,830	-487	33,343

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 2018
(The figures have not been audited)

	CURRENT YEAR TODATE 30-Jun-18 RM'000	PRECEDING YEAR 30-Jun-17 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Taxation	525	309
Adjustments for:		
Depreciation and amortisation	161	381
Interest income	-186	-180
Interest expenses	44	43
Share of result of associate	-251	-338
Operating profit before working capital changes	<u>293</u>	<u>216</u>
Changes in Inventories	42	-115
Changes in receivables, deposits and prepayments	279	-629
Changes in amount due from associate	-428	804
Changes in payables and accruals	-215	-91
Cash (used in)/generated from operating activities	<u>-29</u>	<u>185</u>
Tax refund/(paid)	48	-26
Net cash generated from operating activities	<u>19</u>	<u>158</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment	-105	-336
Interest income	186	180
Net cash generated from/(used in) investing activities	<u>81</u>	<u>-156</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank borrowings	-74	-84
Interest paid	-44	-43
Net cash used in financing activities	<u>-118</u>	<u>-127</u>
Net decrease in cash and cash equivalents	-18	-125
Cash and cash equivalents at beginning of year	22,698	21,729
Cash and cash equivalents at end of financial period	<u>22,680</u>	<u>21,604</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-18 RM'000	30-Jun-17 RM'000
Deposit with licensed banks and financial institutions	20,472	19,265
Cash and bank balances	2,208	2,339
	<u>22,680</u>	<u>21,604</u>

WIDETECH (MALAYSIA) BERHAD
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NOTES TO THE QUARTERLY REPORT FOR THE FINANCIAL QUARTER ENDED
30 JUNE 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 2018.

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 2018, 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>
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
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 2018 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.

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.

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30 JUNE 2018

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 30 June 2018							
Revenue from external customers	1,546	9	148	274	90	-	2,067
Inter-segment revenue	-	-	-	-	75	-75	-
Total Revenue	1,546	9	148	274	165	-75	2,067
Segment Result	95	2	154	-28	715	-806	132
Interest income							186
Finance costs							-44
Share of Profit on Associate							251
Profit before Tax							525
Segment Assets	3,333	55	4,174	1,863	9,130		18,555
Unallocated assets							20,829
							39,384
Segment Liabilities	226	27	88	345	442		1,128
Unallocated liabilities							2,985
							4,113

9 Subsequent Events

There were no material events subsequent to the end of the current quarter ended 30 June 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 period under review:

- i) On 8 June 2018, the Companies Commission of Malaysia had approved the strike off of a wholly owned subsidiary, EPA Automation Sdn Bhd.

11 Contingent liabilities

The Group did not have any material contingent liability as at 23 August 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 23 August 2018 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

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NOTES TO THE QUARTERLY REPORT FOR THE FINANCIAL QUARTER ENDED
30 JUNE 2018

13 Related Party Transactions

Significant transactions are as follows :-

i) Transactions between the Company and its subsidiaries :-.

	As at 30-Jun-18 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-18 RM'000
Rental receivable	<u>40</u>

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NOTES TO THE QUARTERLY REPORT FOR THE FINANCIAL QUARTER ENDED
30 JUNE 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	
	30/06/18 RM'000	30/06/17 RM'000	Amount RM'000	%	30/06/18 RM'000	30/06/17 RM'000	Amount RM'000	%
Revenue	2,067	1,748	319	18%	2,067	1,748	319	18%
Operating Profit	318	14	303	2093%	318	14	303	2093%
Profit before Interest, Share of Profit on Associate and Tax	318	14	303	2093%	318	14	303	2093%
Profit before Tax	525	309	216	70%	525	309	216	70%
Profit After Tax	504	309	195	63%	504	309	195	63%
Profit attributable to Equity Holders of the Parent	509	339	170	50%	509	339	170	50%

The Group recorded a turnover of RM2.067 million and a pre-tax profit of RM0.525 million for the financial period ended 30 June 2018 against the preceding year's corresponding period turnover of RM1.748 million and a pre-tax profit of RM0.309 million.

The gaming operations in Cambodia continue to contribute positively with a revenue of RM0.148 million and a pre-tax profit of RM0.114 million.

Our associated company contributed to a share of profit of RM0.251 million against a share of profit of RM0.338 million in the preceding year's corresponding period.

In line with an improved revenue of RM1.546 million, the manufacturing division registered a higher pre-tax profit of RM0.193 million against a revenue of RM1.190 million and a pre-tax profit of RM0.058 million in the preceding year's corresponding period.

The consumer financing business recorded revenue of RM0.009 million arising from its insurance business, and a pre-tax profit of RM0.073 million, as opposed to revenue of 0.021 million and a pre-tax profit of RM0.052 million in the preceding year's corresponding period. The pre-tax profit was mainly attributable to interest income derived from short term fund placements with financial institutions.

The hotel operation in Laos remained loss-making, with a revenue of RM0.274 million (USD0.069 million) and a pre-tax loss of RM0.030 million (USD0.008 million), as compared to a revenue of RM0.363 million (USD0.083 million) and a pre-tax loss of RM0.114 million (USD0.026 million) in the preceding year's corresponding period.

Despite a lower revenue in 2018, the pre-tax loss was lower due to a significant drop in the depreciation charges as some assets have been fully depreciated.

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NOTES TO THE QUARTERLY REPORT FOR THE FINANCIAL QUARTER ENDED
30 JUNE 2018

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

	Current Quarter	Immediate Preceding Quarter	Changes	
	30/06/18 RM'000	31/03/18 RM'000	Amount RM'000	%
Revenue	2,067	1,853	214	12%
Operating Profit	318	312	6	2%
Profit before Interest, Share of Profit on Associate and Tax	318	481	-163	-34%
Profit before Tax	525	481	44	9%
Profit After Tax	504	452	52	12%
Profit attributable to Equity Holders of the Parent	509	465	44	9%

For the 1st quarter ended 30 June 2018, the Group achieved a turnover of RM2.067 million and generated a pre-tax profit of RM0.525 million as compared to a revenue of RM1.853 million and pre-tax loss of RM0.481 million in the preceding quarter ended 31 March 2018.

The improved result in the current quarter was mainly attributable to the manufacturing division registering an increase in revenue and pre-tax profit of RM0.276 million and RM0.236 million respectively.

3 Prospects

- i) 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.
- ii) 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.
- iii) 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.
- iv) The electronic gaming outlets in Nepal are expected to contribute positively to the earnings of the Group.
- v) 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.

4 Variance of Actual Profit from Forecast Profit

Not Applicable as no profit forecast was published.

5 Taxation

	As at 30-Jun-18 RM'000	As at 30-Jun-17 RM'000
<u>Current tax</u>		
Current year	21	-

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.

6 Status of corporate proposals

There were no corporate proposals announced for the financial period under review.

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NOTES TO THE QUARTERLY REPORT FOR THE FINANCIAL QUARTER ENDED
30 JUNE 2018

7 Group Borrowings and Debt Securities

The Group borrowings and debt securities as at 30 June 2018 are as follows

	As at 30-Jun-18 RM'000	As at 30-Jun-17 RM'000
A Short Term Borrowings		
Secured		
Term loan	301	288
Hire purchase obligation	51	52
	<u>352</u>	<u>340</u>
B Long Term Borrowings		
Secured		
Term loan	2,627	2,918
Hire purchase obligation	5	57
	<u>2,632</u>	<u>2,975</u>
 Total Borrowings	 <u>2,983</u>	 <u>3,315</u>

8 Material pending litigation

The Group was not engaged in any material / material pending litigation as at 23 August 2018 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

9 Dividends

No dividend has been paid, declared or proposed since the end of previous financial period.

10 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

11 Authorisation

This Quarterly Results for the financial period ended 30 June 2018 have been seen and approved by the Board of Directors of Widetech (Malaysia) Berhad on 28 August 2018 for release to the Bursa Securities.

BY ORDER OF THE BOARD

Lim Seck Wah
Tang Chi Hoe (Kevin)
Company Secretaries

Dated this 28th day of August 2018