

WIDETECH (MALAYSIA) BERHAD
 (Company No. 113939-U)
 (Incorporated in Malaysia)
 AND ITS SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2021

| | (Unaudited) As at 31-Mar-21 RM'000 | Audited As at 31-Mar-20 RM'000 |
|--|---|---|
| Fixed assets | 10,075 | 9,272 |
| Rights-of-use-assets | 1,467 | 1,584 |
| Deferred Tax Assets | - | 145 |
| Current assets | | |
| Inventories | 2,274 | 1,213 |
| Receivables ,deposits and prepayments | 3,358 | 2,229 |
| Amount due from Associate | - | 2,828 |
| Current Tax Assets | - | 34 |
| Cash and cash equivalents | 22,650 | 24,221 |
| | 28,282 | 30,525 |
| Current liabilities | | |
| Payables and accruals | 1,803 | 1,346 |
| Bank borrowings | 335 | 347 |
| Provision for taxation | 165 | - |
| | 2,303 | 1,693 |
| Net current assets | 25,979 | 28,832 |
| | 37,521 | 39,833 |
| Equity | | |
| Share capital | 44,885 | 44,885 |
| Reserves | -9,054 | -6,637 |
| Equity attributable to Equity Holders of the Company | 35,831 | 38,248 |
| Non-controlling interest | -693 | -700 |
| | 35,138 | 37,548 |
| Long Term and Deferred Liabilities | | |
| Bank borrowings | 1,942 | 2,285 |
| Deferred tax liabilities | 441 | - |
| | 37,521 | 39,833 |
| Net assets per share attributable to Equity Holders of the Company (RM) | 0.80 | 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)
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2021
(The figures have not been audited)

| | INDIVIDUAL PERIOD | | CUMULATIVE PERIOD | |
|--|---|---|--|--|
| | CURRENT YEAR QUARTER 31-Mar-21 RM'000 | PRECEDING YEAR CORRESPONDING QUARTER 31-Mar-20 RM'000 | CURRENT YEAR TODATE 31-Mar-21 RM'000 | PRECEDING YEAR CORRESPONDING PERIOD 31-Mar-20 RM'000 |
| 1 a Revenue | 3,903 | 2,067 | 11,825 | 8,482 |
| b Cost of Sales | (2,170) | (1,289) | (7,069) | (4,693) |
| c Other Operating Expenses | (4,420) | (1,117) | (8,867) | (3,800) |
| d Other Operating Income | 794 | 258 | 1,179 | 822 |
| e Profit from Operations | (1,894) | (81) | (2,932) | 811 |
| f Finance Costs | (22) | (37) | (98) | (150) |
| g Share of profit on Associate | 2,767 | (200) | 1,817 | 104 |
| h (Loss)/Profit before Taxation | 851 | (318) | (1,213) | 765 |
| i Taxation | (892) | (70) | (1,025) | (143) |
| j (Loss)/Profit after Taxation | (41) | (388) | (2,238) | 622 |
| Attributable to: | | | | |
| k Equity Holders of the Company | (41) | (360) | (2,194) | 670 |
| l Non-Controlling Interest | 0 | (28) | (44) | (48) |
| m (Loss)/Profit after Taxation | (41) | (388) | (2,238) | 622 |
| 2 Earnings per share (EPS) attributable to Equity Holders of the Company (sen): | | | | |
| a Basic EPS | (0.09) | (0.80) | (4.90) | 1.50 |
| 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 31 MARCH 2021
 (The figures have not been audited)

| | INDIVIDUAL PERIOD | | CUMULATIVE PERIOD | |
|---|---|---|--|--|
| | CURRENT YEAR QUARTER 31-Mar-21 RM'000 | PRECEDING YEAR CORRESPONDING QUARTER 31-Mar-20 RM'000 | CURRENT YEAR TODATE 31-Mar-21 RM'000 | PRECEDING YEAR CORRESPONDING PERIOD 31-Mar-20 RM'000 |
| 3 a (Loss)/Profit after Taxation | (41) | (388) | (2,238) | 622 |
| b Other Comprehensive (Loss)/Income : | | | | |
| Currency translation differences of foreign subsidiaries | 90 | 413 | (172) | 511 |
| Total Comprehensive (Loss)/ Income | 49 | 25 | (2,410) | 1,133 |
| Attributable to : | | | | |
| c Equity Holders of the Company | 84 | 116 | (2,417) | 1,247 |
| d Non-controlling Interest | (35) | (91) | 7 | (114) |
| Total Comprehensive (Loss)/ Income | 49 | 25 | (2,410) | 1,133 |

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 31 MARCH 2021
(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 2020 | 44,885 | 5,115 | (11,752) | 38,248 | (700) | 37,548 |
| Total Comprehensive Loss for the period | - | (223) | (2,194) | (2,417) | 7 | (2,410) |
| At 31 March 2021 | <u>44,885</u> | <u>4,892</u> | <u>(13,946)</u> | <u>35,831</u> | <u>(693)</u> | <u>35,138</u> |
| 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 | <u>44,885</u> | <u>5,115</u> | <u>(11,752)</u> | <u>38,248</u> | <u>(700)</u> | <u>37,548</u> |

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 31 MARCH 2021
(The figures have not been audited)

| | CURRENT YEAR TODATE 31-Mar-21 RM'000 | PRECEDING YEAR 31-Mar-20 RM'000 |
|--|---|--|
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| (Loss)/Profit before Taxation | (1,213) | 765 |
| Adjustments for: | | |
| Allowance for impairment loss | - | 4 |
| Allowance for obsolete inventories | 23 | 101 |
| Bad debts written off | 5,439 | - |
| Depreciation and amortisation | 982 | 858 |
| Interest income | (480) | (730) |
| Interest expenses | 98 | 150 |
| Property, plant and equipment written off | - | 1 |
| Gain on disposal of PPE | - | (1) |
| Reversal of impairment loss | - | (39) |
| Reversal of inventories write-down | (60) | (48) |
| Unrealised gain on foreign exchange | 36 | 42 |
| Share of result of associate | (1,817) | (104) |
| Gain on disposal of Investment in Associate | (513) | - |
| Operating profit before working capital changes | <u>2,495</u> | <u>999</u> |
| Changes in Inventories | (1,023) | 419 |
| Changes in receivables, deposits and prepayments | (1,258) | (116) |
| Changes in amount due from associate | (282) | (98) |
| Changes in payables and accruals | 456 | 162 |
| Cash generated from operating activities | <u>388</u> | <u>1,366</u> |
| Tax refund/(paid) | (240) | (40) |
| Net cash generated from operating activities | <u>148</u> | <u>1,326</u> |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Property, Plant & Equipment | (1,714) | (999) |
| Proceeds from Disposal of PPE | - | 1 |
| Interest income | 480 | 730 |
| Net cash used in investing activities | <u>(1,234)</u> | <u>(268)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Bank borrowings | (354) | (332) |
| Interest paid | (98) | (150) |
| Net cash used in financing activities | <u>(452)</u> | <u>(482)</u> |
| Net (decrease)/ increase in cash and cash equivalents | (1,538) | 576 |
| Cash and cash equivalents at beginning of year | 24,221 | 23,679 |
| Effects of exchange differences on cash and cash equivalents | (33) | (34) |
| Cash and cash equivalents at end of financial period | <u>22,650</u> | <u>24,221</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-Mar-21 RM'000 | 31-Mar-20 RM'000 |
|--|---------------------|---------------------|
| Deposit with licensed banks and financial institutions | 21,451 | 22,222 |
| Cash and bank balances | 1,199 | 1,998 |
| | <u>22,650</u> | <u>24,221</u> |

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

NOTES TO THE QUARTERLY REPORT FOR THE FINANCIAL QUARTER ENDED
31 MARCH 2021

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 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, except for the financial impact arising from the Covid-19 pandemic as disclosed in Note B1.

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

NOTES TO THE QUARTERLY REPORT FOR THE FINANCIAL QUARTER ENDED
31 MARCH 2021

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 2021 | | | | | |
| Revenue from external customers | 10,872 | 570 | 383 | - | 11,825 |
| Inter-segment revenue | - | - | 300 | (300) | - |
| Total Revenue | 10,872 | 570 | 683 | (300) | 11,825 |
| Segment Result | 2,080 | (342) | (6,215) | 1,065 | (3,412) |
| Interest income | | | | | 480 |
| Finance costs | | | | | (98) |
| Share of Profit on Associate | | | | | 1,817 |
| Profit before Tax | | | | | (1,213) |
| Segment Assets | 8,755 | 1,500 | 8,118 | | 18,373 |
| Unallocated assets | | | | | 21,451 |
| | | | | | 39,824 |
| Segment Liabilities | 884 | 312 | 606 | | 1,802 |
| Unallocated liabilities | | | | | 2,884 |
| | | | | | 4,686 |

9 Subsequent Events

There were no material events subsequent to the end of the current quarter ended 31 March 2021 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 24 May 2021 (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 24 May 2021 (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 31-Mar-21 RM'000 |
| Management fees receivable | <u>300</u> |

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

| | |
|-------------------|------------------------------|
| | As at 31-Mar-21 RM'000 |
| Rental receivable | <u>296</u> |

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

NOTES TO THE QUARTERLY REPORT FOR THE FINANCIAL QUARTER ENDED
31 MARCH 2021

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 | |
|---|--------------------|--------------------|------------------|-------|--------------------|--------------------|------------------|-------|
| | 31/03/21 RM'000 | 31/03/20 RM'000 | Amount RM'000 | % | 31/03/21 RM'000 | 31/03/20 RM'000 | Amount RM'000 | % |
| Revenue | 3,903 | 2,067 | 1,836 | 89% | 11,825 | 8,482 | 3,343 | 39% |
| Operating (Loss)/Profit | (1,894) | (81) | (1,813) | 2238% | (2,932) | 811 | (3,743) | -462% |
| (Loss)/Profit before Interest, Share of Profit on Associate and Tax | (1,894) | (81) | (1,813) | 2238% | (2,932) | 811 | (3,743) | -462% |
| (Loss)/Profit before Tax | 851 | (318) | 1,170 | 368% | (1,213) | 765 | (1,977) | -259% |
| (Loss)/Profit After Tax | (41) | (388) | 347 | 90% | (2,238) | 622 | (2,860) | -460% |
| (Loss)/Profit attributable to Equity Holders of the Parent | (41) | (360) | 319 | 89% | (2,194) | 670 | (2,864) | -427% |

The Group recorded a turnover of RM11.825 million and a pre-tax loss of RM1.213 million for the financial year ended 31 March 2021 against the preceding year's turnover of RM8.482 million and a pre-tax profit of RM0.765 million.

The losses in the current financial year was mainly attributable to the full write off on the amount due from associate of RM5.439 million pursuant to the disposal of our 40% equity interest in our associated company on 31 March 2021.

The said write off was partially offset by the corresponding debt waiver on the amount due to us in our associate's book of RM2.728 million. Furthermore, the disposal of investment in our associate has resulted in a gain on disposal of RM0.513 million.

Our associated company contributed to a share of profit of RM1.817 million, as opposed to a share of profit of RM0.104 million in the preceding year.

The uncertainty caused by the indefinite closure of our clubs' operations since 21 March 2020 in Nepal during the Covid-19 pandemic has resulted in our associate terminating the Joint Venture Agreement with their Nepal partner on 1 October 2020 to cut further losses, as the clubs had continued to incur fixed operating costs with zero income during the said closure. Subsequently, on 31 March 2021, we disposed our entire 40% equity interest in our loss-making associate.

Pursuant to the said disposal of investment, we have mutually agreed to waive the amount due from our associate in view of its capital deficiency status and the indefinite closure of the clubs in Nepal. As such, a debt waiver income of RM2.728 million contributed to the share of profit of associate during the year.

In line with an improved revenue of RM11.825 million, the manufacturing division registered a higher pre-tax profit of RM2.472 million against a revenue of RM7.079 million and a pre-tax profit of RM0.863 million in the preceding year.

Our hotel operation in Laos remained loss-making, with a revenue of RM0.570 million (USD0.135 million) and a pre-tax loss of RM0.344 million (USD0.081 million), as compared to a revenue of RM0.959 million (USD0.228 million) and a pre-tax loss of RM0.245 million (USD0.058 million) in the preceding year.

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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 AND ITS SUBSIDIARIES

**NOTES TO THE QUARTERLY REPORT FOR THE FINANCIAL QUARTER ENDED
 31 MARCH 2021**

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

| | Current Quarter | Immediate Preceding Quarter | Changes | |
|--|--------------------|-----------------------------|------------------|-------|
| | 31/03/21 RM'000 | 31/12/20 RM'000 | Amount RM'000 | % |
| Revenue | 3,903 | 3,044 | 859 | 28% |
| Operating Profit | (1,894) | 679 | (2,572) | -379% |
| Profit/(Loss) before Interest, Share of Profit on Associate and Profit/(Loss) before Tax | (1,894) | 679 | (2,572) | -379% |
| (Loss)/Profit After Tax | 851 | 423 | 429 | 101% |
| (Loss)/Profit attributable to Equity Holders of the Parent | (41) | 328 | (369) | -112% |
| | (41) | 333 | (374) | -112% |

For the 4th quarter ended 31 March 2021, the Group achieved a turnover of RM3.903 million and generated a pre-tax profit of RM0.851 million as compared to a revenue of RM3.044 million and pre-tax profit of RM0.423 million in the preceding quarter ended 31 December 2020.

The current quarter pre-tax profit was mainly due to the following:

- i) The manufacturing division registered revenue of 3.562 million and pre-tax profit of RM1.032 million, as compared to a revenue of RM2.781 million and pre-tax profit of RM0.481 million in the quarter ended 31 December 2020
- ii) Our associated company contributed to a share of profit of RM2.767 million in the current quarter, arising mainly from the debt waiver on the amount due to us of RM2.728 million, as highlighted in B1 above
- iii) The disposal of our investment in associate on 31 March 2021 has resulted in a gain on disposal of RM0.513 million
- iii) The current quarter profit was partly offset by the write off on the amount due from associate of RM3.336 million

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 largely unaffected by the pandemic. This 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 2022 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) On 31 March 2021, we had announced the disposal of our entire 40% equity interest in our associated company to prevent further losses associated with maintaining the loss-making investment.
- iv) Moving forward, the Board will continuously assess the impact of Covid-19 on its operations. In 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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AND ITS SUBSIDIARIES

NOTES TO THE QUARTERLY REPORT FOR THE FINANCIAL QUARTER ENDED
31 MARCH 2021

5 Taxation

| | As at 31-Mar-21 RM'000 | As at 31-Mar-20 RM'000 |
|---|------------------------------|------------------------------|
| <u>Current tax</u> | | |
| Current year | 446 | 106 |
| (Over)/Under provision in prior year | -7 | -9 |
| Total | <u>439</u> | <u>97</u> |
| <u>Deferred Tax</u> | | |
| Current year | 516 | 48 |
| (Over)/Under provision in prior years | 70 | -2 |
| Total deferred tax recognised in profit or loss | <u>586</u> | <u>46</u> |
| Total tax expense | <u>1,025</u> | <u>143</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 2021 are as follows

| | As at 31-Mar-21 RM'000 | As at 31-Mar-20 RM'000 |
|--------------------------------|------------------------------|------------------------------|
| A Short Term Borrowings | | |
| Secured | | |
| Term loan | 286 | 274 |
| Hire purchase obligation | 49 | 73 |
| | <u>334</u> | <u>347</u> |
| B Long Term Borrowings | | |
| Secured | | |
| Term loan | 1,942 | 2,242 |
| Hire purchase obligation | - | 43 |
| | <u>1,942</u> | <u>2,285</u> |
| Total Borrowings | <u>2,277</u> | <u>2,632</u> |

8 Material pending litigation

The Group was not engaged in any material / material pending litigation as at 24 May 2021 (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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NOTES TO THE QUARTERLY REPORT FOR THE FINANCIAL QUARTER ENDED
31 MARCH 2021

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 2021 have been seen and approved by the Board of Directors of Widetech (Malaysia) Berhad on 28 May 2021 for release to the Bursa Securities.

BY ORDER OF THE BOARD

Lim Seck Wah
Tang Chi Hoe (Kevin)
Company Secretaries

Dated this 28th day of May 2021