

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2019

	(Unaudited) As at 31-Dec-19 RM'000	Audited As at 31-Mar-19 RM'000
Fixed assets	11,000	10,649
Deferred Tax Assets	191	191
Current assets		
Inventories	1,359	1,685
Receivables ,deposits and prepayments	1,309	1,634
Amount due from Associate	2,618	2,626
Current Tax Assets	23	90
Cash and cash equivalents	24,865	23,679
	30,174	29,714
Current liabilities		
Payables and accruals	1,125	1,176
Bank borrowings	322	322
	1,447	1,498
Net current assets	28,727	28,216
	39,918	39,056
Equity		
Share capital	44,885	44,885
Reserves	-6,753	-7,884
Equity attributable to Equity Holders of the Company	38,132	37,001
Non-controlling interest	-609	-586
	37,523	36,415
Long Term and Deferred Liabilities		
Bank borrowings	2,395	2,641
	39,918	39,056
Net assets per share attributable to Equity Holders of the Company (RM)	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 31 DECEMBER 2019
(The figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR 31-Dec-19 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31-Dec-18 RM'000	CURRENT YEAR TODATE 31-Dec-19 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-Dec-18 RM'000
1 a Revenue	2,187	1,993	6,415	6,158
b Cost of Sales	(1,148)	(756)	(3,404)	(2,799)
c Other Operating Expenses	(837)	(980)	(2,683)	(2,798)
d Other Operating Income	181	196	564	591
e Profit from Operations	383	453	892	1,152
f Finance Costs	(35)	(43)	(114)	(128)
g Share of profit on Associate	(76)	(26)	305	326
h Profit before Taxation	272	384	1,083	1,350
i Taxation	(35)	(20)	(73)	(67)
j Profit after Taxation	237	364	1,010	1,283
Attributable to:				
k Equity Holders of the Company	228	366	1,030	1,307
l Non-Controlling Interest	9	(2)	(20)	(24)
m Profit after Taxation	237	364	1,010	1,283
2 Earnings per share (EPS) attributable to Equity Holders of the Company (sen):				
a Basic EPS	0.51	0.82	2.30	2.92
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 DECEMBER 2019
(The figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31-Dec-19 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31-Dec-18 RM'000	CURRENT YEAR TODATE 31-Dec-19 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-Dec-18 RM'000
3 a Profit after Taxation	237	364	1,010	1,283
b Other Comprehensive (Loss)/Income :				
Currency translation differences of foreign subsidiaries	(190)	2	98	624
Total Comprehensive Income	47	366	1,108	1,907
Attributable to :				
c Equity Holders of the Company	11	368	1,131	2,007
d Non-controlling Interest	36	(2)	(23)	(100)
Total Comprehensive Income	47	366	1,108	1,907

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 CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 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	-	101	1,030	1,131	(23)	1,108
At 31 December 2019	44,885	4,639	(11,392)	38,132	(609)	37,523
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	44,885	4,661	(12,654)	36,892	(612)	36,280

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 DECEMBER 2019
(The figures have not been audited)

	CURRENT YEAR TODATE 31-Dec-19 RM'000	PRECEDING YEAR 31-Dec-18 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Taxation	1,083	1,350
Adjustments for:		
Depreciation and amortisation	630	477
Interest income	(560)	(578)
Interest expenses	114	128
Gain on disposal of PPE	(1)	0
Share of result of associate	(305)	(326)
Operating profit before working capital changes	<u>961</u>	<u>1,051</u>
Changes in Inventories	325	(469)
Changes in receivables, deposits and prepayments	422	415
Changes in amount due from associate	313	(237)
Changes in payables and accruals	(52)	(183)
Cash generated from/(used in) operating activities	<u>1,969</u>	<u>577</u>
Tax refund/(paid)	(5)	12
Net cash generated from operating activities	<u>1,964</u>	<u>589</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment	(978)	(396)
Proceeds from Disposal of PPE	1	-
Interest income	560	578
Net cash (used in)/generated from investing activities	<u>(417)</u>	<u>182</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank borrowings	(247)	(214)
Interest paid	(114)	(128)
Net cash used in financing activities	<u>(361)</u>	<u>(342)</u>
Net increase/(decrease) in cash and cash equivalents	1,186	429
Cash and cash equivalents at beginning of year	23,679	22,698
Cash and cash equivalents at end of financial period	<u>24,865</u>	<u>23,127</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-19 RM'000	31-Dec-18 RM'000
Deposit with licensed banks and financial institutions	22,085	21,161
Cash and bank balances	2,780	1,966
	<u>24,865</u>	<u>23,127</u>

WIDETECH (MALAYSIA) BERHAD
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AND ITS SUBSIDIARIES

NOTES TO THE QUARTERLY REPORT FOR THE FINANCIAL QUARTER ENDED
31 DECEMBER 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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AND ITS SUBSIDIARIES

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

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
As at 31 December 2019					
Revenue from external customers	5,315	761	339	-	6,415
Inter-segment revenue	-	-	225	(225)	-
Total Revenue	5,315	761	564	(225)	6,415
Segment Result	552	(153)	963	(1,030)	332
Interest income					560
Finance costs					(114)
Share of Profit on Associate					305
Profit before Tax					1,083
Segment Assets	5,519	1,660	11,887		19,066
Unallocated assets					22,299
					41,366
Segment Liabilities	196	362	567		1,125
Unallocated liabilities					2,717
					3,842

9 Subsequent Events

There were no material events subsequent to the end of the current quarter ended 31 December 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 20 February 2020 (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 20 February 2020 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

WIDETECH (MALAYSIA) BERHAD
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NOTES TO THE QUARTERLY REPORT FOR THE FINANCIAL QUARTER ENDED
31 DECEMBER 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
	31/12/19 RM'000	31/12/18 RM'000	Amount RM'000	%	31/12/19 RM'000	31/12/18 RM'000	Amount RM'000
Revenue	2,187	1,993	194	10%	6,415	6,158	257
Operating Profit	383	453	(70)	-15%	892	1,152	(260)
Profit before Interest, Share of Profit on Associate and Tax	383	453	(70)	-15%	892	1,152	(260)
Profit before Tax	272	384	(112)	-29%	1,083	1,350	(267)
Profit After Tax	237	364	(127)	-35%	1,010	1,283	(273)
Profit attributable to Equity Holders of the Parent	228	366	(138)	-38%	1,030	1,307	(277)

The Group recorded a turnover of RM6.415 million and a pre-tax profit of RM1.083 million for the financial period ended 31 December 2019 against the preceding year's corresponding period turnover of RM6.158 million and a pre-tax of RM1.350 million. Overall, 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 share of profit of RM0.305 million, as opposed to a share of profit of RM0.326 million in the preceding year's corresponding period. Unrealised foreign exchange loss of RM0.237 million arising from amount due to us was recognised in the current financial period, as compared to an unrealised foreign exchange loss of RM0.197 million recognised in the financial period ended 31 December 2018.

In line with an improved revenue of RM5.315 million, the manufacturing division registered a higher pre-tax profit of RM0.845 million against a revenue of RM4.468 million and a pre-tax profit of RM0.688 million in the preceding year's corresponding period.

The hotel operation in Laos remained loss-making, with a revenue of RM0.761 million (USD0.186 million) and a pre-tax loss of RM0.157 million (USD0.038 million), as compared to a revenue of RM0.792 million (USD0.198 million) and a pre-tax loss of RM0.148 million (USD0.037 million) in the preceding year's corresponding period.

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

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

	Current Quarter	Immediate Preceding Quarter	Changes	
	31/12/19 RM'000	30/09/19 RM'000	Amount RM'000	%
Revenue	2,187	1,985	202	10%
Operating Profit	383	212	170	80%
Profit before Interest, Share of Profit on Associate and Tax	383	212	170	80%
Profit before Tax	272	384	(112)	-29%
Profit After Tax	237	365	(128)	-35%
Profit attributable to Equity Holders of the Parent	228	388	(160)	-41%

For the 3rd quarter ended 31 December 2019, the Group achieved a turnover of RM2.187 million and generated a pre-tax profit of RM0.272 million as compared to a revenue of RM1.985 million and pre-tax profit of RM0.384 million in the preceding quarter ended 30 September 2019.

The lower profit in the current quarter was mainly attributable to a share of loss contribution of RM0.075 million from our associated company, as compared to a share of profit of RM0.210 million in the preceding quarter. An unrealised foreign exchange loss of RM0.237 million arising from amount due to us was recognised in the current quarter.

However, the loss from the associated company was partly offset by an improved performance by our hotel operations in Laos. This division recovered from a seasonal lower tourists arrival in the preceding quarter ended 30 September 2019 to post a pre-tax profit of RM0.009 million in the current quarter, as opposed to a pre-tax loss of RM0.123 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) 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 31-Dec-19 RM'000	As at 31-Dec-18 RM'000
Current tax		
Current year	73	-

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

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 2019 are as follows

	As at 31-Dec-19 RM'000	As at 31-Dec-18 RM'000
A Short Term Borrowings		
Secured		
Term loan	238	301
Hire purchase obligation	84	44
	<u>322</u>	<u>345</u>
B Long Term Borrowings		
Secured		
Term loan	2,338	2,569
Hire purchase obligation	57	-
	<u>2,395</u>	<u>2,569</u>
 Total Borrowings	 <u>2,717</u>	 <u>2,914</u>

8 Material pending litigation

The Group was not engaged in any material / material pending litigation as at 20 February 2020 (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 2019 have been seen and approved by the Board of Directors of Widetech (Malaysia) Berhad on 25 February 2020 for release to the Bursa Securities.

BY ORDER OF THE BOARD

Lim Seck Wah
Tang Chi Hoe (Kevin)
Company Secretaries

Dated this 25th day of February 2020