

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

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL QUARTER ENDED 31 March 2011  
 (The figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31-Mar-11 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31-Mar-10 RM'000	CURRENT YEAR TODATE 31-Mar-11 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-Mar-10 RM'000
1 a Revenue	2,346	2,403	9,556	10,246
b Cost of Sales	-621	-672	-2,815	-3,948
c Other Operating Expenses	-1,689	-1,864	-6,817	-7,376
d Other Operating Income	98	-66	237	159
e Profit/(Loss) from Operations	134	-199	161	-919
f Finance Costs	-64	-53	-257	-228
g Investing Results	-	-	-	-
h Profit/(Loss) before Taxation	70	-252	-96	-1,147
i Taxation	-135	-39	-311	-258
<b>j Loss for the period</b>	<b>-65</b>	<b>-291</b>	<b>-407</b>	<b>-1,405</b>
Attributable to:				
k Equity Holders of the Company	-152	-484	-969	-1,526
l Non-Controlling Interest	87	193	562	121
<b>m Loss for the period</b>	<b>-65</b>	<b>-291</b>	<b>-407</b>	<b>-1,405</b>
2 <b>Earnings per share (EPS) attributable to Equity Holders of the Company (sen):</b>				
a Basic EPS	(0.003)	(0.011)	(0.022)	(0.034)
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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AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2011

	(Unaudited) As at 31-Mar-11  RM'000	Audited As at 31-Mar-10 (restated) RM'000
<b>Fixed assets</b>	17,256	19,319
<b>Trade Debtors</b>	5,183	7,893
<b>Investments in Associate and Joint Ventures</b>	61	-
<b>Current assets</b>		
Inventories	795	682
Receivables, deposits and prepayments	6,758	6,578
Current Tax Assets	38	115
Cash and cash equivalents	9,755	5,300
	17,346	12,675
<b>Current liabilities</b>		
Payables and accruals	3,606	3,580
Bank borrowings	512	333
Provision for taxation	51	24
	4,170	3,937
<b>Net current assets</b>	13,176	8,738
	35,676	35,950
<b>Equity</b>		
Share capital	44,753	44,753
Reserves	-14,317	-13,866
Equity attributable to Equity Holders of the Company	30,436	30,887
Non-controlling interest	778	227
	31,214	31,114
<b>Long Term and Deferred Liabilities</b>		
Bank borrowings	4,367	4,741
Deferred tax liabilities	95	95
	35,676	35,950
<b>Net assets per share attributable to Equity Holders of the Company (RM)</b>	0.68	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 31 MARCH 2011  
 (The figures have not been audited)

	←----- Attributable to Equity Holders of the Company ----->				Sub-Total RM'000	Non - Controlling Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium Reserve RM'000	Exchange Fluctuation Reserve RM'000	Accumulated Losses RM'000			
At 1 April 2010 (restated)	44,753	132	-1,201	-12,797	30,887	227	31,114
Total Comprehensive Income for the period	-	-	518	-969	-451	551	100
At 31 March 2011	44,753	132	-683	-13,766	30,436	778	31,214
At 1 April 2009	44,753	132	-475	-11,271	33,139	622	33,762
Total Comprehensive Income for the period	-	-	-726	-1,526	-2,252	94	-2,158
Dividend paid to MI	-	-	-	-	-	-490	-490
At 31 March 2010	44,753	132	-1,201	-12,797	30,887	227	31,114

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 31 MARCH 2011  
(The figures have not been audited)

	CURRENT YEAR TODATE 31-Mar-11 RM'000	PRECEDING YEAR 31-Mar-10 RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before tax	-96	-1,147
Adjustments for:		
Depreciation and amortisation	2,360	2,734
Interest income	-191	-52
Interest expenses	257	228
Asset written off	44	29
<b>Operating profit before working capital changes</b>	<u>2,374</u>	<u>1,792</u>
Changes in Inventories	-112	230
Changes in receivables, deposits and prepayments	3,481	4,452
Changes in payables and accruals	92	-703
<b>Cash generated from operating activities</b>	<u>5,835</u>	<u>5,771</u>
Tax paid	-274	-208
<b>Net cash generated from operating activities</b>	<u>5,561</u>	<u>5,563</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property , Plant & Equipment	-675	-980
Investment in Associated Company	-61	-
Interest income	191	52
<b>Net cash generated used in investing activities</b>	<u>-545</u>	<u>-928</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Bank borrowings	-304	-544
Interest paid	-257	-228
<b>Net cash used in financing activities</b>	<u>-561</u>	<u>-772</u>
Net increase in cash and cash equivalents	4,455	3,863
Cash and cash equivalents at beginning of year	5,300	1,437
<b>Cash and cash equivalents at end of financial period</b>	<u>9,755</u>	<u>5,300</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 :

	31-Mar-11 RM'000	31-Mar-10 RM'000
Deposit with licensed banks and financial institutions	8,809	4,255
Cash and bank balances	946	1,045
	<u>9,755</u>	<u>5,300</u>

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

WIDETECH (MALAYSIA) BERHAD  
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AND ITS SUBSIDIARIES

NOTES TO THE QUARTERLY REPORT FOR THE FINANCIAL QUARTER ENDED  
31 MARCH 2011

**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
<b>Cost</b>		
Prepaid lease payments	1,518	-
Property, Plant and Equipment	17,801	19,319

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AND ITS SUBSIDIARIES

NOTES TO THE QUARTERLY REPORT FOR THE FINANCIAL QUARTER ENDED  
31 MARCH 2011

**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
<b>As at 31 March 2011</b>							
Revenue from external customers	4,521	1,726	1,805	1,145	359	-	9,556
Inter-segment revenue	-	-	-	-	411	-411	-
<b>Total Revenue</b>	<b>4,521</b>	<b>1,726</b>	<b>1,805</b>	<b>1,145</b>	<b>770</b>	<b>-411</b>	<b>9,556</b>
<b>Segment Result</b>	523	476	537	-998	-1,663	1,095	-30
Interest income							191
Finance costs							-257
<b>Loss before Tax</b>							<b>-96</b>
<b>Segment Assets</b>	2,876	7,756	3,704	5,165	11,498		30,999
Unallocated assets							8,846
							<b>39,845</b>
<b>Segment Liabilities</b>	519	785	762	87	1,549		3,702
Unallocated liabilities							4,929
							<b>8,631</b>

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NOTES TO THE QUARTERLY REPORT FOR THE FINANCIAL QUARTER ENDED  
31 MARCH 2011

**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**

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

- i) On 31 March 2011, the Group, via Probusiness Investments Limited ("Probusiness"), entered into an Investment and Shareholders' Agreement with Goldshore Capital Limited ("Goldshore") whereby Probusiness acquired 40% equity interest in Goldshore as a joint venture partner.

The purpose of the Joint Venture is to collaborate and undertake future investment opportunities in the gaming and casino operations in various countries of the world.

**11 Contingent liabilities**

The Group did not have any material contingent liabilities as at 20 May 2011 (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 20 May 2011 (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 31-Mar-11 RM'000
Management fees receivable	300
Rental receivable	111
	111

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

	As at 31-Mar-11 RM'000
Rental receivable	293
	293

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AND ITS SUBSIDIARIES

NOTES TO THE QUARTERLY REPORT FOR THE FINANCIAL QUARTER ENDED  
31 MARCH 2011

**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 RM9.556 million and a pre-tax loss of RM0.096 million for the financial year ended 31 March 2011 as compared to a turnover of RM10.246 million and a pre-tax loss of RM1.147 million in FY 2010.

The gaming operations registered a higher revenue of RM1.805 million and a pre-tax profit of RM0.280 million against a revenue of RM1.304 million and a pre-tax profit of RM0.178 million in FY 2010.

The manufacturing division recorded a higher revenue of RM4.521 million and pre-tax profit of RM0.915 million against a revenue of RM3.934 million and a pre-tax profit of RM0.396 million in FY 2010.

The consumer financing business however showed a lower profit with its revenue and pre-tax profit declining by 54% to RM1.726 million and 30% to RM0.768 million respectively due to lower loan base as the company had ceased this business.

The hotel operation in Laos remained loss-making with a pre-tax loss of RM1.008 million as compared to RM1.526 million in FY 2010 mainly due to depreciation charges.

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

For the 4th quarter ended 31 March 2011, the Group achieved a turnover of RM2.346 million and generated a pre-tax profit of RM0.070 million as compared to a revenue RM2.241 million and pre-tax loss RM0.151 million in the preceding quarter ended 31 December 2010. The improved result was mainly due to the manufacturing segment registering a higher pre-tax profit of RM0.319 million as compared to a pre-tax profit of RM0.139 million in the preceding quarter.

**3 Realised and Unrealised Profits/Losses**

	As at 31-Mar-11 RM'000	As at 31-Dec-10 RM'000
Total accumulated losses of the Company and its subsidiaries:-		
Realised	-47,300	-45,962
Unrealised	-63	-70
	<u>-47,363</u>	<u>-46,032</u>
Consol adjustments	33,596	32,418
Total accumulated losses	<u><u>-13,766</u></u>	<u><u>-13,614</u></u>

**4 Prospects**

- i) The consumer finance business is expected to contribute positively to its earnings on a declining trend but sales has ceased due to unfavourable market condition.
- 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 contribute positively to the long term earnings of the Group.



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AND ITS SUBSIDIARIES

NOTES TO THE QUARTERLY REPORT FOR THE FINANCIAL QUARTER ENDED  
31 MARCH 2011

**4 Prospects (Cont'd)**

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"), has 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 court in enforcing further judgements which the Hotel had so far not complied.

On 5 October 2010, the Court rejected our application for an injunction order to bar the Hotel from operating a new gaming club. We have submitted an appeal letter but was rejected by the Court.

RLHSB and RGL continues to pursue their legal suit against Viet Star for damages suffered.

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.

**5 Variance of Actual Profit from Forecast Profit**

Not Applicable as no profit forecast was published.

**6 Taxation**

	As at 31-Mar-11 RM'000
Current year taxation	311
Total	311

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.

**7 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.

**8 Quoted securities**

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

**9 Status of corporate proposals**

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

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AND ITS SUBSIDIARIES

NOTES TO THE QUARTERLY REPORT FOR THE FINANCIAL QUARTER ENDED  
31 MARCH 2011

**10 Group Borrowings and Debt Securities**

The Group borrowings and debt securities as at 31 March 2011 are as follows:-

	RM'000
<b>A Short Term Borrowings</b>	
<b>Secured</b>	
Hire purchase obligation	512
	512
<b>B Long Term Borrowings</b>	
<b>Secured</b>	
Term loan	4,273
Hire purchase obligation	94
	4,367

**11 Off balance sheet financial instruments**

The Group did not have any financial instruments with off balance sheet risk as at 20 May 2011 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

**12 Material pending litigation**

Saved as disclosed below, the Group was not engaged in any material / material pending litigation as at 20 May 2011 (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 occasions and the Court has fixed the new trial date from 1st - 4th August 2011.  
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.  
On 5 October 2010, the Court rejected our application for an injunction order to bar the Hotel from operating a new gaming club. We have submitted an appeal letter but was rejected by the Court.  
RLHSB and RGL continues to pursue their legal suit against Viet Star for damages suffered.

**13 Dividends**

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

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NOTES TO THE QUARTERLY REPORT FOR THE FINANCIAL QUARTER ENDED  
31 MARCH 2011

**14 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

**15 Authorisation**

This Quarterly Results for the financial period ended 31 March 2011 have been seen and approved by the Board of Directors of Widetech (Malaysia) Berhad on 24 May 2011 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 2011.