

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 MARCH 2010  
(The figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31-Mar-10 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31-Mar-09 RM'000	CURRENT YEAR TODATE 31-Mar-10 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-Mar-09 RM'000
1 a Revenue	2,412	2,874	10,255	15,085
b Cost of Sales	-672	-3,186	-3,947	-10,541
c Other Operating Expenses	-1,712	-5,569	-7,224	-11,842
d Other Operating Income	-108	189	117	661
e Profit from Operations	-80	-5,692	-799	-6,637
f Finance Costs	-58	-82	-233	-622
g Investing Results	-	-	-	-
h Loss before Taxation	-138	-5,774	-1,032	-7,259
i Taxation	-42	-62	-261	-446
j Loss for the period	-180	-5,836	-1,293	-7,705
k Attributable to: Shareholders of the Company	-373	-5,387	-1,414	-7,362
l Minority Interest	193	-449	121	-343
m <b>Loss for the period</b>	-180	-5,836	-1,294	-7,705
2 Earnings per share attributable to shareholders of the Company (sen) (based on 44,753,400 ordinary shares)	-0.83	-12.04	-3.16	-16.45
Diluted earnings per share attributable to shareholders of the Company (sen)	N/A	N/A	N/A	N/A

WIDETECH (MALAYSIA) BERHAD  
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 CONDENSED CONSOLIDATED BALANCE SHEET AT 31 MARCH 2010

	(Unaudited) As at 31-Mar-10 RM'000	Audited As at 31-Mar-09 RM'000
<b>Fixed assets</b>	17,801	19,898
<b>Prepaid lease payments</b>	1,518	1,643
<b>Trade Debtors</b>	7,893	10,273
<b>Current assets</b>		
Inventories	682	917
Receivables, deposits and prepayments	7,072	9,011
Current Tax Assets	115	137
Cash and cash equivalents	5,300	2,402
	13,169	12,467
<b>Current liabilities</b>		
Payables and accruals	3,472	4,333
Bank borrowings	333	1,203
Provision for taxation	26	4
	3,831	5,540
<b>Net current assets</b>	9,338	6,927
	36,550	38,741
<b>Shareholders' Funds</b>		
Share capital	44,753	44,753
Reserves	-13,783	-11,614
Equity attributable to shareholders of the Company	30,970	33,139
Minority interests	743	622
	31,713	33,761
<b>Long Term and Deferred Liabilities</b>		
Bank borrowings	4,741	4,887
Deferred tax liabilities	95	93
	36,550	38,741
<b>Net assets per share (RM)</b>	0.69	0.75

The Condensed Consolidated Balance Sheet should be read  
 in conjunction with the Annual Financial Report for the year ended 31 March 2009

WIDETECH (MALAYSIA) BERHAD  
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2010  
(The figures have not been audited)

	<----- Attributable to Shareholders of the Company ----->							
	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	Total Equity RM'000
At 1 April 2009	44,753	132	-	-475	-11,272	33,138	622	33,760
Net loss for the year	-	-	-	-	-1,414	-1,414	121	-1,294
Net loss not recognised in the income statements :								
Currency translation differences of a foreign subsidiary	-	-	-	-754	-	-754	-	-754
At 31 March 2010	<u>44,753</u>	<u>132</u>	<u>-</u>	<u>-1,229</u>	<u>-12,686</u>	<u>30,970</u>	<u>743</u>	<u>31,713</u>
At 1 April 2008	44,753	132	13	-2,027	-3,922	38,949	966	39,915
Transfer to accumulated losses for share options lapsed due to resignation			-13		13	-		-
Net loss for the year	-	-	-	-	-7,362	-7,362	-344	-7,706
Net loss not recognised in the income statements :								
Currency translation differences of a foreign subsidiary	-	-	-	1,552	-	1,552	-	1,552
At 31 March 2009	<u>44,753</u>	<u>132</u>	<u>-</u>	<u>-475</u>	<u>-11,271</u>	<u>33,139</u>	<u>622</u>	<u>33,761</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 March 2009

WIDETECH (MALAYSIA) BERHAD  
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CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2010  
(The figures have not been audited)

	CURRENT YEAR TODATE 31-Mar-10 RM'000	PRECEDING YEAR 31-Mar-09 RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before tax	-1,032	-7,260
Adjustments for:		
Depreciation and amortisation	2,735	2,774
Impairment loss on plant & equipment	-	5,701
(Gain)/Loss on disposal of plant and equipment	-1	156
Gain on disposal of asset classified as held for sale	-	-328
Fixed assets written off	1	386
Interest income	-52	-147
Interest expenses	233	622
Impairment loss on goodwill	-	393
<b>Operating profit before working capital changes</b>	<b>1,883</b>	<b>2,297</b>
Changes in Inventories	235	196
Changes in receivables, deposits and prepayments	4,349	5,868
Changes in payables and accruals	-1,186	-4,442
<b>Cash generated from operating activities</b>	<b>5,282</b>	<b>3,920</b>
Tax paid	-227	-260
<b>Net cash generated from operating activities</b>	<b>5,055</b>	<b>3,661</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant & Equipment	-982	-7,612
Proceeds from disposal of Property, Plant & Equipment	3	66
Proceeds from disposal of asset classified as held for sale	-	2,910
Interest income	52	147
Acquisition of subsidiary, net cash acquired	20	0
<b>Net cash generated used in investing activities</b>	<b>-908</b>	<b>-4,489</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Bank borrowings	-54	-5,826
Fixed deposit pledged for banking facilities	0	3,633
Interest paid	-233	-622
<b>Net cash used in financing activities</b>	<b>-287</b>	<b>-2,814</b>
Net decrease in cash and cash equivalents	3,860	-3,643
Cash and cash equivalents at beginning of year	1,440	5,045
<b>Effects of exchange differences on cash and cash equivalents</b>	<b>-</b>	<b>39</b>
<b>Cash and cash equivalents at end of financial period</b>	<b>5,300</b>	<b>1,441</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 :

	31-Mar-10 RM'000	31-Mar-09 RM'000
Short term deposit with licensed banks	4,256	794
Cash and bank balances	1,045	647
	<b>5,300</b>	<b>1,440</b>

WIDETECH (MALAYSIA) BERHAD  
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NOTES TO THE QUARTERLY REPORT FOR THE FINANCIAL QUARTER ENDED  
31 MARCH 2010

**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 Main Market 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 2009. The Group have not adopted the following accounting standards (including its consequential amendments) and interpretations that have been issued by the Malaysian Accounting Standards Board (MASB) :-

<b>FRSs/Interpretations</b>	<b>Effective Date</b>
Amendments to FRS 1, First-time Adoption of Financial Reporting Standards and FRS 127, Consolidated and Separate Financial Statements: Cost of Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
FRS 7, Financial Instruments : Disclosures	1 January 2010
FRS 123, Borrowing Costs	1 January 2010
FRS 139, Financial Instruments: Recognition and Measurement	1 January 2010
IC Interpretation 10, Interim Financial Reporting and Impairment	1 January 2010

The Group plans to apply the above FRSs/Interpretations from the annual period beginning 1 April 2010.

**2 Status of Audit Qualification**

The annual financial statements for the year ended 31 March 2009 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 September, December and February. 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 year.

**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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31 MARCH 2010

**8 Segmental reporting**

Financial data by business segment for the Group

	Turnover	Profit/(Loss)
	As at	Before Taxation
	31-Mar-10	As at
	RM'000	31-Mar-10
		RM'000
Manufacturing	3,934	396
Trading in consumer products	3,799	1,110
Gaming Operations	1,304	-39
Hotel Operation	892	-1,526
Others	326	-973
<b>Total</b>	<b>10,255</b>	<b>-1,032</b>

Financial data by geographical segment for the Group

	Turnover	Profit/(Loss)
	As at	Before Taxation
	31-Mar-10	As at
	RM'000	31-Mar-10
		RM'000
Malaysia	8,059	466
Cambodia	212	-640
Vietnam	1,092	643
Lao PDR	892	-1,526
Others	-	25
<b>Total</b>	<b>10,255</b>	<b>-1,032</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**

Saved as disclosed below, there were no changes in the composition of the Group for the financial period under review:-

- i) On 10 June 2009, the Group, via Remarkable Group Limited, completed the call option exercise granted by Rich Lee Holdings Sdn Bhd. The entire issued and paid up share capital of RLHSB of 10,000 ordinary shares of RM1.00 each was for a total cash consideration of U\$1.00.

**12 Contingent liabilities**

The Group did not have any material contingent liabilities as at 21 May 2010 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

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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 turnover of RM10.255 million and a pre-tax loss of RM1.032 million for the current year-to-date as compared to the preceding year's corresponding year turnover of RM15.085 million and a pre-tax loss of RM7.259 million.

The consumer finance business generated a lower revenue of RM3.799 million and a pre-tax profit of RM1.110 million against a revenue of RM9.861 million and a pre-tax profit RM1.586 million in the preceding year due to stiff market competition.

On the other hand, the gaming operations posted a higher revenue of RM1.304 million and a pre-tax loss of RM0.39 million as compared to a revenue of RM0.500 million and a pre-tax loss of RM6.151 million in the preceding year. Last year's losses was mainly due to the full impairment of our investment in the e-gaming club in Ho Chi Minh, Vietnam of approximately RM5.152 million as a result of the closure of its operations due to a dispute with Viet Star (formerly known as Amara Saigon Hotel Co. Ltd)

The manufacturing segment also recorded a higher revenue and pre-tax profit of RM3.934 million and RM0.396 million respectively against a revenue of RM3.654 million and a pre-tax profit of RM0.326 million in the preceding year.

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

For the 4th quarter ended 31 March 2010, the Group achieved a turnover of RM2.412 million and generated a pre-tax loss of RM0.138 million as compared to a revenue RM2.519 million and RM0.289 million loss in the previous quarter ended 31 December 2009 respectively. There are no material changes in turnover and pre-tax loss in the current quarter as compared to the previous quarter.

**3 Prospects**

- i) Although contribution from the consumer finance business has reduced significantly due to stiff market competition, it will continue to be the main income contributor of the Group.
- ii) Wire Master Spring Sdn Bhd, the manufacturing segment, is strived to maintain its competitiveness in the market by increasing its market share, cost savings, etc.
- iii) Management fees derived from provision of equipment, operation and management services for e-gaming club in Nha Trang, Vietnam is expected to contribute positively to the long term earnings of the Group.
- iv) The Board is confident that the relocation of our gaming machines from Phnom Penh to two casinos on a revenue sharing basis in March 2009 and April 2009 due to the closure of all e-gaming clubs in Cambodia by the Cambodian Government will eventually contribute positively to the long term earnings of the Group.
- v) 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 Ramara Saigon Hotel (formerly known as Amara Saigon Hotel) ("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 RGL as the legal operator of the club. RGL has since initiated a legal against the Hotel on 14 May 2008.  
On 5th and 8th February 2010, Rich Lee Holdings Sdn Bhd ("RLHSB"), a wholly owned subsidiary of RGL and RGL had filed separate petitions against Viet Star, seeking additional damages to date in addition to seeking direction from the courts in enforcing further judgements which the hotel had so far not complied.
- vi) Our agreement with Savan Vegas on 5 November 2009 to jointly operate the Gaming Club in our hotel in Laos on a revenue sharing basis has since lapsed and is now void.  
We are currently looking into improving the business of the hotel and at the same time considering disposal of the hotel.

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31 MARCH 2010

- 4 Variance of Actual Profit from Forecast Profit**  
Not Applicable as no profit forecast was published.

**5 Taxation**

	As at 31-Mar-10 RM'000
Current year taxation	261
Total	261

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 are 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 period under review.

**9 Group Borrowings and Debt Securities**

The Group borrowings and debt securities as at 31 March 2010 are as follows:-

	As at 31-Mar-10 RM'000
<b>A Short Term Borrowings</b>	
<b>Secured</b>	
Term loan	260
Hire purchase obligation	72
	333
<b>B Long Term Borrowings</b>	
<b>Secured</b>	
Term loan	4,693
Hire purchase obligation	49
	4,741

**10 Off balance sheet financial instruments**

The Group did not have any financial instruments with off balance sheet risk as at 21 May 2010 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).



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31 MARCH 2010

**11 Material pending litigation**

Saved as disclosed below, the Group was not engaged in any material / material pending litigation as at 21 May 2010 (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 on numerous occasion. The Court has yet to fix a trial date to date. Sufficient provision has been made in the accounts for the abovementioned material litigation.
- ii) On 14 May 2008, RGL filed a petition against Viet Star (formerly known as Amara Saigon Hotel Co. Ltd.), AOI Saigon Pte Ltd and Amara Holdings Limited in relation to the 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.  
In addition to the above petition, on 5th and 8th February 2010, RLHSB and RGL had filed separate petitions against Viet Star seeking damages amounting to USD11.199 million and USD9.476 million respectively for the unlawful closure of RGL's club. As advised by the lawyers, these petitions were necessary to file for additional damages to date and to seek direction from the courts in enforcing further judgements which Viet star had so far not complied.

**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 44,753,400 ordinary shares issued.

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

Not applicable

**14 Authorisation**

This Quarterly Results for the financial period ended 31 March 2010 have been seen and approved by the Board of Directors of Widetech (Malaysia) Berhad on 25 May 2010 for release to the Bursa Securities.

BY ORDER OF THE BOARD

**Lim Ming Toong**  
**Lai Chee Wah**  
Company Secretaries

Dated this 25th day of May 2010