

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

QUARTERLY REPORT ON CONDENSED CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2008  
(The figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30-Sep-08 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30-Sep-07 RM'000	CURRENT YEAR TODATE 30-Sep-08 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30-Sep-07 RM'000
1 a Revenue	4,435	2,310	9,033	6,119
b Cost of Sales	-2,773	-672	-5,365	-1,263
c Other Operating Expenses	-2,124	-1,931	-4,350	-4,182
d Other Operating Income	93	121	465	172
e Profit from Operations	-369	-171	-217	846
f Finance Costs	-221	-277	-452	-595
g Investing Results	-	-	-	-
h (Loss)/ Profit before Taxation	-590	-448	-669	251
i Taxation	-113	-167	-197	-307
j (Loss)/Profit for the period	-703	-615	-866	-56
k Attributable to: Shareholders of the Company	-791	-507	-955	-87
l Minority Interest	88	-108	89	31
m (Loss)/Profit for the period	-703	-615	-866	-56
2 Earnings per share attributable to shareholders of the Company (sen) (based on 44,753,000 ordinary shares)	(1.77)	(1.16)	(2.13)	(0.20)
Diluted earnings per share attributable to shareholders of the Company (sen) (based on 44,753,000 ordinary shares)	(1.77)	(1.08)	(2.13)	(0.19)

WIDETECH (MALAYSIA) BERHAD  
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 CONDENSED CONSOLIDATED BALANCE SHEET AT 30 SEPT 2008

	(Unaudited) As at 30-Sep-08 RM'000	Audited As at 31-Mar-08 RM'000
<b>Fixed assets</b>	25,957	19,653
<b>Prepaid lease payments</b>	1,606	1,565
<b>Goodwill on Consolidation</b>	393	393
<b>Current assets</b>		
Inventories	1,008	1,113
Receivables, deposits and prepayments	22,217	24,477
Current Tax Assets	297	290
Asset classified as held for sale	-	2,582
Cash and cash equivalents	-271	8,679
	23,250	37,141
<b>Current liabilities</b>		
Payables and accruals	6,833	7,819
Bank borrowings	32	10,761
Provision for taxation	88	-
	6,953	18,580
<b>Net current assets</b>	16,297	18,561
	44,253	40,172
<b>Shareholders' Funds</b>		
Share capital	44,753	44,753
Reserves	-6,828	-5,804
Equity attributable to shareholders of the Company	37,925	38,949
Minority interests	1,055	966
	38,980	39,915
<b>Long Term and Deferred Liabilities</b>		
Bank borrowings	5,209	193
Deferred tax liabilities	64	64
	44,253	40,172
<b>Net assets per share (RM)</b>	0.85	0.87

The Condensed Consolidated Balance Sheet should be read  
 in conjunction with the Annual Financial Report for the year ended 31 March 2008

WIDETECH (MALAYSIA) BERHAD  
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL QUARTER ENDED 30 SEPT 2008  
(The figures have not been audited)

	Attributable to Shareholders of the Company							Total Equity RM'000
	Share Capital RM'000	Share Premium Reserve RM'000	Share Option Reserve RM'000	Exchange Fluctuation Reserve RM'000	Accumulated Losses RM'000	Sub-Total RM'000	Minority Interest RM'000	
At 1 April 2008	44,753	132	13	(2,027)	(3,922)	38,949	966	39,915
Net loss for the year	-	-	-	-	(955)	(955)	89	(866)
Net loss not recognised in the income statements :								
Currency translation differences of a foreign subsidiary	-	-	-	(69)	-	(69)	-	(69)
At 30 Sept 2008	44,753	132	13	(2,096)	(4,877)	37,925	1,055	38,980
At 1 April 2007	40,640	-	18	(757)	(3,116)	36,785	682	37,467
Issue of shares:								
Private placement	4,064	122	-	-	-	4,186	-	4,186
Exercise of ESOS	35	4	-	-	-	39	-	39
Net loss for the year	-	-	-	-	(87)	(87)	31	(56)
Net loss not recognised in the income statements :								
Currency translation differences of a foreign subsidiary	-	-	-	52	-	52	-	52
At 30 Sept 2007	44,739	126.00	18	(705)	(3,203)	40,975	713	41,688

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 March 2008

WIDETECH (MALAYSIA) BERHAD  
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CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE FINANCIAL QUARTER ENDED 30 SEPT 2008  
(The figures have not been audited)

	CURRENT YEAR TODATE 30-Sep-08 RM'000	PRECEDING YEAR 31-Mar-08 RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	(669)	(900)
Adjustments for:		
Depreciation and amortisation	1,932	2,715
(Gain)/Loss on disposal of plant and equipment	(343)	(30)
Fixed assets written off	414	-
Interest income	(118)	(320)
Interest expenses	452	979
<b>Operating profit before working capital changes</b>	<b>1,668</b>	<b>2,444</b>
Changes in Inventories	105	(171)
Changes in receivables, deposits and prepayments	2,253	13,046
Changes in payables and accruals	(2,509)	(1,497)
<b>Cash generated from operating activities</b>	<b>1,518</b>	<b>13,822</b>
Tax paid	(109)	(636)
<b>Net cash generated from operating activities</b>	<b>1,409</b>	<b>13,186</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant & Equipment	(7,235)	(9,161)
Proceeds from disposal of Property, Plant & Equipment	2,925	382
Prepaid lease payments	-	(799)
Interest income	118	320
<b>Net cash generated used in investing activities</b>	<b>(4,192)</b>	<b>(9,258)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Bank borrowings	(5,713)	(11,886)
Fixed deposit pledged for banking facilities	3,633	2,908
Proceeds from issuance of shares	-	4,239
Interest paid	(452)	(979)
Shares issued to minority shareholders	-	799
<b>Net cash used in financing activities</b>	<b>(2,532)</b>	<b>(4,919)</b>
Net decrease in cash and cash equivalents	(5,316)	(991)
Cash and cash equivalents at beginning of year	5,045	6,238
Effects of exchange differences on cash and cash equivalents	-	(202)
<b>Cash and cash equivalents at end of financial period</b>	<b>-271</b>	<b>5,045</b>

## 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-Sep-08 RM'000	31-Mar-08 RM'000
Short term deposit with licensed banks	0	4,110
Cash and bank balances	-271	935
	<b>-271</b>	<b>5,045</b>

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NOTES TO THE QUARTERLY REPORT FOR THE FINANCIAL QUARTER ENDED  
30 SEPT 2008

**A NOTES TO THE INTERIM FINANCIAL REPORT**

**1 Accounting Policies**

The interim financial reports of the Group are prepared in accordance with FRS 134 Interim Financial Reporting and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). The accounting policies, method of computation and basis of consolidation adopted by the Group in this interim financial reports are consistent with those adopted in the annual financial statements for the year ended 31 March 2008, except for the adoption of the following new or revised FRSs with effect from 1 April 2008 :-

FRS 107	Cash Flow Statement
FRS 112	Income Taxes
FRS 118,	Revenue
Amendments to FRS 121	The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets
IC Interpretation 1	Changes in Existing Decommissioning, Restoration and Similar Instruments
IC Interpretation 8	Scope of FRS 2

The adoption of the new or revised FRSs does not have any material impact on the Group and the Company.

**2 Status of Audit Qualification**

The annual financial statements for the year ended 31 March 2008 were not subject to any qualification.

**3 Seasonal or Cyclical Factors**

The Group performance is normally not affected by seasonal and cyclical factors except during the festive seasons and holidays in the month of October, December and January. The manufacturing business will experience a shorter production and trading time during festive seasons.

**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 since the end of previous financial year.

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30 SEPT 2008

### 8 Segmental reporting

Financial data by business segment for the Group

	Turnover	Profit/(Loss)
	As at	Before Taxation
	30-Sep-08	As at
	RM'000	30-Sep-08
		RM'000
Manufacturing	2,121	230
Trading in consumer products	5,765	746
Gaming Operations	695	(499)
Hotel Operation	426	(692)
Others	26	(454)
<b>Total</b>	<b>9,033</b>	<b>(669)</b>

Financial data by geographical segment for the Group

	Turnover	Profit/(Loss)
	As at	Before Taxation
	30-Sep-08	As at
	RM'000	30-Sep-08
		RM'000
Malaysia	7,912	567
Cambodia	166	(127)
Vietnam	529	(372)
Lao PDR	426	(692)
Others	-	(45)
<b>Total</b>	<b>9,033</b>	<b>(669)</b>

### 9 Property, Plant and Equipment

The valuations of property, plant & equipment have been brought forward, without amendment from the previous annual financial statements.

### 10 Subsequent Events

There were no material events subsequent to the end of the current financial year-to-date that have not been reflected in the financial statements for the said period as at the date of this report.

### 11 Changes in the composition of the Group

There were no changes in the composition of the Group for the financial period under review.

### 12 Contingent liabilities

Saved as disclosed below, the Group did not have any material contingent liabilities as at 20 November 2008 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report):-

- i) On 17 November 2008, the e-gaming club in Vietnam, where our subsidiary derived management fees from, have received a notice from the Ministry of Finance of Vietnam requesting for additional tax payment amounting to approximately USD240,000 for 2006 and 2007. The additional tax payment was computed based on variable tax method as compared to the fixed tax payment method adopted by the club and approved by the Authorities then. This additional tax payment imposed by the Authorities is industry wide. The club is now appealing to the quantum and the settlement period. The resulting tax payment is expected to reduce our management fees derived from the club.

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 30 SEPT 2008

**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES' LISTING REQUIREMENTS**

**1 Review of the performance of the Company and its Principal Subsidiaries.**

The Group recorded a pre-tax loss for the current period to date of RM0.669 million as compared to the preceding year's corresponding period of a pre-tax profit of RM0.251 million. The pre-tax loss registered was mainly attributed to the following :-

- i) The consumer products division's new finance scheme introduced at the end of January 2008 generated a lower margin as compared to the previous scheme. In addition, income from service charges on loan has dropped due to a lower loan base as a result of redemption of loan.
- ii) Our e-gaming club in Ho Chi Minh, Vietnam remained closed due to the unlawful interference of its business by Amara Saigon Hotel Co. Ltd ("the Hotel"). Although operation has ceased, the total investment in the club continues to be amortised at a rate of USD33,333 per month, which further contributed to the Group's pre-tax loss. In addition, the Hotel has unlawfully destroyed our newly renovated club, resulting in a write off of renovation costs of RM0.304 million.
- iii) The hotel operation in Lao PDR continued to contribute to a pre-tax loss of RM0.692 million
- iv) Relocation of our corporate office to our newly acquired office units in Solaris Mont' Kiara has resulted in a write off of old fixtures and fittings of approximately RM0.110 million.

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

For the 2nd quarter ended 30 September 2008, the Group achieved a turnover of RM4.435 million and generated a pre-tax loss of RM0.590 million as compared to RM4.598 million and RM0.079 million in the previous quarter ended 30 June 2008 respectively. There were no material changes in the turnover for the 2nd quarter as compared to the preceding quarter. The main contributing factor to the pre-tax loss in the current quarter is the writing off of fixed assets amounting to RM0.414 million as stated in Note B1(ii) and (iv).

**3 Prospects**

- i) The new consumer finance scheme implemented in January 2008 is expected to contribute positively to the revenue of the Group.
- ii) Wire Master Spring Sdn Bhd, the manufacturing business, is expected to contribute consistently to the long term earnings of the Group.
- iii) Management fees derived from provision of equipment, operation and management services for e-gaming clubs in Cambodia and Vietnam are expected to contribute positively to the long term earnings of the Group.
- iv) Our e-gaming club in Ho Chi Minh, Vietnam, owned by Enselini International Limited ("EIL"), a 65% held subsidiary, and operated by another subsidiary, Remarkable Group Limited ("RGL"), remained closed due to the unlawful interference of its business by the Hotel as they have refused to recognise RGL as the legal operator of the club despite a court order obtained in January 2007 confirming the legal status of the operator of the club. As reported in the previous quarter, RGL has since initiated a legal action against the Hotel on 14 May 2008. The closure of the club is expected to affect the revenue and earnings of the gaming segment of the Group in the current financial year.
- v) On 4 November 2008, a notice from the Lao PDR Government was received informing us that our application for a gaming operating license in Riveria Hotel, Thakhek, has been rejected. Reason for this rejection was based on the Lao PDR Government's decision that gaming licenses can only be issued at the Federal Government level instead of the Provincial Government level. We are appealing to this decision and seeking our lawyer's opinion. The prospect of our operations in Lao PDR will depend on the outcome of our appeal.

**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-Sep-08 RM'000
Current year taxation	197
(Over)/Under provision in prior year	-
<b>Total</b>	<b>197</b>

The disproportionate tax charge is mainly due to certain expenses being disallowed for tax purposes and profits generated by a subsidiary incorporated in the British Virgin Islands, which is not taxable.

**6 Profit/(loss) on sale of properties and/or unquoted investments**

There were no material profits or losses on sale of properties / unquoted investments for the financial period under review.

**7 Quoted securities**

There were no purchases or disposal of quoted shares for the financial period under review.

**8 Status of corporate proposals**

There were no corporate proposals announced for the financial under review.

**9 Group Borrowings and Debt Securities**

The Group borrowings and debt securities as at 30 September 2008 are as follows:-

	As at 30-Sep-08 RM'000
<b>A Short Term Borrowings</b>	
<b>Secured</b>	
Private Debt Securities (Commercial Papers)	0
Hire purchase obligation	32
	32
<b>B Long Term Borrowings</b>	
<b>Secured</b>	
Term loan	5,016
Hire purchase obligation	193
	5,209

**10 Off balance sheet financial instruments**

The Group did not have any financial instruments with off balance sheet risk as at 20 November 2008 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).



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**11 Material pending litigation**

Saved as disclosed below, the Group was not engaged in any material / material pending litigation as at 20 November 2008 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report) :-

i) On 28 May 2003, EPA Automation Sdn Bhd ("EPA Malaysia") and EPA Automation Pte Ltd ("EPA Singapore") filed a suit against Camozzi s.p.a., Camozzi Malaysia Sdn Bhd and two former employees of EPA Malaysia (collectively known as the "Camozzi Defendants") in relation to the alleged wrongful termination of the sole agency and distributorship agreement between EPA Malaysia and EPA Singapore with Camozzi s.p.a. and the alleged wrongful use of EPA Malaysia's and EPA Singapore's confidential information by the Camozzi Defendants. The matter is being litigated and the trial has been postponed by the Court. However, the new trial date is not available as at the date of this report.

Sufficient provision has been made in the accounts for the abovementioned material litigation.

ii) On 14 May 2008, RGL filed a petition against Amara Saigon Hotel Co. Ltd., AOI Saigon Pte Ltd and Amara Holdings Limited in relation to the unlawful interference of EIL's business and closure of EIL's club in Ho Chi Minh, Vietnam. RGL has sought damages arising thereof amounting to a total of approximately USD3.907 million.

**12 Dividends**

No dividend has been paid, declared or proposed since the end of previous financial year.

**13 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 44,753,000 ordinary shares issued.

**b) Fully diluted earnings per ordinary share**

The diluted earnings per ordinary share is the same as the basic earning per ordinary share as the effect of the anti-dilutive potential ordinary shares are ignored in calculating diluted earning per ordinary share in accordance with the FRS133 on Earnings per share.

**14 Authorisation**

This Quarterly Results for the financial period ended 30 September 2008 have been seen and approved by the Board of Directors of Widetech (Malaysia) Berhad on 25 November 2008 for release to the Bursa Securities.

BY ORDER OF THE BOARD

**Mah Li Chen**

Company Secretary

Dated this 25th day of November 2008