

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2018

	(Unaudited) As at 31-Dec-18 RM'000	Audited As at 31-Mar-18 RM'000
<b>Fixed assets</b>	10,456	10,449
<b>Deferred Tax Assets</b>	300	300
<b>Current assets</b>		
Inventories	1,597	1,127
Receivables ,deposits and prepayments	1,515	1,395
Amount due from Associate	3,244	2,680
Current Tax Assets	46	125
Cash and cash equivalents	23,127	22,698
	29,529	28,025
<b>Current liabilities</b>		
Payables and accruals	1,160	1,343
Bank borrowings	332	353
	1,492	1,696
<b>Net current assets</b>	28,037	26,329
	38,793	37,078
<b>Equity</b>		
Share capital	44,885	44,885
Reserves	-7,993	-10,000
Equity attributable to Equity Holders of the Company	36,892	34,885
Non-controlling interest	-612	-513
	36,280	34,372
<b>Long Term and Deferred Liabilities</b>		
Bank borrowings	2,513	2,706
	38,793	37,078
<b>Net assets per share attributable to Equity Holders of the Company (RM)</b>	0.82	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  
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CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2018  
(The figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31-Dec-18 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31-Dec-17 RM'000	CURRENT YEAR TODATE 31-Dec-18 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-Dec-17 RM'000
1 a Revenue	1,993	1,964	6,158	5,564
b Cost of Sales	-756	-686	-2,799	-2,353
c Other Operating Expenses	-980	-1,289	-2,798	-3,399
d Other Operating Income	196	221	591	551
e Profit from Operations	453	210	1,152	363
f Finance Costs	-43	-44	-128	-133
g Share of profit on Associate	-26	317	326	1,211
h Profit before Taxation	384	483	1,350	1,441
i Taxation	-20	-6	-67	-30
j Profit after Taxation	364	477	1,283	1,411
Attributable to:				
k Equity Holders of the Company	366	523	1,307	1,530
l Non-Controlling Interest	-2	-46	-24	-119
m Profit after Taxation	364	477	1,283	1,411
2 Earnings per share (EPS) attributable to Equity Holders of the Company (sen):				
a Basic EPS	0.82	1.17	2.92	3.42
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 2018  
(The figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31-Dec-18 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31-Dec-17 RM'000	CURRENT YEAR TODATE 31-Dec-18 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-Dec-17 RM'000
3 a Profit after Taxation	364	477	1,283	1,411
b Other Comprehensive (Loss)/Income :				
Currency translation differences of foreign subsidiaries	2	-276	624	-759
<b>Total Comprehensive Income</b>	<b>366</b>	<b>201</b>	<b>1,907</b>	<b>652</b>
Attributable to :				
c Equity Holders of the Company	368	217	2,007	695
d Non-controlling Interest	-2	-16	-100	-43
<b>Total Comprehensive Income</b>	<b>366</b>	<b>201</b>	<b>1,907</b>	<b>652</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 31 DECEMBER 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	-	700	1,307	2,007	-100	1,907
At 31 December 2018	<u>44,885</u>	<u>4,661</u>	<u>-12,654</u>	<u>36,892</u>	<u>-612</u>	<u>36,280</u>
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>4,073</u>	<u>-14,426</u>	<u>34,532</u>	<u>-529</u>	<u>34,003</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 2018  
(The figures have not been audited)

	CURRENT YEAR TODATE 31-Dec-18 RM'000	PRECEDING YEAR 31-Dec-17 RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before Taxation	1,350	1,441
Adjustments for:		
Depreciation and amortisation	477	846
Interest income	-578	-523
Interest expenses	128	133
Share of result of associate	-326	-1,211
<b>Operating profit before working capital changes</b>	<u>1,050</u>	<u>686</u>
Changes in Inventories	-469	-189
Changes in receivables, deposits and prepayments	416	-763
Changes in amount due from associate	-237	1,529
Changes in payables and accruals	-183	9
<b>Cash (used in)/generated from operating activities</b>	<u>577</u>	<u>1,272</u>
Tax refund/(paid)	12	-61
<b>Net cash generated from operating activities</b>	<u>589</u>	<u>1,211</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant & Equipment	-396	-376
Proceeds from Disposal of PPE	-	1
Interest income	578	523
<b>Net cash generated from investing activities</b>	<u>182</u>	<u>148</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Bank borrowings	-214	-252
Interest paid	-128	-133
<b>Net cash used in financing activities</b>	<u>-342</u>	<u>-385</u>
Net increase in cash and cash equivalents	429	974
Cash and cash equivalents at beginning of year	22,698	21,729
<b>Cash and cash equivalents at end of financial period</b>	<u>23,127</u>	<u>22,703</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-Dec-18 RM'000	31-Dec-17 RM'000
Deposit with licensed banks and financial institutions	21,161	19,614
Cash and bank balances	1,966	3,089
	<u>23,127</u>	<u>22,703</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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31 DECEMBER 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	Gaming RM'000	Hotel RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
<b>As at 31 December 2018</b>						
Revenue from external customers	4,468	580	792	318	-	6,158
Inter-segment revenue	-	-	-	225	-225	-
<b>Total Revenue</b>	<b>4,468</b>	<b>580</b>	<b>792</b>	<b>543</b>	<b>-225</b>	<b>6,158</b>
<b>Segment Result</b>	392	454	-142	1,051	-1,181	574
Interest income						578
Finance costs						-128
Share of Profit on Associate						326
<b>Profit before Tax</b>						<b>1,350</b>
<b>Segment Assets</b>	3,901	4,483	1,843	8,551		18,778
Unallocated assets						21,507
						<b>40,285</b>
<b>Segment Liabilities</b>	222	87	366	485		1,160
Unallocated liabilities						2,845
						<b>4,005</b>

### 9 Subsequent Events

There were no material events subsequent to the end of the current quarter ended 31 December 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 21 February 2019 (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 21 February 2019 (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 31-Dec-18 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-18 RM'000
Rental receivable	<u>115</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	
	31/12/18 RM'000	31/12/17 RM'000	Amount RM'000	%	31/12/18 RM'000	31/12/17 RM'000	Amount RM'000	%
Revenue	1,993	1,964	29	1%	6,158	5,564	594	11%
Operating Profit	453	210	243	116%	1,152	363	790	218%
Profit before Interest, Share of Profit on Associate and Tax	453	210	243	116%	1,152	363	790	218%
Profit before Tax	384	483	-99	-20%	1,350	1,441	-91	-6%
Profit After Tax	364	477	-112	-24%	1,283	1,411	-128	-9%
Profit attributable to Equity Holders of the Parent	366	523	-157	-30%	1,307	1,530	-223	-15%

The Group recorded a turnover of RM6.158 million and a pre-tax profit of RM1.350 million for the financial period ended 31 December 2018 against the preceding year's corresponding period turnover of RM5.564 million and a pre-tax profit of RM1.411 million.

The gaming operations in Cambodia continue to contribute positively with a revenue of RM0.580 million and a pre-tax profit of RM0.454 million.

Our associated company contributed to a lower share of profit of RM0.326 million against a share of profit of RM1.211 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 RM4.468 million, the manufacturing division registered a higher pre-tax profit of RM0.688 million against a revenue of RM3.825 million and a pre-tax profit of RM0.438 million in the preceding year's corresponding period.

The consumer financing business recorded revenue of RM0.013 million arising from its insurance business, and a pre-tax profit of RM0.210 million

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 RM0.792 million (USD0.198 million) and a pre-tax loss of RM0.148 million (USD0.037 million), as compared to a revenue of RM0.967 million (USD0.227 million) and a pre-tax loss of RM0.492 million (USD0.115 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	
	31/12/18 RM'000	30/09/18 RM'000	Amount RM'000	%
Revenue	1,993	2,098	-105	-5%
Operating Profit	453	381	71	19%
Profit before Interest, Share of Profit on Associate and Tax	453	381	71	19%
Profit before Tax	384	440	-56	-13%
Profit After Tax	364	414	-50	-12%
Profit attributable to Equity Holders of the Parent	366	431	-66	-15%

For the 3rd quarter ended 31 December 2018, the Group achieved a turnover of RM1.993 million and generated a pre-tax profit of RM0.384 million as compared to a revenue of RM2.098 million and pre-tax profit of RM0.440 million in the preceding quarter ended 30 September 2018.

The lower profit in the current quarter was mainly attributable to a share of loss contribution of RM0.026 million from our associated company, as compared to RM0.101 million in the preceding quarter. The lower contribution was mainly due to a lower gaming income.

**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 31-Dec-18 RM'000	As at 31-Dec-17 RM'000
<b>Current tax</b>		
Current year	-67	-

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.

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**6 Status of corporate proposals**

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

**7 Group Borrowings and Debt Securities**

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

	As at 31-Dec-18 RM'000	As at 31-Dec-17 RM'000
<b>A Short Term Borrowings</b>		
<b>Secured</b>		
Term loan	301	288
Hire purchase obligation	31	52
	<u>332</u>	<u>340</u>
<b>B Long Term Borrowings</b>		
<b>Secured</b>		
Term loan	2,513	2,775
Hire purchase obligation	-	31
	<u>2,513</u>	<u>2,806</u>
 Total Borrowings	 <u>2,845</u>	 <u>3,146</u>

**8 Material pending litigation**

The Group was not engaged in any material / material pending litigation as at 21 February 2019 (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 31 December 2018 have been seen and approved by the Board of Directors of Widetech (Malaysia) Berhad on 26 February 2019 for release to the Bursa Securities.

BY ORDER OF THE BOARD

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

Dated this 26th day of February 2019