

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

	(Unaudited) As at 30-Sep-19 RM'000	Audited As at 31-Mar-19 RM'000
<b>Fixed assets</b>	11,215	10,649
<b>Deferred Tax Assets</b>	191	191
<b>Current assets</b>		
Inventories	1,420	1,685
Receivables, deposits and prepayments	1,752	1,634
Amount due from Associate	3,128	2,626
Current Tax Assets	23	90
Cash and cash equivalents	23,778	23,679
	30,101	29,714
<b>Current liabilities</b>		
Payables and accruals	1,231	1,176
Bank borrowings	322	322
	1,553	1,498
<b>Net current assets</b>	28,548	28,216
	39,954	39,056
<b>Equity</b>		
Share capital	44,885	44,885
Reserves	-6,763	-7,884
Equity attributable to Equity Holders of the Company	38,122	37,001
Non-controlling interest	-645	-586
	37,477	36,415
<b>Long Term and Deferred Liabilities</b>		
Bank borrowings	2,477	2,641
	39,954	39,056
<b>Net assets per share attributable to Equity Holders of the Company (RM)</b>	0.85	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)  
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CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2019  
(The figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR 30-Sep-19 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30-Sep-18 RM'000	CURRENT YEAR TODATE 30-Sep-19 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30-Sep-18 RM'000
1 a Revenue	1,985	2,098	4,228	4,165
b Cost of Sales	(1,037)	(978)	(2,255)	(2,043)
c Other Operating Expenses	(923)	(940)	(1,846)	(1,818)
d Other Operating Income	187	201	382	395
e Profit from Operations	212	381	509	699
f Finance Costs	(38)	(42)	(78)	(85)
g Share of profit on Associate	210	101	380	352
h Profit before Taxation	384	440	811	966
i Taxation	(19)	(26)	(38)	(48)
j Profit after Taxation	365	414	773	918
Attributable to:				
k Equity Holders of the Company	388	431	802	940
l Non-Controlling Interest	(23)	(17)	(29)	(22)
m Profit after Taxation	365	414	773	918
2 Earnings per share (EPS) attributable to Equity Holders of the Company (sen):				
a Basic EPS	0.87	0.96	1.79	2.10
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 2019  
(The figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30-Sep-19 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30-Sep-18 RM'000	CURRENT YEAR TODATE 30-Sep-19 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30-Sep-18 RM'000
3 a Profit after Taxation	365	414	773	918
b Other Comprehensive (Loss)/Income : Currency translation differences of foreign subsidiaries	158	228	289	622
<b>Total Comprehensive Income</b>	<b>523</b>	<b>642</b>	<b>1,062</b>	<b>1,540</b>
Attributable to :				
c Equity Holders of the Company	563	687	1,121	1,638
d Non-controlling Interest	(40)	(45)	(59)	(98)
<b>Total Comprehensive Income</b>	<b>523</b>	<b>642</b>	<b>1,062</b>	<b>1,540</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 30 SEPTEMBER 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 2019	44,885	4,538	(12,422)	37,001	(586)	36,415
Total Comprehensive Income for the period	-	319	802	1,121	(59)	1,062
At 30 September 2019	44,885	4,857	(11,620)	38,122	(645)	37,477
At 1 April 2018	44,885	3,961	(13,961)	34,885	(512)	34,373
Total Comprehensive Income for the period	-	698	940	1,638	(98)	1,540
At 30 September 2018	44,885	4,659	(13,021)	36,523	(610)	35,913

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 2019  
(The figures have not been audited)

	CURRENT YEAR TODATE 30-Sep-19 RM'000	PRECEDING YEAR 30-Sep-18 RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before Taxation	811	966
Adjustments for:		
Depreciation and amortisation	407	310
Interest income	(380)	(381)
Interest expenses	78	85
Gain on disposal of PPE	(1)	-
Share of result of associate	(380)	(352)
<b>Operating profit before working capital changes</b>	<u>535</u>	<u>628</u>
Changes in Inventories	265	(307)
Changes in receivables, deposits and prepayments	139	255
Changes in amount due from associate	(122)	(466)
Changes in payables and accruals	55	129
<b>Cash generated from/(used in) operating activities</b>	<u>872</u>	<u>239</u>
Tax refund/(paid)	30	33
<b>Net cash generated from operating activities</b>	<u>902</u>	<u>272</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant & Equipment	(942)	(323)
Proceeds from Disposal of PPE	1	-
Interest income	380	380
<b>Net cash (used in)/generated from investing activities</b>	<u>(561)</u>	<u>57</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Bank borrowings	(164)	(145)
Interest paid	(78)	(85)
<b>Net cash used in financing activities</b>	<u>(242)</u>	<u>(230)</u>
Net increase in cash and cash equivalents	99	99
Cash and cash equivalents at beginning of year	23,679	22,698
<b>Cash and cash equivalents at end of financial period</b>	<u>23,778</u>	<u>22,797</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-19 RM'000	30-Sep-18 RM'000
Deposit with licensed banks and financial institutions	21,736	20,965
Cash and bank balances	2,042	1,832
	<u>23,778</u>	<u>22,797</u>

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  
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NOTES TO THE QUARTERLY REPORT FOR THE FINANCIAL QUARTER ENDED  
30 SEPTEMBER 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 year 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	Hotel RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
<b>As at 30 September 2019</b>					
Revenue from external customers	3,540	454	234	-	4,228
Inter-segment revenue	-	-	150	(150)	-
<b>Total Revenue</b>	<b>3,540</b>	<b>454</b>	<b>384</b>	<b>(150)</b>	<b>4,228</b>
<b>Segment Result</b>	<b>353</b>	<b>(164)</b>	<b>837</b>	<b>(897)</b>	<b>129</b>
Interest income					380
Finance costs					(78)
Share of Profit on Associate					380
<b>Profit before Tax</b>					<b>811</b>
<b>Segment Assets</b>	<b>5,299</b>	<b>1,718</b>	<b>12,540</b>		<b>19,557</b>
Unallocated assets					21,950
					<b>41,507</b>
<b>Segment Liabilities</b>	<b>218</b>	<b>389</b>	<b>624</b>		<b>1,231</b>
Unallocated liabilities					2,799
					<b>4,030</b>

**9 Subsequent Events**

There were no material events subsequent to the end of the current quarter ended 30 September 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 11 November 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 11 November 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 30-Sep-19 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-19 RM'000
Rental receivable	<u>148</u>



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30 SEPTEMBER 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
	30/09/19 RM'000	30/09/18 RM'000	Amount RM'000	%	30/09/19 RM'000	30/09/18 RM'000	Amount RM'000
Revenue	1,985	2,098	(113)	-5%	4,228	4,165	63
Operating Profit	212	381	(169)	-44%	509	699	(190)
Profit before Interest, Share of Profit on Associate and Tax	212	381	(169)	-44%	509	699	(190)
Profit before Tax	384	440	(56)	-13%	811	966	(154)
Profit After Tax	365	414	(49)	-12%	773	918	(144)
Profit attributable to Equity Holders of the Parent	388	431	(44)	-10%	802	940	(137)

The Group recorded a turnover of RM4.228 million and a pre-tax profit of RM0.811 million for the financial period ended 30 September 2019 against the preceding year's corresponding period turnover of RM4.165 million and a pre-tax of RM0.966 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 slightly higher share of profit of RM0.380 million, as opposed to a share of profit of RM0.352 million in the preceding year's corresponding period.

In line with an improved revenue of RM3.540 million, the manufacturing division registered a higher pre-tax profit of RM0.548 million against a revenue of RM3.044 million and a pre-tax profit of RM0.404 million in the preceding year's corresponding period.

The hotel operation in Laos remained loss-making, with a revenue of RM0.454 million (USD0.110 million) and a pre-tax loss of RM0.166 million (USD0.040 million), as compared to a revenue of RM0.506 million (USD0.126 million) and a pre-tax loss of RM0.113 million (USD0.028 million) in the preceding year's corresponding period.

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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	
	30/09/19 RM'000	30/06/19 RM'000	Amount RM'000	%
Revenue	1,985	2,243	(258)	-12%
Operating Profit	212	297	(84)	-28%
Profit before Interest, Share of Profit on Associate and Tax	212	297	(84)	-28%
Profit before Tax	384	427	(43)	-10%
Profit After Tax	365	408	(44)	-11%
Profit attributable to Equity Holders of the Parent	388	414	(26)	-6%

For the 2nd quarter ended 30 September 2019, the Group achieved a turnover of RM1.985 million and generated a pre-tax profit of RM0.384 million as compared to a revenue of RM2.243 million and pre-tax profit of RM0.427 million in the preceding quarter ended 30 June 2019.

According to the annual Laos tourism statistics published by the Ministry of Tourism, Laos normally registered lower tourists arrival in the month of July to September. In the current quarter ended 30 September 2019, the hotel operations recorded a much lower occupancy rate, which resulted in a higher pre-tax loss of RM0.123 million, as opposed to a pre-tax loss of RM0.043 million in the previous 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 30-Sep-19 RM'000	As at 30-Sep-18 RM'000
<u>Current tax</u>		
Current year	-38	-

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 2019 are as follows

	As at 30-Sep-19 RM'000	As at 30-Sep-18 RM'000
<b>A Short Term Borrowings</b>		
<b>Secured</b>		
Term loan	238	301
Hire purchase obligation	84	44
	<u>322</u>	<u>345</u>
<b>B Long Term Borrowings</b>		
<b>Secured</b>		
Term loan	2,400	2,569
Hire purchase obligation	77	-
	<u>2,477</u>	<u>2,569</u>
<b>Total Borrowings</b>	<u>2,799</u>	<u>2,914</u>

**8 Material pending litigation**

The Group was not engaged in any material / material pending litigation as at 11 November 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 September 2019 have been seen and approved by the Board of Directors of Widetech (Malaysia) Berhad on 15 November 2019 for release to the Bursa Securities.

BY ORDER OF THE BOARD

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

Dated this 15th day of November 2019