

WIDETECH (MALAYSIA) BERHAD
 (Company No. 113939-U)
 (Incorporated in Malaysia)
 AND ITS SUBSIDIARIES
 CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2020

	(Unaudited) As at 31-Mar-20 RM`000	Audited As at 31-Mar-19 RM`000
Fixed assets	9,782	10,649
Rights-of-use-assets	1,074	-
Deferred Tax Assets	145	191
Current assets		
Inventories	1,213	1,685
Receivables ,deposits and prepayments	2,229	1,634
Amount due from Associate	2,828	2,626
Current Tax Assets	34	90
Cash and cash equivalents	24,220	23,679
	30,524	29,714
Current liabilities		
Payables and accruals	1,345	1,176
Bank borrowings	347	322
	1,692	1,498
Net current assets	28,832	28,216
	39,833	39,056
Equity		
Share capital	44,885	44,885
Reserves	-6,637	-7,884
Equity attributable to Equity Holders of the Company	38,248	37,001
Non-controlling interest	-700	-586
	37,548	36,415
Long Term and Deferred Liabilities		
Bank borrowings	2,285	2,641
	39,833	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 MARCH 2020
(The figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31-Mar-20 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31-Mar-19 RM'000	CURRENT YEAR TODATE 31-Mar-20 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-Mar-19 RM'000
1 a Revenue	2,067	2,240	8,482	8,398
b Cost of Sales	(1,289)	(1,051)	(4,693)	(3,850)
c Other Operating Expenses	(1,117)	(1,142)	(3,800)	(3,941)
d Other Operating Income	258	421	822	1,012
e Profit from Operations	(81)	468	811	1,619
f Finance Costs	(37)	(42)	(150)	(170)
g Share of profit on Associate	(200)	(73)	104	253
h Profit before Taxation	(318)	353	765	1,702
i Taxation	(70)	(109)	(143)	(176)
j Profit after Taxation	(388)	244	622	1,526
Attributable to:				
k Equity Holders of the Company	(360)	232	670	1,538
l Non-Controlling Interest	(28)	12	(48)	(12)
m Profit after Taxation	(388)	244	622	1,526
2 Earnings per share (EPS) attributable to Equity Holders of the Company (sen):				
a Basic EPS	(0.80)	0.52	1.50	3.44
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 MARCH 2020
(The figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31-Mar-20 RM' 000	PRECEDING YEAR CORRESPONDING QUARTER 31-Mar-19 RM' 000	CURRENT YEAR TODATE 31-Mar-20 RM' 000	PRECEDING YEAR CORRESPONDING PERIOD 31-Mar-19 RM' 000
3 a Profit after Taxation	(388)	244	622	1,526
b Other Comprehensive (Loss)/Income :				
Currency translation differences of foreign subsidiaries	413	(108)	511	516
Total Comprehensive Income	25	136	1,133	2,042
Attributable to :				
c Equity Holders of the Company	116	110	1,247	1,968
d Non-controlling Interest	(91)	26	(114)	74
Total Comprehensive Income	25	136	1,133	2,042

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 MARCH 2020
(The figures have not been audited)

	<----- Attributable to Equity Holders of the Company ----->				Non - Controlling Interest RM`000	Total Equity RM`000
	Share Capital RM`000	Exchange Fluctuation Reserve RM`000	Accumulated Losses RM`000	Sub-Total RM`000		
At 1 April 2019	44,885	4,538	(12,422)	37,001	(586)	36,415
Total Comprehensive Income for the period	-	577	670	1,247	(114)	1,133
At 31 March 2020	44,885	5,115	(11,752)	38,248	(700)	37,548
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	4,539	(12,423)	37,001	(586)	36,415

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 MARCH 2020
(The figures have not been audited)

	CURRENT YEAR TODATE 31-Mar-20 RM'000	PRECEDING YEAR 31-Mar-19 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Taxation	765	1,702
Adjustments for:		
Allowance for impairment loss	4	50
Allowance for obsolete inventories	76	64
Depreciation and amortisation	858	649
Interest income	(730)	(773)
Interest expenses	150	170
Gain on disposal of PPE	(1)	(16)
Reversal of impairment loss	-39	1
Reversal of inventories write-down	-48	-75
Unrealised gain on foreign exchange	42	30
Share of result of associate	(104)	(253)
Operating profit before working capital changes	973	1,554
Changes in Inventories	443	(546)
Changes in receivables, deposits and prepayments	(115)	151
Changes in amount due from associate	(98)	308
Changes in payables and accruals	169	(167)
Cash generated from operating activities	1,372	1,300
Tax refund/(paid)	(40)	(33)
Net cash generated from operating activities	1,332	1,267
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment	(999)	(637)
Proceeds from Disposal of PPE	1	95
Interest income	730	772
Net cash (used in)/generated from investing activities	(268)	230
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank borrowings	(331)	(316)
Interest paid	(150)	(170)
Net cash used in financing activities	(481)	(486)
Net increase in cash and cash equivalents	583	1,011
Cash and cash equivalents at beginning of year	23,679	22,698
Effects of exchange differences on cash and cash equivalents	(42)	(30)
Cash and cash equivalents at end of financial period	24,220	23,679

k

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-20 RM'000	31-Mar-19 RM'000
Deposit with licensed banks and financial institutions	22,222	21,355
Cash and bank balances	1,998	2,324
	24,220	23,679

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 MARCH 2020

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 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.

WIDETECH (MALAYSIA) BERHAD
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31 MARCH 2020

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 March 2020					
Revenue from external customers	7,079	959	444	-	8,482
Inter-segment revenue	-	-	300	(300)	-
Total Revenue	7,079	959	744	(300)	8,482
Segment Result	472	(241)	834	(984)	81
Interest income					730
Finance costs					(150)
Share of Profit on Associate					104
Profit before Tax					765
Segment Assets	5,638	1,682	11,804		19,124
Unallocated assets					22,401
					41,525
Segment Liabilities	391	393	595		1,379
Unallocated liabilities					2,598
					3,977

9 Subsequent Events

There were no material events subsequent to the end of the current quarter ended 31 March 2020 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 year under review.

11 Contingent liabilities

The Group did not have any material contingent liability as at 22 June 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 22 June 2020 (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-Mar-20 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-20 RM'000
Rental receivable	<u>296</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
	31/03/20 RM'000	31/03/19 RM'000	Amount RM'000	%	31/03/20 RM'000	31/03/19 RM'000	Amount RM'000
Revenue	2,067	2,240	(173)	-8%	8,482	8,398	84
Operating Profit	(81)	468	(549)	-117%	811	1,619	(808)
Profit before Interest, Share of Profit on Associate and Tax	(81)	468	(549)	-117%	811	1,619	(808)
Profit before Tax	(318)	353	(671)	-190%	765	1,702	(938)
Profit After Tax	(388)	244	(632)	-259%	622	1,526	(904)
Profit attributable to Equity Holders of the Parent	(360)	232	(592)	-255%	670	1,538	(868)

The Group recorded a turnover of RM8.482 million and a pre-tax profit of RM0.765 million for the financial year ended 31 March 2020 against the preceding year's turnover of RM8.398 million and a pre-tax profit of RM1.702 million. In addition to the closure of local and overseas operations somewhere in March 2020 due to the outbreak of Covid-19 virus, the closure of the Cambodia gaming operations in March 2019 has also impacted the earnings of the Group.

Our associated company contributed to a share of profit of RM0.104 million, as opposed to a share of profit of RM0.253 million in the preceding year. Unrealised foreign exchange loss of RM0.506 million arising from amount due to us was recognised in the current financial year, as compared to an unrealised foreign exchange loss of RM0.333 million recognised in the preceding year. Our clubs operations in Nepal are closed since 20 March 2020 due to the outbreak of Covid-19 virus.

Despite an improved revenue of RM7.079 million, the manufacturing division registered a lower pre-tax profit of RM0.863 million, as compared to a revenue of RM6.027 million and a pre-tax profit of RM0.942 million in the preceding year. The lower profit in the current financial year was mainly due to a lower gross profit margin registered. In addition, operations was closed from 18 March 2020 onwards due to the Movement Control Order arising from the outbreak of Covid-19 virus.

The hotel operation in Laos remained loss-making, with a revenue of RM0.959 million (USD0.228 million) and a pre-tax loss of RM0.245 million (USD0.058 million), as compared to a revenue of RM1.133 million (USD0.285 million) and a pre-tax loss of RM0.109 million (USD0.027 million) in the preceding year. The hotel was closed from 25 March 2020 onwards due to the outbreak of Covid-19 virus.

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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	
	31/03/20 RM'000	31/12/19 RM'000	Amount RM'000	%
Revenue	2,067	2,187	(120)	-5%
Operating Profit	(81)	383	(464)	-121%
Profit before Interest, Share of Profit on Associate and Tax	(81)	383	(464)	-121%
Profit before Tax	(318)	272	(590)	-217%
Profit After Tax	(388)	237	(624)	-264%
Profit attributable to Equity Holders of the Parent	(360)	228	(587)	-258%

For the 4th quarter ended 31 March 2020, the Group achieved a turnover of RM2.067 million and generated a pre-tax loss of RM0.318 million as compared to a revenue of RM2.187 million and pre-tax profit of RM0.272 million in the preceding quarter ended 31 December 2019.

Generally, the closure of our local and overseas operations somewhere in March 2020 due to the Covid-19 virus, as highlighted in Item 1 of Part B above, has affected our current 4th quarter result.

The lower profit in the current quarter was mainly attributable to a share of loss contribution of RM0.201 million from our associated company, as compared to a share of loss of RM0.075 million in the preceding quarter ended 31 December 2019. An unrealised foreign exchange loss of RM0.269 million arising from amount due to us was recognised in the current quarter.

In addition, our hotel operation recorded a pre-tax loss of RM0.089 million, as opposed to a pre-tax profit of RM0.009 million in the preceding quarter ended 31 December 2019. Although our operations was only closed from 25 March 2020 onwards due the virus outbreak, international tourists arrival have already slowed down significantly before our said closure.

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.

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5 Taxation

	As at 31-Mar-20 RM'000	As at 31-Mar-19 RM'000
<u>Current tax</u>		
Current year	106	67
(Over)/Under provision in prior years	-9	-
Total	<u>97</u>	<u>67.00</u>
<u>Deferred Tax</u>		
Current year	48	136
(Over)/Under provision in prior years	-2	-27
Total deferred tax	<u>46</u>	<u>109</u>
Total tax expense recognised	<u>143</u>	<u>176</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.

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 2020 are as follows

	As at 31-Mar-20 RM'000	As at 31-Mar-19 RM'000
A Short Term Borrowings		
Secured		
Term loan	274	238
Hire purchase obligation	73	84
	<u>347</u>	<u>322</u>
B Long Term Borrowings		
Secured		
Term loan	2,242	2,518
Hire purchase obligation	43	123
	<u>2,285</u>	<u>2,641</u>
Total Borrowings	<u>2,632</u>	<u>2,963</u>

8 Material pending litigation

The Group was not engaged in any material / material pending litigation as at 22 June 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 year.

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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 2020 have been seen and approved by the Board of Directors of Widetech (Malaysia) Berhad on 25 June 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 June 2020