

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

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2010
 (The figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30-Jun-10 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30-Jun-09 RM'000	CURRENT YEAR TODATE 30-Jun-10 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30-Jun-09 RM'000
1 a Revenue	3,132	2,936	3,132	2,936
b Cost of Sales	-786	-1,256	-786	-1,256
c Other Operating Expenses	-1,767	-1,888	-1,767	-1,888
d Other Operating Income	39	67	39	67
e Profit/(Loss) from Operations	618	-141	618	-141
f Finance Costs	-60	-60	-60	-60
g Investing Results	-	-	-	-
h Profit/(Loss) before Taxation	558	-201	558	-201
i Taxation	-68	-97	-68	-97
j Profit/(Loss) for the period	490	-298	490	-298
Attributable to:				
k Equity Holders of the Company	44	-355	44	-355
l Non-Controlling Interest	446	57	446	57
m Profit/(Loss) for the period	490	-298	490	-298
2 Earnings per share (EPS) attributable to Equity Holders of the Company (sen):				
a Basic EPS	0.10	-0.79	0.10	-0.79
b Diluted EPS	N/A	N/A	N/A	N/A

The above Consolidated Income Statement should be read
 in conjunction with the Audited Financial Statements for the year ended 31 March 2010.

WIDETECH (MALAYSIA) BERHAD
 (Company No. 113939-U)
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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2010
 (The figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30-Jun-10 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30-Jun-09 RM'000	CURRENT YEAR TODATE 30-Jun-10 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30-Jun-09 RM'000
3 a Profit/(Loss) for the period	490	-298	490	-298
b Other Comprehensive Income/(Loss) :				
Currency translation differences of foreign subsidiaries	438	-155	438	-155
Total Comprehensive Income	928	-453	928	-453
Attributable to :				
c Equity Holders of the Company	465	-577	465	-577
d Non-controlling Interest	463	124	463	124
Total Comprehensive Income	928	-453	928	-453

The above Consolidated Statement of Comprehensive Income should be read
 in conjunction with the Audited Financial Statements for the year ended 31 March 2010.

WIDETECH (MALAYSIA) BERHAD
 (Company No. 113939-U)
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 CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2010

	(Unaudited) As at 30-Jun-10 RM'000	Audited As at 31-Mar-10 (restated) RM'000
Fixed assets	18,926	19,319
Trade Debtors	-	
Current assets		
Inventories	869	682
Receivables ,deposits and prepayments	13,390	14,471
Current Tax Assets	82	115
Cash and cash equivalents	7,663	5,300
	22,004	20,568
Current liabilities		
Payables and accruals	3,783	3,581
Bank borrowings	54	72
Provision for taxation	16	24
	3,853	3,677
Net current assets	18,151	16,891
	37,077	36,210
Equity		
Share capital	44,753	44,753
Reserves	-13,428	-13,893
Equity attributable to Equity Holders of the Company	31,325	30,860
Non-controlling interest	716	253
	32,041	31,113
Long Term and Deferred Liabilities		
Bank borrowings	4,941	5,002
Deferred tax liabilities	95	95
	37,077	36,210
Net assets per share attributable to Equity Holders of the Company (RM)	0.70	0.69

The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2010

WIDETECH (MALAYSIA) BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2010
 (The figures have not been audited)

	Attributable to Equity Holders of the Company						Total Equity RM'000
	Share Capital RM'000	Share Premium Reserve RM'000	Exchange Fluctuation Reserve RM'000	Accumulated Profit/(Losses) RM'000	Sub-Total RM'000	Non - Controlling Interest RM'000	
At 1 April 2010	44,753	132	-1,228	-12,797	30,860	253	31,113
Total Comprehensive Income for the period	-	-	421	44	465	463	927
At 30 June 2010	44,753	132	-807	-12,753	31,325	716	32,040
At 1 April 2009	44,753	132	-474	-11,271	33,140	622	33,762
Total Comprehensive Income for the period	-	-	-222	-355	-577	124	-453
At 30 June 2009	44,753	132	-696	-11,626	32,563	746	33,308

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2010

WIDETECH (MALAYSIA) BERHAD
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CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2010
(The figures have not been audited)

	CURRENT YEAR TODATE 30-Jun-10 RM'000	PRECEDING YEAR 30-Jun-09 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	558	-201
Adjustments for:		
Depreciation and amortisation	643	704
Interest income	-33	-7
Interest expenses	60	60
Operating profit before working capital changes	<u>1,228</u>	<u>556</u>
Changes in Inventories	-187	55
Changes in receivables, deposits and prepayments	1,543	719
Changes in payables and accruals	181	-40
Cash generated from operating activities	<u>2,765</u>	<u>1,290</u>
Tax paid	-54	-97
Net cash generated from operating activities	<u>2,711</u>	<u>1,193</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property , Plant & Equipment	-242	-110
Interest income	33	7
Net cash generated used in investing activities	<u>-209</u>	<u>-103</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank borrowings	-79	-73
Interest paid	-60	-60
Net cash used in financing activities	<u>-139</u>	<u>-133</u>
Net decrease in cash and cash equivalents	2,363	957
Cash and cash equivalents at beginning of year	5,300	1,440
Cash and cash equivalents at end of financial period	<u>7,663</u>	<u>2,397</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-10 RM'000	30-Jun-09 RM'000
Deposit with licensed banks and financial institutions	6,601	1,808
Cash and bank balances	1,062	589
	<u>7,663</u>	<u>2,397</u>

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NOTES TO THE QUARTERLY REPORT FOR THE FINANCIAL QUARTER ENDED
30 JUNE 2010

A EXPLANATORY NOTES PURSUANT TO FRS 134

1 Accounting Policies

The interim financial reports of the Group are prepared in accordance with FRS 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

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 audited financial statements for the year ended 31 March 2010, except for the adoption of the following FRSs with effect from the financial period 1 April 2010:

FRSs/Interpretations

FRS 7	Financial Instruments : Disclosures
FRS 8	Operating Segments
FRS 101(revised),	Presentation of Financial Statements
FRS 123	Borrowing Costs
FRS 132 (revised),	Financial Instruments : Presentation
FRS 139	Financial Instruments : Recognition and Measurement
Amendment to FRS 1	First adoption of Financial Reporting Standards
Amendment to FRS 7	Financial Instruments : Disclosures
Amendment to FRS 8	Operating Segments
Amendment to FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendment to FRS 117	Leases
Amendment to FRS 118	Revenue
Amendment to FRS 123	Borrowing Costs
Amendment to FRS 132	Financial Instruments : Presentation
Amendment to FRS 134	Interim Financial Reporting
Amendment to FRS 139	Financial Instruments - Recognition and Measurement
IC Interpretation 10	Interim Financial Reporting and Impairment

The adoption of the above FRSs or Interpretations is not expected to have any material financial effects to the Group, other than listed below :-

a) FRS 8 : Operating Segments

FRS 8 requires segment information to be presented on a similar basis to that used for internal reporting purposes. This standard does not have any impact on the Group's reported segments as they are consistent with the segment information provided internally to the Executive Directors.

b) FRS 101 (revised): Presentation of Financial Statements

With the adoption of the revised FRS 10, the Group presents all non-owner changes in equity in the consolidated Statement of Comprehensive Income. Comparative information has been re-presented so that it is in conformity with the revised standard.

c) Amendment to FRS 117: Leases

With the adoption of the Amendment to FRS 117, the Group has reassessed and determined that the leasehold lands of the Group are in substance finance leases. Accordingly, the Group has reclassified the leasehold lands to Property, Plant and Equipment. This classification has been applied retrospectively and the following comparative figures have been restated accordingly :

	← At 31 March 2010 →	
	Previously stated RM'000	As restated RM'000
Cost		
Prepaid lease payments	1,518	-
Property, Plant and Equipment	17,801	19,319

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NOTES TO THE QUARTERLY REPORT FOR THE FINANCIAL QUARTER ENDED
30 JUNE 2010

2 Status of Audit Qualification

The annual financial statements for the year ended 31 March 2010 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.

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.

8 Segmental reporting

Segment information is presented in respect of the Group's business segments as follows:-

	Manufacturing RM'000	Supply RM'000	Gaming RM'000	Hotel RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
As at 30 June 2010							
Revenue from external customers	1,127	582	1,066	268	89	-	3,132
Inter-segment revenue	-	-	-	-	73	-73	-
Total Revenue	1,127	582	1,066	268	162	-73	3,132
Segment Result	160	171	610	-284	-92	20	585
Interest income							33
Finance costs							-60
Profit before Tax							558
Segment Assets	2,422	10,635	3,189	6,446	11,555		34,247
Unallocated assets							6,683
							40,930
Segment Liabilities	491	786	857	134	1,515		3,783
Unallocated liabilities							5,106
							8,889

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 30 JUNE 2010

9 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.

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 liabilities as at 22 July 2010 (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 commitments as at 22 July 2010 (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-10 RM'000
Management fees receivable	45
Rental receivable	28
	73

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

	As at 30-Jun-10 RM'000
Rental receivable	79
	79

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30 JUNE 2010

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.

The Group recorded a turnover of RM3.132 million and a pre-tax profit of RM0.558 million for 1st quarter ended 30 June 2010 as compared to the preceding year's corresponding quarter turnover of RM2.936 million and a pre-tax loss of RM0.201 million.

The improved result is mainly attributed to the gaming operations which posted a higher revenue of RM1.066 million and a pre-tax profit of RM0.630 million against a revenue of RM0.426 million and a pre-tax profit of RM0.134 million in the preceding year's corresponding quarter.

The manufacturing division recorded a higher revenue of RM1.127 million and pre-tax profit of RM0.203 million respectively against a revenue of RM0.930 million and a pre-tax profit of RM0.002 million in the preceding year's corresponding quarter.

However, the said improved result was partially offset by a lower consumer trading contribution with its revenue and pre-tax profit declining by 55% to RM0.582 million and 32% to RM0.230 million respectively due to stiff market competition.

Furthermore, the hotel operation in Laos remained loss-making with a pre-tax loss of RM0.284 million as compared to RM0.369 million in the preceding year's corresponding quarter.

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

For the 1st quarter ended 30 June 2010, the Group achieved a turnover of RM3.132 million and generated a pre-tax profit of RM0.558 million as compared to a revenue RM2.402 million and RM0.151 million loss in the preceding quarter ended 31 March 2010 respectively. The contributing factors to the improved result of the Group is disclosed in Note 1 of Part B above.

3 Prospects

- i) The consumer finance business is expected to contribute positively to its earnings but contribution to sales is expected to decline significantly due to stiff market competition.
- ii) The manufacturing division is expected to remain stable with plans to increase its market share by enlarging its customer base.
- 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 our gaming operations on a revenue sharing basis with two casinos in Cambodia 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 Ramana 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 suit 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 (formerly known as Amara Saigon Hotel Co. Ltd.) 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) The Board is currently looking into improving the business of our hotel in Lao PDR and at the same time considering disposal of the hotel.

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4 Variance of Actual Profit from Forecast Profit

Not Applicable as no profit forecast was published.

5 Taxation

	As at 30-Jun-10 RM'000
Current year taxation	68
Total	<u>68</u>

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 30 June 2010 are as follows:-

	RM'000
A Short Term Borrowings	
Secured	
Hire purchase obligation	54
	<u>54</u>
B Long Term Borrowings	
Secured	
Term loan	4,892
Hire purchase obligation	49
	<u>4,941</u>

10 Off balance sheet financial instruments

The Group did not have any financial instruments with off balance sheet risk as at 22 July 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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11 Material pending litigation

Saved as disclosed below, the Group was not engaged in any material / material pending litigation as at 22 July 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 trial of this matter has been postponed on numerous occasion and the Court has fixed the new trial date from 24th - 30th November 2010.
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, 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 USD13.383 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 30 June 2010 have been seen and approved by the Board of Directors of Widetech (Malaysia) Berhad on 27 July 2010 for release to the Bursa Securities.

BY ORDER OF THE BOARD

Lim Ming Toong
Lai Chee Wah
Company Secretaries

Dated this 29th day of July 2010