

WIDETECH (MALAYSIA) BERHAD  
 (Company No. 113939-U)  
 (Incorporated in Malaysia)  
 AND ITS SUBSIDIARIES  
 CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2019

|  | (Unaudited)<br>As at<br>30-Jun-19<br>RM'000 | Audited<br>As at<br>31-Mar-19<br>RM'000 |
|--|---|---|
| <b>Fixed assets</b>  | 10,978                                      | 10,649                                  |
| <b>Deferred Tax Assets</b>   | 191   | 191                                     |
| <b>Current assets</b>  |   |   |
| Inventories  | 1,429                                       | 1,685                                   |
| Receivables ,deposits and prepayments  | 1,622                                       | 1,634                                   |
| Amount due from Associate  | 2,840                                       | 2,626                                   |
| Current Tax Assets   | 23  | 90                                      |
| Cash and cash equivalents  | 23,946                                      | 23,679                                  |
|  | 29,860                                      | 29,714                                  |
| <b>Current liabilities</b>   |   |   |
| Payables and accruals  | 1,192                                       | 1,176                                   |
| Bank borrowings  | 322   | 322                                     |
|  | 1,514                                       | 1,498                                   |
| <b>Net current assets</b>  | 28,346                                      | 28,216                                  |
|  | 39,515                                      | 39,056                                  |
| <b>Equity</b>  |   |   |
| Share capital  | 44,885                                      | 44,885                                  |
| Reserves   | -7,325                                      | -7,884                                  |
| Equity attributable to Equity Holders of the Company                               | 37,560                                      | 37,001                                  |
| Non-controlling interest   | -605  | -586                                    |
|  | 36,955                                      | 36,415                                  |
| <b>Long Term and Deferred Liabilities</b>  |   |   |
| Bank borrowings  | 2,560                                       | 2,641                                   |
|  | 39,515                                      | 39,056                                  |
| <b>Net assets per share attributable to Equity Holders<br/>of the Company (RM)</b> | 0.84  | 0.82                                    |

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)  
(Incorporated in Malaysia)  
AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2019  
(The figures have not been audited)

|   | INDIVIDUAL PERIOD                     |   | CUMULATIVE PERIOD                    |  |
|---|---------------------------------------|---|--------------------------------------|--|
|   | CURRENT YEAR QUARTER 30-Jun-19 RM'000 | PRECEDING YEAR CORRESPONDING QUARTER 30-Jun-18 RM'000 | CURRENT YEAR TODATE 30-Jun-19 RM'000 | PRECEDING YEAR CORRESPONDING PERIOD 30-Jun-18 RM'000 |
| 1 a Revenue   | 2,243                                 | 2,067   | 2,243                                | 2,067  |
| b Cost of Sales   | (1,218)                               | (1,065)   | (1,218)                              | (1,065)  |
| c Other Operating Expenses  | (923)                                 | (878)   | (923)                                | (878)  |
| d Other Operating Income  | 195                                   | 194   | 195                                  | 194  |
| e Profit from Operations  | 297                                   | 318   | 297                                  | 318  |
| f Finance Costs   | (40)                                  | (44)  | (40)                                 | (44)   |
| g Share of profit on Associate  | 170                                   | 251   | 170                                  | 251  |
| h Profit before Taxation  | 427                                   | 525   | 427                                  | 525  |
| i Taxation  | (19)                                  | (21)  | (19)                                 | (21)   |
| j Profit after Taxation   | 408                                   | 504   | 408                                  | 504  |
|   | Attributable to:                      |   |                                      |  |
| k Equity Holders of the Company   | 414                                   | 509   | 414                                  | 509  |
| l Non-Controlling Interest  | (6)                                   | (5)   | (6)                                  | (5)  |
| m Profit after Taxation   | 408                                   | 504   | 408                                  | 504  |
| 2 Earnings per share (EPS) attributable to Equity Holders of the Company (sen): |                                       |   |                                      |  |
| a Basic EPS   | 0.93                                  | 1.14  | 0.93                                 | 1.14   |
| 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)  
(Incorporated in Malaysia)  
AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2019  
(The figures have not been audited)

|   | INDIVIDUAL PERIOD                                 |   | CUMULATIVE PERIOD                                |  |
|---|---|---|--|--|
|   | CURRENT<br>YEAR<br>QUARTER<br>30-Jun-19<br>RM'000 | PRECEDING YEAR<br>CORRESPONDING<br>QUARTER<br>30-Jun-18<br>RM'000 | CURRENT<br>YEAR<br>TODATE<br>30-Jun-19<br>RM'000 | PRECEDING YEAR<br>CORRESPONDING<br>PERIOD<br>30-Jun-18<br>RM'000 |
| 3 a Profit after Taxation                                   | 408   | 504   | 408  | 504  |
| b Other Comprehensive (Loss)/Income :                       |   |   |  |  |
| Currency translation differences<br>of foreign subsidiaries | 132   | 394   | 132  | 394  |
| <b>Total Comprehensive Income</b>                           | <b>540</b>  | <b>898</b>  | <b>540</b>                                       | <b>898</b>   |
| Attributable to :   |   |   |  |  |
| c Equity Holders of the Company                             | 559   | 950   | 559  | 950  |
| d Non-controlling Interest                                  | (19)  | (52)  | (19)   | (52)   |
| <b>Total Comprehensive Income</b>                           | <b>540</b>  | <b>898</b>  | <b>540</b>                                       | <b>898</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)  
(Incorporated in Malaysia)  
AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2019  
(The figures have not been audited)

|  | <----- Attributable to Equity Holders of the Company -----> |  |                                 |                     |  | Total<br>Equity<br>RM'000 |
|--|---|--|---------------------------------|---------------------|--|---------------------------|
|  | Share<br>Capital<br>RM'000                                  | Exchange<br>Fluctuation<br>Reserve<br>RM'000 | Accumulated<br>Losses<br>RM'000 | Sub-Total<br>RM'000 | Non -<br>Controlling<br>Interest<br>RM'000 |                           |
| At 1 April 2019                              | 44,885  | 4,538  | (12,422)                        | 37,001              | (586)                                      | 36,415                    |
| Total Comprehensive Income<br>for the period | -   | 145  | 414                             | 559                 | (19)                                       | 540                       |
| At 30 June 2019                              | 44,885  | 4,683  | (12,008)                        | 37,560              | (605)                                      | 36,955                    |
| At 1 April 2018                              | 44,885  | 3,961  | (13,961)                        | 34,885              | (512)                                      | 34,373                    |
| Total Comprehensive Income<br>for the period | -   | 442  | 509                             | 951                 | (53)                                       | 898                       |
| At 30 June 2018                              | 44,885  | 4,403  | (13,452)                        | 35,836              | (565)                                      | 35,271                    |

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

CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2019  
(The figures have not been audited)

|   | CURRENT<br>YEAR TODATE<br>30-Jun-19<br>RM'000 | PRECEDING<br>YEAR<br>30-Jun-18<br>RM'000 |
|---|---|--|
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                    |   |  |
| Profit before Taxation  | 427   | 525                                      |
| Adjustments for:  |   |  |
| Depreciation and amortisation                                 | 194   | 161                                      |
| Interest income   | (194)   | (186)                                    |
| Interest expenses   | 40  | 44                                       |
| Gain on disposal of PPE                                       | (1)   | -  |
| Share of result of associate                                  | (170)   | (251)                                    |
| <b>Operating profit before working capital changes</b>        | <b>296</b>                                    | <b>293</b>                               |
| Changes in Inventories  | 256   | 42                                       |
| Changes in receivables, deposits and prepayments              | 129   | 279                                      |
| Changes in amount due from associate                          | (45)  | (428)                                    |
| Changes in payables and accruals                              | 16  | (215)                                    |
| <b>Cash generated from/(used in) operating activities</b>     | <b>652</b>                                    | <b>(29)</b>                              |
| Tax refund  | 49  | 48                                       |
| <b>Net cash generated from operating activities</b>           | <b>701</b>                                    | <b>19</b>                                |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                    |   |  |
| Purchase of Property, Plant & Equipment                       | (508)   | (105)                                    |
| Proceeds from Disposal of PPE                                 | 1   | -  |
| Interest income   | 194   | 186                                      |
| <b>Net cash (used in)/generated from investing activities</b> | <b>(313)</b>                                  | <b>81</b>                                |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                   |   |  |
| Bank borrowings   | (81)  | (74)                                     |
| Interest paid   | (40)  | (44)                                     |
| <b>Net cash used in financing activities</b>                  | <b>(121)</b>                                  | <b>(118)</b>                             |
| Net increase/(decrease) in cash and cash equivalents          | 267   | (18)                                     |
| Cash and cash equivalents at beginning of year                | 23,679  | 22,698                                   |
| <b>Cash and cash equivalents at end of financial period</b>   | <b>23,946</b>                                 | <b>22,680</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 :

|  | 30-Jun-19<br>RM'000 | 30-Jun-18<br>RM'000 |
|--|---------------------|---------------------|
| Deposit with licensed banks and financial institutions | 21,449              | 20,472              |
| Cash and bank balances                                 | 2,497               | 2,208               |
|  | <b>23,946</b>       | <b>22,680</b>       |

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

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

NOTES TO THE QUARTERLY REPORT FOR THE FINANCIAL QUARTER ENDED  
 30 JUNE 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 2019.

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 2019, except for the adoption of the following new/revised accounting standard that have been issued by the Malaysian Accounting Standards Board:

| <u>MFRSs, Amendments to MFRSs and IC Interpretation</u> | <u>Effective Date</u> |
|---|-----------------------|
| MFRS 16 Leases  | 1 January 2019        |

The initial adoption of the above standard, amendment and interpretation did not have any significant impact to the Group.

**2 Status of Audit Qualification**

The annual financial statements for the year ended 31 March 2019 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.

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

NOTES TO THE QUARTERLY REPORT FOR THE FINANCIAL QUARTER ENDED  
30 JUNE 2019

**8 Segmental reporting**

Segment information is presented in respect of the Group's business segments as follows:-

|                                 | Manufacturing<br>RM'000 | Hotel<br>RM'000 | Others<br>RM'000 | Eliminations<br>RM'000 | Consolidated<br>RM'000 |
|---------------------------------|-------------------------|-----------------|------------------|------------------------|------------------------|
| <b>As at 30 June 2019</b>       |                         |                 |                  |                        |                        |
| Revenue from external customers | 1,835                   | 279             | 129              | -                      | 2,243                  |
| Inter-segment revenue           | -                       | -               | 75               | (75)                   | -                      |
| <b>Total Revenue</b>            | <b>1,835</b>            | <b>279</b>      | <b>204</b>       | <b>(75)</b>            | <b>2,243</b>           |
| <b>Segment Result</b>           | 141                     | (41)            | 542              | (539)                  | 103                    |
| Interest income                 |                         |                 |                  |                        | 194                    |
| Finance costs                   |                         |                 |                  |                        | (40)                   |
| Share of Profit on Associate    |                         |                 |                  |                        | 170                    |
| <b>Profit before Tax</b>        |                         |                 |                  |                        | <b>427</b>             |
| <b>Segment Assets</b>           | 4,994                   | 1,772           | 12,601           |                        | 19,366                 |
| Unallocated assets              |                         |                 |                  |                        | 21,663                 |
|                                 |                         |                 |                  |                        | <b>41,029</b>          |
| <b>Segment Liabilities</b>      | 189                     | 374             | 629              |                        | 1,192                  |
| Unallocated liabilities         |                         |                 |                  |                        | 2,882                  |
|                                 |                         |                 |                  |                        | <b>4,074</b>           |

**9 Subsequent Events**

There were no material events subsequent to the end of the current quarter ended 30 June 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**

There were no changes in the composition of the Group for the financial period under review.

**11 Contingent liabilities**

The Group did not have any material contingent liability as at 27 August 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 27 August 2019 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

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

NOTES TO THE QUARTERLY REPORT FOR THE FINANCIAL QUARTER ENDED  
30 JUNE 2019

**13 Related Party Transactions**

Significant transactions are as follows :-

i) Transactions between the Company and its subsidiaries :-

|                            | As at<br>30-Jun-19<br>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<br>30-Jun-19<br>RM'000 |
|-------------------|------------------------------|
| Rental receivable | <u>74</u>                    |



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

**NOTES TO THE QUARTERLY REPORT FOR THE FINANCIAL QUARTER ENDED**  
**30 JUNE 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          |      |
|--|--------------------|--------------------|------------------|------|--------------------|--------------------|------------------|------|
|  | 30/06/19<br>RM'000 | 30/06/18<br>RM'000 | Amount<br>RM'000 | %    | 30/06/19<br>RM'000 | 30/06/18<br>RM'000 | Amount<br>RM'000 | %    |
| Revenue  | 2,243              | 2,067              | 177              | 9%   | 2,243              | 2,067              | 177              | 9%   |
| Operating Profit   | 297                | 318                | (21)             | -7%  | 297                | 318                | (21)             | -7%  |
| Profit before Interest, Share of Profit on Associate and Tax | 297                | 318                | (21)             | -7%  | 297                | 318                | (21)             | -7%  |
| Profit before Tax  | 427                | 525                | (99)             | -19% | 427                | 525                | (99)             | -19% |
| Profit After Tax   | 408                | 504                | (96)             | -19% | 408                | 504                | (96)             | -19% |
| Profit attributable to Equity Holders of the Parent          | 414                | 509                | (95)             | -19% | 414                | 509                | (95)             | -19% |

The Group recorded a turnover of RM2.243 million and a pre-tax profit of RM0.427 million for the financial period ended 30 June 2019 against the preceding year's corresponding period turnover of RM2.067 million and a pre-tax of RM0.525 million. Generally, the closure of the Cambodia gaming operations in March 2019 has impacted the earnings of the Group in the current financial period.

Our associated company contributed to a lower share of profit of RM0.170 million due to a lower gaming income, as opposed to a share of profit of RM0.251 million in the preceding year's corresponding period.

In line with an improved revenue of RM1.835 million, the manufacturing division registered a higher pre-tax profit of RM0.239 million against a revenue of RM1.546 million and a pre-tax profit of RM0.193 million in the preceding year's corresponding period.

The hotel operation in Laos remained loss-making, with a revenue of RM0.279 million (USD0.068 million) and a pre-tax loss of RM0.043 million (USD0.010 million), as compared to a revenue of RM0.274 million (USD0.069 million) and a pre-tax loss of RM0.030 million (USD0.008 million) in the preceding year's corresponding period.

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

|  | Current Quarter    | Immediate Preceding Quarter | Changes          |      |
|--|--------------------|-----------------------------|------------------|------|
|  | 30/06/19<br>RM'000 | 31/03/19<br>RM'000          | Amount<br>RM'000 | %    |
| Revenue  | 2,243              | 2,240                       | 3                | 0%   |
| Operating Profit   | 297                | 468                         | (171)            | -37% |
| Profit before Interest, Share of Profit on Associate and Tax | 297                | 468                         | (171)            | -37% |
| Profit before Tax  | 427                | 353                         | 74               | 21%  |
| Profit After Tax   | 408                | 244                         | 164              | 67%  |
| Profit attributable to Equity Holders of the Parent          | 414                | 231                         | 183              | 79%  |

For the 1st quarter ended 30 June 2019, the Group achieved a turnover of RM2.243 million and generated a pre-tax profit of RM0.427 million as compared to a revenue of RM2.240 million and pre-tax profit of RM0.353 million in the preceding quarter ended 31 March 2019.

The current quarter registered an improved earnings as the associated company contributed to a share of profit of RM0.170 million, as opposed to a share of loss in of RM0.073 million in the preceding quarter.

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

NOTES TO THE QUARTERLY REPORT FOR THE FINANCIAL QUARTER ENDED  
30 JUNE 2019

**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) 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.
- iii) The electronic gaming outlets in Nepal are expected to contribute positively to the earnings of the Group.
- iv) 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<br>30-Jun-19<br>RM'000 | As at<br>30-Jun-18<br>RM'000 |
|--------------------|------------------------------|------------------------------|
| <u>Current tax</u> |                              |                              |
| Current year       | -19                          | -                            |

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.

**7 Group Borrowings and Debt Securities**

The Group borrowings and debt securities as at 30 June 2019 are as follows

|                                | As at<br>30-Jun-19<br>RM'000 | As at<br>30-Jun-18<br>RM'000 |
|--------------------------------|------------------------------|------------------------------|
| <b>A Short Term Borrowings</b> |                              |                              |
| <b>Secured</b>                 |                              |                              |
| Term loan                      | 238                          | 301                          |
| Hire purchase obligation       | 84                           | 51                           |
|                                | 322                          | 352                          |
| <b>B Long Term Borrowings</b>  |                              |                              |
| <b>Secured</b>                 |                              |                              |
| Term loan                      | 2,460                        | 2,627                        |
| Hire purchase obligation       | 100                          | 5                            |
|                                | 2,560                        | 2,632                        |
| <b>Total Borrowings</b>        | 2,882                        | 2,984                        |

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

NOTES TO THE QUARTERLY REPORT FOR THE FINANCIAL QUARTER ENDED  
30 JUNE 2019

**8 Material pending litigation**

The Group was not engaged in any material / material pending litigation as at 27 August 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 30 June 2019 have been seen and approved by the Board of Directors of Widetech (Malaysia) Berhad on 30 August 2019 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 August 2019