

WIDETECH (MALAYSIA) BERHAD
 (Company No. 113939-U)
 (Incorporated in Malaysia)
 AND ITS SUBSIDIARIES
 CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 SEPTEMBER 2018

	(Unaudited) As at 30-Sep-18 RM'000	Audited As at 31-Mar-18 RM'000
Fixed assets	10,551	10,449
Deferred Tax Assets	300	300
Current assets		
Inventories	1,435	1,127
Receivables ,deposits and prepayments	1,673	1,395
Amount due from Associate	3,499	2,680
Current Tax Assets	45	125
Cash and cash equivalents	22,797	22,698
	29,449	28,025
Current liabilities		
Payables and accruals	1,473	1,343
Bank borrowings	345	353
	1,818	1,696
Net current assets	27,631	26,329
	38,482	37,078
Equity		
Share capital	44,885	44,885
Reserves	-8,362	-10,000
Equity attributable to Equity Holders of the Company	36,523	34,885
Non-controlling interest	-610	-513
	35,913	34,372
Long Term and Deferred Liabilities		
Bank borrowings	2,569	2,706
	38,482	37,078
Net assets per share attributable to Equity Holders of the Company (RM)	0.81	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 INCOME STATEMENT FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2018
(The figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30-Sep-18 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30-Sep-17 RM'000	CURRENT YEAR TODATE 30-Sep-18 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30-Sep-17 RM'000
1 a Revenue	2,098	1,852	4,165	3,600
b Cost of Sales	-978	-798	-2,043	-1,667
c Other Operating Expenses	-940	-1,058	-1,818	-2,110
d Other Operating Income	201	143	395	330
e Profit from Operations	381	139	699	153
f Finance Costs	-42	-46	-85	-89
g Share of profit on Associate	101	556	352	894
h Profit before Taxation	440	649	966	958
i Taxation	-26	-24	-48	-24
j Profit after Taxation	414	625	918	934
Attributable to:				
k Equity Holders of the Company	431	668	940	1,007
l Non-Controlling Interest	-17	-43	-22	-73
m Profit after Taxation	414	625	918	934
2 Earnings per share (EPS) attributable to Equity Holders of the Company (sen):				
a Basic EPS	0.96	1.49	2.10	2.25
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 SEPTEMBER 2018
(The figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30-Sep-18 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30-Sep-17 RM'000	CURRENT YEAR TODATE 30-Sep-18 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30-Sep-17 RM'000
3 a Profit after Taxation	414	625	918	934
b Other Comprehensive (Loss)/Income :				
Currency translation differences of foreign subsidiaries	228	-166	622	-483
Total Comprehensive Income	642	459	1,540	451
Attributable to :				
c Equity Holders of the Company	687	485	1,638	478
d Non-controlling Interest	-45	-26	-98	-27
Total Comprehensive Income	642	459	1,540	451

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

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

	<----- Attributable to Equity Holders of the Company ----->				Non - Controlling Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Exchange Fluctuation Reserve RM'000	Accumulated Losses RM'000	Sub-Total RM'000		
At 1 April 2018	44,885	3,961	-13,961	34,885	-512	34,373
Total Comprehensive Income for the period	-	697	941	1,638	-98	1,540
At 30 September 2018	<u>44,885</u>	<u>4,658</u>	<u>-13,020</u>	<u>36,523</u>	<u>-610</u>	<u>35,913</u>
At 1 April 2017	44,885	4,908	-15,956	33,837	-486	33,351
Total Comprehensive Income for the period	-	-529	1,007	478	-27	451
At 30 September 2017	<u>44,885</u>	<u>4,379</u>	<u>-14,950</u>	<u>34,314</u>	<u>-513</u>	<u>33,802</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 30 SEPTEMBER 2018
(The figures have not been audited)

	CURRENT YEAR TODATE 30-Sep-18 RM'000	PRECEDING YEAR 30-Sep-17 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Taxation	967	958
Adjustments for:		
Depreciation and amortisation	310	579
Interest income	-381	-310
Interest expenses	85	89
Share of result of associate	-352	-894
Operating profit before working capital changes	<u>629</u>	<u>422</u>
Changes in Inventories	-308	-106
Changes in receivables, deposits and prepayments	255	-566
Changes in amount due from associate	-466	1,014
Changes in payables and accruals	129	11
Cash (used in)/generated from operating activities	<u>239</u>	<u>775</u>
Tax refund/(paid)	33	-44
Net cash generated from operating activities	<u>272</u>	<u>731</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment	-323	-384
Proceeds from Disposal of PPE	-	1
Interest income	380	310
Net cash generated from/(used in) investing activities	<u>57</u>	<u>-73</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank borrowings	-145	-167
Interest paid	-85	-90
Net cash used in financing activities	<u>-230</u>	<u>-257</u>
Net decrease in cash and cash equivalents	99	401
Cash and cash equivalents at beginning of year	22,698	21,729
Cash and cash equivalents at end of financial period	<u>22,797</u>	<u>22,130</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-Sep-18 RM'000	30-Sep-17 RM'000
Deposit with licensed banks and financial institutions	20,965	19,403
Cash and bank balances	1,832	2,727
	<u>22,797</u>	<u>22,130</u>

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NOTES TO THE QUARTERLY REPORT FOR THE FINANCIAL QUARTER ENDED
30 SEPTEMBER 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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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 September 2018							
Revenue from external customers	3,044	9	426	506	180	-	4,165
Inter-segment revenue	-	-	-	-	150	-150	-
Total Revenue	3,044	9	426	506	330	-150	4,165
Segment Result	206	-6	389	-109	1,068	-1,229	319
Interest income							381
Finance costs							-85
Share of Profit on Associate							352
Profit before Tax							967
Segment Assets	3,816	54	4,700	1,844	8,576		18,990
Unallocated assets							21,310
							40,300
Segment Liabilities	459	34	107	377	497		1,474
Unallocated liabilities							2,913
							4,387

9 Subsequent Events

There were no material events subsequent to the end of the current quarter ended 30 September 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 22 November 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 22 November 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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13 Related Party Transactions

Significant transactions are as follows :-

i) Transactions between the Company and its subsidiaries :-

	As at 30-Sep-18 RM'000
Management fees receivable	<u>150</u>

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

	As at 30-Sep-18 RM'000
Rental receivable	<u>79</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	
	30/09/18 RM'000	30/09/17 RM'000	Amount RM'000	%	30/09/18 RM'000	30/09/17 RM'000	Amount RM'000	%
Revenue	2,098	1,852	246	13%	4,165	3,600	565	16%
Operating Profit	381	139	242	174%	699	153	546	357%
Profit before Interest, Share of Profit on Associate and Tax	381	139	242	174%	699	153	546	357%
Profit before Tax	440	649	-209	-32%	966	958	8	1%
Profit After Tax	414	625	-211	-34%	918	934	-16	-2%
Profit attributable to Equity Holders of the Parent	431	668	-237	-35%	940	1,007	-67	-7%

The Group recorded a turnover of RM4.165 million and a pre-tax profit of RM0.966 million for the financial period ended 30 September 2018 against the preceding year's corresponding period turnover of RM3.600 million and a pre-tax profit of RM0.958 million.

The gaming operations in Cambodia continue to contribute positively with a revenue of RM0.426 million and a pre-tax profit of RM0.342 million.

Our associated company contributed to a lower share of profit of RM0.352 million against a share of profit of RM0.894 million in the preceding year's corresponding period. The lower contribution was mainly due to a lower gaming income, coupled with higher operating costs and unrealised foreign exchange loss arising from amount due to us.

In line with an improved revenue of RM3.044 million, the manufacturing division registered a higher pre-tax profit of RM0.404 million against a revenue of RM2.455 million and a pre-tax profit of RM0.255 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 RM0.138 million, as opposed to revenue of 0.031 million and a pre-tax profit of RM0.093 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 RM0.506 million (USD0.126 million) and a pre-tax loss of RM0.113 million (USD0.028 million), as compared to a revenue of RM0.673 million (USD0.155 million) and a pre-tax loss of RM0.295 million (USD0.068 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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2 Material changes in the Quarterly Results compared to the results of the Preceding Quarter

	Current Quarter	Immediate Preceding Quarter	Changes	
	30/09/18 RM'000	30/06/18 RM'000	Amount RM'000	%
Revenue	2,098	2,067	31	2%
Operating Profit	381	318	63	20%
Profit before Interest, Share of Profit on Associate and Tax	381	318	63	20%
Profit before Tax	440	525	-85	-16%
Profit After Tax	414	504	-90	-18%
Profit attributable to Equity Holders of the Parent	431	509	-78	-15%

For the 2nd quarter ended 30 September 2018, the Group achieved a turnover of RM2.098 million and generated a pre-tax profit of RM0.525 million as compared to a revenue of RM2.067 million and pre-tax loss of RM0.440 million in the preceding quarter ended 30 June 2018.

The lower profit in the current quarter was mainly attributable to a lower share of profit contribution of RM0.101 million from our associated company, as compared to RM0.251 million in the preceding quarter.

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-Sep-18 RM'000	As at 30-Sep-17 RM'000
Current tax		
Current year	-48	-

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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7 Group Borrowings and Debt Securities

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

	As at 30-Sep-18 RM'000	As at 30-Sep-17 RM'000
A Short Term Borrowings		
Secured		
Term loan	301	288
Hire purchase obligation	44	52
	<u>345</u>	<u>340</u>
B Long Term Borrowings		
Secured		
Term loan	2,569	2,847
Hire purchase obligation	-	44
	<u>2,569</u>	<u>2,891</u>
Total Borrowings	<u>2,914</u>	<u>3,231</u>

8 Material pending litigation

The Group was not engaged in any material / material pending litigation as at 22 November 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 September 2018 have been seen and approved by the Board of Directors of Widetech (Malaysia) Berhad on 27 November 2018 for release to the Bursa Securities.

BY ORDER OF THE BOARD

Lim Seck Wah
Tang Chi Hoe (Kevin)
Company Secretaries

Dated this 27th day of November 2018