

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

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2019  
(The figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31-Mar-19 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31-Mar-18 RM'000	CURRENT YEAR TODATE 31-Mar-19 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-Mar-18 RM'000
1 a Revenue	2,240	1,853	8,398	7,417
b Cost of Sales	(1,051)	(1,326)	(3,850)	(3,680)
c Other Operating Expenses	(1,142)	(887)	(3,941)	(4,285)
d Other Operating Income	421	672	1,012	1,223
e Profit from Operations	468	312	1,619	675
f Finance Costs	(42)	(42)	(170)	(175)
g Share of profit on Associate	(73)	211	253	1,422
h Profit before Taxation	353	481	1,702	1,922
i Taxation	(109)	(29)	(176)	(59)
j Profit after Taxation	244	452	1,526	1,863
Attributable to:				
k Equity Holders of the Company	231	465	1,538	1,995
l Non-Controlling Interest	12	(13)	(12)	(132)
m Profit after Taxation	243	452	1,526	1,863
2 Earnings per share (EPS) attributable to Equity Holders of the Company (sen):				
a Basic EPS	0.52	1.04	3.44	4.46
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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AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2019  
(The figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31-Mar-19 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31-Mar-18 RM'000	CURRENT YEAR TODATE 31-Mar-19 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-Mar-18 RM'000
3 a Profit after Taxation	244	452	1,526	1,863
b Other Comprehensive (Loss)/Income :				
Currency translation differences of foreign subsidiaries	(108)	(83)	516	(842)
<b>Total Comprehensive Income</b>	<b>136</b>	<b>369</b>	<b>2,042</b>	<b>1,021</b>
Attributable to :				
c Equity Holders of the Company	110	353	2,116	1,048
d Non-controlling Interest	26	16	(74)	(27)
<b>Total Comprehensive Income</b>	<b>136</b>	<b>369</b>	<b>2,042</b>	<b>1,021</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  
 (Company No. 113939-U)  
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 AND ITS SUBSIDIARIES  
 CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2019

	(Unaudited) As at 31-Mar-19 RM'000	Audited As at 31-Mar-18 RM'000
<b>Fixed assets</b>	10,649	10,449
<b>Deferred Tax Assets</b>	191	300
<b>Current assets</b>		
Inventories	1,685	1,127
Receivables ,deposits and prepayments	1,624	1,395
Amount due from Associate	2,626	2,680
Current Tax Assets	91	125
Cash and cash equivalents	23,679	22,698
	29,705	28,025
<b>Current liabilities</b>		
Payables and accruals	1,167	1,343
Bank borrowings	322	353
	1,489	1,696
<b>Net current assets</b>	28,216	26,329
	39,056	37,078
<b>Equity</b>		
Share capital	44,885	44,885
Reserves	-7,884	-10,000
Equity attributable to Equity Holders of the Company	37,001	34,885
Non-controlling interest	-586	-513
	36,415	34,372
<b>Long Term and Deferred Liabilities</b>		
Bank borrowings	2,641	2,706
	39,056	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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(Incorporated in Malaysia)  
AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2019  
(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	-	578	1,538	2,116	(74)	2,042
At 31 March 2019	44,885	4,540	(12,423)	37,001	(586)	36,415
At 1 April 2017	44,885	4,908	(15,956)	33,837	(486)	33,351
Total Comprehensive Income for the period	-	(947)	1,995	1,048	(27)	1,021
At 31 March 2018	44,885	3,961	(13,961)	34,885	(513)	34,372

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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AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2019  
(The figures have not been audited)

	CURRENT YEAR TODATE 31-Mar-19 RM'000	PRECEDING YEAR 31-Mar-18 RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before Taxation	1,702	1,922
Adjustments for:		
Allowance for impairment loss	50	-
Allowance for obsolete inventories	-	20
Bad debts written off	5	0
Depreciation and amortisation	649	1,005
Fair value adjustment on trade receivables recognised in profit or loss	-	(15)
Interest income	(773)	(703)
Interest expenses	170	175
Property, plant and equipment written off	-	0
Gain on disposal of PPE	(16)	(1)
Reversal of impairment loss	-	-
Reversal of inventories write-down	-11	-
Unrealised gain on foreign exchange	(12)	(18)
Waiver of debts	-	(113)
Share of result of associate	(253)	(1,422)
<b>Operating profit before working capital changes</b>	<b>1,511</b>	<b>849</b>
Changes in Inventories	(546)	(269)
Changes in receivables, deposits and prepayments	161	(448)
Changes in amount due from associate	308	1,363
Changes in payables and accruals	(177)	(224)
<b>Cash generated from operating activities</b>	<b>1,257</b>	<b>1,272</b>
Tax refund/(paid)	(33)	(61)
<b>Net cash generated from operating activities</b>	<b>1,224</b>	<b>1,211</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant & Equipment	(637)	(451)
Proceeds from Disposal of PPE	95	1
Interest income	773	703
<b>Net cash generated from/(used in) investing activities</b>	<b>231</b>	<b>253</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Bank borrowings	(316)	(339)
Interest paid	(170)	(175)
<b>Net cash used in financing activities</b>	<b>(486)</b>	<b>(514)</b>
Net increase in cash and cash equivalents	969	950
Cash and cash equivalents at beginning of year	22,698	21,729
Effects of exchange differences on cash and cash equivalents	13	18
<b>Cash and cash equivalents at end of financial period</b>	<b>23,679</b>	<b>22,698</b>

## 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-19 RM'000	31-Mar-18 RM'000
Deposit with licensed banks and financial institutions	21,355	20,140
Cash and bank balances	2,324	2,558
	<b>23,679</b>	<b>22,698</b>

WIDETECH (MALAYSIA) BERHAD  
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AND ITS SUBSIDIARIES

NOTES TO THE QUARTERLY REPORT FOR THE FINANCIAL QUARTER ENDED  
31 MARCH 2019

**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 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.

**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.

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AND ITS SUBSIDIARIES

NOTES TO THE QUARTERLY REPORT FOR THE FINANCIAL QUARTER ENDED  
31 MARCH 2019

### 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 March 2019</b>						
Revenue from external customers	6,027	795	1,133	443	-	8,398
Inter-segment revenue	-	-	-	300	(300)	-
<b>Total Revenue</b>	<b>6,027</b>	<b>795</b>	<b>1,133</b>	<b>743</b>	<b>(300)</b>	<b>8,398</b>
<b>Segment Result</b>	550	533	(102)	589	(724)	846
Interest income						773
Finance costs						(170)
Share of Profit on Associate						253
<b>Profit before Tax</b>						<b>1,702</b>
<b>Segment Assets</b>	4,370	4,078	1,915	8,545		18,908
Unallocated assets						21,637
						<b>40,546</b>
<b>Segment Liabilities</b>	224	86	364	493		1,167
Unallocated liabilities						2,963
						<b>4,130</b>

### 9 Subsequent Events

There were no material events subsequent to the end of the current quarter ended 31 March 2019 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) 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 May 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 23 May 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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 AND ITS SUBSIDIARIES

NOTES TO THE QUARTERLY REPORT FOR THE FINANCIAL QUARTER ENDED  
 31 MARCH 2019

**13 Related Party Transactions**

Significant transactions are as follows :-

i) Transactions between the Company and its subsidiaries :-

	As at 31-Mar-19 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-19 RM'000
Rental receivable	<u>181</u>



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

NOTES TO THE QUARTERLY REPORT FOR THE FINANCIAL QUARTER ENDED  
31 MARCH 2019

**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	
	31/03/19 RM'000	31/03/18 RM'000	Amount RM'000	%	31/03/19 RM'000	31/03/18 RM'000	Amount RM'000	%
Revenue	2,240	1,853	387	21%	8,398	7,417	980	13%
Operating Profit	468	312	156	50%	1,619	675	944	140%
Profit before Interest, Share of Profit on Associate and Tax	468	312	156	50%	1,619	675	944	140%
Profit before Tax	353	481	(128)	-27%	1,702	1,922	(219)	-11%
Profit After Tax	244	452	(208)	-46%	1,526	1,863	(337)	-18%
Profit attributable to Equity Holders of the Parent	231	465	(234)	-50%	1,538	1,995	(456)	-23%

The Group recorded a turnover of RM8.398 million and a pre-tax profit of RM1.702 million for the financial year ended 31 March 2019 against the preceding year's turnover of RM7.417 million and a pre-tax profit of RM1.922 million.

The gaming operations in Cambodia continue to contribute positively with a revenue of RM0.795 million and a pre-tax profit of RM0.593 million.

Our associated company contributed to a lower share of profit of RM0.253 million against a share of profit of RM1.422 million in the preceding year. The lower contribution was mainly due to a lower gaming income, coupled with higher operating costs and unrealised foreign exchange loss of RM0.333 million arising from amount due to us.

In line with an improved revenue of RM6.027 million, the manufacturing division registered a higher pre-tax profit of RM0.942 million against a revenue of RM5.095 million and a pre-tax profit of RM0.395 million in the preceding year.

The consumer financing business recorded revenue of RM0.013 million arising from its insurance business, and a pre-tax profit of RM0.285 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 RM1.133 million (USD0.285 million) and a pre-tax loss of RM0.109 million (USD0.027 million), as compared to a revenue of RM1.291 million (USD0.311 million) and a pre-tax loss of RM0.477 million (USD0.115 million) in the preceding year.

Despite a lower revenue in 2019, 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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AND ITS SUBSIDIARIES

NOTES TO THE QUARTERLY REPORT FOR THE FINANCIAL QUARTER ENDED  
31 MARCH 2019

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

	Current Quarter	Immediate Preceding Quarter	Changes	
	31/03/19 RM'000	31/12/18 RM'000	Amount RM'000	%
Revenue	2,240	1,993	246	12%
Operating Profit	468	453	15	3%
Profit before Interest, Share of Profit on Associate and Tax	468	453	15	3%
Profit before Tax	353	384	(31)	-8%
Profit After Tax	244	364	(120)	-33%
Profit attributable to Equity Holders of the Parent	231	366	(134)	-37%

For the 4th quarter ended 31 March 2019, the Group achieved a turnover of RM2.240 million and generated a pre-tax profit of RM0.353 million as compared to a revenue of RM1.993 million and pre-tax profit of RM0.384 million in the preceding quarter ended 31 December 2018.

The lower profit in the current quarter was mainly attributable to :-

- i) a share of loss of RM0.073 million from our associated company, as compared to RM0.026 million in the preceding quarter. The lower contribution was mainly due to adjustments on unrealised foreign exchange losses of RM0.039 million in the current quarter.
- ii) the manufacturing division registered a lower pre-tax profit of RM0.255 million despite a higher revenue of RM1.559 million, as compared to a pre-tax profit of RM0.284 million and revenue of 1.424 million. This was mainly due to costs incurred in upkeep of factory and staff bonus payout in the current 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) We have closed our operations in Cambodia upon expiry of our Agreement in March 2019 as we were unable to renew the said Agreement with the Casino.
- 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-Mar-19 RM'000	As at 31-Mar-18 RM'000
<u>Current tax</u>		
Current year	67	-

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NOTES TO THE QUARTERLY REPORT FOR THE FINANCIAL QUARTER ENDED  
 31 MARCH 2019

**Deferred Tax**

Current year	136	-
(Over)/Under provision in prior years	-27	-
Total deferred tax	<u>109</u>	<u>-</u>
Total tax expense recognised	<u>176</u>	<u>-</u>

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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AND ITS SUBSIDIARIES

NOTES TO THE QUARTERLY REPORT FOR THE FINANCIAL QUARTER ENDED  
31 MARCH 2019

**6 Status of corporate proposals**

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

**7 Group Borrowings and Debt Securities**

The Group borrowings and debt securities as at 31 March 2019 are as follows

	As at 31-Mar-19 RM'000	As at 31-Mar-18 RM'000
<b>A Short Term Borrowings</b>		
<b>Secured</b>		
Term loan	238	301
Hire purchase obligation	84	52
	<u>322</u>	<u>353</u>
<b>B Long Term Borrowings</b>		
<b>Secured</b>		
Term loan	2,518	2,688
Hire purchase obligation	123	18
	<u>2,641</u>	<u>2,706</u>
<b>Total Borrowings</b>	<u>2,963</u>	<u>3,059</u>

**8 Material pending litigation**

The Group was not engaged in any material / material pending litigation as at 23 May 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 year.

**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 March 2019 have been seen and approved by the Board of Directors of Widetech (Malaysia) Berhad on 28 May 2019 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 May 2019