

WIDETECH (MALAYSIA) BERHAD
 (Company No. 113939-U)
 (Incorporated in Malaysia)
 AND ITS SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2020

	(Unaudited) As at 30-Jun-20 RM'000	Audited As at 31-Mar-20 RM'000
Fixed assets	9,089	9,272
Rights-of-use-assets	1,551	1,584
Deferred Tax Assets	145	145
Current assets		
Inventories	1,942	1,213
Receivables ,deposits and prepayments	2,437	2,229
Amount due from Associate	2,695	2,828
Current Tax Assets	34	34
Cash and cash equivalents	23,264	24,221
	30,372	30,525
Current liabilities		
Payables and accruals	1,183	1,346
Bank borrowings	347	347
	1,530	1,693
Net current assets	28,842	28,832
	39,627	39,833
Equity		
Share capital	44,885	44,885
Reserves	-6,762	-6,637
Equity attributable to Equity Holders of the Company	38,123	38,248
Non-controlling interest	-702	-700
	37,421	37,548
Long Term and Deferred Liabilities		
Bank borrowings	2,206	2,285
	39,627	39,833
Net assets per share attributable to Equity Holders of the Company (RM)	0.85	0.85

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 JUNE 2020
(The figures have not been audited)

		INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		CURRENT YEAR QUARTER 30-Jun-20 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30-Jun-19 RM'000	CURRENT YEAR TODATE 30-Jun-20 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30-Jun-19 RM'000
1	a Revenue	2,175	2,243	2,175	2,243
	b Cost of Sales	(1,364)	(1,218)	(1,364)	(1,218)
	c Other Operating Expenses	(642)	(923)	(642)	(923)
	d Other Operating Income	158	195	158	195
	e Profit from Operations	327	297	327	297
	f Finance Costs	(29)	(40)	(29)	(40)
	g Share of profit on Associate	(365)	170	(365)	170
	h (Loss)/Profit before Taxation	(67)	427	(67)	427
	i Taxation	(17)	(19)	(17)	(19)
	j (Loss)/Profit after Taxation	(84)	408	(84)	408
	Attributable to:				
	k Equity Holders of the Company	(63)	414	(63)	414
	l Non-Controlling Interest	(21)	(6)	(21)	(6)
	m (Loss)/Profit after Taxation	(84)	408	(84)	408
2	Earnings per share (EPS) attributable to Equity Holders of the Company (sen):				
	a Basic EPS	(0.14)	0.93	(0.14)	0.93
	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 JUNE 2020
(The figures have not been audited)

		INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		CURRENT YEAR QUARTER 30-Jun-20 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30-Jun-19 RM'000	CURRENT YEAR TODATE 30-Jun-20 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30-Jun-19 RM'000
3	a (Loss)/Profit after Taxation	(84)	408	(84)	408
	b Other Comprehensive (Loss)/Income :				
	Currency translation differences of foreign subsidiaries	(43)	132	(43)	132
	Total Comprehensive (Loss)/ Income	(127)	540	(127)	540
Attributable to :					
c	Equity Holders of the Company	(125)	559	(125)	559
d	Non-controlling Interest	(2)	(19)	(2)	(19)
	Total Comprehensive (Loss)/ Income	(127)	540	(127)	540

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 JUNE 2020
(The figures have not been audited)

	<----- Attributable to Equity Holders of the Company ----->					
	Share Capital RM'000	Exchange Fluctuation Reserve RM'000	Accumulated Losses RM'000	Sub-Total RM'000	Non - Controlling Interest RM'000	Total Equity RM'000
At 1 April 2020	44,885	5,115	(11,752)	38,248	(700)	37,548
Total Comprehensive Loss for the period	-	(62)	(63)	(125)	(2)	(127)
At 30 June 2020	44,885	5,053	(11,815)	38,123	(702)	37,421
At 1 April 2019	44,885	4,538	(12,422)	37,001	(586)	36,415
Total Comprehensive Income for the period	-	145	414	559	(19)	540
At 30 June 2019	44,885	4,683	(12,008)	37,560	(605)	36,955

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 JUNE 2020
(The figures have not been audited)

	CURRENT YEAR TODATE 30-Jun-20 RM'000	PRECEDING YEAR 30-Jun-19 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss)/Profit before Taxation	(67)	428
Adjustments for:		
Depreciation and amortisation	223	194
Interest income	(157)	(194)
Interest expenses	29	40
Gain on disposal of PPE	-	(1)
Reversal of impairment loss	-11	-
Share of result of associate	365	(170)
Operating profit before working capital changes	<u>382</u>	<u>297</u>
Changes in Inventories	(730)	256
Changes in receivables, deposits and prepayments	(222)	129
Changes in amount due from associate	(232)	(45)
Changes in payables and accruals	(162)	15
Cash (used in)/ generated from operating activities	<u>(964)</u>	<u>652</u>
Tax refund/(paid)	(17)	49
Net cash (used in)/ generated from operating activities	<u>(981)</u>	<u>701</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment	(25)	(508)
Proceeds from Disposal of PPE	-	1
Interest income	157	194
Net cash generated from/ (used in) investing activities	<u>132</u>	<u>(313)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank borrowings	(79)	(81)
Interest paid	(29)	(40)
Net cash used in financing activities	<u>(108)</u>	<u>(121)</u>
Net (decrease)/ increase in cash and cash equivalents	(957)	267
Cash and cash equivalents at beginning of year	24,221	23,679
Cash and cash equivalents at end of financial period	<u>23,264</u>	<u>23,946</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-Jun-20 RM'000	30-Jun-19 RM'000
Deposit with licensed banks and financial institutions	22,179	21,449
Cash and bank balances	1,086	2,497
	<u>23,264</u>	<u>23,946</u>

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NOTES TO THE QUARTERLY REPORT FOR THE FINANCIAL QUARTER ENDED
30 JUNE 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 Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs"), requirements of Companies Act 2016 and applicable disclosure provisions of the 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 2020.

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 2020

As at the date of this report, certain new standards, amendments and interpretations to existing standards have been published by the Malaysian Accounting Standards Board but are not yet effective, and have not been adopted early by the Group. The initial adoption of these standards, amendments and interpretations are not expected to have any material impact to the Group.

2 Status of Audit Qualification

The annual financial statements for the year ended 31 March 2020 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, except for the financial impact arising from the Covid-19 pandemic as disclosed in Notes B1 and B2.

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.

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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
As at 30 June 2020					
Revenue from external customers	2,067	43	65	-	2,175
Inter-segment revenue	-	-	75	(75)	-
Total Revenue	2,067	43	140	(75)	2,175
Segment Result	404	(146)	(182)	94	170
Interest income					157
Finance costs					(29)
Share of Profit on Associate					(365)
Profit before Tax					(67)
Segment Assets	5,960	1,553	11,286		18,799
Unallocated assets					22,358
					41,157
Segment Liabilities	207	349	627		1,183
Unallocated liabilities					2,553
					3,736

9 Subsequent Events

There were no material events subsequent to the end of the current quarter ended 30 June 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 period under review.

11 Contingent liabilities

The Group did not have any material contingent liability as at 21 August 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 21 August 2020 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

13 Related Party Transactions

Significant transactions are as follows :-

i) Transactions between the Company and its subsidiaries :-

	As at 30-Jun-20 RM'000
Management fees receivable	<u>75</u>

ii) Transactions with company in which a Director is deemed to have substantial financial interest :-

	As at 30-Jun-20 RM'000
Rental receivable	<u>74</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	
	30/06/20 RM'000	30/06/19 RM'000	Amount RM'000	%	30/06/20 RM'000	30/06/19 RM'000	Amount RM'000	%
Revenue	2,175	2,243	(68)	-3%	2,175	2,243	(68)	-3%
Operating Profit	327	297	30	10%	327	297	30	10%
Profit before Interest, Share of (Loss)/Profit on Associate and Tax	327	297	30	10%	327	297	30	10%
Profit before Tax	(67)	427	(493)	-116%	(67)	427	(493)	-116%
Profit After Tax	(84)	408	(492)	-121%	(84)	408	(492)	-121%
Profit attributable to Equity Holders of the Parent	(63)	414	(477)	-115%	(63)	414	(477)	-115%

The Group recorded a turnover of RM2.175 million and a pre-tax loss of RM0.067 million for the financial period ended 30 June 2020 against the preceding year's corresponding period turnover of RM2.243 million and a pre-tax profit of RM0.427 million. The temporary closure of our overseas operations and restricted operation of our manufacturing division during the Covid-19 pandemic have impacted the earnings of the Group.

Our associated company contributed to a share of loss of RM0.365 million, as opposed to a share of profit of RM0.170 million in the preceding year's corresponding period. Amid the Covid-19 pandemic, our clubs in Nepal remain closed since 21 March 2020 until further notice, as per the directives of the government. This has resulted in loss of revenue by the clubs while incurring fixed operating costs during the said closure.

In line with an improved revenue of RM2.067 million, the manufacturing division registered a higher pre-tax profit of RM0.501 million against a revenue of RM1.835 million and a pre-tax profit of RM0.239 million in the preceding year's corresponding period.

Our hotel operation in Laos remained loss-making, with a revenue of RM0.043 million (USD0.010 million) and a pre-tax loss of RM0.146 million (USD0.034 million), as compared to a revenue of RM0.279 million (USD0.068 million) and a pre-tax loss of RM0.043 million (USD0.010 million) in the preceding year's corresponding period. The hotel, which was temporary closed since 25 March 2020 during the Covid-19 pandemic, resumed operations on 18 May 2020 under extremely challenging environment as tourists arrival remained low following continuous concerns surrounding the pandemic.

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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	
	30/06/20 RM'000	31/03/20 RM'000	Amount RM'000	%
Revenue	2,175	2,067	108	5%
Operating Profit	327	(81)	408	-503%
Profit before Interest, Share of Profit on Associate and Tax	327	(81)	408	-503%
Profit before Tax	(67)	(318)	251	-79%
Profit After Tax	(84)	(388)	304	-78%
Profit attributable to Equity Holders of the Parent	(63)	(360)	297	-83%

For the 1st quarter ended 30 June 2020, the Group achieved a turnover of RM2.175 million and generated a pre-tax loss of RM0.067 million as compared to a revenue of RM2.067 million and pre-tax loss of RM0.318 million in the preceding quarter ended 31 March 2020.

The losses in the current quarter were mainly attributable to our overseas operations impacted by the Covid-19 pandemic:-

- i) Our associated company contributed to a higher share of loss of RM0.365 million as its clubs remain closed during the pandemic, as opposed to a share of loss of RM0.201 million in the preceding quarter ended 31 March 2020, as highlighted in Note B1 above.
- ii) Our hotel division registered a higher pre-tax loss of RM0.146 million amid low tourists arrival following concerns surrounding the pandemic, as opposed to a pre-tax loss of RM0.089 million in the preceding quarter ended 31 March 2020, as highlighted in Note B1 above.

3 Prospects

The Covid-19 pandemic has resulted in varying degree of preventive measures implemented across the world and these have impacted the Group's operations.

- i) The manufacturing division is expected to continue to contribute positively to the earnings of the Group.
- ii) Given the adverse impact of the pandemic on the travel and tourism industry, the Board is more cautious of the near term outlook of the hotel division for the year ended 31 March 2021 as its prospects remain unclear at this point in time. The Board will focus on improving its costs and operational efficiencies for business sustainability and at the same time considering disposal of the Hotel.
- iii) As at the date of this report, the near term outlook of the electronic gaming outlets in Nepal remain unclear as the clubs continue to be temporarily closed until further notice. The Board wishes to caution that the Group expects its contribution for the year ending 31 March 2021 to be adversely affected.
- iv) Moving forward, the Board will continuously assess the impact of Covid-19 on its operations. In the light of the global economic uncertainties arising from the pandemic, the Group will strive to remain resilient and continue to place strong emphasis on improving costs and operational efficiencies across its operations for business sustainability.
- v) The Board remain committed to cautiously pursue and explore any viable new investment opportunities to further enhance shareholders value.

4 Variance of Actual Profit from Forecast Profit

Not Applicable as no profit forecast was published.

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5 Taxation

	As at 30-Jun-20 RM'000	As at 30-Jun-19 RM'000
<u>Current tax</u>		
Current year	17	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 year under review.

7 Group Borrowings and Debt Securities

The Group borrowings and debt securities as at 30 June 2020 are as follows

	As at 30-Jun-20 RM'000	As at 30-Jun-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	2,175	2,460
Hire purchase obligation	31	100
	<u>2,206</u>	<u>2,560</u>
Total Borrowings	<u>2,553</u>	<u>2,882</u>

8 Material pending litigation

The Group was not engaged in any material / material pending litigation as at 21 August 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.

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

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30 JUNE 2020

11 Authorisation

This Quarterly Results for the financial period ended 30 June 2020 have been seen and approved by the Board of Directors of Widetech (Malaysia) Berhad on 26 August 2020 for release to the Bursa Securities.

BY ORDER OF THE BOARD

Lim Seck Wah
Tang Chi Hoe (Kevin)
Company Secretaries

Dated this 26th day of August 2020