

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

QUARTERLY REPORT ON CONDENSED CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2008
(The figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31-Dec-08 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31-Dec-07 RM'000	CURRENT YEAR TODATE 31-Dec-08 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-Dec-07 RM'000
1 a Revenue	3,178	2,265	12,211	8,384
b Cost of Sales	-1,990	-569	-7,355	-1,832
c Other Operating Expenses	-1,923	-1,705	-6,273	-5,887
d Other Operating Income	7	59	472	231
e Profit from Operations	-728	50	-945	896
f Finance Costs	-88	-212	-540	-807
g Investing Results	-	-	-	-
h (Loss)/ Profit before Taxation	-816	-162	-1,485	89
i Taxation	-187	-38	-384	-345
j Loss for the period	-1,003	-200	-1,869	-256
k Attributable to: Shareholders of the Company	-1,020	-245	-1,975	-332
l Minority Interest	17	45	106	76
m Loss for the period	-1,003	-200	-1,869	-256
2 Earnings per share attributable to shareholders of the Company (sen) (based on 44,753,133 ordinary shares)	(2.28)	(0.56)	(4.41)	(0.76)
Diluted earnings per share attributable to shareholders of the Company (sen)	N/A	(0.52)	N/A	(0.71)

WIDETECH (MALAYSIA) BERHAD
 (Company No. 113939-U)
 (Incorporated in Malaysia)
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 CONDENSED CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2008

	(Unaudited) As at 31-Dec-08 RM'000	Audited As at 31-Mar-08 RM'000
Fixed assets	25,312	19,653
Prepaid lease payments	1,597	1,565
Goodwill on Consolidation	393	393
Current assets		
Inventories	897	1,113
Receivables ,deposits and prepayments	20,483	24,477
Current Tax Assets	205	290
Asset classified as held for sale	-	2,582
Cash and cash equivalents	1,723	8,679
	23,308	37,141
Current liabilities		
Payables and accruals	7,055	7,819
Bank borrowings	218	10,761
Provision for taxation	137	-
	7,410	18,580
Net current assets	15,898	18,561
	43,200	40,172
Shareholders' Funds		
Share capital	44,753	44,753
Reserves	-7,862	-5,804
Equity attributable to shareholders of the Company	36,891	38,949
Minority interests	1,072	966
	37,963	39,915
Long Term and Deferred Liabilities		
Bank borrowings	5,173	193
Deferred tax liabilities	64	64
	43,200	40,172
Net assets per share (RM)	0.82	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 31 DECEMBER 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	-	-	-	-	(1,975)	(1,975)	106	(1,869)
Net loss not recognised in the income statements :								
Currency translation differences of a foreign subsidiary	-	-	-	(83)	-	(83)	-	(83)
At 31 Dec 2008	44,753	132	13	(2,110)	(5,897)	36,891	1,072	37,963
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	49	4	-	-	-	53		53
Net loss for the year	-	-	-	-	(332)	(332)	76	(256)
Net loss not recognised in the income statements :								
Currency translation differences of a foreign subsidiary	-	-	-	113	-	113	-	113
At 31 Dec 2007	44,753	126	18	(644)	(3,448)	40,805	758	41,563

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 31 DECEMBER 2008
(The figures have not been audited)

	CURRENT YEAR TODATE 31-Dec-08 RM'000	PRECEDING YEAR 31-Mar-08 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	(1,485)	(900)
Adjustments for:		
Depreciation and amortisation	2,802	2,715
(Gain)/Loss on disposal of plant and equipment	(343)	(30)
Fixed assets written off	475	-
Interest income	(126)	(320)
Interest expenses	540	979
Operating profit before working capital changes	1,863	2,444
Changes in Inventories	216	(171)
Changes in receivables, deposits and prepayments	4,077	13,046
Changes in payables and accruals	(2,240)	(1,497)
Cash generated from operating activities	3,915	13,822
Tax paid	(247)	(636)
Net cash generated from operating activities	3,668	13,186
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment	(7,571)	(9,161)
Proceeds from disposal of Property, Plant & Equipment	2,925	382
Prepaid lease payments	-	(799)
Interest income	126	320
Net cash generated used in investing activities	(4,520)	(9,258)
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank borrowings	(5,766)	(11,886)
Fixed deposit pledged for banking facilities	3,633	2,908
Proceeds from issuance of shares	-	4,239
Interest paid	(540)	(979)
Shares issued to minority shareholders	-	799
Net cash used in financing activities	(2,673)	(4,919)
Net decrease in cash and cash equivalents	(3,525)	(991)
Cash and cash equivalents at beginning of year	5,045	6,238
Effects of exchange differences on cash and cash equivalents	-	(202)
Cash and cash equivalents at end of financial period	1,520	5,045

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-Dec-08 RM'000	31-Mar-08 RM'000
Short term deposit with licensed banks	1,185	4,110
Cash and bank balances	538	935
Bank overdraft	(203)	0
	1,520	5,045

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NOTES TO THE QUARTERLY REPORT FOR THE FINANCIAL QUARTER ENDED
31 DECEMBER 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.

The Company's issued and paid-up share capital increased from RM44,753,000 to RM44,753,400 by way of the following:-

- a) an issue of 400 new ordinary shares of RM1.00 each at an issue price of RM1.00 per ordinary share pursuant to the conversion of Warrants which was granted listing and quotation on 5 December 2008

The Company's Warrants 2003/2008 had expired on 27 November 2008. The Employees Share Option Scheme, which had been in force for a period of 5 years, had also expired on 19 November 2008.

7 Dividend Paid

No dividend has been paid since the end of previous financial year.

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31 DECEMBER 2008

8 Segmental reporting

Financial data by business segment for the Group

	Turnover	Profit/(Loss)
	As at 31-Dec-08 RM'000	Before Taxation As at 31-Dec-08 RM'000
Manufacturing	2,978	241
Trading in consumer products	7,992	1,210
Gaming Operations	419	(1,209)
Hotel Operation	665	(963)
Others	157	(764)
Total	12,211	(1,485)

Financial data by geographical segment for the Group

	Turnover	Profit/(Loss)
	As at 31-Dec-08 RM'000	Before Taxation As at 31-Dec-08 RM'000
Malaysia	11,127	768
Cambodia	80	(298)
Vietnam	339	(911)
Lao PDR	665	(963)
Others	-	(81)
Total	12,211	(1,485)

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

The Group did not have any material contingent liabilities as at 20 February 2009 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

As reported in the previous quarter, 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 back payment of tax amounting to approximately USD238,000 for 2006 and 2007. The reason for this back payment of tax was due to the Authority's reversal of its decision in allowing the club to choose their method of tax payment. The Authority has since rejected our appeal and arrangement is being made to pay the additional tax whereby the quantum due has been revised to approximately USD189,000. This tax provision has been accrued and recognised as an adjustment of RM325,000 from our management fees derived over the year.

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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 RM1.485 million as compared to the preceding year's corresponding period of a pre-tax profit of RM0.089 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 decreased due to a lower loan base as a result of redemption of loans.
- ii) Our e-gaming club in Ho Chi Minh, Vietnam remained closed due to the unlawful interference of its business by Ramana Saigon Hotel, formerly known as 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 RM0.305 million.
- iii) The hotel operation in Lao PDR continued to contribute to a pre-tax loss of RM0.963 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 RM0.170 million.

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

For the 3rd quarter ended 31 December 2008, the Group achieved a turnover of RM3.178 million and generated a pre-tax loss of RM0.816 million as compared to RM4.435 million and RM0.590 million loss in the previous quarter ended 30 September 2008 respectively. The manufacturing and gaming segment experienced a slowdown in business in view of the current global financial crisis. In addition, increased market competition and competitive pricing in the consumer finance business has also led to a drop in revenue. One of the main contributing factor to the pre-tax loss for the current quarter is the adjustment of tax provision of RM325,000 from our management fee derived over the year, as mentioned in Note 12(i) of Part A.

3 Prospects

- i) The new consumer finance scheme implemented in January 2008 is expected to contribute positively to the revenue of the Group amidst increasing market competition.
- ii) Wire Master Spring Sdn Bhd, the manufacturing business, is striving to maintain its competitiveness in the market by increasing its market share, cost reductions, etc.
- iii) Management fees derived from provision of equipment, operation and management services for e-gaming clubs in Phnom Penh, Cambodia and Nha Trang, Vietnam are expected to contribute positively to the long term earnings of the Group.
- iv) Our e-gaming club in Ho Chi Minh, Vietnam, operated and owned by Remarkable Group Limited ("RGL"), a 65% held subsidiary, 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 has affected 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. An appeal has been lodged and we are still waiting for the outcome of our appeal to this decision. The prospect of our operations in Lao PDR will depend on the outcome of our appeal.

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4 Variance of Actual Profit from Forecast Profit

Not Applicable as no profit forecast was published.

5 Taxation

	As at 31-Dec-08 RM'000
Current year taxation	384
(Over)/Under provision in prior year	-
Total	384

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 31 December 2008 are as follows:-

	As at 31-Dec-08 RM'000
A Short Term Borrowings	
Secured	
Bank overdrafts	203
Hire purchase obligation	15
	218
B Long Term Borrowings	
Secured	
Term loan	4,980
Hire purchase obligation	193
	5,173

10 Off balance sheet financial instruments

The Group did not have any financial instruments with off balance sheet risk as at 20 February 2009 (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 February 2009 (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. The Court has fixed a mention date for trial on 19 May 2009. 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 alleged unlawful interference of its business and closure of its 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 weighted average 44,753,133 ordinary shares issued.

b) Fully diluted earnings per ordinary share

Not applicable

14 Authorisation

This Quarterly Results for the financial period ended 31 December 2008 have been seen and approved by the Board of Directors of Widetech (Malaysia) Berhad on 24 February 2009 for release to the Bursa Securities.

BY ORDER OF THE BOARD

Mah Li Chen
Tan Ley Theng
Company Secretaries

Dated this 24th day of February 2009