

WIDETECH (MALAYSIA) BERHAD
 [Registration No.:198401001418/(113939-U)]
 (Incorporated in Malaysia)
 AND ITS SUBSIDIARIES
 CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2021

	(Unaudited) As at 30-Jun-21 RM'000	Audited As at 31-Mar-21 RM'000
Fixed assets	10,013	10,075
Rights-of-use-assets	1,447	1,467
Current assets		
Inventories	3,020	2,274
Receivables ,deposits and prepayments	2,190	3,358
Cash and cash equivalents	22,214	22,650
	27,424	28,282
Current liabilities		
Payables and accruals	995	1,803
Bank borrowings	338	335
Provision for taxation	165	165
	1,498	2,303
Net current assets	25,926	25,979
	37,386	37,521
Equity		
Share capital	44,885	44,885
Reserves	-9,062	-9,054
Equity attributable to Equity Holders of the Company	35,823	35,831
Non-controlling interest	-724	-693
	35,099	35,138
Long Term and Deferred Liabilities		
Bank borrowings	1,846	1,942
Deferred tax liabilities	441	441
	37,386	37,521
Net assets per share attributable to Equity Holders of the Company (RM)	0.80	0.80

The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes attached with the interim financial reports

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CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2021
(The figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30-Jun-21 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30-Jun-00 RM'000	CURRENT YEAR TODATE 30-Jun-21 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30-Jun-00 RM'000
1 a Revenue	2,267	2,175	2,267	2,175
b Cost of Sales	-1,501	-1,364	-1,501	-1,364
c Other Operating Expenses	-832	-642	-832	-642
d Other Operating Income	100	158	100	158
e Profit from Operations	34	327	34	327
f Finance Costs	-21	-29	-21	-29
g Share of profit on Associate	-	-365	-	-365
h Profit /(Loss) before Taxation	13	-67	13	-67
i Taxation	-53	-17	-53	-17
j Loss after Taxation	-40	-84	-40	-84
Attributable to:				
k Equity Holders of the Company	-11	-63	-11	-63
l Non-Controlling Interest	-29	-21	-29	-21
m Loss after Taxation	-40	-84	-40	-84
2 Earnings per share (EPS) attributable to Equity Holders of the Company (sen):				
a Basic EPS	-0.03	-0.14	-0.03	-0.14
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

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2021
(The figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30-Jun-21 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30-Jun-00 RM'000	CURRENT YEAR TODATE 30-Jun-21 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30-Jun-00 RM'000
3 a Loss after Taxation	-40	-84	-40	-84
b Other Comprehensive (Loss)/Income :				
Currency translation differences of foreign subsidiaries	1	-43	1	-43
Total Comprehensive Loss	-39	-127	-39	-127
Attributable to :				
c Equity Holders of the Company	-8	-125	-8	-125
d Non-controlling Interest	-31	-2	-31	-2
Total Comprehensive Loss	-39	-127	-39	-127

The above Consolidated Statement of Comprehensive Income should be read in conjunction
with the accompanying explanatory notes attached with the interim financial reports

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE FINANCIAL QUARTER ENDED 30 JUNE 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 2021	44,885	4,892	-13,946	35,831	-693	35,138
Total Comprehensive Loss for the period	-	3	-11	-8	-31	-39
At 30 June 2021	44,885	4,895	-13,959	35,823	-724	35,099
At 1 April 2020	44,885	5,115	-11,752	38,248	-700	37,548
Total Comprehensive Income for the period	-	-62	-63	-125	-2	-127
At 30 June 2020	44,885	5,053	-11,815	38,123	-702	37,421

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

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT
 FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2021
 (The figures have not been audited)

	CURRENT YEAR TODATE 30-Jun-21 RM'000	PRECEDING YEAR 30-Jun-20 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit /(Loss) before Taxation	13	-67
Adjustments for:		
Depreciation and amortisation	288	223
Interest income	-98	-157
Interest expenses	21	29
Reversal of impairment loss	-	-11
Share of result of associate	-	365
Operating profit before working capital changes	<u>224</u>	<u>382</u>
Changes in Inventories	-746	-730
Changes in receivables, deposits and prepayments	1,168	-222
Changes in amount due from associate	-0	-232
Changes in payables and accruals	-807	-162
Cash used in operating activities	<u>-161</u>	<u>-964</u>
Tax refund/(paid)	-53	-17
Net cash used in operating activities	<u>-214</u>	<u>-981</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment	-205	-25
Interest income	98	157
Net cash used in investing activities	<u>-107</u>	<u>132</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank borrowings	-94	-79
Interest paid	-21	-29
Net cash used in financing activities	<u>-115</u>	<u>-108</u>
Net decrease in cash and cash equivalents	-436	-957
Cash and cash equivalents at beginning of year	22,650	24,221
Cash and cash equivalents at end of financial period	<u>22,214</u>	<u>23,264</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-21 RM'000	30-Jun-20 RM'000
Deposit with licensed banks and financial institutions	21,248	22,179
Cash and bank balances	966	1,086
	<u>22,214</u>	<u>23,264</u>

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NOTES TO THE QUARTERLY REPORT FOR THE FINANCIAL QUARTER ENDED
30 JUNE 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 2021.

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 2021.

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 2021 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 2021					
Revenue from external customers	2,096	54	117	-	2,267
Inter-segment revenue	-	-	75	-75	-
Total Revenue	2,096	54	192	-75	2,267
Segment Result	127	-127	-220	156	-64
Interest income					98
Finance costs					-21
Profit before Tax					13
Segment Assets	8,184	1,436	29,264		38,884
					38,884
Segment Liabilities	575	308	553		1,436
Unallocated liabilities					2,349
					3,785

9 Subsequent Events

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

11 Contingent liabilities

The Group did not have any material contingent liability as at 23 August 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 23 August 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 30-Jun-21 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-21 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	
	30/06/21 RM'000	30/06/00 RM'000	Amount RM'000	%	30/06/21 RM'000	30/06/00 RM'000	Amount RM'000	%
Revenue	2,267	2,175	92	4%	2,267	2,175	92	4%
Operating Profit	34	327	-293	-90%	34	327	-293	-90%
(Loss)/Profit before Interest, Share of Profit on Associate and Tax	34	327	-293	-90%	34	327	-293	-90%
Profit /(Loss) before Taxation	13	-67	80	119%	13	-67	80	119%
Loss after Taxation	-40	-84	44	52%	-40	-84	44	52%
Loss attributable to Equity Holders of the Parent	-11	-63	51	82%	-11	-63	51	82%

The Group recorded a turnover of RM2.267 million and a pre-tax profit of RM0.013 million for the financial period ended 30 June 2021 against the preceding year's corresponding period turnover of RM2.175 million and a pre-tax loss of RM0.067 million. The losses in the preceding year's corresponding period was mainly attributable to the temporary suspension of our overseas operations and restricted operations of our manufacturing division amid the Covid-19 pandemic. Our associate, which was disposed on 31 March 2021, had also contributed to a share of loss of RM0.365 million for the financial period ended 30 June 2020.

The manufacturing division registered revenue of RM2.096 million and pre-tax profit of RM0.225 million, against a revenue of RM2.067 million and a pre-tax profit of RM0.501 million in the preceding year's corresponding period ended 30 June 2020. Despite a marginal increase in revenue for the financial period ended 30 June 2021, this division registered higher operating expenses and depreciation charges resulting in lower pre-tax profit, as opposed to the financial period ended 30 June 2020 whereby a lower operating costs were recorded during its restricted operations with a reduced workforce in compliance with the Movement Control Order in March 2020. In addition, this division received a wage subsidy of RM0.065 million from the Wage Subsidy Programme introduced by the government in the financial period ended 30 June 2020.

Our hotel operation in Laos remained loss-making, with a revenue of RM0.054 million (USD0.013 million) and a pre-tax loss of RM0.127 million (USD0.031 million), as compared to a revenue of RM0.043 million (USD0.010 million) and a pre-tax loss of RM0.146 million (USD0.034 million) in the preceding year's corresponding period. During the financial period under review, our hotel continued to experience intermittent local travel restrictions and lockdown along with international border closures amid the pandemic outbreak.

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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	
	30/06/21 RM'000	31/03/21 RM'000	Amount RM'000	%
Revenue	2,267	3,903	-1,636	-42%
Operating Profit	34	-1,894	1,928	102%
Profit/(Loss) before Interest, Share of Profit on Associate and Profit/(Loss) before Tax	34	-1,894	1,928	102%
(Loss)/Profit After Tax	13	851	-838	-98%
(Loss)/Profit attributable to Equity Holders of the Parent	-40	-41	0	1%
	-11	-41	30	72%

For the 1st quarter ended 30 June 2021, the Group achieved a turnover of RM2,267 million and generated a pre-tax profit of RM0.013 million as compared to a revenue of RM3.903 million and pre-tax profit of RM0.851 million in the preceding quarter ended 31 March 2021.

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

- i) The manufacturing division registered revenue of 2.096 million and pre-tax profit of RM0.225 million, as compared to a revenue of RM3.562 million and pre-tax profit of RM1.032 million in the quarter ended 31 March 2021. In the previous quarter, customers increased orders to keep extra stocks to mitigate any disruption in supply following continuous concerns surrounding the pandemic.

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) Amid the ongoing pandemic, 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 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) 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.
- iv) 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-21 RM'000	As at 30-Jun-00 RM'000
<u>Current tax</u>		
Current year	53	17

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.

7 Group Borrowings and Debt Securities

The Group borrowings and debt securities as at 30 June 2021 are as follows

	As at 30-Jun-21 RM'000	As at 30-Jun-00 RM'000
A Short Term Borrowings		
Secured		
Term loan	307	274
Hire purchase obligation	31	73
	338	347
B Long Term Borrowings		
Secured		
Term loan	1,846	2,175
Hire purchase obligation	-	31
	1,846	2,206
 Total Borrowings	 2,184	 2,553

8 Material pending litigation

The Group was not engaged in any material / material pending litigation as at 23 August 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.

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 2021

11 Authorisation

This Quarterly Results for the financial period ended 30 June 2021 have been seen and approved by the Board of Directors of Widetech (Malaysia) Berhad on 27 August 2021 for release to the Bursa Securities.

BY ORDER OF THE BOARD

Lim Seck Wah
Tang Chi Hoe (Kevin)
Company Secretaries

Dated this 27th day of August 2021